



AGENDA

Gainesville Work Session
Thursday, December 13, 2018, 10:00 AM
Administration Building, Board Room
300 Henry Ward Way, 3rd Floor
Mayor or Mayor Pro Tem Presides

DEPARTMENT ISSUES

Public Works	Resolution: Dolores Irene Dobbins Estate Donation to Alta Vista Cemetery	Todd Beebe
Retirement Plan A	Fiscal Year 2018 Actuarial Valuation	Malichi Waterman
Finance	FY2018 Audit Results and Comprehensive Annual Financial Report (CAFR)	Chris Hollifield
Finance	Resolution: Declaration of Surplus Property	Karen Denson
Finance	Resolution: Investment and Cash Management Policy	Jeremy Perry
Finance	Resolution: PFM Agreement for Asset Management Services	Jeremy Perry
Finance	Resolution: Custody Account Services with TD Wealth	Jeremy Perry

CITY MANAGER ISSUES

MAYOR/COUNCIL ISSUES

Appointment(s): Parks and Recreation Board	Danny Dunagan
Ex-Officio Report(s)	

CITY ATTORNEY ISSUES

CITY CLERK ISSUES

2019 Organizational Meeting Discussion	Denise Jordan
Resolution: 2019 Governing Body's Meeting Calendar	Denise Jordan

EXECUTIVE SESSION

ADJOURNMENT

Final: Wednesday, December 12, 2018, 8:10 AM

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/28/2018
Presenter: Todd Beebe
Item of Business: Resolution: Dolores Irene Dobbins Estate Donation to Alta Vista Cemetery
Meeting Date: 12/13/2018

Purpose of Request:

To accept a \$25,000 donation to the Alta Vista Cemetery.

History/Background:

Ms. Dolores Irene Dobbins indicated in her will that \$25,000 be left to the Alta Vista Cemetery for the purpose of care, maintenance and upkeep of the Cemetery.

Facts & Issues for Consideration:

All materials are in order.

Department Recommendation:

Accept the donation.

Department Director:

Chris Rotalsky

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

N/A

Source of Funds:

N/A

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ Dolores Irene Dobbins Estate Donation to Alta Vista Cemetery	Resolution
☐ Receipt and Release	Backup Material

RESOLUTION PR-2018 - ____

Dolores Irene Dobbins Estate Donation to Alta Vista Cemetery

WHEREAS, the City owns and operates the Alta Vista Cemetery; and

WHEREAS, the City has been notified that Ms. Dolores Irene Dobbins made a provision in her Will that \$25,000 be donated to the Alta Vista Cemetery; and

WHEREAS, City staff were required to provide satisfactory proof to the Independent Executor that the funds would be held in trust in perpetuity by the Alta Vista Cemetery and the income therefrom to be expended for its care, maintenance and upkeep; and

WHEREAS, in a letter dated July 31, 2018 the City was notified that this condition had been met.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville authorizes the acceptance of said donation from the Estate of Dolores Irene Dobbins.

BE IT FURTHER RESOLVED THAT the governing body of the City of Gainesville hereby authorizes the Mayor and City Manager to sign all necessary documents.

Adopted this ____ day of _____, 2018.

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

Denise O. Jordan, City Clerk

Maurice G. Walton
mwalton@waltonkuban.com
Steven G. Kuban
skuban@waltonkuban.com

November 21, 2018

***David L. Brown**
Board Certified Commercial Real Estate Law
Board Certified Residential Real Estate Law
Texas Board of Legal Specialization
*Of Counsel

City of Gainesville
Attn. Cemetery
P.O. Box 2496
Gainesville, Georgia 30503

SENT VIA CERTIFIED MAIL #7017-1450-0000-2747-2597

Re: Cause No. P08324 - in the County Court of Hood
County, Texas styled *In The Estate of Dolores Irene
Dobbins, Deceased*

Gentlemen:

The Independent Executor of the Estate of Dolores Irene Dobbins is in receipt of the letters from the beneficiaries of Ms. Dobbins' Estate acknowledging their approval of the Report of Independent Executor (the "Report"), and he is now in a position to make the distribution of the Estate outlined in the Report. Accordingly, I am enclosing in this letter a check payable to The Alta Vista Cemetery in the sum reflected in the Report. Would you please deposit these funds in the Alta Vista Cemetery trust fund. I am also providing you with a completed Receipt and Release and a stamped self-addressed envelope. Would you please sign and return the Receipt and Release before negotiating the check.

If you have any questions or comments, please do not hesitate to contact me.

Yours very truly,



Maurice G. Walton

MGW:cy
Enclosures
cc: Leonard Miller

No. P08324

IN THE ESTATE OF
DOLORES IRENE DOBBINS,
DECEASED

§
§
§
§
§

IN THE COUNTY COURT
OF
HOOD COUNTY, TEXAS

RECEIPT AND RELEASE

The undersigned hereby acknowledges receipt of the following in satisfaction of that portion of the Estate to which ALTA VISTA CEMETERY is entitled, to wit:

Cashiers Check #00402301, issued by First Texas Bank, in the amount of \$25,000.00.

This receipt is also (i) an acknowledgment that LEONARD MELVIN MILLER, as Executor of Decedent's Estate, has fully and properly discharged his duties as Executor; and (ii) a RELEASE and DISCHARGE of the Estate and of LEONARD MELVIN MILLER, both individually and as Executor of Decedent's Estate, his heirs, successors and assigns, and all persons acting for or on behalf of the Estate arising from the administration of the Estate and with respect to any and all claims, demands, causes of action of any kind or character, whether known or unknown, arising out of or in any way connected with any act, omission, or event taking place prior to the execution of this Receipt and Release.

DATED this _____ day of _____, 2018.

_____, on behalf of
ALTA VISTA CEMETERY

STATE OF GEORGIA §

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2018, by _____, on behalf of ALTA VISTA CEMETERY.

Notary Public, State of Georgia

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/4/2018
Presenter: Malichi Waterman
Item of Business: Fiscal Year 2018 Actuarial Valuation
Meeting Date: 12/13/2018

Purpose of Request:

The purpose of this request is to present the Fiscal Year 2018 Actuarial Valuation report from Segal Consulting.

History/Background:

Retirement Plan A submits data to the actuarial firm on an annual basis for the purpose of preparing an Actuarial Valuation. The fiscal year end data was submitted to Segal Consulting in September 2018.

Facts & Issues for Consideration:

Segal Consulting presented the report to the Retirement Board on November 13, 2018. The Board accepted the report as presented and recommended presentation to the governing body.

Department Recommendation:

No action is required by the governing body.

Department Director:

David Frazier

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ FY2018 Actuarial Valuation	Powerpoint Presentation
☐ FY2018 Actuarial Valuation Report	Backup Material



City of Gainesville Retirement Plan A Actuarial Review as of July 1, 2018

December 13, 2018

Presented by:
Malichi S. Waterman, FCA, MAAA, EA
Consulting Actuary

★ Segal Consulting

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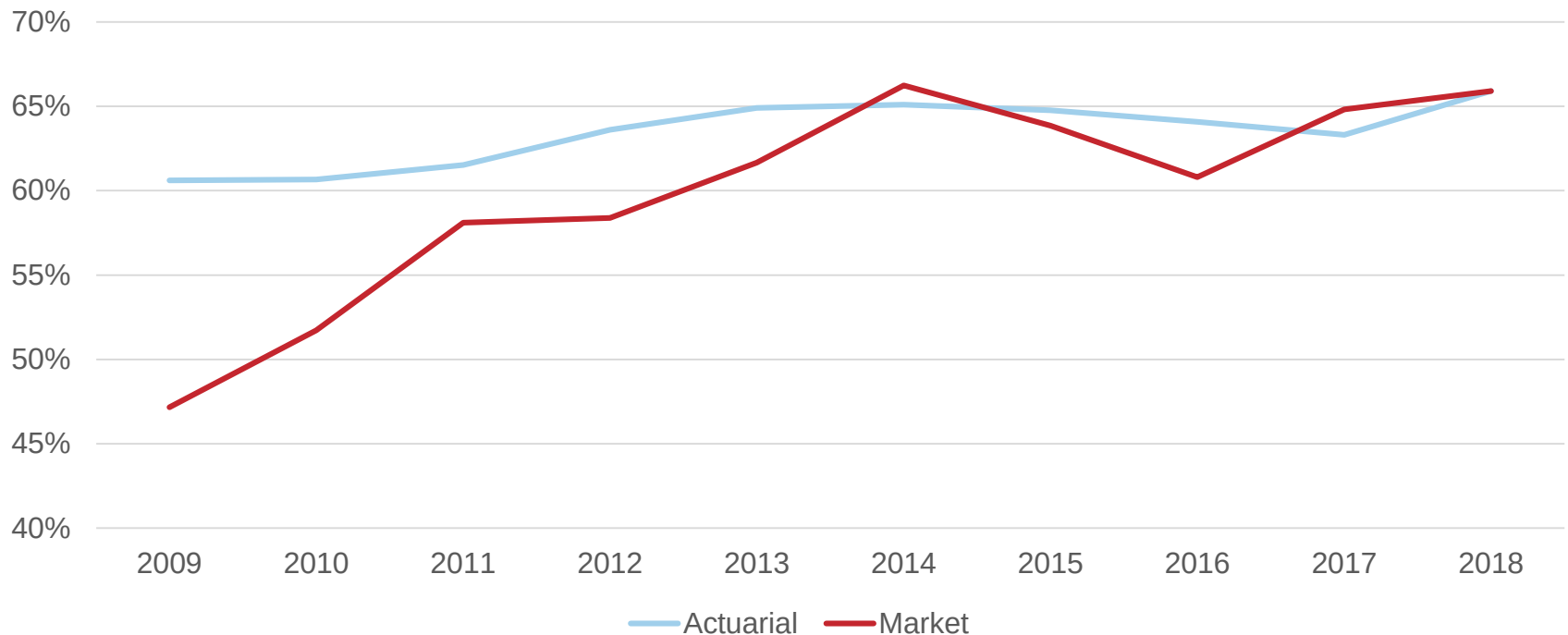
Highlights

- As of July 1, 2018, the Plan continues to meet all Georgia funding requirements as well as standards established by the Government Accounting Standards Board (GASB).
- There were several assumption changes reflected in this year's valuation.
 - Investment return assumption lowered from 7.25% to 7.00%
 - Inflation assumption was lowered to 2.75%
 - Payroll growth rate assumption was decreased from 3.00% to 2.75%
 - Age-based salary scale assumption was modified to reflect the decrease in the underlying inflation component to 2.75%
 - Administrative expense assumption of \$130,000 was increased to \$190,000
- The actuarial asset method was modified to reflect a decrease in the smoothing period from ten years to five years and reduce the corridor around market value from 30% to 20%.
 - Actuarial assets were reset to market value as of July 1, 2018
 - All deferred gains were recognized in the current year
 - Future gains and losses will be recognized prospectively

Funding

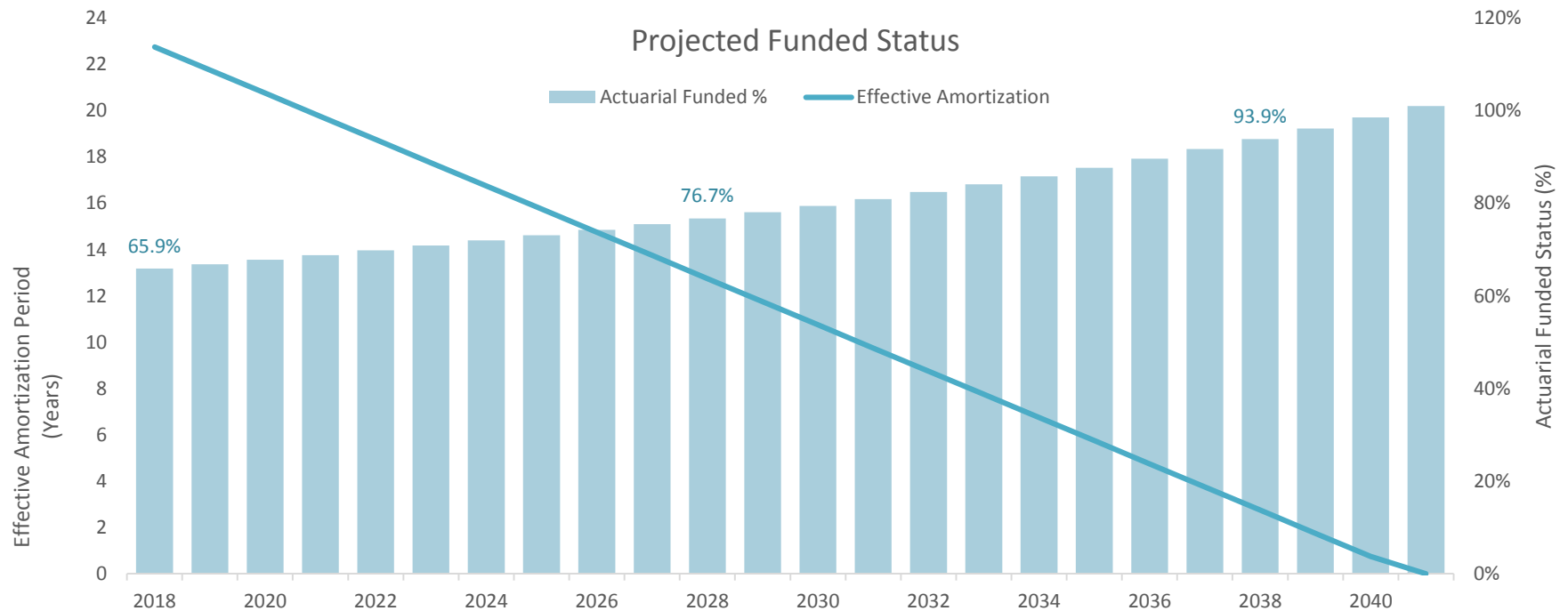
- Due to the decrease in the discount rate assumption and experience losses in the past year, there was an increase in the Recommended Contribution; however, **if total contributions remain unchanged, funding obligations will be met for the 2018-2019 fiscal year.**
- Unfunded Actuarial Accrued Liability decreased from \$51.7 Million to \$51.5 Million
- Actuarial Funded Percentage increased from 63.31% to 65.90%

Historical Funding Percentage



Funding (Continued)

- The funding of the Plan is the joint responsibility of the employer and employees. City and employee contributions combined are 26.40% of payroll.
- Based on the current contribution level of 26.40%, the effective amortization period is 22.75 years. This is decreased from 23 years last year and is well short of the maximum period of 30 years, as required under Georgia Law and current GASB standards
- Based on the recommended contribution amount of 35.17%, the net effective period for amortizing the unfunded actuarial accrued liability for the plan is 11.5 years, down from 12.7 years in the prior valuation



Conclusion

- The market value return on assets for the year ended June 30, 2018 was 11.94%. The smoothed actuarial return was 7.47%. The assumed rate of return was 7.25%.
- The funded ratio has improved to 65.90%, and is projected to continue to gradually improve.
- The net effective period for amortizing the unfunded actuarial accrued liability is 22.8 years, assuming contribution rates remain unchanged.
- On November 14, 2018 the Board received the valuation results and made no changes to the contribution levels.
- The Plan continues to meet all Georgia funding requirements as well as standards established by the Government Accounting Standards Board (GASB).

The Small Print

- This presentation is intended for the use of interested parties of the Plan, and is a supplement to Segal Consulting's full valuation report for the Plan as of July 1, 2018.
- Please refer to the full valuation report for a full description of assumptions and plan provisions reflected in the results shown in this presentation. The report also includes more comprehensive information regarding the Plan's membership, assets, and experience during the most recent plan year.
- Projections, by their nature, are not a guarantee of future results. They are intended to serve as estimates of future financial outcomes that are based on assumptions about future experience and the information available to us at the time the modeling is undertaken and completed. The projected future results included in this presentation show how the System would be affected if specific investment return, salary, mortality, turnover, disability and retirement assumptions are met. Actual results may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.
- The calculations included in this presentation were completed under the supervision of Malichi S. Waterman, FCA, MAAA, EA.

Thank You!

 Segal Consulting

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Atlanta, GA 30339-7200
T 678.306.3119

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Consulting Actuary
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**City of Gainesville
Retirement Plan A**

**Actuarial Valuation and Review as of
July 1, 2018**

This report has been prepared at the request of the Board of Trustees to assist in administering the Retirement Plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety, unless expressly authorized by Segal. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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November 2, 2018

Board of Trustees
City of Gainesville Retirement Plan A
300 Henry Ward Way
Gainesville, GA 30503-2496

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of July 1, 2018. It summarizes the actuarial data used in the valuation, analyzes the 2017-2018 year's experience, and establishes the funding requirements for fiscal 2020.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement Plan. The census information and financial information on which our calculations were based was prepared by the staff of the City of Gainesville. That assistance is gratefully acknowledged.

The actuarial calculations were directed under my supervision. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in my opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Retirement Plan.

The actuary hereby certifies that the City of Gainesville Retirement Plan A has been funded in conformity with the minimum funding standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated known as the Public Retirement Systems Standards Law. This certification covers the 2017-2018 plan year.

I look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By: 
Malichi S. Waterman, FCA, MAAA, ASA
Consulting Actuary
Enrolled Actuary No. 17-7141

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Section 1: Actuarial Valuation Summary

Purpose and Basis

This report was prepared by Segal Consulting to present a valuation of the City of Gainesville Retirement Plan A as of July 1, 2018. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The measurements shown in this actuarial valuation may not be applicable for other purposes. In particular, the measures herein are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

Certain disclosure information required by GASB Statements No 67 and 68 as of June 30, 2018 for the Retirement Plan is provided in a separate report.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Plan, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of June 30, 2018, provided by the City;
- The assets of the Plan as of June 30, 2018, provided by the City;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. and
- The funding policy adopted by the City.

Significant Issues

1. Segal Consulting (“Segal”) strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance. The funding policy adopted by the Board meets this standard.
2. The recommended contribution for the fiscal year ending June 30, 2019 is \$8,934,682, an increase of \$615,530 from last year. The contribution as a percentage of payroll increased from 33.96% of payroll to 35.17% of payroll, based on a 22.75-year level percent-of-payroll amortization of the unfunded actuarial accrued liability.
3. The funding of the Plan is the joint responsibility of the employer and the employees. City and employee contributions combined are 26.40% of payroll, which is 8.77% less than the recommended contribution. As stated above, for fiscal year-end 2020, the recommended contribution is \$8,934,682. This amount is the total normal cost plus the sum of the amortization payments for bases as determined under Georgia law. The average period for the bases in the determination of the recommended contribution is 11.5 years. The current contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 22.8 years. The longest amortization period currently allowed by state law is 30 years, and therefore the Plan is in compliance.
4. Actual contributions made during the fiscal year ending June 30, 2018 were \$6,419,248. In the prior fiscal year, actual contributions were \$6,212,133.
5. The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 65.90%, compared to the prior year funded ratio of 63.31%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 65.90%, compared to 64.81% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of Retirement Plan assets to cover the estimated cost of settling the Retirement Plan’s benefit obligation or the need for or the amount of future contributions.
6. The employer normal cost is 11.76% of payroll and is fully covered by the 13.20% contribution rate. The effective amortization period for the unfunded actuarial accrued liability is 22.8 years.
7. The unfunded actuarial accrued liability is \$51,531,066, which is a decrease of \$170,179 since the prior valuation.
8. The actuarial gain/loss from investment and other experience is \$4,361,401, or 2.95% of actuarial accrued liability.
9. The net experience gain/loss from sources other than investment experience was 3.08% of the actuarial accrued liability prior to reflection of assumption and method changes. This gain/loss was primarily due to greater salary increases the expected and retirement at earlier ages than expected.
10. The rate of return on the market value of assets was 11.94% for the July 1, 2017 to June 30, 2018 plan year. The return on the actuarial value of assets was 7.47% for the same period due to the recognition of prior years’ investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.25% in effect for the prior valuation. This actuarial investment gain decreased the recommended contribution rate by 0.07% of pay. Given the low fixed income interest rate environment, target asset

allocation and expectations of future investment returns for various classes, the Board lowered the expected investment return assumption to 7.00% for this valuation.

11. The following actuarial assumptions were approved by the Board in October, 2018 and changed with this valuation:

- The investment return assumption was lowered from 7.25% to 7.00%.
- The inflation assumption was lowered from 3.00% to 2.75%.
- The payroll growth rate assumption was decreased from 3.00% to 2.75%.
- The age-based salary scale assumption table was modified to reflect the decrease in the underlying inflation component to 2.75%.
- The administrative expense assumption of \$130,000 was increased to \$190,000 for the year beginning July 1, 2018.

As a result of these assumption changes, the employer normal cost increased by \$107,084 and the actuarial accrued liability increased by \$3,511,941. The total impact was an increase in the recommended contribution of \$294,935, or 1.32% of payroll.

12. The following method change is included for the first time in this valuation:

- The actuarial asset method was modified to reflect a decrease in the smoothing period from ten years to five years as well as a reduction from 30% to 20% in the corridor around market value. The method change was implemented prospectively and the actuarial value of assets was set to market value this year.

As a result of this method change, there was a decrease in the recommended contribution of \$378,570, or 1.55% of payroll.

13. The Retirement Plan uses the Entry Age Cost Method with the normal cost determined on a “replacement life” basis. This methodology allows changes in the plan of benefits for new hires to be reflected in the normal cost for current employees even though the plan of benefits for current employees is unchanged. As a result, the actuarial accrued liability increases to offset the decrease in normal cost, and the recommended contribution is less than it would be if the “replacement life” approach was not used.

14. This report constitutes an actuarial valuation for the purpose of determining the actuarially determined contribution under the Plan’s funding policy and measuring the progress of that funding policy. The Net Pension Liability (NPL) and Pension Expense under Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, for inclusion in the plan and employer’s financial statements as of June 30, 2018, were released to the City’s Finance Department on October 19, 2018. The accounting disclosures utilize different methodologies from those employed in the funding valuation, as required by the GASB. However, the recommended contribution in this valuation is expected to be used as the actuarially determined contribution (ADC) for GASB financial reporting.

15. This actuarial report as of July 1, 2018 is based on financial and demographic data as of that date. Changes subsequent to that date are not reflected and will affect future actuarial costs of the plan. We are prepared to work with the City to model the effects of these and other subsequent developments.
16. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have included a discussion of various risks that may affect the plan in Section 2.

Summary of Key Valuation Results

		2019	2018
Contributions for fiscal year beginning July 1:	• Recommended total contributions	\$8,934,682	\$8,319,152
	• Recommended total contributions as a percent of payroll	35.17%	33.96%
	• Actual contribution rate	26.40%	26.40%
Plan Year Beginning:		July 1, 2018	July 1, 2017
Actuarial accrued liability for plan year beginning July 1:	• Retired participants and beneficiaries	\$83,865,944	\$77,269,135
	• Inactive vested participants	1,678,627	1,451,708
	• Active participants	65,369,971	61,948,972
	• Inactive participants due a refund of employee contributions	223,340	225,220
	• Total	151,137,882	140,895,035
	• Normal cost including administrative expenses for plan year beginning July 1	2,907,427	2,678,809
Assets for plan year beginning July 1:	• Market value of assets (MVA)	\$99,606,816	\$91,311,628
	• Actuarial value of assets (AVA)	99,606,816	89,193,790
	• Actuarial value of assets as a percentage of market value of assets	100.00%	97.68%
Funded status for plan year beginning July 1:	• Unfunded actuarial accrued liability on market value of assets	\$51,531,066	\$49,583,407
	• Funded percentage on MVA basis	65.90%	64.81%
	• Unfunded actuarial accrued liability on actuarial value of assets	\$51,531,066	\$51,701,245
	• Funded percentage on AVA basis	65.90%	63.31%
Key assumptions:	• Effective amortization period on an AVA basis	22.8 years	23.0 years
	• Net investment return	7.00%	7.25%
	• Inflation rate	2.75%	3.00%
	• Payroll increase	2.75%	3.00%
Demographic data for plan year beginning July 1	• Number of retired participants and beneficiaries	277	265
	• Number of inactive vested participants	12	10
	• Number of active participants	489	486
	• Number of inactive participants entitled to a refund of employee contributions	34	25
	• Projected total payroll	\$24,721,900	\$23,784,772
	• Projected average payroll	50,556	48,940
	• Projected payroll for fiscal year	\$25,401,752	\$24,498,315

Important Information About Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal Consulting (“Segal”) relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by the City. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	The valuation is based on the market value of assets as of the valuation date, as provided by the City. The City uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Retirement Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Actuarial results in this report are not rounded, but that does not imply precision.
- If the City is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Retirement Board should look to their other advisors for expertise in these areas.

As Segal Consulting has no discretionary authority with respect to the management or assets of the Retirement Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Retirement Plan.

Section 2: Actuarial Valuation Results

Participant Data

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, inactive vested participants, retired participants and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B, and C.*

PARTICIPANT POPULATION: 2009 – 2018

Year Ended June 30	Active Participants	Inactive Vested Participants*	Retired Participants and Beneficiaries	Total Non- Actives	Ratio of Non-Actives to Actives
2009	471	7	189	196	0.42
2010	472	9	197	206	0.44
2011	477	11	202	213	0.45
2012	484	11	210	221	0.46
2013	487	13	217	230	0.47
2014	476	15	230	245	0.51
2015	488	25	239	264	0.54
2016	489	29	247	276	0.56
2017	486	35	265	300	0.62
2018	489	46	277	323	0.66

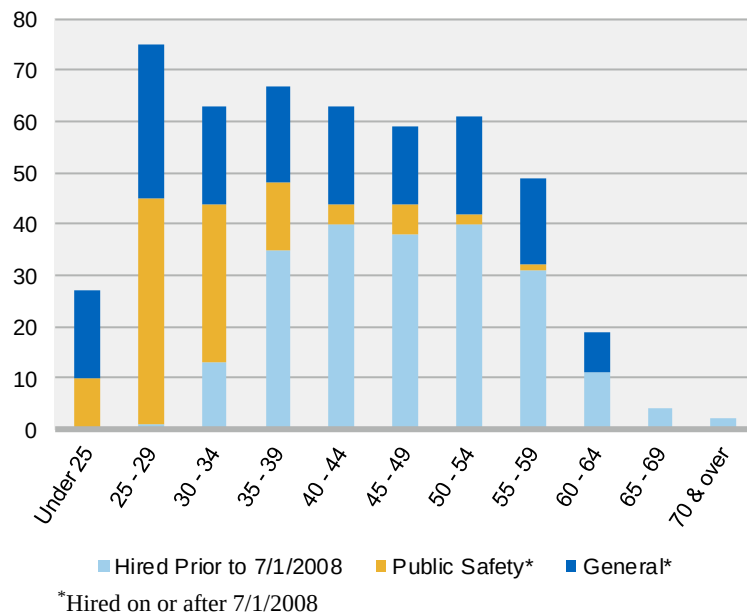
*Includes terminated participants due a refund of employee contributions

Active Participants

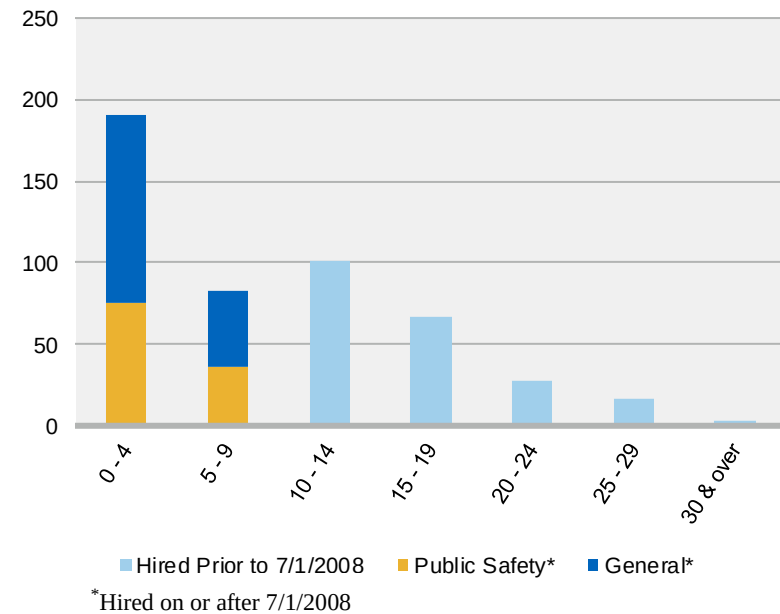
Plan costs are affected by the age, years of service and payroll of active participants. In this year's valuation, there were 489 active participants with an average age of 41.6, average years of benefit service of 9.3 years and average payroll of \$50,556. The 486 active participants in the prior valuation had an average age of 42.2, average benefit service of 9.3 years and average payroll of \$48,940.

Distribution of Active Participants as of June 30, 2018

ACTIVES BY AGE



ACTIVES BY YEARS OF SERVICE



Inactive Participants

In this year's valuation, there were 12 participants with a vested right to a deferred or immediate vested benefit. In addition, there were 34 participants entitled to a return of their employee contributions.

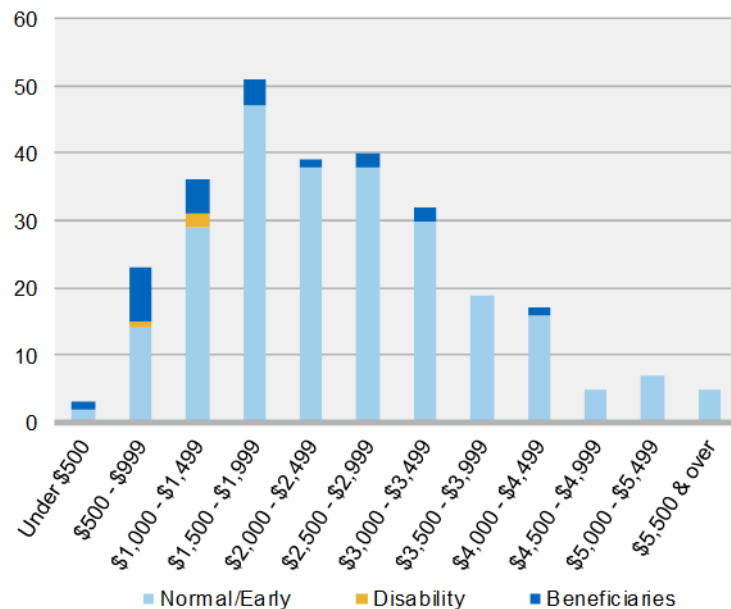
Retired Participants and Beneficiaries

As of June 30, 2018, 253 retired participants and 24 beneficiaries were receiving total monthly benefits of \$692,655. For comparison, in the previous valuation, there were 242 retired participants and 23 beneficiaries receiving monthly benefits of \$650,270.

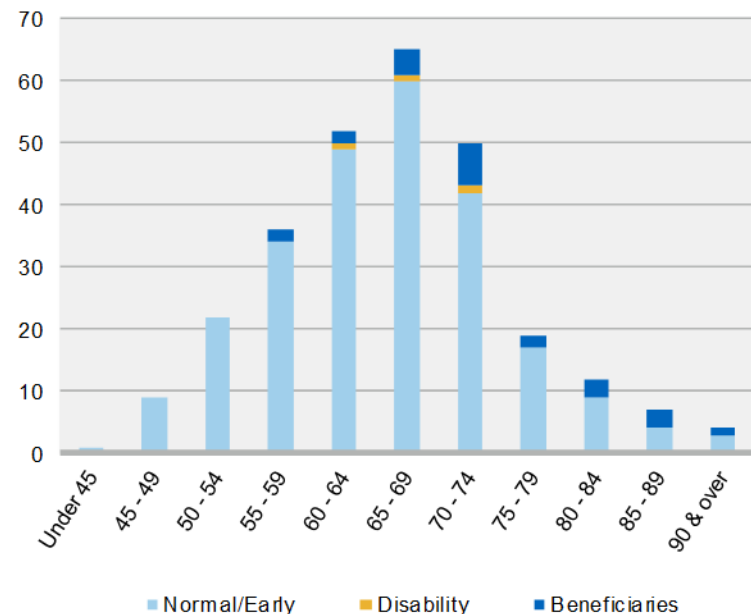
As of June 30, 2018, the average monthly benefit for retired participants and beneficiaries is \$2,501, compared to \$2,454 in the previous valuation. The average age for retired participants and beneficiaries is 66.3 in the current valuation, compared with 66.0 in the prior valuation.

Distribution of Pensioners and Beneficiaries as of June 30, 2018

PENSIONERS BY TYPE AND MONTHLY AMOUNT



PENSIONERS BY TYPE AND AGE



Historical Plan Population

The chart below demonstrates the stability of the active population over the last ten years. The chart also shows the growth among the retired population over the same time period.

PARTICIPANT DATA STATISTICS: 2009 – 2018

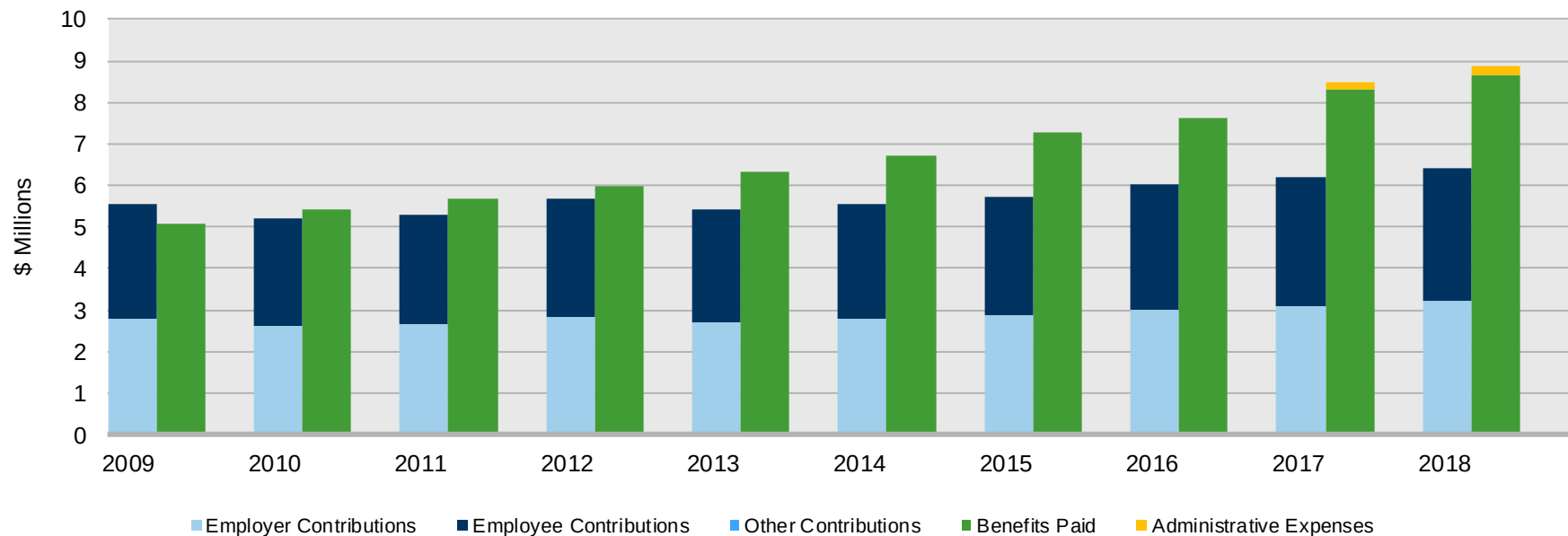
Year Ended June 30	Active Participants			Retired Participants and Beneficiaries		
	Count	Average Age	Average Benefit Service	Count	Average Age	Average Monthly Amount
2009	471	41.2	8.9	189	64.4	\$2,059
2010	472	41.4	9.0	197	64.7	2,138
2011	477	41.9	9.1	202	64.5	2,211
2012	484	42.3	9.3	210	64.5	2,250
2013	487	42.7	9.5	217	64.9	2,290
2014	476	42.8	9.8	230	65.3	2,308
2015	488	42.3	9.5	239	65.3	2,372
2016	489	42.7	9.6	247	65.7	2,413
2017	486	42.2	9.3	265	66.0	2,454
2018	489	41.6	9.3	277	66.3	2,501

Financial Information

Retirement plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E and F*.

COMPARISON OF CONTRIBUTIONS MADE WITH BENEFITS AND EXPENSES PAID FOR YEARS ENDED JUNE 30, 2009 – 2018



Prior to the year ended June 30, 2017, administrative expenses were treated as an offset to investment income for valuation purposes.

The negative cash flow position means that the Retirement Plan is becoming more dependent on investment returns to meet benefit payments. This trend can be expected to continue as the retiree population grows.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

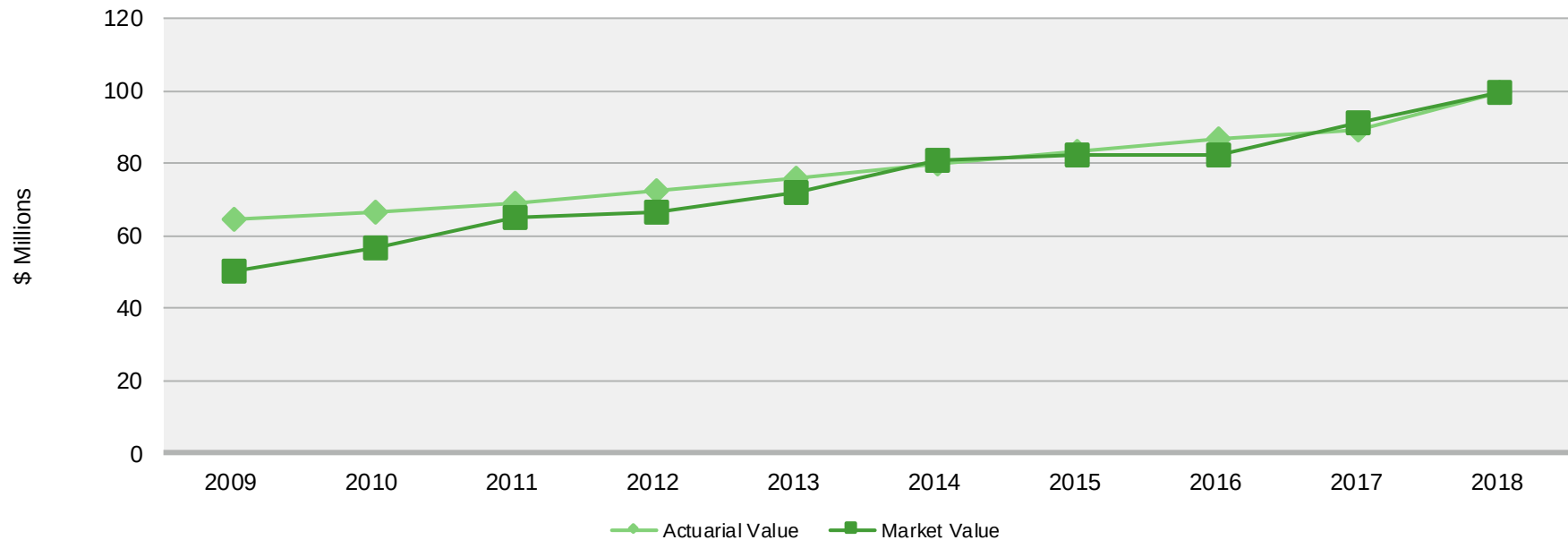
With this valuation, the asset method was revised from a ten-year to a five-year smoothing method. The corridor around the market value of assets was also changed from 30% to 20%. The revised method will be implemented prospectively, and in the current valuation the actuarial value of assets is equal to the market value of assets, with future market value gains and losses recognized over a five-year period.

DETERMINATION OF ACTUARIAL VALUE OF ASSETS FOR YEAR ENDED JUNE 30, 2018

1.	Market value of assets, June 30, 2018	\$99,606,816
2.	Final actuarial value of assets as of June 30, 2018:	<u>99,606,816</u>
3.	Actuarial value as a percentage of market value: (2) ÷ (1)	100.00%
4.	Amount deferred for future recognition: (1) - (2)	\$0

Both the actuarial value and market value of assets are representations of the Retirement Plan’s financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Retirement Plan’s liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

ACTUARIAL VALUE OF ASSETS VS. MARKET VALUE OF ASSETS AS OF JUNE 30, 2009 – 2018



Actuarial Experience

To calculate any recommended contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), any contribution requirement will decrease from the previous year. On the other hand, any contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total loss is \$4,361,401, which includes \$192,207 from investment gains, \$1,707,445 in losses from the shortfall of actual contributions relative to the recommended contribution, and \$2,846,163 in losses from all other sources. The net experience variation from individual sources other than investments was 1.9% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

ACTUARIAL EXPERIENCE FOR YEAR ENDED JUNE 30, 2018

1	Net gain/(loss) from investments*	\$192,207
2	Net gain/(loss) from administrative expenses	-92,564
3	Net gain/(loss) from contribution shortfall	-1,707,445
4	Net gain/(loss) from other experience	-2,753,599
5	Net experience gain/(loss): 1 + 2 + 3 + 4	-\$4,361,401

*Details on next page.

Investment Experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Retirement Plan's investment policy. The rate of return on the market value of assets was 11.94% for the year ended June 30, 2018.

For valuation purposes, the assumed rate of return on the actuarial value of assets is 7.00%. However, the gain is measured against the 7.25% assumption that was in place for last year. The actual rate of return on an actuarial basis for the 2018 plan year was 7.47%. Since the actual return for the year was greater than the assumed return, the Retirement Plan experienced an actuarial gain during the year ended June 30, 2018 with regard to its investments.

INVESTMENT EXPERIENCE

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	Market Value	Actuarial Value*	Market Value	Actuarial Value
1 Net investment income	\$10,757,165	\$6,569,510	\$11,348,553	\$4,819,702
2 Average value of assets	90,080,640	87,962,802	81,090,498	85,501,511
3 Rate of return: 1 ÷ 2	11.94%	7.47%	13.99%	5.64%
4 Assumed rate of return	7.25%	7.25%	7.25%	7.25%
5 Expected investment income: 2 x 4	6,530,846	6,377,303	5,879,061	6,198,860
6 Actuarial gain/(loss): 1 – 5	<u>\$4,226,319</u>	<u>\$192,207</u>	<u>\$5,469,492</u>	<u>-\$1,379,158</u>

*Prior to method change. After the method change, the net investment income on the actuarial value of assets is \$12,875,003, or a rate of return of 14.64%.

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the actual market value investment return for the last 20 years, including averages over select time periods.

INVESTMENT RETURN – ACTUARIAL VALUE VS. MARKET VALUE: 1999 - 2018

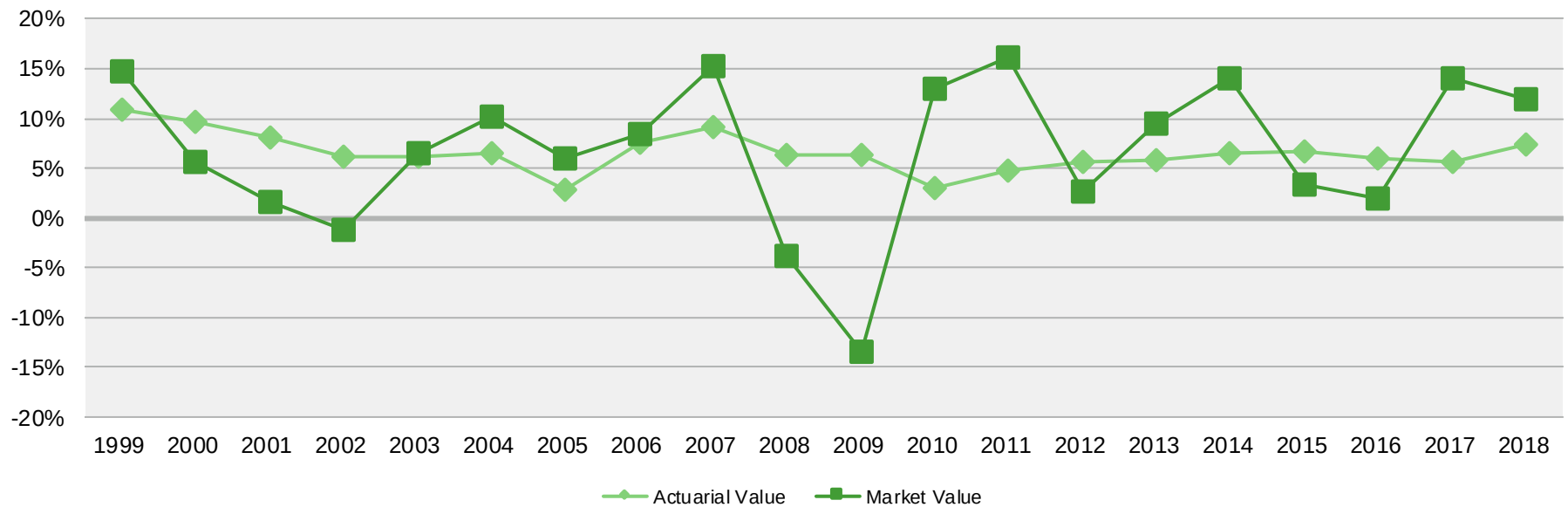
Year Ended June 30	Actuarial Value Investment Return		Market Value Investment Return		Year Ended June 30	Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
1999	\$3,529,639	10.83%	\$5,119,243	14.76%	2009	\$3,813,918	6.31%	-\$7,822,179	-13.53%
2000	3,442,889	9.71	2,174,186	5.55	2010	1,988,431	3.09	6,509,428	13.00
2001	3,047,108	8.00	631,692	1.56	2011	3,182,793	4.82	9,108,468	16.18
2002	2,483,031	6.17	-469,295	-1.17	2012	3,878,386	5.63	1,779,127	2.74
2003	2,603,212	6.20	2,531,446	6.49	2013	4,140,011	5.74	6,298,042	9.51
2004	2,864,351	6.52	4,156,258	10.16	2014	4,897,014	6.50	10,066,981	14.08
2005	1,280,348	2.86	2,886,018	5.91	2015	5,293,030	6.71	2,740,115	3.42
2006	3,569,024	7.53	4,000,983	8.51	2016	4,887,490	5.92	1,651,839	2.03
2007	4,621,770	9.06	7,773,002	15.22	2017	4,819,702	5.64	11,348,553	13.99
2008	3,556,073	6.32	-2,293,335	-3.86	2018	12,875,003*	14.64	10,757,165	11.94
Total						\$80,773,223		\$78,947,737	
Most recent five-year average return							7.99%	9.05%	
Most recent ten-year average return							6.71%	7.49%	
Most recent 15-year average return							6.66%	7.28%	
Most recent 20-year average return							6.88%	6.92%	

Note: Each year's yield is weighted by the average asset value in that year.

*Includes change in actuarial asset method.

Subsection B described the actuarial asset valuation method that gradually recognizes fluctuations in the market value rate of return. The goal of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

MARKET AND ACTUARIAL RATES OF RETURN FOR YEARS ENDED JUNE 30, 1999 - 2018



Administrative Expenses

Administrative expenses for the year ended June 30, 2018 totaled \$219,595 compared to the assumption of \$130,000. This resulted in a loss of \$92,564 when adjusted for timing. Because it is expected that these expenses will continue to increase, we have changed the assumption from \$130,000 to \$190,000 for the current year.

Contributions

Contributions for the year ended June 30, 2018 totaled \$6,419,248, compared to the recommended amount of \$8,319,152. This resulted in a loss of \$1,707,445 for the year, when adjusted for timing.

Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among participants,
- retirement experience (earlier or later than projected),
- mortality (more or fewer deaths than projected),
- the number of disability retirements (more or fewer than projected), and
- salary increases (greater or smaller than projected).

The net loss from this other experience for the year ended June 30, 2018 amounted to \$2,753,599, which is 1.9% of the actuarial accrued liability. This loss was primarily due to greater salary increases than expected and retirement at earlier ages than expected.

Changes in the Actuarial Accrued Liability

The actuarial accrued liability as of July 1, 2018 is \$151,137,882, an increase of \$10,242,847, or 7.3%, from the actuarial accrued liability as of the prior valuation date. The liability is expected to grow each year with normal cost and interest, and to decline due to benefit payments made. Additional fluctuations can occur due to actual experience that differs from expected (as discussed in the previous subsection).

Actuarial Assumptions

- The assumption changes reflected in this report are:
- The investment return assumption was lowered from 7.25% to 7.00%.
- The inflation assumption was lowered from 3.00% to 2.75%.
- The payroll growth rate assumption was decreased from 3.00% to 2.75%.
- The age-based salary scale assumption table was modified to reflect the decrease in the underlying inflation component to 2.75%
- Administrative expenses increased to \$190,000 for the year beginning July 1, 2018.
- These changes increased the actuarial accrued liability by \$3,511,941 and increased the employer normal cost by \$107,084.
- Details on actuarial assumptions and methods are in *Section 4, Exhibit I*.

Plan Provisions

- There were no changes in plan provisions since the prior valuation.
- A summary of plan provisions is in *Section 4, Exhibit II*.

Development of Unfunded Actuarial Accrued Liability

DEVELOPMENT FOR YEAR ENDED JUNE 30, 2018

1	Unfunded actuarial accrued liability at beginning of year	\$51,701,245
2	Normal cost at beginning of year	2,678,809
3	Total contributions	-6,419,248
4	Interest	
	• For whole year on 1 + 2	\$3,942,554
	• For half year on 3	<u>-232,698</u>
	Total interest	<u>3,709,856</u>
5	Expected unfunded actuarial accrued liability	\$51,670,662
6	Changes due to:	
	• (Gain)/loss	2,653,956
	• Assumptions	3,511,941
	• Asset method	<u>-6,305,493</u>
	Total changes	<u>-\$139,596</u>
7	Unfunded actuarial accrued liability at end of year	<u>\$51,531,066</u>

Note: If the exact recommended contribution determined in the prior valuation had been paid during the year ended June 30, 2018, the expected unfunded actuarial accrued liability would have been \$49,963,217, a reduction of \$1,707,445 from the amount shown on line 5.

Recommended Contribution

The amount of annual contribution required to fund the Plan is comprised of a normal cost payment and a payment on the unfunded actuarial accrued liability. This total amount is then divided by the projected payroll for active members to determine the funding rate of 35.17% of payroll.

The City has adopted financing periods of 15 years for experience gains and losses, 30 years for assumption and method changes, 20 years for benefit improvements affecting active employees and 10 years for benefit improvements affecting inactive employees. The current average period for the bases in the determination of the recommended contribution is 11.5 years.

The total contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 22.8 years. This is a reasonable amortization period and complies with the funding requirements of Georgia state laws.

The contribution requirement as of July 1, 2018 are based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions.

RECOMMENDED CONTRIBUTION FOR YEAR BEGINNING JULY 1

	2019		2018	
	Amount	% of Projected Payroll	Amount	% of Projected Payroll
1. Normal cost	\$2,723,194	10.72%	\$2,553,203	10.42%
2. Administrative expenses	<u>184,233</u>	<u>0.73%</u>	<u>125,606</u>	<u>0.51%</u>
3. Employer normal cost: (1) + (2)	\$2,907,427	11.45%	\$2,678,809	10.93%
4. Actuarial accrued liability	151,137,882		140,895,035	
5. Actuarial value of assets	99,606,816		89,193,790	
6. Unfunded actuarial accrued liability: (4) - (5)	51,531,066		51,701,245	
7. Payment on projected unfunded actuarial accrued liability	5,494,075	21.63%	5,115,494	20.88%
8. Total recommended contribution: (3) + (7), adjusted for timing*	<u>\$8,934,682</u>	<u>35.17%</u>	<u>\$8,319,152</u>	<u>33.96%</u>
9. Valuation payroll projected to fiscal year	\$25,401,752		\$24,498,315	

*Fiscal year contributions are based on the valuation liabilities and assets determined one year prior.

Reconciliation of Recommended Contribution

The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

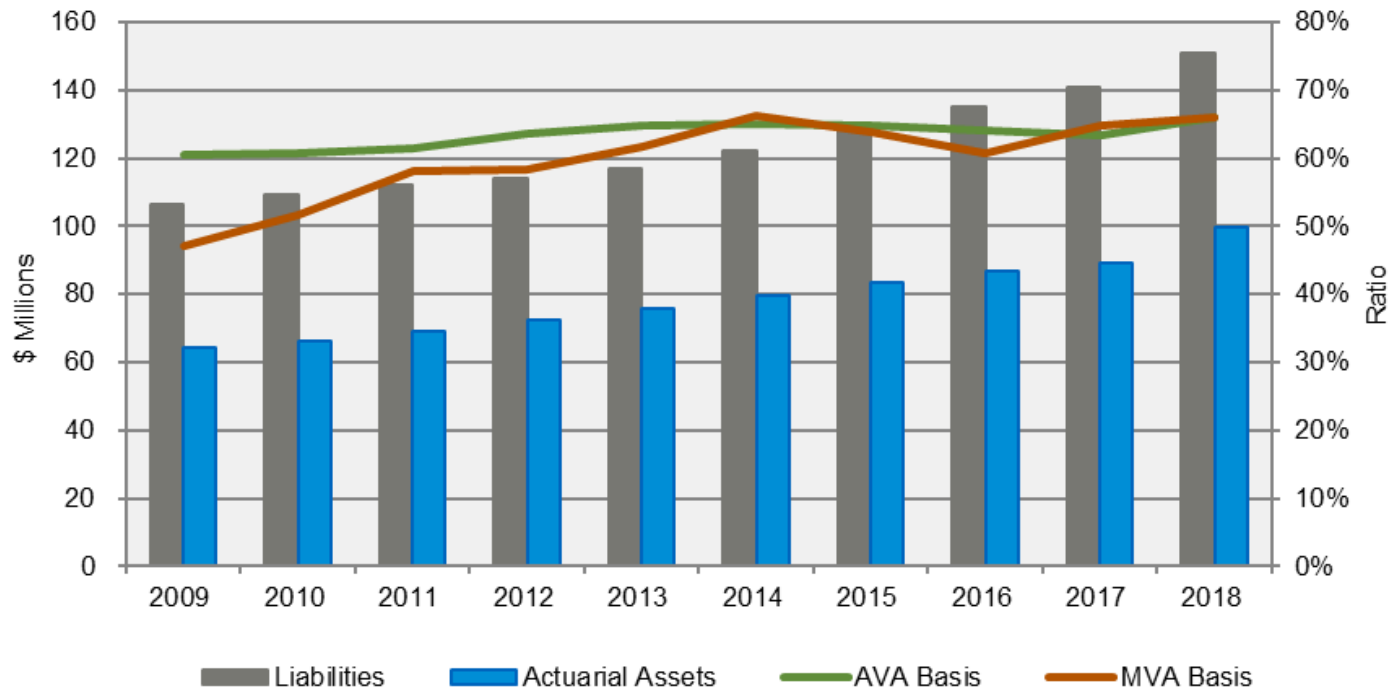
RECONCILIATION OF RECOMMENDED CONTRIBUTION FROM JULY 1, 2018 TO JULY 1, 2019

	Amount	% of Payroll
Recommended Contribution as of July 1, 2018	\$8,319,152	33.96%
• Effect of change in asset method	-378,570	-1.55%
• Effect of expected change in amortization payment due to payroll growth	163,799	0.67%
• Effect of change in administrative expense assumption	62,348	0.25%
• Effect of change in other actuarial assumptions	232,587	0.95%
• Effect of contributions (more)/less than recommended contribution	158,808	0.65%
• Effect of investment (gain)/loss	-17,877	-0.07%
• Effect of other gains and losses on accrued liability	264,718	1.08%
• Net effect of other changes, including composition and number of participants	129,717	0.53%
Total change	615,530	2.51%
Total change in percentage due to compensation change		-1.30%
Recommended Contribution as of July 1, 2019	\$8,934,682	35.17%

Funded Ratio

A critical piece of information regarding the Retirement Plan's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the Plan as calculated. High ratios indicate a well-funded plan with assets sufficient to cover the plan's actuarial accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors.

The chart below depicts a history of the funded ratios for this plan. Funded ratios are shown on both an actuarial value (AVA) and a market value (MVA) basis.



Risk

Since the actuarial valuation results are dependent on a given set of assumptions and data as of a specific date, there is a risk that emerging results may differ significantly as actual experience differs from the assumptions.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a brief discussion of some risks that may affect the Retirement Plan. Upon request, a more detailed assessment of the risks can be provided to enable a better understanding of the risks specific to your Retirement Plan.

- Investment Risk (the risk that returns will be different than expected)

If the actual return on market value for the next plan year were 1% different from the assumed (either higher or lower), the projected unfunded actuarial liability would change by 2.3%, or about \$1.1 million.

Since the Plan's assets are much larger than contributions, investment performance may create volatility in contribution requirements. For example, for each 1% difference in return from the assumed return, the recommended contribution would increase or decrease by \$100,000 (0.4% of payroll).

The market value rate of return over the last 20 years has ranged from a low of -13.53% to a high of 16.18%.

- Longevity Risk (the risk that mortality experience will be different than expected)

The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the recommended contribution.

- Contribution Risk (the risk that actual contributions will be different from recommended contribution)

The Retirement Plan's funding policy requires payment of the recommended contribution. As long as this policy is adhered to, contribution risk is negligible.

Plan contribution rates are set by the Retirement Board. Periodic projections comparing expected contributions with the projected recommended contributions may be developed to determine if the contribution amounts are sufficient to fund the Retirement Plan and to ensure the payment of promised benefits.

If contributions remain at current level and future experience matches the current assumptions, we project the unfunded actuarial accrued liability will be paid off in 22.8 years rather than the Board's recommended amortization policy of 11.5 years.

- Demographic Risk (the risk that participant experience will be different than assumed)

Examples of this risk include:

- Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply.
- More or less active participant turnover than assumed.

➤ Actual Experience Over the Last ten years and Implications for the Future

Past experience can help demonstrate the sensitivity of key results to the Retirement Plan's actual experience. Over the past ten years:

The investment gain(loss) for a year has ranged from a loss of \$4,978,500 to a gain of \$192,207. If all investment returns were equal to the assumed return over the last ten years, the market value of assets as of the current valuation date would be approximately \$90,402,579 as opposed to the actual value of \$99,606,816.

The non-investment gain(loss) for a year has ranged from a loss of \$2,846,163 to a loss of \$3,249,673.

The funded percentage on the actuarial value of assets has ranged from a low of 60.6% to a high of 65.9% since 2009.

➤ Maturity Measures

As pension plans mature, the cash need to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Retirement Plan's asset allocation is aligned to meet emerging pension liabilities.

Currently the Retirement Plan has a non-active to active participant ratio of 0.66. For the prior year benefits paid were \$2,242,382 more than contributions received. As the Retirement Plan matures, more cash will be needed from the investment portfolio to meet benefit payments.

GFOA Solvency Test

The Actuarial Accrued Liability represents the present value of benefits earned, calculated using the plan's actuarial cost method. The Actuarial Value of Assets reflects the financial resources available to liquidate the liability. The portion of the liability covered by assets reflects the extent to which accumulated plan assets are sufficient to pay future benefits, and is shown for liabilities associated with employee contributions, pensioner liabilities, and other liabilities. The Government Finance Officers Association (GFOA) recommends that the funding policy aim to achieve a funded ratio of 100 percent.

GFOA SOLVENCY TEST AS OF JUNE 30

	2018	2017
Actuarial accrued liability (AAL)		
• Active member contributions	\$24,117,954	\$22,878,446
• Retirees and beneficiaries	83,865,944	77,269,135
• Active and inactive members (employer-financed)	43,153,984	40,747,454
Total	\$151,137,882	\$140,895,035
Actuarial value of assets	\$99,606,816	\$89,193,790
Cumulative portion of AAL covered		
• Active member contributions	100.00%	100.00%
• Retirees and beneficiaries	90.01%	85.82%
• Active and inactive members (employer-financed)	0.00%	0.00%

Volatility Ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 4.0. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 4.0% of one-year's payroll. Since actuarial gains and losses are amortized over 15 years, there would be a 0.4% of payroll decrease/(increase) in the required contribution for each 1% asset gain or loss. The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions. The current LVR is about 6.1. This is about (53%) higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

VOLATILITY RATIOS FOR YEARS ENDED 2009 - 2018

Year Ended June 30	Asset Volatility Risk	Liability Volatility Risk
2009	2.4	5.0
2010	2.8	5.4
2011	3.2	5.4
2012	3.0	5.1
2013	3.4	5.4
2014	3.7	5.7
2015	3.6	5.6
2016	3.5	5.7
2017	3.8	5.9
2018	4.0	6.1

State Minimum Requirements

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). This minimum contribution is determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The Retirement Board has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Section 3: Supplemental Information

EXHIBIT A – TABLE OF PLAN COVERAGE

Category	Year Ended June 30		Change From Prior Year
	2018	2017	
Active participants in valuation:			
• Number	489	486	0.6%
• Average age	41.6	42.2	-0.6
• Average years of eligibility service	9.7	9.7	0.0
• Average years of benefit service	9.3	9.3	0.0
• Projected total payroll	\$24,721,900	\$23,784,772	3.9%
• Projected average payroll	50,556	48,940	3.3%
• Account balances	24,117,954	22,878,446	5.4%
• Total active vested participants	234	223	4.9%
Inactive vested participants	12	10	20.0%
Inactive nonvested participants due a refund	34	25	36.0%
Retired participants:			
• Number in pay status	250	239	4.6%
• Average age	65.6	65.2	0.4
• Average monthly benefit	\$2,607	\$2,553	2.1%
Disabled participants:			
• Number in pay status	3	3	0.0%
• Average age	67.5	66.5	1.0
• Average monthly benefit	\$1,053	\$1,053	0.0%
Beneficiaries:			
• Number in pay status	24	23	4.3%
• Average age	74.2	73.7	0.5
• Average monthly benefit	\$1,571	\$1,610	-2.4%

**EXHIBIT B – PARTICIPANTS IN ACTIVE SERVICE AS OF JUNE 30, 2018
BY AGE, YEARS OF SERVICE, AND AVERAGE PAYROLL**

Age	Years of Service							
	Total	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 & over
Under 25	27	27	--	--	--	--	--	--
	\$33,437	\$33,437	--	--	--	--	--	--
25 - 29	75	69	5	1	--	--	--	--
	38,488	37,794	\$47,017	\$43,696	--	--	--	--
30 - 34	63	29	21	12	1	--	--	--
	47,671	42,981	49,635	54,565	\$59,693	--	--	--
35 - 39	67	16	16	28	7	--	--	--
	49,765	40,165	47,980	54,113	58,395	--	--	--
40 - 44	63	15	8	14	23	3	--	--
	60,360	56,837	56,711	56,953	65,548	\$63,836	--	--
45 - 49	59	12	9	8	10	12	8	--
	60,595	41,119	56,485	64,173	60,009	69,496	\$78,240	--
50 - 54	61	11	10	13	13	8	5	1
	54,312	44,801	44,021	51,794	54,487	65,224	71,664	\$118,252
55 - 59	49	9	9	15	8	2	4	2
	54,788	51,417	50,268	53,405	58,233	49,404	55,247	91,346
60 - 64	19	3	5	6	3	2	--	--
	49,168	45,789	38,280	49,219	66,478	55,339	--	--
65 - 69	4	--	--	2	2	--	--	--
	53,074	--	--	52,864	53,284	--	--	--
70 & over	2	--	--	2	--	--	--	--
	36,546	--	--	36,546	--	--	--	--
Total	489	191	83	101	67	27	17	3
	\$50,556	\$41,040	\$49,291	\$54,187	\$60,542	\$65,064	\$70,896	\$100,314

EXHIBIT C – RECONCILIATION OF PARTICIPANT DATA

	Active Participants	Inactive Vested Participants	Inactives Due Refund	Disableds	Retired Participants	Beneficiaries	Total
Number as of July 1, 2017	486	10	25	3	239	23	786
• New participants	67	N/A	7	N/A	N/A	N/A	74
• Terminations – with vested rights	-2	2	N/A	0	0	0	0
• Terminations – without vested rights	-7	N/A	7	N/A	N/A	N/A	0
• Retirements	-15	0	0	N/A	15	N/A	0
• New disabilities	0	0	0	0	N/A	N/A	0
• Return to work	0	0	0	0	0	N/A	0
• Deceased	0	0	0	0	-4	0	-4
• New beneficiary	0	0	0	0	0	1	1
• Lump sum cash-outs	-40	0	-5	0	0	0	-45
• Data adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Number as of July 1, 2018	489	12	34	3	250	24	812

EXHIBIT D – SUMMARY STATEMENT OF INCOME AND EXPENSES ON A MARKET VALUE BASIS

	Year Ended June 30, 2018	Year Ended June 30, 2017
Net assets at market value at the beginning of the year	\$91,311,628	\$82,217,921
Contribution income:		
• City contributions	\$3,209,624	\$3,079,855
• Member contributions	3,209,624	3,132,278
• Less administrative expenses	<u>-219,595</u>	<u>-165,260</u>
<i>Net contribution income</i>	\$6,199,653	\$6,046,873
Investment income:		
• Interest, dividends and other income	\$1,621,214	\$1,516,628
• Asset appreciation	<u>9,135,951</u>	<u>9,831,925</u>
<i>Net investment income</i>	<u>\$10,757,165</u>	<u>\$11,348,553</u>
Total income available for benefits	\$16,956,818	\$17,395,426
Less benefit payments:		
• Benefit payments	-\$8,022,423	-\$7,616,626
• Refunds	<u>-639,207</u>	<u>-685,093</u>
<i>Net benefit payments</i>	-\$8,661,630	-\$8,301,719
Change in reserve for future benefits	\$8,295,188	\$9,093,707
Net assets at market value at the end of the year	\$99,606,816	\$91,311,628

EXHIBIT E – SUMMARY STATEMENT OF PLAN ASSETS

	Year Ended June 30, 2018	Year Ended June 30, 2017
Cash equivalents	\$2,821,498	\$829,193
Investments:		
• Equities	\$63,863,861	\$61,252,507
• Fixed Income	28,601,077	25,194,368
• Other	<u>4,351,920</u>	<u>4,062,432</u>
Total investments at market value	\$96,816,858	\$90,509,307
Total assets	\$99,638,356	\$91,338,500
Total accounts payable	-31,540	-26,872
Net assets at market value	\$99,606,816	\$91,311,628
Net assets at actuarial value	\$99,606,816	\$89,193,790

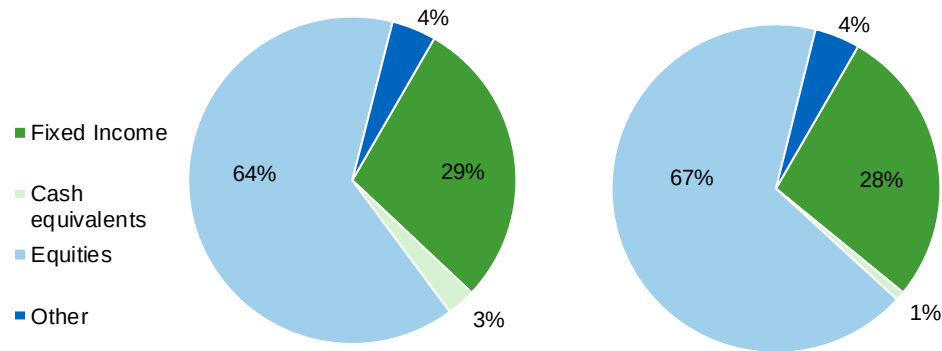


EXHIBIT F – DEVELOPMENT OF THE FUND THROUGH JUNE 30, 2018

Year Ended June 30	City Contributions	Employee Contributions	Net Investment Return ¹	Admin. Expenses	Benefit Payments	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2009	\$2,767,985	\$2,767,985	-\$7,822,179	\$0	\$5,090,420	\$50,200,218	\$64,498,076	128.5%
2010	2,599,539	2,599,539	6,509,428	0	5,419,654	56,489,070	66,265,931	117.3%
2011	2,637,591	2,637,591	9,108,468	0	5,667,926	65,204,794	69,055,980	105.9%
2012	2,829,095	2,829,095	1,779,127	0	5,969,131	66,672,980	72,623,425	108.9%
2013	2,720,450	2,720,450	6,298,042	0	6,313,184	72,098,738	75,891,152	105.3%
2014	2,766,404	2,766,404	10,066,981	0	6,715,366	80,983,161	79,605,608	98.3%
2015	2,862,539	2,862,539	2,740,115	0	7,282,407	82,165,947	83,341,309	101.4%
2016	3,021,182	3,021,182	1,651,839	0	7,642,229	82,217,921	86,628,934	105.4%
2017	3,079,855	3,132,278	11,348,553	165,260	8,301,719	91,311,628	89,193,790	97.7%
2018	3,209,624	3,209,624	10,757,165	219,595	8,661,630	99,606,816	99,606,816	100.0%

¹On a market basis, net of investment fees. Years prior to 2017 are also net of administrative expenses.

EXHIBIT G – TABLE OF AMORTIZATION BASES

Type ¹	Date Established	Initial Period	Initial Amount	Annual Payment ²	Years Remaining	Outstanding Balance
Method Change	07/01/2005	30	\$32,986,302	\$2,855,783	17	\$35,800,225
Experience Loss	07/01/2006	15	1,026,061	132,362	3	381,523
Experience Loss ³	07/01/2007	15	2,683,283	334,844	4	1,261,670
Experience Loss	07/01/2008	15	1,981,229	239,161	5	1,104,510
Plan Amendment	07/01/2008	20	2,971,384	294,383	10	2,469,695
Experience Loss	07/01/2009	15	6,539,294	763,586	6	4,149,964
Change in Asset Method	07/01/2009	30	-4,257,814	-322,461	21	-4,652,415
Experience Loss	07/01/2010	15	649,697	73,384	7	456,374
Experience Loss	07/01/2011	15	1,822,083	199,075	8	1,387,940
Change in Assumptions	07/01/2011	30	-1,863,464	-131,984	23	-2,014,698
Experience Gain	07/01/2012	15	-1,960,521	-207,191	9	-1,594,337
Plan Amendment	07/01/2012	20	455,797	39,521	14	430,844
Experience Gain	07/01/2013	15	-764,499	-78,148	10	-655,614
Experience Loss	07/01/2014	15	1,624,012	160,570	11	1,454,150
Experience Loss	07/01/2015	15	2,710,071	259,170	12	2,513,029
Experience Loss	07/01/2016	15	2,150,436	198,908	13	2,050,999
Change in Assumptions	07/01/2016	30	1,077,026	64,503	28	1,101,899
Experience Loss	07/01/2017	15	4,409,885	396,034	14	4,317,459
Experience Loss	07/01/2018	15	4,361,401	380,286	15	4,361,401
Change in Assumptions	07/01/2018	30	3,511,941	198,268	30	3,511,941
Change in Asset Method	07/01/2018	30	-6,305,493	-355,979	30	-6,305,493
Total				\$5,494,075		\$51,531,066

¹Experience gain/loss bases established on or after July 1, 2017 include the impact of resetting the credit balance to \$0 and subsequent losses due to contributions lower than the recommended contribution.

²Level percentage of payroll.

³Includes impact of change in valuation systems from prior to current actuary.

EXHIBIT H – HISTORY OF CONTRIBUTION RATES

Fiscal Year Ended June 30	Member Percentage of Pay	City Percentage of Pay	Total Policy Percentage	Recommended Contribution Percentage
1998	9.50%	9.50%	19.00%	18.90%
1999	9.50%	9.50%	19.00%	19.60%
2000	9.50%	9.50%	19.00%	19.20%
2001	9.50%	9.50%	19.00%	19.30%
2002	9.50%	9.50%	19.00%	19.50%
2003	9.50%	9.50%	19.00%	19.80%
2004	10.50%	10.50%	21.00%	21.10%
2005	10.50%	10.50%	21.00%	22.10%
2006	10.50%	10.50%	21.00%	22.10%
2007	13.20%	13.20%	26.40%	26.40%
2008	13.20%	13.20%	26.40%	26.80%
2009	13.20%	13.20%	26.40%	26.24%
2010	13.20%	13.20%	26.40%	25.07%
2011	13.20%	13.20%	26.40%	27.26%
2012	13.20%	13.20%	26.40%	28.98%
2013	13.20%	13.20%	26.40%	29.32%
2014	13.20%	13.20%	26.40%	28.12%
2015	13.20%	13.20%	26.40%	28.97%
2016	13.20%	13.20%	26.40%	30.22%
2017	13.20%	13.20%	26.40%	30.88%
2018	13.20%	13.20%	26.40%	31.80%
2019	13.20%	13.20%	26.40%	33.96%
2020	13.20%	13.20%	26.40%	35.17%

EXHIBIT I – DEFINITION OF PENSION TERMS

The following list defines certain technical terms for the convenience of the reader:

Actuarial Accrued Liability for Actives:	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial Accrued Liability for Pensioners and Beneficiaries:	The single-sum value of lifetime benefits to existing pensioners and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial Cost Method:	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the recommended contribution.
Actuarial Gain or Loss:	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings have been forecasted. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield in actuarial liabilities that are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.
Actuarially Equivalent:	Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV):	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is: Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Actuarial Present Value of Future Plan Benefits:	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Plan Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation:	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB, such as the Actuarially Determined Contribution (ADC) and the Net Pension Liability (NPL).
Actuarial Value of Assets (AVA):	The value of the Fund's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the ADC.
Actuarially Determined:	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.
Actuarially Determined Contribution (ADC):	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization Method:	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization Payment:	The portion of the pension plan contribution, or ADC, that is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Assumptions or Actuarial Assumptions:	The estimates upon which the cost of the Fund is calculated, including: <u>Investment return</u> - the rate of investment yield that the Fund will earn over the long-term future; <u>Mortality rates</u> - the death rates of employees and pensioners; life expectancy is based on these rates; <u>Retirement rates</u> - the rate or probability of retirement at a given age or service; <u>Disability rates</u> – the probability of disability retirement at a given age; <u>Withdrawal rates</u> - the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; <u>Salary increase rates</u> - the rates of salary increase due to inflation and productivity growth.
Closed Amortization Period:	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc. See Open Amortization Period.
Decrements:	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined Benefit Plan:	A retirement plan in which benefits are defined by a formula applied to the member's compensation and/or years of service.
Defined Contribution Plan:	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer Normal Cost:	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience Study:	A periodic review and analysis of the actual experience of the Fund that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified as deemed appropriate by the Actuary.
Funded Ratio:	The ratio of the actuarial value of assets (AVA) to the actuarial accrued liability (AAL). Plans sometimes calculate a market funded ratio, using the market value of assets (MVA), rather than the AVA.

GASB 67 and GASB 68:	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Investment Return:	The rate of earnings of the Fund from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Net Pension Liability (NPL):	The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.
Normal Cost:	That portion of the Actuarial Present Value of pension plan benefits and expenses allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an Unfunded Actuarial Accrued Liability is not part of Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of employee contributions and employer Normal Cost unless otherwise specifically stated.
Open Amortization Period:	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period with level percentage of payroll is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never decrease, but will become smaller each year, in relation to covered payroll, if the actuarial assumptions are realized.
Plan Fiduciary Net Position:	Market value of assets.
Total Pension Liability (TPL):	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded Actuarial Accrued Liability:	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus.
Valuation Date or Actuarial Valuation Date:	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Plan Benefits is determined. The expected benefits to be paid in the future are discounted to this date.

Section 4: Actuarial Valuation Basis

EXHIBIT I – ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHOD

Rationale for Assumptions:	The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the Experience Study Report for the five-year period ended June 30, 2015. Current data is reviewed in conjunction with each annual valuation. Changes from the prior year are listed at the end of this exhibit.	
Net Investment Return:	7.00%, net of investment expenses The net investment return assumption was chosen by the Retirement Plan's Board of Trustees, with input from the actuary. This assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Retirement Plan's target asset allocation.	
Administrative Expenses:	\$190,000 payable mid-year, equivalent to \$184,233 at the beginning of the year.	
Salary Increases:	Service	Rate (%)
	0-1	13.75%
	1-2	5.75%
	2-4	4.75%
	5-14	3.75%
	15-24	3.25%
	25+	2.75%
<i>Above rates reflect a 2.75% inflation assumption.</i> The salary scale assumption is based on the City's pay plan, along with analysis completed in conjunction with an Experience Study Report for the five-year period ended June 30, 2015.		

Inflation Rate:	2.75%				
Payroll Growth:	2.75%				
Cost-of-Living Adjustments:	0.00%				
Mortality Rates:					
<i>Pre-retirement:</i>	RP-2014 Employee Mortality Table				
<i>Healthy annuitants:</i>	RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates multiplied by 120%, set forward two years for males only				
<i>Disabled annuitants:</i>	RP-2014 Disabled Retiree Mortality Table				
	The tables above, with adjustments shown, reasonably reflect the mortality experience of the Retirement Plan as of the measurement date. The mortality tables were then adjusted to future years using generational projection under Scale MP-2015 to reflect future mortality improvement.				
Annuitant Mortality Rates:					
			Rate (%)		
			Healthy ¹		Disabled ¹
	Age	Male	Female	Male	Female
	55	0.83	0.48	2.34	1.45
	60	1.18	0.69	2.66	1.70
	65	1.80	1.05	3.17	2.09
	70	2.84	1.68	4.03	2.82
	75	4.60	2.76	5.43	4.10
	80	7.64	4.58	7.66	6.10
	85	12.84	7.80	11.33	9.04
	90	21.32	13.42	17.30	13.27
	¹ Rates shown do not include generational projection.				

Mortality and Disability Rates before Retirement:	Age	Rate (%)		
		Mortality ¹		Disability
		Male	Female	Male and Female
	20	0.04	0.02	0.02
	25	0.05	0.02	0.03
	30	0.05	0.02	0.03
	35	0.05	0.03	0.03
	40	0.06	0.04	0.04
	45	0.10	0.07	0.05
	50	0.17	0.11	0.08
	55	0.28	0.17	0.15
	60	0.47	0.24	0.30

¹Rates shown do not include generational projection.

On the Job Disability:	
<i>Employees hired prior to July 1, 2008:</i>	100%
<i>General Employees hired on or after July 1, 2008:</i>	30%
<i>Public Safety Employees hired on or after July 1, 2008:</i>	80%

Termination Rates before Retirement:

Age	Employees hired prior to July 1, 2008	General Employees hired on or after July 1, 2008	Years of Service	Public Safety Employees hired on or after July 1, 2008
20	24.61	29.51	0-1	18.00%
25	15.00	22.48	1-2	16.00
30	8.15	16.28	2-3	14.00
35	5.07	12.64	3-4	12.00
40	4.04	10.07	4-5	10.00
45	3.24	8.07	5-6	8.00
50	2.58	6.44	6-7	6.00
55	2.03	5.06	7-10	4.00
60	1.55	3.86	11-19	2.00
65	1.13	2.81	20+	0.00

Retirement Rates:

Employees hired before July 1, 2008		General Employees hired on or after July 1, 2008		Public Safety Employees hired on or after after July 1, 2008	
Age	Rate%	Age	Rate%	Age	Rate%
40-49	15.0%	50-59	5%	50-54	5%
50-59	12.5%	60-64	30%	55-59	10%
60	15.0%	65	100%	60-64	30%
61	20.0%			65	100%
62	40.0%				
63	35.0%				
64	20.0%				
65-69	35.0%				
70	100.0%				

Note: Rates are increased an additional 30% at age when participant first becomes eligible for unreduced benefits.

Retirement Age for Inactive Vested Participants:	Earliest eligibility for Normal Retirement, but not before age 60
Weighted Average Retirement Age:	Age 58.3, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential current or future retirement age times the probability of surviving from current age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the July 1, 2018 actuarial valuation.
Form of payment	Life annuity
Percent Married:	90%
Age of Spouse:	Females two years younger than males
Unknown Data for Participants:	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method:	Entry Age Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined as if the current benefit accrual rate had always been in effect.
Justification for Change in Actuarial Assumptions and methods:	The following assumption changes were proposed by the actuary and subsequently were approved by the Board in October, 2018. These changes are reflected for the first time in this valuation. ➤ The investment return assumption was lowered from 7.25% to 7.00%. ➤ The inflation assumption was lowered from 3.00% to 2.75%. ➤ The payroll growth assumption decreased from 3.00% to 2.75%. ➤ The age-based salary scale table was modified to reflect the decrease in the underlying inflation component to 2.75%. ➤ The administrative expense assumption was increased from \$130,000 to \$190,000. ➤ The asset method was modified to reflect a five-year smoothing method with a 20% corridor around the market value of assets. The actuarial value of assets was set equal to market value for the current valuation. Market value gains/losses will be recognized prospectively over a five-year period.

EXHIBIT II – SUMMARY OF PLAN PROVISIONS

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	July 1 through June 30
Normal Retirement:	
<u>Employees hired prior to July 1, 2008</u>	
<i>Eligibility Requirement</i>	The later of age 60 and the completion of 10 years of service, or any age and the completion of 25 years of service, if earlier. (If hired on or after age 55, participant is eligible for Normal Retirement after 5 years of participation.)
<i>Amount</i>	3% of Average Monthly Compensation times years of service (maximum 99%)
<i>Average Monthly Compensation</i>	Based on total compensation for the 60 consecutive completed service months that yield the highest average
<u>Employees hired on or after July 1, 2008</u>	
<i>Eligibility Requirement</i>	
General Employees	The later of age 65 and the completion of 10 years of service, or age 60 and the completion of 25 years of service, if earlier
Public Safety Employees	The later of age 65 and the completion of 10 years of service, or age 50 and the completion of 25 years of service, if earlier
<i>Amount</i>	2.5% of Average Monthly Compensation times years of service (maximum 82.5%)
<i>Average Monthly Compensation</i>	Based on total compensation for the 60 consecutive completed service months that yield the highest average.

Early Retirement:	
<u>Employees hired before July 1, 2008</u>	
<i>Eligibility Requirement</i>	Any age and the completion of 20 years of service
<i>Amount</i>	Normal pension accrued reduced by 2% for each year by which the benefit commencement date precedes the normal retirement date
<u>Employees hired on or after July 1, 2008</u>	
<i>Eligibility Requirement</i>	Any age and the completion of 20 years of service
<i>Amount</i>	Normal pension accrued reduced by 5% for each year by which the benefit commencement date precedes the normal retirement date
Disability:	
<u>Employees hired before July 1, 2008</u>	
<i>Eligibility Requirement</i>	Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board.
<i>Amount</i>	50% of average monthly compensation, but not less than the unreduced normal pension accrued
<u>Employees hired on or after July 1, 2008</u>	
<u>On-the-job</u>	
<i>Eligibility Requirement</i>	Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board
<i>Amount</i>	50% of average monthly compensation, but not less than the unreduced normal pension accrued
<u>Not-on-the-job</u>	
<i>Eligibility Requirement</i>	Any age and 10 years of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board.
<i>Amount</i>	The unreduced normal pension accrued

Termination Benefits: <i>Within the first ten years of eligibility service (five years if hired on or after age 55)</i> <i>After ten years of eligibility service</i>	The participant's contributions will be returned without interest. The participant who terminates employment prior to their Normal Retirement Date and elects to leave contributions in the fund shall receive a monthly benefit to commence at age 60. The benefit payable is based on credited service and average monthly compensation as of the date of termination.
Pre-Retirement Death Benefit: A. Less than 25 years of Eligibility Service <i>Requirement</i> <i>Amount</i> B. At least 25 years of Eligibility Service <i>Requirement</i> <i>Amount</i>	Death prior to termination of employment and completion of at least 10 years but less than 25 years of eligibility service. 50% of accrued Normal Retirement benefit payable. Death prior to termination of employment and after completion of at least 25 years of eligibility service. The amount of pension computed as if the decedent had retired under the normal retirement provision and elected a 100% Joint and Survivor option. Note: For all participants, the minimum death benefit is equal to the Participant's contributions converted to an actuarially equivalent life time pension.
Post-Retirement Death Benefits:	If married, pension benefits are paid in the form of a joint and survivor annuity unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If not rejected, and the spouse predeceases the employee, the employee's benefit amount will subsequently be increased to the unreduced amount payable had the joint and survivor coverage been rejected. If rejected, or if not married, benefits are payable for the life of the employee, or in any other available optional form elected by the employee in an actuarially equivalent amount.

Participation:	Any person who performs a service for the City of Gainesville, Georgia who is not covered by Social Security is eligible to participate. Independent contractors, “leased employees” and temporary, casual or part-time employees are not eligible to participate in this plan.
Contributions:	Each participant contributes 13.2% of pay. The City contributes 13.2% as well, for a total of 26.4%.
Changes in Plan Provisions:	There have been no changes in plan provisions since the last valuation.

8800953v1/10417.001

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/3/2018
Presenter: Chris Hollifield
Item of Business: FY2018 Audit Results and Comprehensive Annual Financial Report (CAFR)
Meeting Date: 12/13/2018

Purpose of Request:

Chris Hollifield of Rushton and Company will present the results from the FY2018 audit and review the highlights of the 2018 CAFR.

History/Background:

Upon completion of the annual audit, results are reported to Council at a work session.

Facts & Issues for Consideration:

Hard copies of the CAFR document will be provided to Council prior to the work session meeting.

Department Recommendation:

Department Director:

Jeremy Perry

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
 Fiscal Year 2018 Audit Presentation	Powerpoint Presentation

***Audit Report Presentation
For the fiscal year ended June 30, 2018***



December 13, 2018

AUDIT OPINION – P.1-3

City of Gainesville's Responsibilities

The financial statements are the responsibility of the City of Gainesville, Georgia's management.

Rushton & Company's Responsibilities

As independent auditors for the City of Gainesville, Georgia, our responsibility is to express opinions on the fair presentation of the financial statements.

Auditing Standards

We audited the City's financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.

Unmodified Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Gainesville, Georgia, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows for the fiscal year then ended.

Government-wide Statements

These statements provide the reader with information on the City as a whole, using the full accrual basis of accounting. Columns for the governmental activities, the business-type activities, and the component units.

Two statements:

Statement of Net Position – Pages 21 - 22

- Presents the assets, liabilities, and residual net position of the City

Statement of Activities – Page 23

- Presents the results of operations of the City

Net Position – Last 5 Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted Net Position	Unrestricted Net Position	Total Net Position	Revenues over Expenses	
2014	\$ 375,619,110	\$ 48,418,849	\$ 29,132,844	\$ 453,170,803	\$ 16,063,781	
2015	381,589,409	57,057,694	(2,384,040)	436,263,063	22,940,202	¹
2016	393,150,494	75,191,482	(5,256,152)	463,085,824	26,822,761	²
2017	408,287,950	85,063,287	4,497,891	497,849,128	34,763,304	³
2018	441,615,856	91,958,754	2,432,283	536,006,893	40,205,997	⁴

¹ Increase in net income of the Department of Water Resources Fund due to increase in revenue and reduction of expenses

² Increase of \$4.2 million in SPLOST revenues and increase in revenue in Department of Water Resources

³ Increase in SPLOST revenues, increase in governmental charges for services, reduction of governmental expenditures, and an increase in Department of Water Resources revenue

⁴ Large capital contributions received in FY2018

Notes: GASB 68 for Pensions was implemented in 2015 resulting in a negative Unrestricted Net Position

In FY2018, the implementation of GASB 75 for OPEB further reduced Unrestricted Net Position

General Fund – Pages 124 - 128

Revenues

- Increased \$2,021,153, 7.19%
 - Property taxes increased \$372,834, 5.97%
 - Motor vehicle taxes increased \$187,227, 16.38%
 - Insurance premium taxes increased \$142,866, 6.48%
 - Intergovernmental revenue increased \$1,120,428, 298% due to the Service Delivery Strategy agreement
 - New Rental income increased \$124,245, 122%

Expenditures

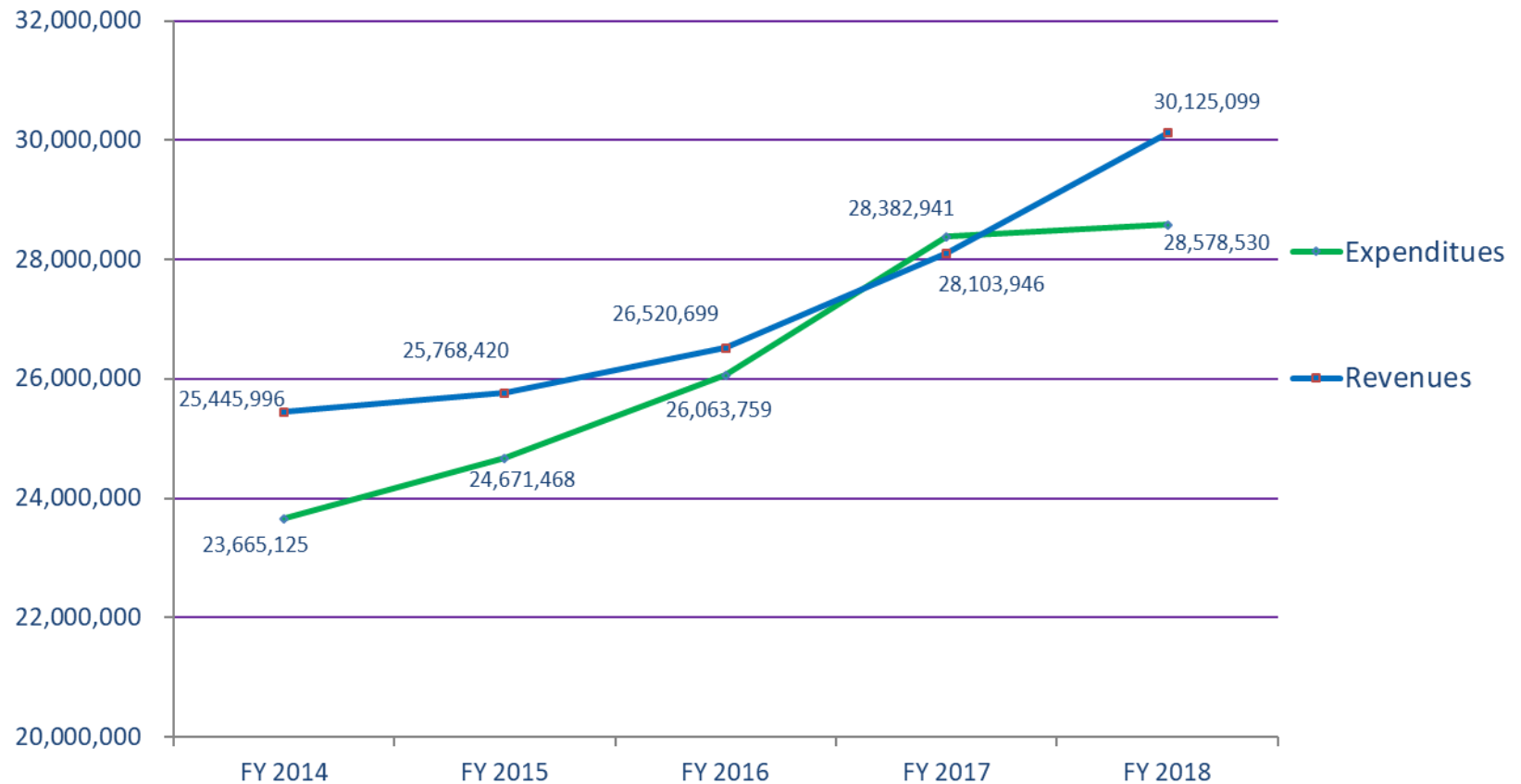
- Increased \$195,589, 0.68%
 - Capital Outlay in Public Lands and Buildings decreased \$1,006,428, 45.5%
 - Police increased \$611,896, 6.99%
 - Fire increased \$536,665, 7.24%

Unassigned Fund Balance

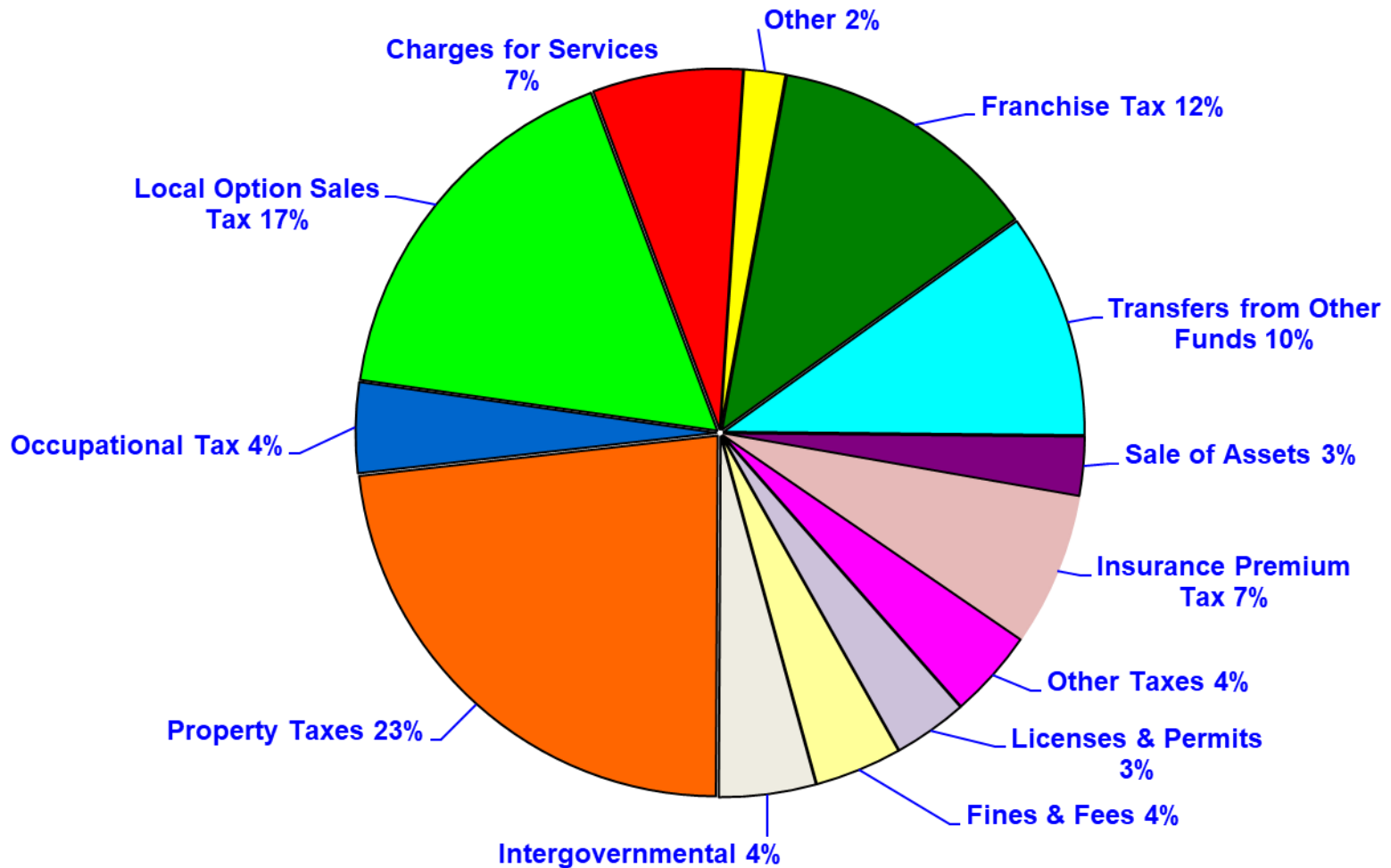
- FY 2018, \$9,087,006, 31.8% of expenditures (3.8 months)
- FY 2017, \$7,660,281, 26.9% of expenditures (3.2 months)

General Fund

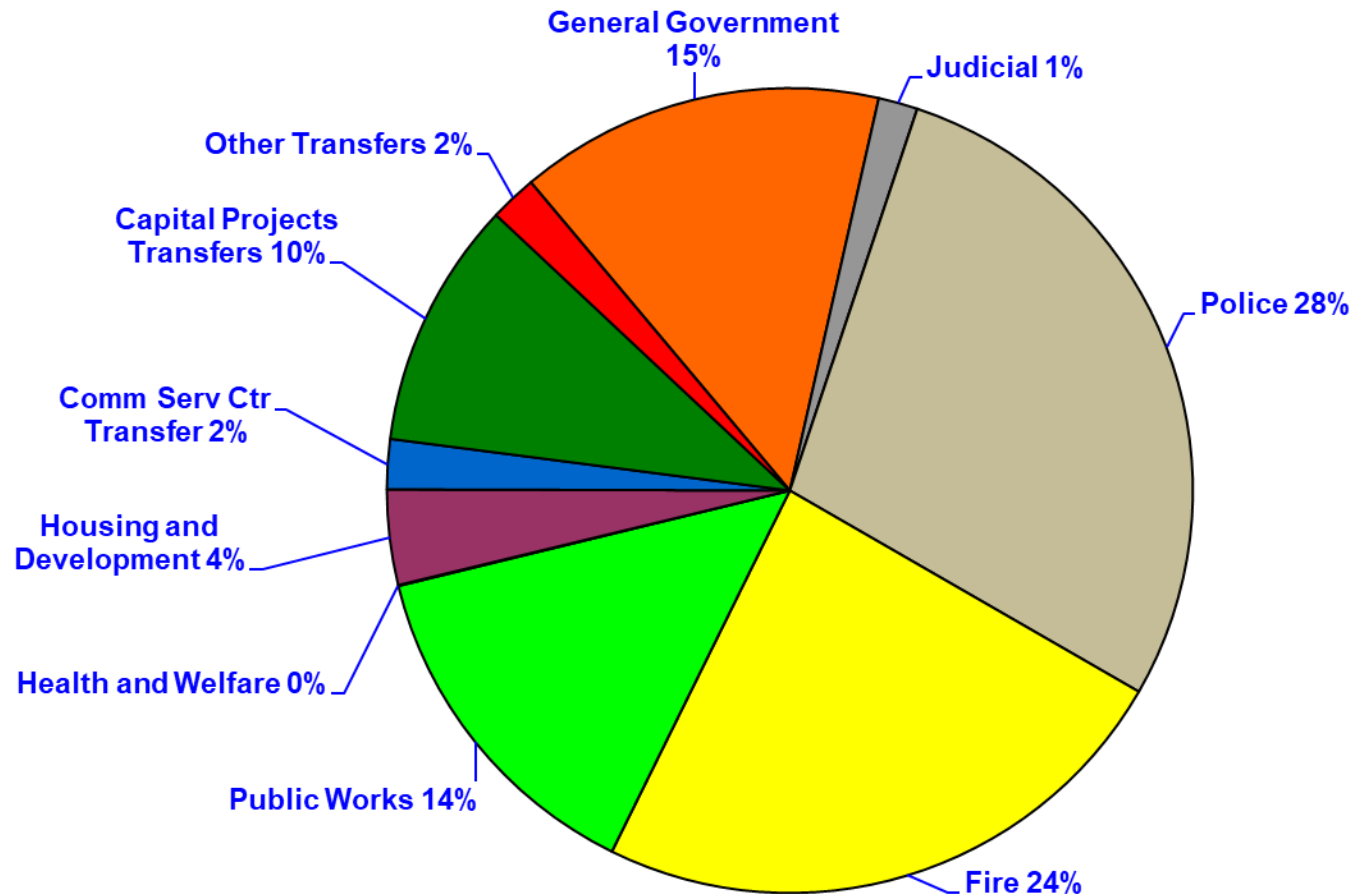
Revenues & Expenditures – Last 5 Fiscal Years



General Fund – Revenues by Source



General Fund – Expenditures by Function



Department of Water Resources Fund

Pages 161 - 165

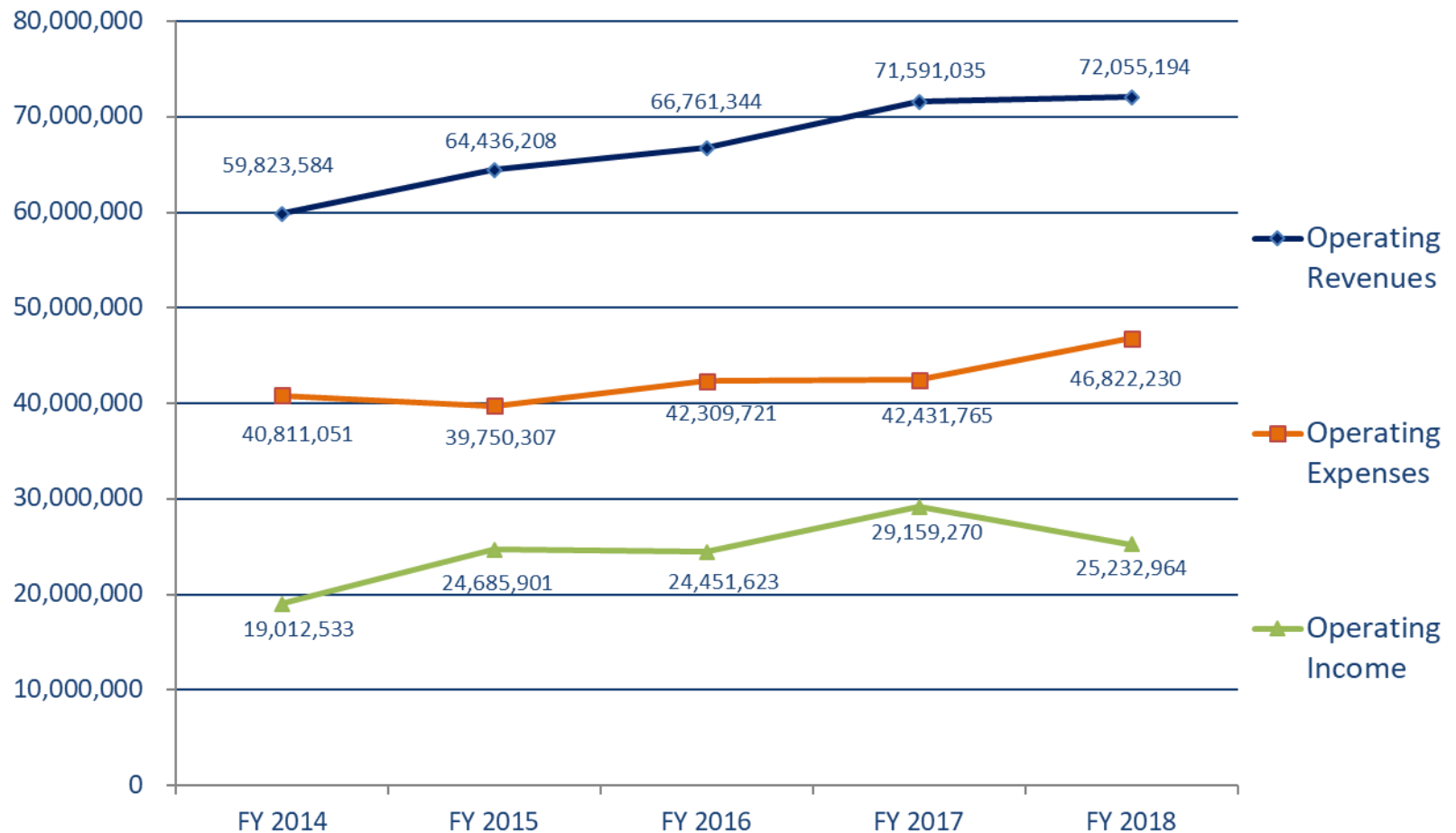
Operating Revenue

- Increased \$464,159, 0.65%
 - Water consumption increased by 1.02%
 - Number of customers increased by 680

Operating Expenses

- Increased \$4,390,465, 10.35%
 - Cost of Services increased \$3,913,930, 27.28%
 - Personal Services decreased \$327,647, 2.49%

Department of Water Resources Fund Operating Revenues and Expenses Last 5 Fiscal Years



Report on Internal Control and Other Matters

P. 239-240

In accordance with *Government Auditing Standards*, we have issued our report on our consideration of the City of Gainesville's internal controls and our tests of compliance.

This report describes the scope of our testing of internal control and compliance, and the results of that testing, but is not intended to provide an opinion on the internal control or compliance.

Report on Compliance and Internal Controls over Major Programs – P. 241-242

In accordance with Uniform Guidance, we have issued our report on our consideration of the City of Gainesville's compliance with requirements applicable to each major program and on internal control over compliance.

This report describes the scope of our testing of compliance requirements and internal controls over major programs, and the results of that testing. We are required to express an opinion on the City's compliance with requirements; our opinion is unqualified. This report is not intended to provide an opinion on the internal control.

Current and Future Reporting Changes

GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement was implemented during fiscal year 2018.

The statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense and expenditures pertaining to Other Postemployment Benefits (OPEB).

GASB 89

The Governmental Accounting Standards Board (GASB) has issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement was implemented during fiscal year 2018.

The statement provides that interest on construction debt should be expensed in the current year.

Current and Future Reporting Changes

GASB 87

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*. Effective for City of Gainesville for June 30, 2020.

The statement establishes a single approach to accounting for and reporting leases for state and local governments. The statement requires governments to recognize certain lease assets and liabilities that previously were classified as operating leases.

GASB 88

The Governmental Accounting Standards Board (GASB) has issued Statement No. 88, *Certain Disclosures Related to Debt, Including Debt Borrowings and Direct Placements*. Effective for City of Gainesville for fiscal year ending June 30, 2019.

The Statement defines debt and increases disclosure in notes to financial statements of all state and local governments.

J. Chris Hollifield, CPA

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Samuel Latimer, CPA, CFE

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770.287.7800



CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/4/2018
Presenter: Karen Denson
Item of Business: Resolution: Declaration of Surplus Property
Meeting Date: 12/13/2018

Purpose of Request:

Requesting Council declare the property on the attached listings as surplus for public sale or disposal.

History/Background:

The City's Capital Asset policy dictates the procedure for transferring assets that have outlived their useful life to surplus. This policy has been followed with the assets listed on Attachments A and B. Financial Services periodically requests that property be declared surplus in order to sell or dispose of property in a timely and orderly manner.

Facts & Issues for Consideration:

Surplus property that was purchased by the City is offered to other city departments before a sale takes place. Property seized or confiscated by the Police Department is not offered to city departments.

Department Recommendation:

Property listed on Attachments A and B be declared as surplus.

Department Director:

Jeremy Perry

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ Declaration of Surplus Property	Resolution
☐ Tagged - Attachment A	Attachments/Exhibits
☐ No Tag - Attachment B	Attachments/Exhibits

RESOLUTION BR-2018 - ____

Declaration of Surplus Property

WHEREAS, the City Financial Services staff recommends that the attached lists (Attachments A and B) of property be declared surplus and made available for sale or donation in accordance with Resolution BR-90-81 adopting the City's Purchasing Policies and Procedures; and

WHEREAS, said policies and procedures require the governing body to declare property to be surplus in order for it to be sold either by sealed bids or by auction to the highest bidder, or disposed of in another manner as approved by the City Manager's office; and

WHEREAS, it has been determined that the attached list of property has served beyond its useful life and the City Financial Services staff believes that the method of disposal shall be by sale at auction to the highest bidder in accordance with the policies and procedures, or dispensation in a manner approved by the City Manager; and

WHEREAS, the City Financial Services staff shall set a date, place and time for the appropriate sale; and

WHEREAS, the method of disposal of surplus property shall be an auction, utilizing GovDeals, an online auction company recommended by the Georgia Municipal Association, with concurrence of the City Attorney, City Clerk, and City Manager in accordance with the policies and procedure, or dispensation in a manner approved by the City Manager; and

WHEREAS, funds derived from the sale of surplus property shall be deposited to the appropriate fund and account as determined by the Chief Financial Officer.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville hereby declare this property surplus and available for public sale or disposal as approved by the City Manager, and that any item not sold at the sale shall be disposed of in an appropriate manner with concurrence of the City Manager.

Adopted this ____ day of _____, 2018.

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

Denise O. Jordan, City Clerk

Tagged Assets

				Attachment A
Asset #	Asset Description	Dept #	Purchase Date	Purchase Cost
Municipal Court				
13507	CPU DELL OPTIPLEX 780	2650	02/04/11	1042.99
13513	CPU DELL OPTIPLEX 780	2650	02/04/11	1042.99
13085	CPU DELL OPTIPLEX 780	2650	07/29/09	920.35
Community Service Center				
14560	CHEVY 4500 DURA MAX DIESEL	5420	12/31/2008	\$88,113.00
14561	CHEVY 4500 DURA MAX DIESEL	5420	12/31/2008	\$88,113.00
14566	CHEVY 4500 DURA MAX DIESEL	5420	12/1/2009	\$88,113.00
11920	2005 CHEVY TRAILBLAZER	5420	3/14/2005	\$21,427.29
12324	2007 FORD EXPLORER 4x4	5420	10/3/2006	\$21,215.00
14563	CHEVY 4500 DURA MAX DIESEL	5420	12/1/2009	\$88,113.00
14564	CHEVY 4500 DURA MAX DIESEL	5420	12/1/2019	\$88,113.00
14565	CHEVY 4500 DURA MAX DIESEL	5420	12/1/2009	\$88,113.00
14352	CHEVY 4500 DURA MAX DIESEL	5420	1/6/2014	\$82,966.00
11921	2005 CHEVY UPLANDER PASS	5420	3/14/2005	\$21,000.00
Police				
14209	KAWASAKI MOTORCYCLE	3200	4/8/2013	23917.48
12358	ALL TRAFFIC SOLUTIONS MESSAGE BRD	3200	9/18/2016	12,855.00
13046	TRIMBLE RECON PDA	3200	6/6/2005	2,595.00
11946	ANGLE ENCODER	3200	6/6/2005	2,246.00
11758	PRO 1000 RADAR	3200	7/23/2003	1,700.00
14750	GENESIS I RADAR	3200	4/2/1998	1,029.00
6945	INTOXIMETER ALCOSENSOR III	3200		
6966	INTOXIMETER ALCOSENSOR III	3200		
15680	DECATUR GENESIS-I COUNTING UNIT	3200		
15675	DECATUR GENESIS-I COUNTING UNIT	3200		
12589	ALL TRAFFIC SOLUTIONS MESSAGE BRD	3200	9/18/2006	
12359	ALL TRAFFIC SOLUTIONS SPEED SENTRY	3200	9/18/2006	
13046	TRIMBLE RECON PDA	3200		
Fire Department				
13463	DELL OPTIPLEX 780 PC	3500	1/31/2011	1,042.99
13464	DELL OPTIPLEX 780 PC	3500	01/31/11	1042.99
13467	DELL OPTIPLEX 780 PC	3500	01/31/11	1042.99
13469	DELL OPTIPLEX 780 PC	3500	01/31/11	1042.99
13525	DELL OPTIPLEX 780 PC	3500	06/02/11	1042.99
13527	DELL OPTIPLEX 780 PC	3500	06/02/11	1042.99
13528	DELL OPTIPLEX 780 PC	3500	06/02/11	1042.99
12432	CARDIAC SCIENCE AED	3500	8/31/2006	1195.00
14123	CARDIAC SCIENCE AED	3500	9/10/2012	1350.00
12435	CARDIAC SCIENCE AED	3500	8/31/2006	1195.00
12431	CARDIAC SCIENCE AED	3500	8/31/2006	1195.00
11201	CARDIAC SCIENCE AED	3500	7/27/2010	?
PLANNING				
12293	CONFERENCE TABLE W/GLASS TOP	7410		1,053.60
12290	DESK EXECUTIVE K IRELAND	7410		1,493.33
12291	CREDENZA & HUTCH	7410		1,832.88
12289	DESK EXECUTIVE K IRELAND	7410		1,493.33
13701	CPU DELL PRECISION T7500	7410	6/30/2011	3,004.56
PW- Streets				
12295	MANITOWOC ICE MAKER	4200	06/30/06	2480.00
12077	FORD-750 4X2	4200	01/12/06	77234.00
15964	TOWMASTER T-30 15 TON TRAILER	4200	10/01/99	9300.00
15966	NEW HOLLAND 555E TRACTOR	4200	10/18/99	39517.00
19211	INTERNATIONAL 4700 4x2	4200	02/22/00	57295.00

SCRAP

PW- Cemetery				
15651	1997FORD E250 VAN	4950	01/18/99	19683.00

P & R				
19324	CPU DELL INSPIRON 5000	6200	6/13/2000	2757.00
15866	INGENICO ISC TOUCH CARD READER	6149	4/7/2017	859.00

Golf				
11208	OPTIPLEX GX260	6135	04/04/03	1,525.00
11518	OPTIPLEX GX270	6135	10/06/03	1,499.00
11206	OPTIPLEX GX260	6135	04/04/03	1,367.00
12212	OPTIPLEX GX620	6135	04/24/06	1286.78
12161	OPTIPLEX GX620	6135	12/19/05	1,257.78
12721	OPTIPLEX 755	6135	02/19/08	1,166.30
12723	OPTIPLEX 755	6135	02/19/08	1,161.00
12630	OPTIPLEX 745	6135	06/06/07	1,149.55
12942	OPTIPLEX GX620	6135	10/08/08	832.57
12943	OPTIPLEX 755	6135	10/08/08	832.57

Department of Water Resources				
8837	1997FORD F800 CREW TRUCK	4250	03/21/97	47,979.00
2969	VERMEER 1250 BRUSH CHIPPER	4330	01/15/92	33,618.00
14144	TRENCH COMPACTOR/ROLLER	4330	7/29/2004	12,250.00
14082	WACKER DS-70 DIESEL PORTABLE	4440	09/11/12	3,653.00
14083	WACKER DS-70 DIESEL PORTABLE	4440	09/11/12	3,653.00
13696	WACKER RAMMER - DIESEL	4440	05/25/11	3,475.45
13257	OUTBOARD MOTOR	4980	06/19/97	3,331.86
6388	ELECTRIC BAND SAW	4440	09/03/93	2,795.00
13783	LOCATOR MODEL 810XD	4440	09/12/11	2,474.00
13786	LOCATOR MODEL 810XD	4330	9/12/2011	2,474.00
19949	BREAKER PORTABLE WACKER	4330	08/05/01	2,427.75
20928	WACKER BH23 PORTABLE BREAKER	4440	07/31/02	2,245.00
11785	LINE TRACER	4330	9/4/2012	2,048.50
14143	SMARTVAC SWEEPER	4440	09/12/18	1875.00
14053	SMARTVAC SWEEPER	4985	09/12/18	1875.00
2907	WELDER-MILLERMATIC 200MG	4440	01/01/92	1,815.36
1618	TRAILER-HUDSON	4330	06/19/87	1,700.00
13812	TRIPOD RESCUE SYSTEM	4330	10/18/2011	1,609.38
12581	HP LASER JET PRINTER	4440	2/16/2017	1,586.00
3580	YATES - BOAT	4980	07/01/69	1,290.00
1330	FLOOR PRESS - HYDRAULIC	4440	08/20/97	1,285.00
14051	DELL LATITUDE LAPTOP	4330	9/4/2012	1,175.85
14047	DELL LATITUDE LAPTOP	4440	9/4/2012	1,175.85
1046	BACKHOE JOHN DEERE 1986	4335	08/27/86	
13391	DELL PRECISION T3500 WORKSTATION	4900	12/01/10	
13932	DELL OPTIPLEX 790	4975	05/01/10	
13076	DELL WORKSTATION	4970	06/01/09	
13601	DELL OPTIPLEX	4985	03/01/11	
13705	DELL OPTIPLEX	4970	06/01/11	
13732	DELL OPTIPLEX	4440	08/01/11	
13751	DELL OPTIPLEX	4975	08/01/11	
13854	DELL PRECISION	4335	11/01/11	
13857	DELL PRECISION	4970	11/01/11	
13947	DELL PRECISION	4335	05/01/12	
14069	DELL PRECISION	4970	08/12/18	

GAINESVILLE NON PROFIT				
13036	CPU DELL OPTIPEX 760	7300	6/17/2009	888.75

Non Tagged Assets

Attachment B

Asset #	Asset Description	Dept #	Comments
City Manager's Office			
No Tag	WOOD DESK	1320	Below Threshold
No Tag	WOOD & METAL COMPUTER DESK	1320	Below Threshold
No Tag	2-MAUVE MULTI STRIPE GUEST CHAIRS	1320	Below Threshold
No Tag	GREEN METAL FOLDING CHAIR	1320	Below Threshold
No Tag	2-FABRIC ROLLING MANAGERS CHAIR	1320	Below Threshold
No Tag	METAL BOOKCASE APPROX 6'	1320	Below Threshold
No Tag	MISC FRAMED ARTWORK	1320	Below Threshold
No Tag	LARGE ROUND STAINED GLASS	1320	Below Threshold
No Tag	2-STAINED GLASS ARTWORK	1320	Below Threshold
No Tag	WHITE METAL STORAGE BOX	1320	Below Threshold
Financial Services			
No Tag	CANON CALCULATOR	1510	Below Threshold
No Tag	PAPER CUTTER	1510	Below Threshold
No Tag	2-CAMERA TRIPODS	1510	Below Threshold
No Tag	2-3 HOLE PUNCHES	1510	Below Threshold
No Tag	2-2 HOLE PUNCHES	1510	Below Threshold
No Tag	DYNAMO LABEL WRITER W/LABELS	1510	Below Threshold
Human Resources			
No Tag	LATERAL 2 DRAWER	1540	Below Threshold
No Tag	4-5 DRAWER LATERAL	1540	Below Threshold
No Tag	17-4 DRAWER FILE CABINET	1540	Below Threshold
No Tag	3-5 DRAWER FILE CABINET	1540	Below Threshold
Planning			
No Tag	2 WOOD DESKS	7410	Below Threshold
No Tag	2 BOOKCASES 1-4 SHELF, 1-3 SHELF	7410	Below Threshold
No Tag	4 SIDE CHAIRS	7410	Below Threshold
No Tag	WOOD CREDENZA	7410	Below Threshold
No Tag	2 LAMINATE DESKS & 2 RIGHT RETURNS	7410	Below Threshold
No Tag	3 WOOD 2 DRAWER LEGAL FILES	7410	Below Threshold
No Tag	2 WOOD 3 SHELF BOOKCASES	7410	Below Threshold
No Tag	4DRAWER LETTER METAL FILE CABINET	7410	Below Threshold
No Tag	2 WOOD PRINTER STANDS	7410	Below Threshold
No Tag	2 BLACK UPHOLSTERED SIDE CHAIRS	7410	Below Threshold
No Tag	2 WOOD DESKS W/RIGHT RETURNS	7410	Below Threshold
No Tag	2 DRAWER LEGAL FILE - WOOD	7410	Below Threshold
No Tag	3-6 SHELF WOOD BOOKCASES	7410	Below Threshold
No Tag	7 UPHOLSTERED SIDE CHAIRS	7410	Below Threshold
No Tag	2 DRAWER FILE, LAMINATE	7410	Below Threshold
No Tag	METAL STORAGE CABINET	7410	Below Threshold
No Tag	5 DRAWER METAL FILE CABINET	7410	Below Threshold
No Tag	WOOD DESK W/RIGHT RETURN & HUTCH	7410	Below Threshold
No Tag	WOOD 2 DWR LEGAL FILE W/HUTCH	7410	Below Threshold
No Tag	WOOD PRINTER CABINET W/HUTCH	7410	Below Threshold
No Tag	DECORATIVE 4 DRAWER CABINET	7410	Below Threshold
No Tag	2 UPHOLSTERED WING BACK CHAIRS	7410	Below Threshold
No Tag	DECORATIVE 2 DRAWER STAND	7410	Below Threshold

No Tag	SET OF 10 LOCKERS, METAL	7410	Below Threshold
No Tag	4 BLUE SIDE CHAIRS	7410	Below Threshold
No Tag	11 CONFERENCE CHAIRS	7410	Below Threshold
No Tag	TV W/METAL STAND	7410	Below Threshold
No Tag	SMALL WOOD DECORATIVE STAND	7410	Below Threshold
No Tag	4 SIDE CHAIRS	7410	Below Threshold
No Tag	2 BOOKCASES 1-6 SHELF, 1-2 SHELF	7410	Below Threshold
No Tag	6 MATCHING WOODEN CHAIRS	7410	Below Threshold
No Tag	WOOD DESK W/RIGHT RETURN	7410	Below Threshold
No Tag	DESK CHAIR	7410	Below Threshold
No Tag	PRINTER/HP	7410	Below Threshold
No Tag	3-DESK CHAIRS	7410	Below Threshold
No Tag	2-GUEST CHAIRS	7410	Below Threshold

Community Service Department

No Tag	DESK & CABINET/HUTCH	5420	Below Threshold
No Tag	DESK	5420	Below Threshold
No Tag	8-BLUE FABRIC CHAIRS	5420	Below Threshold

Police

No Tag	APPLIED CONCEPTS PRO 1000DS	3200	Below Threshold
No Tag	2-APPLIED CONCEPTS K-BAND ANTENNA	3200	Below Threshold
No Tag	DECATUR GENESIS II COUNTING UNIT	3200	Below Threshold
No Tag	DECATUR GENESIS K-BAND	3200	Below Threshold
No Tag	2-APPLIED CONCEPTS K-BAND ANTENNA	3200	Below Threshold
No Tag	11- INTOXIMETERS ALCOSENSOR III	3200	Below Threshold
No Tag	DECATUR GENESIS-I COUNTING UNIT	3200	Below Threshold
No Tag	DECATUR GENESIS-I COUNTING UNIT	3200	Below Threshold
No Tag	6-DECATUR GENESIS K-BAND ANTENNA	3200	Below Threshold
No Tag	2- LTI TRUSPEED LASER	3200	Below Threshold
NO TAG	2-TRAFFIC SOLUTIONS BATTERY PACKS	3200	Below Threshold
NO TAG	2-WALKIE TALKIES	3200	Below Threshold
NO TAG	SONY DIGITGAL HANDY CAM	3200	Below Threshold
NO TAG	INTOXILYZER	3200	Below Threshold
NO TAG	LASER LABS M-100 TINT METER	3200	Below Threshold
NO TAG	3-PR 1000 RADAR	3200	Below Threshold
NO TAG	3-GENESIS I RADAR	3200	Below Threshold
NO TAG	4-GENESIS 11 RADAR ANTENNAS	3200	Below Threshold
NO TAG	9-PRO 1000 RADAR ANTENNAS	3200	Below Threshold
NO TAG	7-GENESIS I RADAR ANTENNAS	3200	Below Threshold
L-409	ASTRA/INTERARMS CONSTABLE 11,CA 38	3200	ABANDONED
L-352	RAVEN ARMS MOD-MP24,25 CALW/1MAG	3200	ABANDONED
M-1540	JENNINGS FIREARMS J22,22 CAL W/1MAG	3200	ABANDONED
L-1208	GLOCK OD 22,40 CAL,W/ONE MAGAZINE	3200	ABANDONED
L-1208	HAND GUN SOFT CASE	3200	ABANDONED
O-228	H&K MOD-USP,40 CAL W/ONE MAG	3200	ABANDONED
B1129	BAUER FIREARMS CORP,25 CAL,W/1MAG	3200	ABANDONED
34601	BERETTA MOD-92FS,9MM W/1MAG	3200	ABANDONED
34602	HOLSTER FOR BERETTA	3200	ABANDONED
M-920	CROSSFIRE AMP CFA-1000D,250W	3200	ABANDONED
M-1239	AMERICAN PRO BASS,CS1406,600W	3200	ABANDONED
No Tag	SUNBLAZER T5 48" LAMP	3200	ABANDONED
No Tag	STEALTH AIR BOX-3	3200	ABANDONED

No Tag	2-CAN-FAN BLOWER 220W	3200	ABANDONED
No Tag	CARBON 2 AIR FILTERING SYSTEM	3200	ABANDONED
No Tag	AIR BOX 2 AIR FILTERING SYSTEM	3200	ABANDONED
No Tag	4-SUN SYSTEM-10 POWER SUPPLY	3200	ABANDONED
No Tag	4-SUN SYSTEM-10 GROW LIGHT	3200	ABANDONED
No Tag	HYDRO FARM GROW LIGHT,250W	3200	ABANDONED

PW- Streets

No Tag	VACALL SWEEPER GUTTER BOOM	4200	Below Threshold
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Department of Water Resources

No Tag	2-UPS CYBER POWER	4970	Below Threshold
No Tag	CANON PRINTER MX432	4985	Below Threshold
No Tag	3-CANON PRINTER MX432 CARTRIDGES	4985	Below Threshold
No Tag	3-DELL KEYBOARDS	4975	Below Threshold
No Tag	6-DELL MOUSES	4975	Below Threshold
No Tag	MICROSOFT MOUSE	4975	Below Threshold
No Tag	PCI VIDEO CARD	4970	Below Threshold
No Tag	DELL MONITOR	4970	Below Threshold
No Tag	MITEL IP PHONE HANDSET ONLY	4975	Below Threshold
No Tag	2-UPS BATTERY BACKUP	4970	Below Threshold
No Tag	HP OFFICEJET	4430	Below Threshold
No Tag	19 FLIP PHONES	4985	Below Threshold
No Tag	8 VERIZON JETPACKS	4985	Below Threshold
No Tag	2 KYOCERA SMART PHONES	4985	Below Threshold
No Tag	4 MOTOROLA SMART PHONES	4985	Below Threshold
No Tag	3 SAMSUNG SMART PHONES	4985	Below Threshold
No Tag	3 MISC PHONE CASES	4985	Below Threshold
No Tag	2 WOODEN BOOKCASES	4985	Below Threshold
No Tag	5 WOODEN DESKS/CREDENZAS	4975	Below Threshold
No Tag	BOX OF IT ITEMS(KEYBDS,MICE,MONITOR	4975	Below Threshold
No Tag	WOOD PHONE/PLANT STAND	4975	Below Threshold
No Tag	2 BLUE 3SEAT & 2 SEAT LOBBY FURN	4975	Below Threshold
No Tag	2 CORK BOARDS	4985	Below Threshold
No Tag	9 DESK/RECEPTION CHAIRS	4975	Below Threshold
No Tag	WOODEN LATERAL FILE W/HUTCH	4985	Below Threshold
No Tag	2 CHAIR MATS	4985	Below Threshold
No Tag	88" x 64" ALUMINUM MINI BLIND	4985	Below Threshold

Tourism

No Tag	BLACK ROLLING OFFICE DESK CHAIR	7540	Below Threshold
No Tag	BLACK SHABBY CHIC DROP LEAF TABLE	7540	Below Threshold
No Tag	4-NAVY ROLING CONFERENCE CHAIRS	7540	Below Threshold

Park & Rec

No Tag	5 SHELF BOOKCASE	6200	Below Threshold
No Tag	3 OFFCE DESKs W/SIDE ARM CREDENSA	6200	Below Threshold
No Tag	2 OFFICES	6200	Below Threshold

Housing

No Tag	15" MONITOR	7300	Below Threshold
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CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/28/2018
Presenter: Jeremy Perry
Item of Business: Resolution: Investment and Cash Management Policy
Meeting Date: 12/13/2018

Purpose of Request:

To continue to safeguard the City's funds, ensure the availability of operating and capital funds when needed, provide and investment return competitive with comparable funds and financial market indices, a complete rewrite of the policy was necessary to set forth the guidelines and objectives needed to achieve a prudent cash and investment management program.

History/Background:

In 1994, the Gainesville City Council adopted an Investment and Cash Management Policy. On November 20, 2007, the policy was amended with Resolution BR-2007-53.

Facts & Issues for Consideration:

Department Recommendation:

Financial Services recommends the adoption of the Investment and Cash Management Policy.

Department Director:

Jeremy Perry

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ Investment and Cash Management Policy Resolution	Resolution
☐ Investment and Cash Management Policy	Policy

RESOLUTION BR-2018 - ____

INVESTMENT AND CASH MANAGEMENT POLICY

WHEREAS, the Gainesville City Council adopted an Investment and Cash Management Policy in 1994 to set forth the investment objectives and parameters for the management of public funds of the City of Gainesville, Georgia; and

WHEREAS, on November 20, 2007, City Council adopted an amendment to the policy which provided for a 40% limited investment in the State investment pool with Resolution BR-2007-53; and

WHEREAS, to continue to safeguard the City's funds, ensure the availability of operating and capital funds when needed, provide an investment return competitive with comparable funds and financial market indices; and

WHEREAS, a complete rewrite of the policy was necessary to set forth the guidelines and objectives needed to achieve a prudent cash and investment management program; and

WHEREAS, the policy will apply to all cash and investments held or controlled by the City with the exception of the City's funds that have other existing policies related to cash and investments like the issuance of debt or Employees' Pension Funds.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville adopts the attached Investment and Cash Management Policy which is in accordance with the Official Code of Georgia, Annotated §36-80-3, §36-80-4, and §36-83-4.

Adopted this ____ day of _____, 2018.

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville, Georgia. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

Denise O. Jordan, City Clerk

Investment and Cash Management Policy for the City of Gainesville, Georgia



Approved on December 18, 2018

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Investment and Cash Management Policy

City of Gainesville, Georgia

I. PURPOSE

The purpose of this Investment and Cash Management Policy (hereinafter “Policy”) is to set forth the investment objectives and parameters for the management of the public funds of the City of Gainesville, Georgia (hereinafter “City”). This Policy is designed to safeguard the City’s funds, ensure the availability of operating and capital funds when needed, and provide an investment return competitive with comparable funds and financial market indices.

II. SCOPE

In accordance with the Official Code of Georgia, Annotated §36-80-3, §36-80-4 and §36-83-4, this Policy will set forth the guidelines and objectives necessary to achieve a prudent cash and investment management program. This Policy applies to all cash and investments held or controlled by the City with the exception of the City’s funds related to the issuance of debt or Employees’ Pension Funds, which have other existing policies or indentures in effect for such funds. Cash and investment balances as defined in this Section are entirely known as “Available Funds”.

III. INVESTMENT OBJECTIVES

Safety of Principal

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Maintenance of Liquidity

The portfolios shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodic cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.

Return on Investment

The portfolios shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. However, return is attempted through active management where the Investment Advisor utilizes a total return strategy (which includes both realized and unrealized gains and losses in the portfolios). This total return strategy seeks to increase the value of the portfolios through reinvestment of income and capital gains. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Despite this, an Investment Advisor may trade to recognize a loss from time to time to achieve a perceived relative value based on its potential to enhance the total return of the portfolios.

IV. DELEGATION OF AUTHORITY

The responsibility for providing fiduciary oversight of the investment program resides with the City Council. Responsibility for the administration of the investment program is vested in the City Manager. The City's Chief Financial Officer or other designee will be responsible for transferring the appropriate funds to effect investment transactions, as recommended by the City's Investment Advisor for the investment program. No person may engage in an investment transaction except as stated in the internal controls section of the policy. In employing an Investment Advisor to manage the City's investment portfolio, such Investment Advisor or firm must be registered under the Investment Adviser's Act of 1940.

V. STANDARDS OF PRUDENCE

The standard of prudence to be used by investment officials shall be the "Prudent Person" standard and shall be applied in the context of managing the overall investment program. Investment officers acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided significant deviations from expectations are reported to the City Council in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy. The "Prudent Person" rule states the following:

Investments shall be made with judgment and care, under circumstances then prevailing, 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 to be derived from the investment.

While the standard of prudence to be used by investment officials who are officers or employees is the Prudent Person standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

VI. ETHICS AND CONFLICTS OF INTEREST

The City Council, City Manager, Chief Financial Officer, and Financial Services Department Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, the above personnel involved in the investment process shall disclose to the City Council any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment program. Investment related officers and personnel shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

As delegated by the City Manager, the Chief Financial Officer or designee shall establish a system of internal controls and operational procedures that are in writing and made a part of the City's financial operating procedures. The internal controls should be designed to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees. The written procedures should include reference to safekeeping, repurchase agreements, separation of transaction authority from accounting and recordkeeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and "delivery-vs-payment" procedures. No person may engage in an investment transaction except as authorized under the terms of this Policy, the internal controls, and the operational procedures.

Independent auditors as a normal part of the annual financial audit of the City shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

VIII. CONTINUING EDUCATION

The Chief Financial Officer or designee and any other personnel responsible for overseeing investments shall attend at least one investment training session within 12 months after taking office or assuming duties and receive not less than 8 hours of instruction relating to investment responsibilities every two years.

IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Upon recommendation by the City's Investment Advisor for the investment program:

- A. The Chief Financial Officer or other designee shall only purchase securities from investment institutions which are designated as Primary Dealers by the Federal Reserve Bank of New York (source of information: <https://www.newyorkfed.org/markets/primarydealers.html>)
- B. The Chief Financial Officer or designee shall only enter into repurchase agreements with financial institutions that are Primary Dealers as designated by the Federal Reserve Bank of New York.
- C. The Chief Financial Officer or designee shall maintain a list of financial institutions and broker/dealers that are approved for investment purposes (hereinafter referred to as "Qualified Institutions") and only firms meeting the following requirements will be eligible to serve as Qualified Institutions:
 - 1) Regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
 - 2) Capital of no less than \$10,000,000;
 - 3) Registered as a dealer under the Securities Exchange Act of 1934;
 - 4) Member of the Financial Industry Regulatory Authority, Inc. (FINRA);
 - 5) Registered to sell securities in Georgia; and
 - 6) The firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years;

No policy deposit shall be made except in a qualified public depository as established by state law.

The City's Investment Advisor(s) shall utilize and maintain its own list of approved primary and non-primary dealers.

X. MATURITY, LIQUIDITY, ALLOCATION, AND REPORTING REQUIREMENTS

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

A. Maturity Guidelines

Enhanced Cash portfolio: Securities purchased by or on behalf of the City shall have a final maturity of two (2.0) years or less from the date of settlement. The maximum effective duration of the enhanced cash portfolio shall be one and one-quarter (1.25) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement.

B. Liquidity Requirements

The Chief Financial Officer or designee shall consult with the City's Investment Advisor(s) to determine the approximate amount of funds required to meet the day-to-day expenditure needs of the City. All funds in the depository bank will be "swept" each night into a fully collateralized repurchase agreement or bank money market account/fund. In order to have an available source of funds to meet unexpected cash requirements, a minimum of two months operating expenses will be deposited in the bank account, Georgia Fund1, or other "money market" type instruments. The balance of the City's funds will be available for investment according to the guidelines incorporated within this Policy.

C. Allocation of Interest

Investment earnings derived from any pooled cash investments shall be distributed to individual funds based upon each fund's amount of participation.

D. Report of Investments

The Financial Services Department shall prepare monthly reports of cash and investments. The report will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to this investment policy.

XI. RISK AND DIVERSIFICATION

Assets held shall be diversified to control risks resulting from over concentration of assets in a specific maturity, issuer, instruments, dealer, or bank through which these instruments are bought and sold. The Chief Financial Officer or designee shall consult with the City's Investment Advisor(s) to determine diversification strategies within the established guidelines.

XII. MASTER REPURCHASE AGREEMENT

The Chief Financial Officer or designee will as directed by the City's Investment Advisor(s) require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the SIFMA Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the SIFMA Master Repurchase Agreement.

XIII. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

After the Chief Financial Officer or designee in consultation with the City's Investment Advisor(s) has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers on securities in question. Bids

will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

However, if obtaining bids/offers are not feasible and appropriate, securities may be purchased/sold utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to:

- A. Tradeweb
- B. Bloomberg Information Systems
- C. Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing
- D. Daily market pricing provided by the City's custodian or their correspondent institutions

The Chief Financial Officer or designee and the City's Investment Advisor(s) shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the Chief Financial Officer or designee and the City's Investment Advisor(s), competitive bidding would inhibit the selection process.

Examples of when this method may be used include:

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process
- B. When no active market exists for the issue being traded due to the age or depth of the issue
- C. When a security is unique to a single dealer, for example, a private placement
- D. When the transaction involves new issues or issues in the "when issued" market

Overnight sweep investment instruments will not be bid, but may be placed with the City's depository bank relating to the demand account for which the investment instrument was purchased.

XIV. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments will be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and the City's needs change. When the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Chief Financial Officer or designee in consultation with the City's Investment Advisor(s) may sell the investment at the then-prevailing market price and place the proceeds into the proper account at the City's custodian.

The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the City. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the Chief Financial Officer or designee in consultation with the City's Investment Advisor(s). The Chief Financial Officer or designee, in consultation with the City's Investment Advisor(s), shall have the option to further restrict investment percentages from time to time based on market conditions, risk and diversification investment strategies. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment, at the time of purchase. Investments not listed in this Policy are prohibited. The following requirements do not apply to funds derived from the sale of debt or used in energy risk management programs.

Permitted Investments

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement ¹	Maximum Maturity
Obligations of the State of Georgia or of other States	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3, or equivalent)	2.0 Years
Obligations issued by the United States government	100%	N/A	N/A	2.0 Years
Obligations fully insured or guaranteed by the United States government or a United States government agency	100%	N/A	N/A	2.0 Years
Obligations of any corporation of the United States Government	75%	40% ²	N/A	2.0 Years
Agency Mortgage-Backed Securities (MBS)	25%	40% ²	N/A	2.0 Years Avg. Life ³
Prime banker's acceptances	25%	5%	Highest ST Rating Category (A-1/P-1, or equivalent)	180 Days
The Local government investment pool established by Code Section §36-83-8	50%	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Fully Collateralized Repurchase Agreement	25%	5%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	1 Year
Obligations of other political Subdivisions in the State of Georgia	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3, or equivalent)	2.0 Years
Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation and Bank Deposits	50%	25%	N/A	2.0 Years

Notes:

¹ Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. ST=Short-term; LT=Long-term.

² Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%.

³ The maturity limit for MBS is based on the expected average life at time of settlement, measured using Bloomberg or other industry standard methods.

- 1) **Obligations of the State of Georgia or of other States** - Obligations, including both taxable and tax-exempt, issued or guaranteed by any State of the United States.
- 2) **Obligations issued by the United States government** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
- 3) **Obligations fully insured or guaranteed by the United States government or a United States government agency** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
- 4) **Obligations of any corporation of the United States Government** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency or government-sponsored enterprise (GSE).
- 5) **Agency Mortgage Backed Securities** - Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S.

Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.

- 6) **Prime Bankers' Acceptances** - Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank.
- 7) **Local Government Investment Pools** – State, local government or privately-sponsored investment pools that are authorized pursuant to Code Section §36-83-8.

A thorough investigation of any intergovernmental investment pool is required prior to investing, and on an annual basis. Attachment B is a questionnaire that contains a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

- 8) **Fully Collateralized Repurchase Agreement** - Repurchase agreements (Repo or RP) that meet the following requirements:
 - a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the Counterparty default or fail to provide full timely repayment.
 - b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
 - c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement and may be of deliverable or tri-party form. Securities must be held in the City's custodial account or in a separate account in the name of the City.
 - d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, or U.S. Agency-backed mortgage related securities.
 - e. Underlying securities must have an aggregate current market value of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
 - f. Final term of the agreement must be 1 year or less.
- 9) **Obligations of other political Subdivisions in the State of Georgia** – Obligations, including both taxable and tax-exempt, issued or guaranteed by any political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of the State of Georgia.
- 10) **Certificates of Deposit of Banks Bank Deposits** – which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation shall be secured by direct obligations of the state or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured. For bank deposits or savings accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured by the O.C.G.A. §45-8-12 and O.C.G.A. §50-17-59.

General Investment and Portfolio Limits

1. General investment limitations:
 - a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
 - b. Minimum ratings are based on the highest rating by any one Nationally Recognized Statistical Ratings Organization ("NRSRO"), unless otherwise specified.
 - c. All limits and rating requirements apply at time of purchase.

- d. Should a security fall below the minimum credit rating requirement for purchase, the Investment Advisor will notify the Chief Financial Officer.
 - e. The maximum maturity (or average life for MBS) of any investment is 2.0 years. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.
2. General portfolio limitations:
- a. The maximum effective duration of the portfolio is 1.25 years.
3. Investment in the following are permitted, provided they meet all other policy requirements:
- a. Callable, step-up callable, called, pre-refunded, puttable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector
 - b. Variable-rate and floating-rate securities
 - c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector
 - d. Zero coupon issues and strips, excluding agency mortgage-backed Interest-only structures (I/Os)
 - e. Treasury TIPS
4. The following are **NOT PERMITTED** investments, unless specifically authorized by statute and with prior approval of the governing body:
- a. Trading for speculation
 - b. Derivatives (other than callables and traditional floating or variable-rate instruments)
 - c. Mortgage-backed interest-only structures (I/Os)
 - d. Inverse or leveraged floating-rate and variable-rate instruments
 - e. Currency, equity, index and event-linked notes (e.g. range notes), or other structures that could return less than par at maturity
 - f. Private placements and direct loans, except as may be legally permitted by Rule 144A or commercial paper issued under a 4(2) exemption from registration
 - g. Convertible, high yield, and non-U.S. dollar denominated debt
 - h. Short sales
 - i. Use of leverage
 - j. Futures and options
 - k. Mutual funds, including fixed-income mutual funds and ETFs, and 2a-7 money market funds (unless bond proceeds – then State Statute 36-82-7 applies)
 - l. Equities, commodities, currencies and hard assets

XV. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS

The City may not invest in investment products that include the use of derivatives, unless otherwise stated in Section XIV. A “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. Reverse repurchase agreements are not permitted by this Policy.

XVI. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolios’ performance, the City will use performance benchmarks for the short-term investments and enhanced cash portfolio. The use of benchmarks will allow the City to measure its returns against other investors in the same markets.

- A. The short-term investments shall be designed with the annual objective of exceeding the weighted average return (net book value rate of return) of the ICE Bank of America Merrill Lynch (ICE BofAML) 3-Month U.S. Treasury Bill Index. The ICE BofAML 3-Month T-Bill Index is an unmanaged index that measures returns of three-month Treasury Bills.

- B. The City may measure the enhanced cash investment portfolio using the following benchmark with the annual objective of exceeding the return of the;
1. ICE Bank of America Merrill Lynch (ICE BofAML) 1-Year U.S. Treasury Index compared to the portfolio's total rate of return. The ICE BofAML 1-Year U.S. Treasury Index represents all U.S. Treasury securities maturing in one year.

In the event that the above benchmarks are no longer available or not applicable, an Index that is comprised of underlying assets of comparable asset classes, ratings quality and duration may be used.

XVII. REPORTING

- A. The City's Investment Advisor(s) shall provide quarterly investment reports on the City's short-term and long-term core investments to the City Manager who will share these reports with the City Council. Schedules in the quarterly report should include the following:
1. A listing of individual securities held at the end of the reporting period
 2. Percentage of available funds represented by each investment type
 3. Coupon, discount or earning rate
 4. Average life or duration and final maturity of all investments
 5. Par value and market value

XVIII. THIRD-PARTY CUSTODIAL AGREEMENTS

Securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Georgia, or any other state or territory of the United States which has a branch or principal place of business in the State of Georgia, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Georgia. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the City Manager and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

Monthly, the custodian shall provide the Chief Financial Officer or designee and/or the City's Investment Advisor(s) with detail information on the securities held by the custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Only after receiving written authorization from the Chief Financial Officer or designee shall authorized securities be delivered "free". Securities held as collateral shall be held free and clear of any liens.

XIX. RESERVATION OF AUTHORITY

The Chief Financial Officer or designee shall review the Policy annually. The authority to issue and/or revise this Policy is reserved for the City Council.

ADD NAME & TITLE

Attachment A

Glossary of Investment and Cash Management Terms

The following is a glossary of key investing terms, many of which appear in the City's investment policy. This glossary clarifies the meaning of investment terms generally used in cash and investment management. This glossary has been adapted from the GFOA Sample Investment Policy and the Association of Public Treasurers of the United States and Canada's Model Investment Policy.

Accrued Interest. Interest earned but which has not yet been paid or received.

Agency. See "Federal Agency Securities."

Ask Price. Price at which a broker/dealer offers to sell a security to an investor. Also known as "offered price."

Asset Backed Securities (ABS). A fixed-income security backed by notes or receivables against assets other than real estate. Generally issued by special purpose companies that "own" the assets and issue the ABS. Examples include securities backed by auto loans, credit card receivables, home equity loans, manufactured housing loans, farm equipment loans, and aircraft leases.

Average Life. The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance (BA's). A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point. One hundredth of one percent, or 0.01%. Thus 1% equals 100 basis points.

Bearer Security. A security whose ownership is determined by the holder of the physical security. Typically, there is no registration on the issuer's books. Title to bearer securities is transferred by delivery of the physical security or certificate. Also known as "physical securities."

Benchmark Bills: In November 1999, FNMA introduced its Benchmark Bills program, a short-term debt securities issuance program to supplement its existing discount note program. The program includes a schedule of larger, weekly issues in three- and six-month maturities and biweekly issues in one-year for Benchmark Bills. Each issue is brought to market via a Dutch (single price) auction. FNMA conducts a weekly auction for each Benchmark Bill maturity and accepts both competitive and non-competitive bids through a web based auction system. This program is in addition to the variety of other discount note maturities, with rates posted on a daily basis, which FNMA offers. FNMA's Benchmark Bills are unsecured general obligations that are issued in book-entry form through the Federal Reserve Banks. There are no periodic payments of interest on Benchmark Bills, which are sold at a discount from the principal amount and payable at par at maturity. Issues under the Benchmark program constitute the same credit standing as other FNMA discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Benchmark Notes/Bonds: Benchmark Notes and Bonds are a series of FNMA "bullet" maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10, and 30-year maturities are issued each quarter. Each Benchmark Notes new issue has a minimum size of \$4 billion, 30-year new issues having a minimum size of \$1 billion, with re-openings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Benchmark. A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance, and duration of the actual portfolio's investments.

Bid Price. Price at which a broker/dealer offers to purchase a security from an investor.

Bond. Financial obligation for which the issuer promises to pay the bondholder (the purchaser or owner of the bond) a specified stream of future cash-flows, including periodic interest payments and a principal repayment.

Book Entry Securities. Securities that are recorded in a customer's account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, DTC, and PTC (as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. The vast majority of securities are now book entry securities.

Book Value. The value at which a debt security is reflected on the holder's records at any point in time. Book value is also called "amortized cost" as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called "carrying value." Book value can vary over time as an investment approaches maturity and differs from "market value" in that it is not affected by changes in market interest rates.

Broker/Dealer. A person or firm transacting securities business with customers. A "broker" acts as an agent between buyers and sellers, and receives a commission for these services. A "dealer" buys and sells financial assets from its own portfolio. A dealer takes risk by owning inventory of securities, whereas a broker merely matches up buyers and sellers. See also "Primary Dealer."

Bullet Notes/Bonds. Notes or bonds that have a single maturity date and are non-callable.

Call Date. Date at which a call option may be or is exercised.

Call Option. The right, but not the obligation, of an issuer of a security to redeem a security at a specified value and at a specified date or dates prior to its stated maturity date. Most fixed-income calls are at par, but can be at any previously established price. Securities issued with a call provision typically carry a higher yield than similar securities issued without a call feature. There are three primary types of call options (1) European - one-time calls, (2) Bermudan - periodically on a predetermined schedule (quarterly, semi-annual, annual), and (3) American - continuously callable at any time on or after the call date. There is usually a notice period of at least 5 business days prior to a call date.

Callable Bonds/Notes. Securities which contain an imbedded call option giving the issuer the right to redeem the securities prior to maturity at a predetermined price and time.

Certificate of Deposit (CD). Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as 10 years to maturity, but most CDs purchased by public agencies are one year and under.

Collateral. Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

Collateralization. Process by which a borrower pledges securities, property, or other deposits for securing the repayment of a loan and/or security.

Collateralized Mortgage Obligation (CMO). A security that pools together mortgages and separates them into short, medium, and long-term positions (called tranches). Tranches are set up to pay different rates of interest depending upon their maturity. Interest payments are usually paid monthly. In "plain vanilla" CMOs, principal is not paid on a tranche until all shorter tranches have been paid off. This system provides interest and principal in a more predictable manner. A single pool of mortgages can be carved up into numerous tranches each with its own payment and risk characteristics.

Commercial Paper. Short term unsecured promissory note issued by a company or financial institution. Issued at a discount and matures for par or face value. Usually a maximum maturity of 270 days and given a short-term debt rating by one or more NRSROs.

Convexity. A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Corporate Note. A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Counterparty. The other party in a two party financial transaction. "Counterparty risk" refers to the risk that the other party to a transaction will fail in its related obligations. For example, the bank or broker/dealer in a repurchase agreement.

Coupon Rate. Annual rate of interest on a debt security, expressed as a percentage of the bond's face value.

Current Yield. Annual rate of return on a bond based on its price. Calculated as (coupon rate / price), but does not accurately reflect a bond's true yield level.

Custody. Safekeeping services offered by a bank, financial institution, or trust company, referred to as the "custodian." Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement, and market values.

Dealer. A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own account.

Delivery Versus Payment (DVP). Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC). A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs, and BAs clear through DTC.

Derivatives. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities). For hedging purposes, common derivatives are options, futures, interest rate swaps, and swaptions. All Collateralized Mortgage Obligations (CMOs) are derivatives.

Derivative Security. Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Designated Bond. FFCB's regularly issued, liquid, non-callable securities that generally have a 2 or 3 year original maturity. New issues of Designated Bonds are \$1 billion or larger. Re-openings of existing Designated Bond issues are generally a minimum of \$100 million. Designated Bonds are offered through a syndicate of two to six dealers. Twice each month the Funding Corporation announces its intention to issue a new Designated Bond, reopen an existing issue, or to not issue or reopen a Designated Bond. Issues under the Designated Bond program constitute the same credit standing as other FFCB issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Discount Notes. Unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Very large primary (new issue) and secondary markets exist.

Discount Rate. Rate charged by the system of Federal Reserve Banks on overnight loans to member banks. Changes to this rate are administered by the Federal Reserve and closely mirror changes to the "fed funds rate."

Discount Securities. Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value. Examples include: U.S. Treasury Bills, Federal Agency Discount Notes, Bankers' Acceptances, and Commercial Paper.

Discount. The amount by which a bond or other financial instrument sells below its face value. See also "Premium."

Diversification. Dividing investment funds among a variety of security types, maturities, industries, and issuers offering potentially independent returns.

Dollar Price. A bond's cost expressed as a percentage of its face value. For example, a bond quoted at a dollar price of 95 $\frac{1}{2}$, would have a principal cost of \$955 per \$1,000 of face value.

Duff & Phelps. One of several NRSROs that provide credit ratings on corporate and bank debt issues.

Duration. The weighted average maturity of a security's or portfolio's cash-flows, where the present values of the cash-flows serve as the weights. The greater the duration of a security/portfolio, the greater its percentage price volatility with respect to changes in interest rates. Used as a measure of risk and a key tool for managing a portfolio versus a benchmark and for hedging risk. There are also different kinds of duration used for different purposes (e.g. MacAuley Duration, Modified Duration).

Fannie Mae. See "Federal National Mortgage Association."

Fed Money Wire. A computerized communications system that connects the Federal Reserve System with its member banks, certain U. S. Treasury offices, and the Washington D.C. office of the Commodity Credit Corporation. The Fed Money Wire is the book entry system used to transfer cash balances between banks for themselves and for customer accounts.

Fed Securities Wire. A computerized communications system that facilitates book entry transfer of securities between banks, brokers and customer accounts, used primarily for settlement of U.S. Treasury and Federal Agency securities.

Fed. See "Federal Reserve System."

Federal Agency Security. A debt instrument issued by one of the Federal Agencies. Federal Agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency. Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest Federal Agencies are GNMA, FNMA, FHLMC, FHLB, FFCB, SLMA, and TVA.

Federal Deposit Insurance Corporation (FDIC). Federal agency that insures deposits at commercial banks, currently to a limit of \$250,000 per depositor per bank.

Federal Farm Credit Bank (FFCB). One of the large Federal Agencies. A government sponsored enterprise (GSE) system that is a network of cooperatively-owned lending institutions that provides credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. Also issues notes under its "designated note" program.

Federal Funds (Fed Funds). Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

Federal Funds Rate (Fed Funds Rate). The interest rate charged by a depository institution lending Federal Funds to another depository institution. The Federal Reserve influences this rate by establishing a "target" Fed Funds rate associated with the Fed's management of monetary policy.

Federal Home Loan Bank System (FHLB). One of the large Federal Agencies. A government sponsored enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its "global note" and "TAP" programs.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities, and MBS. Also issues notes under its "reference note" program.

Federal National Mortgage Association (FNMA or "Fannie Mae"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its "benchmark note" program.

Federal Reserve Bank. One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (the Fed). The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the "Federal Reserve Board" and headed by its Chairman.

Financial Industry Regulatory Authority, Inc. (FINRA). A private corporation that acts as a self-regulatory organization (SRO). FINRA is the successor to the National Association of Securities Dealers, Inc. (NASD). Though sometimes mistaken for a government agency, it is a non-governmental organization that performs financial regulation of member brokerage firms and exchange markets. The government also has a regulatory arm for investments, the Securities and Exchange Commission (SEC).

Fiscal Agent/Paying Agent. A bank or trust company that acts, under a trust agreement with a corporation or municipality, in the capacity of general treasurer. The agent performs such duties as making coupon payments, paying rents, redeeming bonds, and handling taxes relating to the issuance of bonds.

Fitch Investors Service, Inc. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Floating Rate Security (FRN or "floater"). A bond with an interest rate that is adjusted according to changes in an interest rate or index. Differs from variable-rate debt in that the changes to the rate take place immediately when the index changes, rather than on a predetermined schedule. See also "Variable Rate Security."

Freddie Mac. See "Federal Home Loan Mortgage Corporation."

Ginnie Mae. See "Government National Mortgage Association."

Global Notes: Notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. are typically denominated in U.S. dollars.

Government National Mortgage Association (GNMA or "Ginnie Mae"). One of the large Federal Agencies. Government-owned Federal Agency that acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities. Largest issuer of mortgage pass-through securities. GNMA debt is guaranteed by the full faith and credit of the U.S. government (one of the few agencies that are actually full faith and credit of the U.S. government).

Government Securities. An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, Bonds, and SLGS."

Government Sponsored Enterprise (GSE). Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. government, but they are not direct obligations of the U.S. government. For this reason, these securities will offer a yield premium over U.S. Treasuries. Examples of GSEs include: FHLB, FHLMC, FNMA, and SLMA.

Government Sponsored Enterprise Security. A security issued by a Government Sponsored Enterprise. Considered Federal Agency Securities.

Index. A compilation of statistical data that tracks changes in the economy or in financial markets.

Interest-Only (IO) STRIP. A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing. Therefore, IOs are considered risky investments. Usually associated with mortgage-backed securities.

Internal Controls. An internal control structure ensures that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** - A separation of duties is achieved by separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction.
3. **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

6. **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverse Floater. A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed-income investments and whose interest rate can fall to zero.

Investment Advisor. A company that provides professional advice managing portfolios, investment recommendations, and/or research in exchange for a management fee.

Investment Adviser Act of 1940. Federal legislation that sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Grade. Bonds considered suitable for preservation of invested capital, including bonds rated a minimum of Baa3 by Moody's, BBB- by Standard & Poor's, or BBB- by Fitch. Although "BBB" rated bonds are considered investment grade, most public agencies cannot invest in securities rated below "A."

Liquidity. Relative ease of converting an asset into cash without significant loss of value. Also, a relative measure of cash and near-cash items in a portfolio of assets. Additionally, it is a term describing the marketability of a money market security correlating to the narrowness of the spread between the bid and ask prices.

Local Government Investment Pool (LGIP). An investment by local governments in which their money is pooled as a method for managing local funds, (e.g., Georgia Fund 1).

Long-Term Core Investment Program. Funds that are not needed within a one-year period.

Market Value. The fair market value of a security or commodity. The price at which a willing buyer and seller would pay for a security.

Mark-to-market. Adjusting the value of an asset to its market value, reflecting in the process unrealized gains or losses.

Master Repurchase Agreement. A widely accepted standard agreement form published by the Securities Industry and Financial Markets Association (SIFMA) that is used to govern and document Repurchase Agreements and protect the interest of parties in a repo transaction.

Maturity Date. Date on which principal payment of a financial obligation is to be paid.

Medium Term Notes (MTN's). Used frequently to refer to corporate notes of medium maturity (5-years and under). Technically, any debt security issued by a corporate or depository institution with a maturity from 1 to 10 years and issued under an MTN shelf registration. Usually issued in smaller issues with varying coupons and maturities, and underwritten by a variety of broker/dealers (as opposed to large corporate deals issued and underwritten all at once in large size and with a fixed coupon and maturity).

Money Market. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Money Market Mutual Fund (MMF). A type of mutual fund that invests solely in money market instruments, such as: U.S. Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject to "rule 2a-

7” which significantly limits average maturity and credit quality of holdings. MMF’s are managed to maintain a stable net asset value (NAV) of \$1.00. Many MMFs carry ratings by a NRSRO.

Moody's Investors Service. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Mortgage Backed Securities (MBS). Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA, and FHLMC. There are a variety of MBS structures with varying levels of risk and complexity. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance and lower rates or simply because the underlying property was sold.

Mortgage Pass-Through Securities. A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. The largest issuer is GNMA.

Municipal Note/Bond. A debt instrument issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Mutual Fund. Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (e.g., bond, equity, and money market funds); all except money market funds operate on a variable net asset value (NAV).

Negotiable Certificate of Deposit (Negotiable CD). Large denomination CDs (\$100,000 and larger) that are issued in bearer form and can be traded in the secondary market.

Net Asset Value. The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets including securities, cash, and any accrued earnings, then subtracting the total assets from the fund's liabilities, and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$$

NRSRO. A “Nationally Recognized Statistical Rating Organization” (NRSRO) is a designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody’s, S&P, Fitch, and Duff & Phelps.

Offered Price. See also "Ask Price."

Open Market Operations. A Federal Reserve monetary policy tactic entailing the purchase or sale of government securities in the open market by the Federal Reserve System from and to primary dealers in order to influence the money supply, credit conditions, and interest rates.

Par Value. The face value, stated value, or maturity value of a security.

Physical Delivery. Delivery of readily available underlying assets at contract maturity.

Portfolio. Collection of securities and investments held by an investor.

Premium. The amount by which a bond or other financial instrument sells above its face value. See also "Discount."

Primary Dealer. A designation given to certain government securities dealer by the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit

daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are the largest buyers and sellers by volume in the U.S. Treasury securities market.

Prime Paper. Commercial paper of high quality. Highest rated paper is A-1+/A-1 by S&P and P-1 by Moody's.

Principal. Face value of a financial instrument on which interest accrues. May be less than par value if some principal has been repaid or retired. For a transaction, principal is par value times price and includes any premium or discount.

Prudent Expert Rule. Standard that requires that a fiduciary manage a portfolio with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. This statement differs from the "prudent person" rule in that familiarity with such matters suggests a higher standard than simple prudence.

Prudent Investor Standard. Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. More stringent than the "prudent person" standard as it implies a level of knowledge commensurate with the responsibility at hand.

Range Note. A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

Rate of Return. Amount of income received from an investment, expressed as a percentage of the amount invested.

Realized Gains (Losses). The difference between the sale price of an investment and its book value. Gains/losses are "realized" when the security is actually sold, as compared to "unrealized" gains/losses which are based on current market value. See "Unrealized Gains (Losses)."

Reference Bills: FHLMC's short-term debt program created to supplement its existing discount note program by offering issues from one month through one year, auctioned on a weekly or on an alternating four-week basis (depending upon maturity) offered in sizeable volumes (\$1 billion and up) on a cycle of regular, standardized issuance. Globally sponsored and distributed, Reference Bill issues are intended to encourage active trading and market-making and facilitate the development of a term repo market. The program was designed to offer predictable supply, pricing transparency, and liquidity, thereby providing alternatives to U.S. Treasury bills. FHLMC's Reference Bills are unsecured general corporate obligations. This program supplements the corporation's existing discount note program. Issues under the Reference program constitute the same credit standing as other FHLMC discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Reference Notes: FHLMC's intermediate-term debt program with issuances of 2, 3, 5, 10, and 30-year maturities. Initial issuances range from \$2 - \$6 billion with re-openings ranging \$1 - \$4 billion.

The notes are high-quality bullet structures securities that pay interest semiannually. Issues under the Reference program constitute the same credit standing as other FHLMC notes; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Repurchase Agreement (Repo). A short-term investment vehicle where an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor's custodial bank, or "tri-party" where the securities are delivered to a third party intermediary. Any type of security can be used as "collateral," but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate Securities Industry and Financial Markets Association (SIFMA) approved master repurchase agreement is in place.

Reverse Repurchase Agreement (Reverse Repo). A repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

Safekeeping. Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

Secondary Market. Markets for the purchase and sale of any previously issued financial instrument.

Securities Industry and Financial Markets Association (SIFMA). The bond market trade association representing the largest securities markets in the world. In addition to publishing a Master Repurchase Agreement, widely accepted as the industry standard document for Repurchase Agreements, the SIFMA also recommends bond market closures and early closes due to holidays.

Securities Lending. An arrangement between an investor and a custody bank that allows the custody bank to “loan” the investor’s investment holdings, reinvest the proceeds in permitted investments, and share any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

Sinking Fund. A separate accumulation of cash or investments (including earnings on investments) in a fund in accordance with the terms of a trust agreement or indenture, funded by periodic deposits by the issuer (or other entity responsible for debt service), for the purpose of assuring timely availability of moneys for payment of debt service. Usually used in connection with term bonds.

Spread. The difference between the price of a security and similar maturity U.S. Treasury investments, expressed in percentage terms or basis points. A spread can also be the absolute difference in yield between two securities. The securities can be in different markets or within the same securities market between different credits, sectors, or other relevant factors.

Standard & Poor's. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

STRIPS (Separate Trading of Registered Interest and Principal of Securities). Acronym applied to U.S. Treasury securities that have had their coupons and principal repayments separated into individual zero-coupon Treasury securities. The same technique and “strips” description can be applied to non-Treasury securities (e.g., FNMA strips).

Structured Notes. Notes that have imbedded into their structure options such as step-up coupons or derivative-based returns.

Supranational. Supranational organizations are international financial institutions that are generally established by agreements among nations, with member nations contributing capital and participating in management. These agreements provide for limited immunity from the laws of member countries. Bonds issued by these institutions are part of the broader class of Supranational, Sovereign, and Non-U.S. Agency (SSA) sector bonds. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction, and renewable energy around the globe. For example, the World Bank, International Finance Corporation (IFC), and African Development Bank (AfDB) have “green bond” programs specifically designed for energy resource conservation and management. Supranational bonds, which are issued by multi-national organizations that transcend national boundaries. Examples include the World Bank, African Development Bank, and European Investment Bank.

Swap. Trading one asset for another.

TAP Notes: Federal Agency notes issued under the FHLB TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB’s traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2, 3, 5, and 10 year) will remain open for the calendar quarter, after which they will be closed and a new series of TAP issues will be opened to replace them.

This reduces the number of separate bullet bonds issued, but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

Tennessee Valley Authority (TVA). One of the large Federal Agencies. A wholly owned corporation of the United States government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA may also obtain advances from the U.S. Treasury of up to \$150 million. Frequent issuer of discount notes, agency notes, and callable agency securities.

Total Return. Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasuries. Collective term used to describe debt instruments backed by the U.S. government and issued through the U.S. Department of the Treasury. Includes Treasury bills, Treasury notes, and Treasury bonds. Also a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

Treasury Bills (T-Bills). Short-term direct obligations of the United States government issued with an original term of one year or less. Treasury bills are sold at a discount from face value and do not pay interest before maturity. The difference between the purchase price of the bill and the maturity value is the interest earned on the bill. Currently, the U.S. Treasury issues 4-week, 13-week, and 26-week T-Bills.

Treasury Bonds. Long-term interest-bearing debt securities backed by the U.S. government and issued with maturities of ten years and longer by the U.S. Department of the Treasury.

Treasury Notes. Intermediate interest-bearing debt securities backed by the U.S. government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. The Treasury currently issues 2-year, 3-year, 5-year, and 10-year Treasury Notes.

Trustee. A bank designated by an issuer of securities as the custodian of funds and official representative of bondholders. Trustees are appointed to insure compliance with the bond documents and to represent bondholders in enforcing their contract with the issuer.

Uniform Net Capital Rule. SEC Rule 15c3-1 that outlines the minimum net capital ratio (ratio of indebtedness to net liquid capital) of member firms and non-member broker/dealers.

Unrealized Gains (Losses). The difference between the market value of an investment and its book value. Gains/losses are "realized" when the security is actually sold, as compared to "unrealized" gains/losses which are based on current market value. See also "Realized Gains (Losses)."

Variable-Rate Security. A bond that bears interest at a rate that varies over time based on a specified schedule of adjustment (e.g., daily, weekly, monthly, semi-annually, or annually). See also "Floating Rate Note."

Weighted Average Maturity (or just "Average Maturity"). The average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. A simple measure of risk of a fixed-income portfolio.

Weighted Average Maturity to Call. The average maturity of all securities and investments of a portfolio, adjusted to substitute the first call date per security for maturity date for those securities with call provisions.

Yield Curve. A graphic depiction of yields on like securities in relation to remaining maturities spread over a time line. The traditional yield curve depicts yields on U.S. Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term

investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

Yield to Call (YTC). Same as “Yield to Maturity,” except the return is measured to the first call date rather than the maturity date. Yield to call can be significantly higher or lower than a security’s yield to maturity.

Yield to Maturity (YTM). Calculated return on an investment, assuming all cash-flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

Yield. There are numerous methods of yield determination. In this glossary, see also "Current Yield," "Yield Curve," "Yield to Call," and "Yield to Maturity."

Attachment B
Investment Pool/Fund Questionnaire

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/28/2018
Presenter: Jeremy Perry
Item of Business: Resolution: PFM Agreement for Asset Management Services
Meeting Date: 12/13/2018

Purpose of Request:

To accomplish the objective of the Investment and Cash Management policy, it is beneficial for the City of Gainesville, Georgia to partner with PFM Asset Management LLC to avail the experience, sources of information, advise, assistance and facilities available to PFM. Also to have PFM undertake certain duties and responsibilities and perform certain services as investment advisor on behalf of the City.

History/Background:

In the past, the City has not utilized an investment advisor. The City has worked with a different branch of PFM for financial advisory services, but not for asset management. Financial advisory services began on July 26, 2012 with PFM Financial Advisors LLC.

Facts & Issues for Consideration:

PFM Asset Management LLC will be compensated 10 basis points (.10%) or a minimum annual fee of \$25,000. The agreement may be terminated by the City at any time, on not less than thirty (30) days' written notice to the advisor.

Department Recommendation:

Financial Services recommends entering into an agreement with PFM Asset Management LLC to serve as the investment advisor for the City of Gainesville, Georgia.

Department Director:

Jeremy Perry

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ PFM Agreement for Asset Management Services	Resolution
☐ PFM Investment Advisory Agreement	Contract/Agreement/MOU

RESOLUTION BR-2018 - ____

PFM AGREEMENT FOR ASSET MANAGEMENT SERVICES

WHEREAS, the governing body for the City of Gainesville adopted an Investment and Cash Management Policy which sets forth the investment objectives and parameters for the management of public funds of the City of Gainesville, Georgia; and

WHEREAS, to accomplish the objective of the policy, it is beneficial for the City to partner with PFM Asset Management LLC to avail the experience, sources of information, advice, assistance and facilities available to PFM; and

WHEREAS, to have PFM undertake certain duties and responsibilities; and

WHEREAS, to perform certain services as investment advisor on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville, Georgia hereby approves the attached agreement with PFM Asset Management LLC and authorizes the City Manager to execute all necessary documents for the agreement.

Adopted this ____ day of _____, 2018.

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville, Georgia. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

Denise O. Jordan, City Clerk

INVESTMENT ADVISORY AGREEMENT

THIS AGREEMENT, entered into as of the 18th day of December, 2018, by and between **CITY OF GAINESVILLE**, a Georgia public agency (hereinafter the "Client"), and **PFM ASSET MANAGEMENT LLC**, a Delaware limited liability company with an office in Orlando, Florida (hereinafter the "Advisor").

W I T N E S S E T H

WHEREAS, the Client has funds available for investment purposes (the "Initial Funds") for which it intends to conduct an investment program; and

WHEREAS, the Client desires to avail itself of the experience, sources of information, advice, assistance and facilities available to the Advisor; to have the Advisor undertake certain duties and responsibilities; and to perform certain services as investment advisor on behalf of the Client, as provided herein; and

WHEREAS, the Advisor is willing to provide such services on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto, intending to be legally bound, agreed as follows:

1. SERVICES OF ADVISOR.

The Client hereby engages the Advisor to serve as investment advisor under the terms of this Agreement with respect to the Initial Funds and such other funds as the Client may from time to time assign by written notice to the Advisor (collectively the "Managed Funds"), and the Advisor accepts such engagement. In connection therewith, the Advisor will provide investment research and supervision of the Managed Funds investments and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of the Managed Funds assets. The Advisor shall continuously monitor investment opportunities and evaluate investments of the Managed Funds. The Advisor shall furnish the Client with statistical information and reports with respect to investments of the Managed Funds. The Advisor shall place all orders for the purchase, sale, loan or exchange of portfolio securities for the Client's account with brokers or dealers recommended by the Advisor and/or the Client, and to that end the Advisor is authorized as agent

of the Client to give instructions to the custodian designated by the Client (the “Custodian”) as to deliveries of securities and payments of cash for the account of the Client. In connection with the selection of such brokers and dealers and the placing of such orders, the Advisor is directed to seek for the Client the most favorable execution and price, the determination of which may take into account, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to the Advisor by such brokers and dealers. The Custodian shall have custody of cash, securities and other assets of the Client. The Advisor shall not take possession of or act as custodian for the cash, securities or other assets of the Client and shall have no responsibility in connection therewith. Authorized investments shall include only those investments which are currently authorized by the state investment statutes and applicable covenants and as supplemented by such other written instructions as may from time to time be provided by the Client to the Advisor. The Advisor shall be entitled to rely upon the Client’s written advice with respect to anticipated drawdowns of Managed Funds. The Advisor will observe the instructions of the Client with respect to broker/dealers who are approved to execute transactions involving the Managed Funds and in the absence of such instructions will engage broker/dealers which the Advisor reasonably believes to be reputable, qualified and financially sound.

2. COMPENSATION.

(a) For services provided by the Advisor pursuant to this Agreement, the Client shall pay the Advisor an annual fee, in monthly installments, based on the daily net assets under management according to the schedule below:

<u>Average Assets Under Management</u>	<u>Fees</u>
Initial \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Next \$50 million	7 basis points (0.07%)
Above \$100 million	6 basis points (0.06%)

“Daily net assets” is defined to include the amortized value of securities, accrued interest and cash or any money market fund balance.

The minimum annual fee is \$25,000, to be applied in equal monthly installments.

(b) The Advisor will bill the Client monthly for service performed under this Agreement, said bill to include a statement indicating the basis upon which the fee was calculated. The Client

shall pay to the Advisor the amount payable pursuant to this Agreement not later than on the 15th day of the month following the month during which the Advisor's statement was rendered.

(c) Assets invested by the Advisor under the terms of this Agreement may from time to time be invested in (i) a money market mutual fund managed by the Advisor or (ii) a local government investment pool managed by the Advisor (either, a "Pool"), or in individual securities. Average daily net assets subject to the fees described in this section shall not take into account any funds invested in the Pool. Expenses of the Pool, including compensation for the Advisor and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool.

(d) If and to the extent that the Client shall request the Advisor to render services other than those to be rendered by the Advisor hereunder, such additional services shall be compensated separately on terms to be agreed upon between the Advisor and the Client.

3. EXPENSES.

(a) The Advisor shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing the Managed Funds.

(b) Except as expressly provided otherwise herein, the Client shall pay all of its own expenses including, without limitation, taxes, commissions, fees and expenses of the Client's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, and fees and expenses of the Custodian.

4. REGISTERED ADVISOR; DUTY OF CARE.

The Advisor hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940, as amended. The Advisor shall immediately notify the Client if at any time during the term of this Agreement it is not so registered or if its registration is suspended. The Advisor agrees to perform its duties and responsibilities under this Agreement with reasonable care. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which the Client may have under any federal securities laws. The Client hereby authorizes the Advisor to sign I.R.S. Form W-9 on behalf of the Client and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.

Advisor, an Equal Opportunity Employer, (including any agents, employees, sub-contractors, successors and assigns of Advisor), now has or will secure at its own or its expense, personnel required to perform the services under this Agreement. Such personnel are not employees of, nor do they have any contractual relationship with the Client. Advisor acknowledges responsibility for all federal, state, and local requirements for employers that apply to Advisor.

5. ADVISOR'S OTHER CLIENTS.

The Client understands that the Advisor performs investment advisory services for various other clients which may include investment companies, commingled trust funds and/or individual portfolios. The Client agrees that the Advisor, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Managed Funds. The Advisor shall not have any obligation to purchase, sell or exchange any security for the Managed Funds solely by reason of the fact that the Advisor, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for itself or its own accounts.

6. TERM.

This Agreement may be terminated by the Client in the event of any material breach of its terms immediately upon notice to the Advisor by certified mail, return receipt requested. This Agreement may be terminated by the Client at any time, on not less than thirty (30) days' written notice to the Advisor. The Advisor may terminate this Agreement immediately upon any material breach of its terms by the Client, or at any time after one year upon thirty (30) days' written notice to the Client.

7. FORCE MAJEURE.

The Advisor shall have no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Agreement which result from events beyond its control, including interruption of the business activities of the Advisor or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.

8. DISCIPLINARY ACTIONS.

The Advisor shall promptly give notice to the Client if the Advisor shall have been found to have violated any state or federal securities law or regulation in any final and unappealable judgment in any criminal action or civil suit in any state or federal court or in any disciplinary

proceeding before the Securities and Exchange Commission (“SEC”) or any other agency or department of the United States, any registered securities exchange, the Financial Industry Regulatory Authority, or any regulatory authority of any State based upon the performance of services as an investment advisor.

9. INDEPENDENT CONTRACTOR.

The Advisor, its employees, officers and representatives shall not be deemed to be employees, agents (except as to the purchase or sale of securities described in Section 1), partners, servants, and/or joint ventures of the Client by virtue of this Agreement or any actions or services rendered under this Agreement.

10. BOOKS.

The Advisor shall maintain records of all transactions in the Managed Funds. The Advisor shall provide the Client with a monthly statement showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received, and the value of assets held on the last business day of the month. The statement shall be in the format and manner that is mutually agreed upon by the Advisor and the Client.

11. THE ADVISOR’S BROCHURE AND BROCHURE SUPPLEMENT.

The Advisor warrants that it has delivered to the Client prior to the execution of this Agreement the Advisor’s current SEC Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). The Client acknowledges receipt of such brochure and brochure supplement prior to the execution of this Agreement.

12. MODIFICATION.

This Agreement shall not be changed, modified, terminated or discharged in whole or in part, except by an instrument in writing signed by both parties hereto, or their respective successors or assigns.

13. SUCCESSORS AND ASSIGNS.

The provisions of this Agreement shall be binding on the Advisor and its successors and assigns, provided, however, that the rights and obligations of the Advisor may not be assigned without the consent of the Client.

14. NOTICE.

Written notices required under this Agreement shall be sent by regular mail, certified mail, overnight delivery or courier, and shall be deemed given when received at the parties' respective addresses shown below. Either party must notify the other party in writing of a change in address.

Client's Address

City of Gainesville
300 Henry Ward Way
P.O. Box 2496
Gainesville, GA 30503
Attn: Chief Financial Officer

Advisor's Address

PFM Asset Management LLC
300 South Orange Avenue
Suite 1170
Orlando, FL 32801
Attn: D. Scott Sticher, CFA

With copy to:

PFM Asset Management LLC
1735 Market Street
43rd Floor
Philadelphia, PA 19103
Attn: Controller

15. APPLICABLE LAW.

This Agreement shall be construed, enforced, and administered according to the laws of the State of Georgia. The Advisor and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to filing a lawsuit, provided, however, that neither party shall be obligated to mediate prior to requesting injunctive relief. This Agreement shall be deemed and executed in Gainesville, Georgia and shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflicts of law. Advisor hereby submits to the jurisdiction of the Superior Court of Hall County, Georgia and will obtain and maintain an agent for services of process in the State of Georgia. Neither party will bring any action against the other party arising out of or relating to this Agreement in any forum or venue except the Superior Court of Hall County, Georgia. Advisor irrevocably waives any present or future objections to such venue for any such legal action and irrevocably waives the right to bring any legal action in any other jurisdiction. Arbitration will not be allowed relating to this Agreement.

16. EXECUTION AND SEVERABILITY.

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the date set forth in the first paragraph of this Agreement.

PFM ASSET MANAGEMENT LLC

By:_____

Name: Steven Alexander

Title: Managing Director

CITY OF GAINESVILLE

Bryan Lackey

City Manager

Attest:

Denise O. Jordan

City Clerk

APPROVED AS TO FORM

Abbott S. Hayes, Jr.

Hulsey, Oliver & Mahar, LLP

City Attorney

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 12/4/2018

Presenter: Jeremy Perry

Item of Business: Resolution: Custody Account Services with TD Wealth

Meeting Date: 12/13/2018

Purpose of Request:

To authorize TD Wealth to open and maintain a custody account for the City. TD Wealth will receive and protect the property deposited in the account, follow the instructions of our investment advisor, and keep accurate records of all transactions in the account.

History/Background:

Currently, the City does not have a custody account to use for investment purposes.

Facts & Issues for Consideration:

TD Wealth will be compensated 1 basis point (.01%). An estimated annual fee of \$2,500 with a \$25 million investment. No additional charges will be imposed for transactions or wires.

Requested fee comparisons from four banks and TD Wealth had the lowest annual fee. TD Wealth (\$2,500), US Bank (\$3,760), Regions Bank (\$10,000), and SunTrust (\$16,000).

Department Recommendation:

Financial Services recommends entering into the necessary documents with TD Wealth for custody account services for the City of Gainesville, Georgia.

Department Director:

Jeremy Perry

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ Custody Account Services	Resolution
☐ Custody Account Fee Schedule	Attachments/Exhibits
☐ Investment Manager Letter	Backup Material
☐ Alternative Form of Notification of Non-Discretionary Accounts	Attachments/Exhibits
☐ Disclosure and Authorization for Investment	Attachments/Exhibits
☐ Taxable Bond Amortization Election Form	Attachments/Exhibits
☐ Fiduciary and Agency Account Services	Contract/Agreement/MOU

- ▣ Institutional Agency Agreement
- ▣ TD Wealth Wire Agreement

Contract/Agreement/MOU

Contract/Agreement/MOU

RESOLUTION BR-2018 - ____

CUSTODY ACCOUNT SERVICES

WHEREAS, the governing body of the City of Gainesville, Georgia adopted an Investment and Cash Management Policy which sets forth the investment objectives and parameters for the management of public funds of the City of Gainesville, Georgia; and

WHEREAS, to accomplish the objective of the Investment and Cash Management Policy, it is beneficial for the City to open a custody account with TD Wealth; and

WHEREAS, to have TD Wealth receive and protect the property deposited in the account; and

WHEREAS, to follow the instructions of our investment advisor; and

WHEREAS, to keep accurate records of all transactions in the account and furnish the City with monthly statements.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body for the City of Gainesville, Georgia hereby approves the attached documents with TD Wealth and authorizes the City Manager to execute all necessary documents with TD Wealth for custody account services.

Adopted this ____ day of _____, 2018.

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville, Georgia. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

Denise O. Jordan, City Clerk



Custody Account Fee Schedule City of Gainesville, GA

1 bps (.0001) with Minimum Annual fee of \$2,500.00 Per Account.
All fees prorated monthly.

Dated at: City of Gainesville, Georgia, this 18th day of December, 2018.

Bryan Lackey, City Manager
Name of Client (please print)

Signature of Client

Jeremy Perry, CFO
Name of Client (please print)

Signature of Client

TD Wealth may assess charges for extraordinary or additional services including but not limited to extra remittances, probate court accountings, distribution of entire account, wire transfer fees, etc. These charges will be quoted based upon the appraisal at the time the additional or extraordinary services become necessary. External institutional broker charges are passed through at cost on all equity transactions.

TD Wealth reserves the right to change this schedule in the future.

TD Wealth is a service mark of The Toronto-Dominion Bank, used with permission.



CITY OF GAINESVILLE

**OFFICE OF
FINANCIAL SERVICES**

Post Office Box 2496

Gainesville, GA 30503-2496

Telephone: 770.535-6898

Fax: 770-535-5636

Web Site: www.gainesville.org

December 18, 2018

Kelly Bekas, Vice President – Corporate Trust
TD Wealth
NJ 5-017-161| 1006 Astoria Blvd
Cherry Hill, NJ 08003
Re: Investment Advisor Designation

Dear Ms. Bekas,

The City of Gainesville, GA hereby advises you that we have appointed PFM Asset Management LLC as investment manager for the City, effective December 18, 2018. Pursuant to a duly authorized and executed investment advisory contract, our investment manager has been properly delegated the authority to select, buy, and sell investments on our behalf.

You are hereby instructed to follow the instructions of our investment manager with respect to the assets in our accounts until you are advised in writing that the authority of our investment manager has been changed or revoked.

TD Bank, N.A is authorized to communicate portfolio information directly to PFM. The portfolio managers responsible for the City's accounts are:

James Sims, Director	Giancarlo Morales-Belletti, Senior Portfolio Trader
Telephone: (717) 234-3007	Telephone: (717) 234-3007
Fax: (717) 232-3087	Fax: (717) 232-3087

Ed Polansky, Key Account Manager, will be assisting with the transition. Ed can be reached at (800) 338-3383 or polanskye@pfm.com.

Please provide Ed with a copy of your firm's delivery instructions in order to settle trades.

To facilitate PFM's reconciliation process, we are also authorizing that PFM have view-only on-line access to the City's custodial accounts. Accordingly, please add access to this account to the following user id (QA92503), registered to PFM Asset Management: PFMAM.

Thank you for your cooperation and assistance. If you have any questions, please do not hesitate to contact me.

Sincerely,

Bryan Lackey
City Manager



Alternative Form of Notification for Non-Discretionary Accounts

I/We, the account Owner, agree that statements shall be provided (electronically if elected by me/us) in the Bank's customary form, as it may be amended from time to time. I/We acknowledge that I/we have the right to receive additional notification of transactions upon request and without additional charge pursuant to 12CFR12.

Signature of Owner

Signature of Owner

Date 12/18/18

Date 12/18/18

TD BANK, N.A. by: _____

Name:

Its: _____

MONEY MARKET DISCLOSURE AND AUTHORIZATION

GOLDMAN SACHS TREASURY OBLIGATIONS FUND

ADMINISTRATION SHARES

CUSIP# 38141W315 FUND# 469

Client:

Issue:

DISCLOSURE

Goldman Sachs Treasury Obligations Fund Administration Shares (the “Fund”) is an open-end management investment company registered under the Investment Company Act of 1940. The Fund is not sponsored by TD Bank, National Association, or any of its affiliates. The Fund is not endorsed or guaranteed by, and does not constitute obligations of TD Bank, National Association or its affiliates and are not considered insured deposits by the FDIC. The Fund is distributed and advised by Goldman, Sachs & Co., New York, New York. The advisor reimburses TD Bank, National Association for its administrative services rendered to the Fund at a maximum annual rate of 0.33 of 1% of TD Bank’s aggregate average daily net assets in the Fund. We hereby acknowledge receipt of the prospectus for the Fund..

AUTHORIZATION

With respect to the above referenced Account of the Client, TD Bank, National Association is hereby authorized and directed to invest trust account cash balances pending investment or distribution in Goldman Sachs Treasury Obligations Fund Administration Shares.

Client

Authorized Signature

Date:



Taxable Bond Amortization Election Form

The Internal Revenue Service regulation (IRC Section 1.6045-1(n)(5)) now requires TD Bank, N.A. to use a default amortization method on bonds purchased in certain accounts after 1/1/2014 unless otherwise elected by the client.

The amortizing of taxable bond premiums is generally regarded as a benefit to the bond holder because it provides a current, rather than future, decrease to taxable income. Unless elected otherwise, TD Bank N.A. will calculate periodic amortization transactions, show those calculations on account statements, and report taxable bond interest gross of amortization.

As facts and circumstances may vary from client to client, there may be reasons why you may choose to elect out of the method noted above. For example, if the bonds held with TD Wealth are only part of your portfolio of bonds, you may choose to coordinate your election with the election for your other accounts.

Please be aware that employees of TD Bank, N.A. and its affiliates cannot give tax or legal advice to you and this document should not be construed as either a tax or legal opinion. If you have any questions regarding the default or the option to opt out, we suggest that you seek the advice of your tax or legal advisors.

As a client of TD Wealth you have the option to change your election at any time by notifying your account administrator in writing.

I understand that TD Bank, N.A. will calculate periodic amortization transactions, show those calculations on my statements, and report taxable bond interest gross of amortization. I also understand that this amortization method will remain in effect until such time as I provide TD Bank, N.A. with alternate, written opt-out instructions.

- ☐ **OPT OUT:** I elect to **opt out** of amortization of premiums on all taxable bonds purchased or held currently, or in the future, in my account(s). I understand that TD Bank, N.A. will continue to report bond premiums on a cash basis without adjustment for amortization. I understand that my election shown above will remain in effect until such time as I provide TD Bank, N.A. with alternate, written opt-in instructions.

Signed: _____

Signed: _____

Client Name: Bryan Lackey

Client Name: Jeremy Perry

Date: 12/18/18

Date: 12/18/18

[For joint accounts; attached additional sheets if needed:]



FIDUCIARY AND AGENCY ACCOUNT SERVICES

One of our goals in serving your financial needs is to make sure you understand the products and services provided by TD Bank, N.A (TD Bank) and its affiliates. The following contains important information about your accounts with TD Bank.

Please read each item below carefully. Information is subject to change without notice. If you have any questions, or require additional assistance, please contact your TD Bank Trust or Investment Advisor.

Securities and Investments: Not FDIC Insured • No Bank Guarantee • May Lose Value

WHO WE ARE

TD Private Client Group is a unit of TD Wealth® in the United States, which is a business of TD Bank N.A., member FDIC (TD Bank). TD Bank is a subsidiary of TD Bank US Holding Company. TD Bank US Holding Company is a subsidiary of TD Group US Holdings LLC. TD Group US Holdings LLC is a subsidiary of The Toronto-Dominion Bank ("the Bank"). TD Private Client Group provides its clients access to bank and non-bank products and services. Banking, custody, investment, and trust services are available through TD Bank. Securities and investment advisory products are available through TD Private Client Wealth LLC, member FINRA/SIPC ("TDPCW"). TDAM USA, Inc. ("TDAM USA") and Epoch Investment Partners, Inc. ("Epoch") are federally registered investment advisers that provide investment management services to TD Bank and its clients. TD Bank, TDPCW, TDAM USA, and Epoch are affiliates.

WHAT WE DO

Services Provided. TD Bank provides a wide range of services for individuals, trusts, estates, not-for-profit organizations, endowments, foundations, qualified plans, partnerships, corporations, and other entities, including: (i) serving as agent, investment advisor or investment manager; (ii) acting as trustee of revocable and irrevocable trusts; (iii) acting as executor or personal representative of estates; (iv) serving as custodian or trustee of Individual Retirement Accounts (IRAs) and employee benefit plans; (v) providing institutional services, including custodial and asset management services, for corporations, nonprofit foundations, endowments, and other institutions; and (vi) providing safekeeping and custodial services for securities as well as physical assets.

Fiduciary Services. TD Bank provides fiduciary services for trusts, which may involve managing investments. Our investment management services are provided either on a sole discretionary basis (not requiring Client's approval of investment decisions) or on a shared discretionary basis (requiring a co-trustee's preapproval of investment decisions). In connection with the provision of fiduciary services, we may also receive personal or commercial real estate interests and other non-exchange-traded assets to be held and/or managed as a fiduciary, subject to the terms of the governing document and applicable fiduciary appointment. We reserve the right to refuse, or to terminate, any fiduciary appointment at our sole

discretion, subject to the terms of the applicable governing instrument(s), or to condition such appointment on appropriate indemnification of TD Bank.

Agent for Fiduciary Account Services. TD Bank provides discretionary investment management services as agent of a fiduciary (for example, a trustee of a trust, an ERISA plan fiduciary, or the executor of an estate). In a discretionary investment agency account, TD Bank usually has sole authority to purchase and sell assets and execute transactions for the benefit of the principal, subject to investment policy guidelines established in the investment agency contract.

Investment Management Services. Within fiduciary and agency accounts, TD Bank will tailor the services to the individual needs of the account, primarily through the analysis performed for each Client and for each recommended investment solution. A TD Bank Advisor will work closely with the Client to assess the financial circumstances associated with the account, including investment objectives, goals, time horizon, risk tolerance and other relevant information. Based on the information gathered, the TD Bank Advisor will provide a recommendation that seeks to meet the specific circumstances of the account. Clients are able to impose reasonable restrictions on securities, asset classes, holdings or any other reasonable restriction they would like to impose on their portfolios. For example, Clients have the ability to direct us not to invest their assets in or recommend investments in affiliated products, subject to reasonable restrictions. Clients may give TD Bank either full discretion with no special guidelines ("Sole Authority") or may include guidelines or restrictions to be applied to their accounts ("Shared Authority").

OUR INVESTMENT STRATEGIES

TD Bank provides investment management services to its Clients through a proprietary, closed-architecture platform that utilizes the following proprietary or affiliated investment solutions: (1) a series of proprietary model portfolios created and managed by our affiliates TDAM USA and/or Epoch ("Model Portfolios"); (2) various packaged strategies consisting of one or more Model Portfolios and additional module components, such as affiliated and non-affiliated mutual funds and/or selected non-modeled assets, that provide access to specific assets or asset classes that are not available through a

Model Portfolio (“TD Bank Modules”); (3) TD Bank mutual fund models or exchange-traded fund models (“TD Bank Models”); or (4) portfolios of non-modeled assets. The TD Bank investment strategies are described more fully below. Ask your TD Bank Advisor if you have any questions regarding your investment strategy.

Model Portfolios. The Model Portfolios include the following proprietary model portfolios created and managed by our affiliates TDAM USA and/or Epoch:

- o *TDAM USA Model Portfolios*

The TDAM USA Model Portfolios are a series of fixed-income model portfolios designed and managed by our affiliate, TDAM USA, Inc. The TDAM USA Models invest in fixed income assets including corporate bonds, mortgage-backed securities and asset-backed securities, and fixed income securities issued by the U.S. government or its agencies. The TDAM USA Models provide various model portfolios for different investment goals, objectives, and risk tolerances and are designed for Clients seeking a long-term approach to investment planning. If you would like more information about TDAM USA, or to request a courtesy copy of the TDAM USA Form ADV, please contact your TD Bank Advisor.

- o *Epoch Model Portfolios*

The Epoch Models are a series of equity Model Portfolios designed and managed by our affiliate, Epoch Investment Partners, Inc. The Epoch Models invest in equity securities of companies that Epoch believes are capable of generating free cash flow and effectively allocating capital—two traits Epoch believes help predict long-term shareholder return. The Epoch Models provide various model portfolios for different investment goals, objectives, and risk tolerances and are designed for Clients seeking a long-term approach to investment planning. If you would like more information about Epoch, or to request a courtesy copy of the Epoch Form ADV, please contact your TD Bank Advisor.

TD Bank Modules. The TD Bank Modules are portfolios that are created and managed by TD Bank and your TD Bank Advisor which consist of any combination of one or more Model Portfolios and additional module component strategies that include affiliated and non-affiliated mutual funds and/or selected non-modeled assets. TD Bank Modules are available for clients that seek access to asset classes, securities, and investment strategies that are not available through a Model Portfolio. Clients may be invested in TDAM USA Models and/or Epoch Models as part of the TD Bank Modules. If you would like more information about TDAM USA and/or Epoch, or to request a courtesy copy of the TDAM USA and/or Epoch Form ADV, please contact your TD Bank Advisor.

TD Bank Models. The TD Models include the following mutual fund models (“TD Managed Portfolios”) and exchange-traded fund models (“TD Asset Allocation Portfolios”):

- o *TD Managed Portfolios*

The TD Managed Portfolios consist of a variety of mutual fund models created and managed by TD Bank using affiliated and non-affiliated mutual funds. Within the TD Managed Portfolios, TD Bank provides guidance on asset allocation for a range of investment goals and risk tolerances and seeks to provide model portfolios for different investment goals, objectives, and risk tolerances. The TD Managed Portfolios are designed for Clients seeking a long-term approach to investment planning. The TD Managed Portfolios utilize both a strategic and tactical approach to asset allocation. Tax efficient and retirement-focused strategies are also available within the TD Managed Portfolios:

- *TD Tax Advantaged Portfolios* are designed for clients seeking a tax efficient mutual fund portfolio;
- *TD Retirement Portfolios* are design for clients seeking a mutual fund portfolio focused on long term retirement planning.

- o *TD Asset Allocation Portfolios*

The TD Asset Allocation Portfolios are created and managed by TD Bank using affiliated and/or non-affiliated exchange traded funds (“ETFs”). TD Bank provides guidance on asset allocation for a range of investment goals and risk tolerances. The TD Asset Allocation Portfolios seek to provide model portfolios for different investment goals, objectives, and risk tolerances and are designed for Clients seeking a long-term approach to investment planning. The TD Asset Allocation Portfolios utilize both a strategic and tactical approach to asset allocation.

PRODUCT SELECTION AND EVALUATION

Method of Analysis. A TD Bank Advisor generally meets with Clients to discuss the applicable financial circumstances, goals, and objectives of the account. TD Bank uses the information provided by the Client to assess the account’s risk profile and investment objectives and to develop recommendations about asset allocation and Portfolio construction. TD Bank relies solely on the information that the Client and/or their designated agents and representatives provide to us. We do not independently verify such information. Accordingly, Clients should ensure that the information provided is accurate and complete. If the Client should experience any changes to their financial situation, investment objectives or otherwise that would require a modification to the account’s risk profile, the Client should notify their TD Bank Advisor in a timely manner.

In conjunction with or on behalf of clients, TD Bank may select among various investment choices, including Model Portfolios, TD Bank Modules, TD Bank Models, or portfolios of non-modeled assets. Investment choices for the account(s) are subject to a due diligence process by our investment professionals and affiliated research teams. We make recommendations only after we have reviewed your investment goals and risk tolerance and come to a conclusion that the recommended investment strategy is appropriate for you. We will provide on-going investment advice to you and routinely

monitor your investments to confirm that they remain consistent with the account's objectives and risk tolerance.

Investment Selection and Evaluation. TD Bank employs the following approach to selecting Model Portfolios, mutual funds, and ETFs (collectively, "Products") for inclusion as an investment option within the TD Bank Platform (the "Select List").

o *TD Bank Models and TD Bank Modules*

TD Bank relies on its affiliate, TDAM USA, to provide research, analysis, and due diligence services on behalf of TD Bank for all non-affiliated, third-party mutual funds and ETFs, and to provide recommendations of such mutual funds and ETFs for inclusion within the Select List. TD Bank performs research, analysis, and due diligence of all affiliated mutual funds and ETFs, including but not limited to the TDAM USA Funds (defined below). The overall analysis performed by TD Bank and TDAM USA is based on sophisticated quantitative measures and qualitative assessment.

The analysis of each mutual fund and ETF is presented to the TD Bank Product Review Committee ("Oversight Committee"), a committee of TD Bank business leaders and risk officers, who review and approve Products for inclusion on the Select List. The Oversight Committee will review TDAM USA's and/or TD Bank's analysis to determine whether the Product is appropriate for inclusion on the Select List. The members of the Oversight Committee approve all Products by majority vote. Certain control-group personnel have veto authority.

TD Bank has a conflict of interest when reviewing affiliated Products under the screening and review process because including affiliated Products on the Select List will increase investments in affiliated Products which is more profitable to the Bank, and/or its affiliates. TD Bank prefers to include affiliated Products on the Select List and to invest Client assets in affiliated Products where appropriate.

o *TDAM Model Portfolios and Epoch Model Portfolios*

TD Bank has engaged its affiliates TDAM USA and Epoch to provide investment management services to its clients through the TDAM USA Models and Epoch Models. TD Bank has access and insight into the organizational structure, investment team history, risk management culture, investment philosophy, and analytical process of TDAM USA and Epoch, and believes that TDAM USA and Epoch provide a level of expertise and skill that is appropriate to provide investment management services to its clients. TD Bank performs due diligence on all TDAM Models and Epoch Models and presents its analysis to the Oversight Committee for review.

Clients may direct us not to invest their assets in or recommend investment in affiliated Products or the TDAM Models and Epoch Models. If you direct us not to invest your assets in or recommend investment in affiliate Products or the TDAM Models and Epoch Models, your investment options will be limited to certain TD Bank Models and non-modeled assets.

Investment Monitoring. TD Bank relies on TDAM USA to provide ongoing due diligence and monitoring services on behalf of TD Bank for all non-affiliated, third-party mutual funds and ETFs on the Select List. TD Bank performs ongoing due diligence and monitoring of all affiliated asset managers, Model Portfolios, mutual funds, and ETFs on the Select List. The ongoing due diligence, monitoring, and review process are applied to all affiliated and non-affiliated Products on the Select List and include annual manager interviews, ongoing monitoring, and quarterly and annual performance reviews. TD Bank has a conflict of interest when reviewing affiliates because investments in affiliated Products are more profitable to the Bank, and/or its affiliates, and retention on the Select List will increase compensation to the Bank and/or its affiliates. TD Bank has greater access and insight into the organizational structure, investment team history, risk management culture, investment philosophy, and analytical process of affiliated Products and favors retention of affiliated Products on the Select List.

ASSET ALLOCATION & PORTFOLIO CONSTRUCTION

Asset Allocation. TD Bank helps clients determine an appropriate asset allocation to pursue their stated investment goals, objectives and risk appetite. TD Bank has developed strategic asset allocation models that are designed to pursue different investment goals, objectives and risk tolerances based on its long-term outlook for various asset classes. Each model includes different allocations for asset classes (such as equity/fixed income) and style exposures (such as growth/value). The strategic asset allocation models are determined using a number of analytical tools and consider a variety of factors including historical rates of return and risk for a broad range of asset classes, correlation across asset classes and downside risk metrics. TD Bank receives asset allocation advice from its affiliate, TDAM USA, when developing strategic asset allocations for the TD Bank portfolios; however, TD Bank, and not TDAM USA, will ultimately determine the appropriate asset allocation framework for the TD Bank portfolios.

Clients may also select an investment strategy that utilizes tactical asset allocation adjustments. In those strategies, the asset allocation models may be tactically adjusted where appropriate to respond to changing market conditions, to pursue market opportunities, and/or to reflect TD Bank's shorter-term outlook for the financial markets and asset classes. The tactical asset allocation is set by TD Bank with support from the TD Wealth Asset Allocation Committee ("WAAC"), a committee of the global TD Wealth organization. The WAAC formally meets at least monthly to consider macro-economic conditions as well as valuation drivers across appropriate markets. Following each meeting, the WAAC's positioning, rationale, and recommended asset allocation adjustments are communicated to TD Bank for the benefit of client accounts. WAAC insights and recommendations are evaluated by TD Bank for adoption after considering the impact to client portfolios. If TD Bank determines that a tactical change to the

asset allocation policy is appropriate, TD Bank will determine the appropriate timing and implementation of the tactical asset allocation adjustments and effect any necessary changes.

Portfolio Construction. Your TD Bank Advisor will work with you to construct a portfolio that is appropriate based on the selected asset allocation. Clients may work with a TD Bank Advisor to select one or more Model Portfolios or create a TD Bank Module that is in line with the selected asset allocation. Clients may also select a TD Bank Model that invests in mutual funds and/or ETFs according to the selected asset allocation, as described below.

- o *TDAM Model Portfolios and Epoch Model Portfolios*

The underlying securities within the Model Portfolios are determined by TDAM USA and/or Epoch based on their discretion. TDAM USA has full discretion to implement the TDAM USA Models. Epoch has discretion to construct the Epoch Models, but TD Bank determines whether to adopt and implement the Epoch Models in Clients' accounts in part or in whole. The TD Bank Advisor will use the TDAM USA Models and Epoch Models as individual components of the Client's portfolio based on their selected asset allocation. The TDAM Model Portfolios and Epoch Model Portfolios are evaluated and monitored by TD Bank on an ongoing basis using the Investment Monitoring process described above. If you would like more information about TDAM USA and/or Epoch, or to request a courtesy copy of the TDAM USA and/or Epoch Form ADV, please contact your TD Bank Advisor.

- o *TD Bank Modules*

The investments within the TD Bank Modules are determined by TD Bank and your TD Bank Advisor based on their discretion. The TD Bank Advisor will use TDAM USA Models, Epoch Models, various mutual funds and/or non-modeled assets as individual components within the Client's portfolio based on their selected asset allocation. The underlying products within the TD Bank Modules are evaluated and monitored by TD Bank on an ongoing basis using the Investment Monitoring process described above.

- o *TD Bank Models (Mutual Fund Models & Asset Allocation Models)*

Within the TD Bank Models, asset allocation strategies are executed by combining the asset allocation appropriate for each Client's risk appetite, goals and objectives with the Firm's investment selections. The investment selection for the TD Bank Models is determined using a number of proprietary analytical tools and considers a variety of factors including historical rates of return and risk for a broad range of asset classes, correlation across asset classes and downside risk metrics. The TD Bank Models may include allocations to affiliated mutual funds and/or ETFs. Each investment selected within the TD Bank Models is screened and reviewed using the Investment Selection and Evaluation process described above. When constructing the TD Bank Models, TD Bank seeks guidance from its affiliate, TDAM USA, regarding portfolio

allocation and optimization within firm-established guidelines. TDAM USA insights and recommendations are considered by TD Bank for implementation within the TD Bank Models. TD Bank, and not TDAM USA, will ultimately determine the appropriate construction of the TD Bank Models and execute changes where appropriate based on market conditions, investment performance, and changes in the firm's asset allocation policy, investment strategy, or investment outlook.

PORTFOLIO IMPLEMENTATION

TD Bank relies on the services of its affiliate, TDAM USA, to execute securities transaction and implement investment portfolios. Once TD Bank selects investments in the Model Portfolios, TD Bank Modules, TD Bank Models or non-modeled assets for specific TD Bank clients, TDAM USA assumes various responsibilities for managing the portfolios in accordance with guidelines and restrictions provided by TD Bank and, as applicable, participating clients. TDAM USA provides trading and portfolio implementation services for all TD Bank clients, whether invested in Model Portfolios, Modules, TD Bank Models, or non-modeled assets. TDAM USA provides trading services to TD Bank and its clients by arranging, on a discretionary basis, for the execution of all orders for each participating TD Bank client account. With respect to the TD Bank Models, TDAM USA's role consists primarily of administrative processing services related to the purchase or sale of approved mutual fund and ETF shares.

FEES AND COMPENSATION

Services Involve Costs, Fees, and Expenses. TD Bank provides various trust and other fiduciary-related services related to your account(s) and charges fees, costs, and expenses for these services. You pay annual account fees based on a percentage of the value of assets in your account(s). Asset-based account fees include investment management, trustee, custody and/or other fiduciary-related services. TD Bank does not impose a minimum dollar value of assets for establishing or maintaining an account. However, we do charge a minimum fee. Additional fees or charges are assessed for additional services or expenses depending on the type of account, including but not limited to legal fees, administrative fees, distribution fees, wire transfer fees, transaction fees and commissions, tax preparation fees, and accounting fees. TD Bank maintains a standard fee schedule that is provided at account opening and may be updated without prior notice to you. TD Bank may enter into individualized fee arrangements based on, among other things, the type and size of the relationship and the complexity of the services provided. Please refer to the TD Bank fee schedule provided to you at account opening for specific rates or contact your TD Bank Advisor for more information.

Additional Fees. You may incur additional fees and charges imposed by custodians, brokers, investment managers, and other third parties which may include, but are not limited to

management and other fees charged by affiliated and non-affiliated mutual fund managers, deferred sales charges, odd-lot differentials, transfer taxes, and other fees and taxes on brokerage accounts and securities transactions. Clients who select investment fund vehicles such as open-ended mutual funds and exchange traded funds are charged all internal management fees and other expenses charged by the funds. All material fund-related fees should be disclosed in each fund's prospectus and are exclusive of and in addition to TD Bank account fees. TD Bank receives no portion of these fund management fees or commissions, but may receive a portion of the shareholder, administrative, recordkeeping and/or other service fees paid by the funds. TD Bank is compensated by funds for the shareholder, administrative, recordkeeping and/or other services we provide to funds by a fee of up to 40 basis points (0.40 percent) of the market value of the investment in these funds. TD Bank is not compensated for the shareholder, administrative, recordkeeping and/or other services we provide to mutual funds and ETFs invested in ERISA accounts, Individual Retirement Accounts, or trust accounts in New York State. Please see each applicable prospectus for specific details about the shareholder servicing fees and the method of calculation.

Soft Dollars. TD Bank clients pay execution fees for security transactions that benefit TDAM USA in the form of soft dollars. TDAM USA uses discretion to direct securities transactions to certain broker and may cause a Client to pay a brokerage commission that is in excess of what another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and/or research products and services provided by the specific broker. Brokerage and research products and services provided to TDAM USA by a broker-dealer or third party service provider may include, among other things, advice as to the value of securities and the advisability of effecting transactions in securities; analyses and reports concerning securities, issuers, industries and portfolio strategies or economic or political factors and trends that may have an impact on the value of securities or investment strategies; seminars and conferences; databases and software including, but not limited to, quantitative analytical software; market data from feeds or databases; post-trade analytics; execution management systems and order management systems (to the extent they help arrange or effect a securities transaction); algorithmic trading software and market data (to the extent they assist in the execution of orders); and custody, clearing and settlement services that are directly related to an executed order that generated commissions. The brokerage and research products and services provided by a broker-dealer may be proprietary and/or provided by a third party (i.e., originates from a party independent from the broker that provided the execution services). Please refer to the Investment Adviser Brochure for TDAM USA, available from your TD Bank Advisor, for further information regarding soft dollars and other payments related to TDAM USA's implementation service.

Cash Management. TD Bank may utilize a TD Bank money market deposit account for balances up to the FDIC insured limit. For balances over the FDIC insured limit, or for a more

favorable rate, TD Bank may use one or more money market mutual funds offered by third parties or affiliates of TD Bank, including TD Asset Management USA Funds Inc. For administrative services to any such fund, TD Bank is compensated at an annual rate of up to 30 basis points (0.30 percent) of the market value of the investment in any such fund. A prospectus of the fund(s) selected for the account is available by contacting your TD Bank Advisor. TD Bank is not compensated for the shareholder, administrative, recordkeeping and/or other services we provide to these funds invested in ERISA accounts, Individual Retirement Accounts, or trust accounts in New York State.

Your Financial Professionals are Compensated Based on your Account Relationship. TD Bank's financial professionals receive salary compensation. Their bonuses are calculated on a number of factors, one of which is based on the opening, retention, and size of your account relationship. You should feel free to ask your financial professional about the compensation paid based on your account relationship.

OUR RELATIONSHIP WITH AFFILIATES

Described below are potential conflicts of interest related to TD Bank's service of your accounts.

Certain Affiliates are Paid for Services. TD Bank has relationships with, and may utilize, suggest or recommend the services of, various TD-affiliated entities, including TDAM USA, Epoch, TD Asset Management USA Funds Inc., TD Ameritrade, Inc. ("TD Ameritrade"), and TD Securities (USA) LLC ("TD Securities (USA)"). These affiliates receive compensation directly or indirectly for the products or services they provide. Account fees will not be higher as a result of these relationships.

Investments in Affiliated Mutual Funds. Subject to client investment guidelines and applicable law, TD Bank may use its discretion to invest your assets in or recommend investment in an affiliated investment vehicle, including TD Asset Management USA Funds Inc. ("TDAM USA Funds"), a family of open-end mutual funds registered under the Investment Company Act of 1940 that are managed and/or sub-advised by our affiliate TDAM USA and/or our affiliate Epoch, and ETFs managed or sub-advised by TDAM USA and/or Epoch (collectively, "Affiliated Funds").

TDAM USA and/or Epoch receive management and/or advisory fees based on the amount of assets the Client invests in Affiliated Funds. These fees are paid by the Affiliated Fund, but are ultimately borne by you and are in addition to the account fees you pay to TD Bank for our services. TD Bank is compensated for the shareholder, administrative, recordkeeping and/or other services we provide to these funds by a fee of up to 40 basis points (0.40 percent) of the market value of the investment in these Affiliated Funds. TD Bank is not compensated for the shareholder, administrative, recordkeeping and/or other services we provide to Affiliated Funds invested in

ERISA accounts, Individual Retirement Accounts, or trust accounts in New York State. Please see each applicable prospectus for specific details about the shareholder servicing fees and the method of calculation.

TD Bank has a conflict of interest in recommending Affiliated Funds and using discretion to invest Client assets in Affiliated Funds because investing in Affiliated Funds is generally more profitable to the Bank and its affiliates than investing in non-affiliated funds. These conflicts are managed through the oversight, due diligence, and monitoring process discussed above. TD Bank favors Affiliated Funds unless it thinks that non-affiliated funds offer substantially differentiated portfolio construction benefits. You may direct TD Bank not to invest your assets in or recommend to you Affiliated Funds, subject to reasonable restriction, by contacting your TD Bank Advisor.

Investment Management, Model Management, and Portfolio Implementation Services by Affiliates. TD Bank has appointed TDAM to perform certain portfolio management and advisory services on its behalf. The proportion of your portfolio that is subject to investment management by TDAM USA may be as much as 100 percent. TDAM USA creates the TDAM USA Models which provide TD Bank clients with discretionary management of fixed-income assets. TDAM USA also has limited discretionary authority over the selection of municipal bonds for TD Bank clients as non-modeled assets. TD Bank charges clients an asset-based account fee for investment management services. TDAM USA receives a portion of this asset-based fee, up to a maximum of 13 basis points (0.13 percent), based on the amount of assets TDAM USA participates in advising. TD Bank also pays TDAM USA a portion of its asset-based fees, up to a maximum of 10 basis points (0.10 percent), for providing portfolio implementation services to clients invested in the Model Portfolios, TD Bank Modules, TD Bank Models, and non-modeled assets.

Where TDAM USA provides investment management services to ERISA plan or IRAs, TDAM USA acknowledges that it is a fiduciary and that, in performing certain portfolio management services, it expects to rely on Prohibited Transaction Class Exemption 84-14 or any successor exemption, to the extent applicable.

TD Bank has engaged Epoch to provide the Epoch Model Portfolios. Within the Epoch Models, Epoch has discretion to change the composition of the model, but does not have discretion over the implementation of the model or the management of your specific portfolio. The portion of your portfolio that may be invested in an Epoch Model may be as much as 100 percent. TD Bank charges clients an asset-based account fee for investment management services. Epoch receives a portion of this asset-based fee, up to a maximum of 13 basis points (0.13 percent), based on the amount of assets invested in the Epoch Models.

The fees paid to TDAM USA and Epoch do not increase the account fees you pay to TD Bank for services. However, this creates a conflict of interest because investment management

services provided by affiliates are generally more profitable to TDAM USA, Epoch, the Bank, and/or its affiliates than receiving investment management services from third parties. TD Bank has engaged TDAM USA and Epoch to provide investment management services because it believes that TDAM USA and Epoch provide investment management services that are appropriate for your account. TD Bank provides ongoing oversight, due diligence and performance reviews of TDAM USA and Epoch to monitor the investment management services provided to your account.

Affiliate Access and Training. TD Bank personnel receive a broader level of access to, and support and training from, certain management persons and employees of TD Bank affiliates than they receive from non-affiliates. TD Bank personnel's access to affiliates includes access to executives, support from product specialists, detailed product training, relevant product information, and participation in marketing events. TD Bank does not receive comparable access to non-affiliated asset managers and product providers. TD Bank Advisor's enhanced familiarity with affiliated Products may result in TD Bank Advisors making more frequent recommendations of affiliated Products than non-affiliated Products. TD Bank Advisors do not receive greater compensation recommending or directing investment in affiliated Products.

Different advice. TD Bank, TDAM USA, Epoch, and their affiliates may give different advice, take different action, receive more or less compensation, or hold or deal in different securities for any other party, client or account (including their own accounts or those of their affiliates) from the advice given, actions taken, compensation received or securities held or dealt for your account(s).

Use of Seed Capital. The Toronto-Dominion Bank, TDAM, or one of its affiliates may provide seed capital in order to establish a TDAM USA Fund and/or allow it to operate. This type of investment is intended to be temporary pending purchases by unrelated investors and is not made for the purpose of earning investment returns. As a result, the Bank, TDAM, or one of its affiliates may hedge a seed capital investment in a TDAM USA Fund, including by short selling exchange-traded funds or the individual securities held by a TDAM USA Fund.

The Toronto-Dominion Bank, TDAM, or its affiliates may redeem all or a part of its seed capital in a TDAM USA Fund at any time, without notice. TD Bank may exercise its discretionary authority, where applicable, in order to invest the client assets in securities of a TDAM USA Fund and this may occur without notice concurrently with the withdrawal of all or a part of the seed capital by the Bank, TDAM, or one of its affiliates from the same TDAM USA Fund.

TD Securities Inc. TD Securities Inc. ("TD Securities"), an affiliate of TD Bank, owns an equity interest in TMX Group Limited ("TMX") and has a nominee director serving on the board thereof. As such, TD Securities may be considered to

have an economic interest in the listing and trading of securities on an exchange owned or controlled by TMX, including the Toronto Stock Exchange, the TSX Venture Exchange and Alpha Exchange, and in the clearing, settlement and depository services provided by The Canadian Depository for Securities and its affiliates. No person or company is required to obtain products or services from TMX or its affiliates as a condition of TD Securities or its affiliates continuing to supply a product or service.

Trading or Issuing Securities in, or Linked to Securities in, Client Accounts. TD Bank affiliates, including TD Securities, TD Securities (USA), TD Ameritrade, and their affiliates, may provide bids and offers, and may act as principal market maker, in respect of the same securities held in client accounts. TD Securities, TD Ameritrade, and their affiliates and employees may hold a position (long or short) in the same securities held in client accounts. TD Securities and/or their affiliates are regular issuers of traded financial instruments linked to securities that may be purchased in client accounts. From time to time, the trading of TD Securities and/or its affiliates may be detrimental to securities held by a client and thus create a conflict of interest.

Services Provided by Affiliates to Other Clients. TD Securities, TD Securities (USA), Epoch, TDAM USA, TD Ameritrade and its affiliates, and other affiliates of TD Bank may provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other, and for various clients (including issuers of securities that may be purchased, sold, or recommended for purchase or sale by clients or are otherwise held in client accounts). TD Bank's affiliates and others receive compensation and fees in connection with these services. TD Bank believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account. Accordingly, it is likely that securities in an account will include some of the securities of companies for which TD Bank's affiliates perform investment banking or other services.

BROKERAGE PRACTICES

Unless otherwise directed by the client in writing, TDAM USA makes all decisions as to the purchase and sale of securities, including the selection of the broker-dealer and the negotiation, where applicable, of commissions or spreads on a discretionary basis. In general, TDAM USA also exercises discretion over the selection of broker-dealers for trade execution, including for the nondiscretionary recommendations TDAM USA makes to TD Bank in connection with Client Portfolios. In selecting broker-dealers to effect securities transactions for all investment accounts, TDAM USA has a fiduciary duty to seek to obtain "best execution" (i.e., the most advantageous execution terms for clients that are reasonably available under the circumstances at the time of the trade), as well as to assess their order execution capabilities, brokerage products and services, and research products and services. In seeking best execution,

TDAM USA considers a number of elements, including but not limited to, execution price, speed of execution, certainty of execution, and overall cost of the transaction. Please refer to the Investment Adviser Brochure for TDAM USA Inc., available from your TD Bank Advisor, for further information regarding the brokerage practices of TDAM USA.

INVESTMENT RISKS

Investments are Not Insured or Guaranteed. Investments are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency. They are not deposits, or other obligations of, or guaranteed by, TD Bank or any of its affiliates.

Investments May Lose Value. Investments, including stocks, bonds, and mutual funds, are subject to risks, including possible loss of the amount invested. The value of investments may fluctuate, so when you sell your investments, you may receive more or less than you originally invested. Certain investments may be more suitable for long-term investors who can bear the risk of market fluctuations.

Read the Prospectus, Form ADV, or Other Investment Material Carefully Before Investing. Investments may have restrictions, limitations, and conditions associated which may impact their liquidity, and may have costs, fees, expenses, and charges associated which may reduce the rate of return on your investments. All related expense and limitation should be disclosed in the investment prospectus. Read the prospectus and other investment material to understand the risks, objective, fees and restrictions associated with an investment before investing.

Asset Allocation Risks. Asset allocation strategies are subject to the risk that TD Bank's asset allocation decisions among various asset classes will not anticipate market trends successfully. For example, investing too heavily in common stocks during a stock market decline may result in a failure to preserve capital. Conversely, investing too heavily in fixed income securities during a period of stock market appreciation may result in lower total returns.

Concentration Risk. The investment objectives of an account may permit concentration in one or more issuers. A relatively high concentration of assets in, or exposure to, a single or small number of issuers may reduce the diversification and/or liquidity of an account, and increase its volatility. Diversification does not guarantee a profit or protect against a loss.

Affiliate Product Risk. There is a risk that affiliated Products in client Portfolios will underperform expectations. TD Bank has an inherent bias to include affiliated Products within client Portfolios which may result in all or substantially off of your assets being invested in affiliated Products and may result in your overall Portfolio underperforming in categories where affiliated Products underperform. Clients may pay a greater

amount in fees with affiliated Products than if they invested in non-affiliated Products.

Trade Rotation Methodology. Clients that hold securities in a Model Portfolios should note that, as part of their trading procedures, TDAM USA and Epoch use trade rotation methodology that results in TD Bank clients receiving investment advice and trade recommendations after trade orders have been placed for other accounts over which TDAM USA and/or Epoch have full discretionary investment management authority. This may result in purchasing or selling securities in the Model Portfolio at prices which are different than the prices at which other clients of TDAM USA and/or Epoch purchased or sold the same securities, and could disadvantage your account.

Overall Market Risk. Securities markets are volatile and the market prices of securities may decline generally. Equity securities fluctuate in price and may decline in value due to both real and perceived general market and economic industry conditions and the issuing company's financial condition and overall market and economic conditions. Fixed income securities are affected by a number of risks, including fluctuations in interest rates, credit risk, prepayment risk, and inflation risk.

Interest Rate Risk. Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as the demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes generally have a greater effect on the price of fixed income securities with longer durations. Duration measures the price sensitivity of a fixed income security to changes in interest rates.

Credit Risk. Fixed income securities carry the risk of default, which means that the issuer fails to pay interest or principal when due. Many fixed income securities receive credit ratings from services such as Standard & Poor's and Moody's Investor Services, Inc. These services assign ratings to securities by assessing the likelihood of issuer default. Lower credit ratings correspond to higher credit risk.

Call Risk. Call risk is the possibility that an issuer may redeem a fixed income security before maturity (a call) at a price below its current market price. An increase in the likelihood of a call may reduce the security's price.

Prepayment Risk. Prepayment risk is the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule. This is especially prevalent with mortgage-backed securities. Homeowners frequently refinance high interest rate mortgages when mortgage rates fall. This results in the prepayment of mortgage backed securities with higher interest rates. Conversely, prepayments due to refinancings decrease when mortgage rates increase. This extends the life of mortgaged

backed securities with lower interest rates. Other economic factors can also lead to increases or decreases in prepayments. Increases in prepayments of high interest rate mortgage backed securities, or decreases in prepayment of lower interest rate mortgage backed securities, may reduce their yield and price. These factors, particularly the relationship between interest rates and mortgage prepayments, makes the price of mortgage backed securities more volatile than many other types of fixed income securities with comparable credit risks.

Alternative Asset Classes. Investing in alternative asset classes such as commodities, hedge funds, real estate and bank loans, may have their own unique risks including, but not limited to, market risk, interest rate risk, lack of liquidity, lack of transparency, volatility of returns, absence of valuation and pricing information, delays in tax reporting and substantial loss due to speculative investment practices.

International Investments. International investing is subject to additional risks including currency fluctuations, political factors, withholding, lack of liquidity, absence of adequate financial information, and exchange control restrictions impacting foreign issuers. These risks may be magnified in emerging markets.

ETF Secondary Market Risk. Because ETF Shares are traded on an exchange, they are subject to additional risks. ETF shares are listed for trading and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETFs on the secondary market, and you may receive more or less than NAV when you sell those shares.

ACCOUNT INFORMATION

Fiduciary Trust Account. Where TD Bank acts in a capacity as trustee or executor, it will act in accordance with the trust instrument(s) or other governing document(s) (to the extent that the terms of such instrument are possible and legal) and through applicable state and federal laws and regulations. Unless otherwise prohibited under the governing documents, TD Bank may delegate investment management or other fiduciary services to affiliated or third-party firms.

Agent for Fiduciary Account. Account owners, representatives, and/or principals that hold or manage accounts in a fiduciary capacity (for example, as a trustee, ERISA plan fiduciary, or executor) are solely responsible for determining and maintaining the account's continuing compliance with any and all governing agreements, instruments, laws and regulations, notwithstanding any review or advice that TD Bank may provide from time to time with respect to the assets in and investments of the account(s).

Joint Accounts. TD Bank will accept the direction of any one of the authorized individuals in a joint account. Each authorized

individual is deemed to own the assets in the account as joint tenants with right of survivorship unless another form of ownership was expressly designated. Upon the death of any authorized individual, the TD Bank account agreement will continue in full force and effect with the surviving individual, unless otherwise terminated by the account agreement.

Client Restrictions. Clients are able to impose reasonable restrictions on securities, asset classes, holdings or any other reasonable restriction they would like to impose on their portfolios. For example, Clients have the ability to direct us not to invest their assets in or recommend investments in affiliated products, subject to reasonable restrictions. If you direct us not to invest your assets in or recommend investment in affiliate Products, you will not have access to the Model Portfolios or TD Bank Modules; you will only have access to certain TD Bank Models and non-modeled assets. Where a Client imposes restrictions on investing in certain securities or types of securities, the performance of its account may be different from the performance of other accounts within the same Model Portfolio that lack any such restrictions.

E-mail Communication. Communications via unencrypted E-Mail are not secure and may be subject to disclosure or unauthorized access. Unless instructed otherwise, TD Bank will communicate with you via unencrypted E-Mail, and is not liable for the disclosure of or access to any such communications.

Proxies. For all discretionary managed accounts (including sole discretionary and shared discretionary accounts), TD Bank, its affiliates and/or agents will cast proxy votes on behalf of the account as we deem appropriate and consistent with the best interest of the account, unless specifically directed otherwise and subject to reasonable restrictions. TD Bank relies on its affiliate TDAM USA and third-party proxy voting services to cast proxy votes. TDAM USA has established policies and procedures that set out a general statement of policy with respect to its proxy voting activities ("Proxy Policy"). The Proxy Policy includes guidelines for determining how to vote with respect to common issues that require voting decisions, a framework for addressing novel or contentious matters, and the roles and responsibilities of the TDAM USA proxy committee ("Proxy Committee"). TD Bank and TDAM USA have delegated responsibility for certain proxy voting activities to Institutional Shareholder Services, Inc. ("ISS"). ISS has been instructed to vote in accordance with the principles and guidelines set out in the Proxy Policy, and has been instructed to refer certain proposals back to TDAM USA for individual consideration. In some instances, ISS may cast proxy votes using a block approach which restricts your ability to direct an individualized vote. The Proxy Policy sets out a framework for resolving material conflicts of interest related to voting matters, including conflicts between an account and (i) TD Bank, TDAM USA, and their affiliates; (ii) individuals making proxy voting decisions; or (iii) service providers making proxy voting decisions (collectively, "Conflicts"). This framework requires independent proxy decision makers to ensure proxies are voted in accordance with the Proxy Policy or brought to the attention of the Proxy Committee. Such decision makers are provided

guidance in determining whether a Conflict exists with respect to any voting matter. In cases where a Conflict arises, the Proxy Committee reviews the matter to determine what actions are necessary to ensure the Conflict is handled appropriately and the proxy is voted in the best interests of the account. You can obtain information on how the securities in your account were voted by contacting your TD Bank Advisor.

Securities Class Action Claims. If investments held in an account (or previously held in an account) are subject to class action lawsuits, TD Bank and/or its agents may file class action litigation claims on behalf of all eligible accounts as we deem to be in the best interest of the accounts. TD Bank has delegated responsibility for identifying, filing, and processing class action litigation claims to a third-party service provider, Chicago Clearing Corporation ("CCC"). CCC will track all class action litigation suits, identify all accounts eligible to participate in a suit, file eligible class action litigation claims, communicate with claims administrators on behalf of eligible accounts, and facilitate settlement recovery. You can obtain information on securities class action claims filed on behalf of your account by contacting your TD Bank Advisor. Clients do not have the ability to direct TD Bank or CCC to opt-out of eligible class action litigation claims on a case-by-case basis. Clients may opt-out of all securities class action litigation claim filing services, in which case TD Bank and/or CCC will not file any claims on behalf of the account. Where clients have opted-out of these services, TD Bank will share the account owners' personal information (including the mailing address and beneficial owner associated with the account) with claims administrators so that the claims administrator may contact the beneficial owner directly. If you wish to opt-out of TD Bank's securities class action litigation claims filing services, please contact your TD Bank Advisor.

Automated Clearing House (ACH) Payments. For ACH transactions, TD Bank will pay all scheduled amounts/distributions, or amounts otherwise requested, by making direct deposits or adjustment entries as necessary into the specified account at the designated financial institution. TD Bank will mail an advice of deposit (which may be sent collectively at year end) instead of a check. It can take up to 48 hours from payment date to receive the funds into the checking or savings account.

Consult a Professional for Tax, Legal and Other Advice before Investing. Transactions may be subject to federal, state, and/or estate taxes. Consult with your tax, legal, and other advisors for advice specific to your circumstances. TD Bank, its affiliates and employees do not provide legal, tax, accounting or actuarial advice. TD Bank, its affiliates and employees do not provide advice regarding, or undertake in any way to ensure compliance with, applicable state and other jurisdictionally-based laws, regulations or similar pronouncements applicable to the investments made by its Clients (including but not limited to captive insurance companies, government entities, or trusts), or the trust agreements or custodial arrangements into which its clients may enter or by which they are otherwise bound.

No Advice Regarding Investment Policy Statements. TD Bank's advice may involve recommended exposures within a client's established investment policy. Since an investment account is generally only one component of a client's overall portfolio, we will not approve or otherwise monitor compliance with investment policy statements ("IPS") when provided in connection with the opening of an account, at account conversion (for acquisitions) or otherwise. The investment strategies described in this document do not provide IPS services. In connection with these accounts, TD Bank does not ensure that your IPS and asset allocation choices comply with all specific legal, actuarial or other requirements that apply to you. That responsibility rests solely with you and you should consult with your legal and tax advisors regarding those matters. TD Bank, its affiliates, and TD Bank Advisors do not provide legal or tax advice. Clients should seek advice based on their individual circumstances from an independent tax and/or legal advisor.

Tax Costs/Basis Issues. When client assets are transferred to us to be held in the Client's account, the prior custodian may provide TD Bank with information on the cost (or "basis") associated with these assets. Cost information is used to calculate capital gains and losses and to determine whether the gains or losses are long term or short term. TD Bank is responsible for accurate tax costs of securities it purchases in the portfolio, but does not assume responsibility for the accuracy of tax costs if TD Bank does not receive information on the cost of your transferred assets at the time the account is funded, or if the information received is inaccurate or incomplete. Unless we agree otherwise in our sole discretion, TD Bank will provide investment services over all assets in your account even if the cost information for any asset is missing or inaccurate. In that case, your TD Bank Advisor may not be in a position to consider the tax impact of a sale or redemption of assets, which may result in a greater tax liability.

Unlawful Internet Gambling. "Restricted Transactions", as defined in the Unlawful Internet Gambling Enforcement Act of 2006 and Regulation GG, include without limitation, those in which electronic fund transfers or checks are accepted by gambling businesses in connection with unlawful Internet gambling. Restricted Transactions are prohibited from being processed through any account or relationship with TD Bank. In the event that TD Bank identifies a suspected Restricted Transaction, we may deny services to you and prohibit future transactions. Notwithstanding the foregoing, in the event a Restricted Transaction is processed, the account will be liable for the transaction.

Information Access and Use. When a Client requests the TD Private Client Group service, their Relationship Manager or TD Bank Advisor will have visibility into all of their relationships with TD Private Client Group Affiliates – whether deposit accounts,

loans, credit cards or securities and mutual fund accounts held at TD Bank, TDPCW or at a TD Private Client Group Affiliate (collectively, ("TD Private Client Group Affiliates Account(s)"). Your Relationship Manager or TD Bank Advisor can put the power of TD Private Client Group to work for you, by utilizing a team of experts from across the TD Private Client Group Affiliates to review and analyze your financial status and recommend products and services tailored to meet the account's financial objectives.

TD Private Client Group Affiliates use information about your TD Private Client Group Affiliates account(s) so that you can receive an optimal client experience as well as access a complete array of products and services. To provide you with the TD Private Client Group service, your Relationship Manager or TD Bank Advisor needs to access all of your personal information with the TD Private Client Group Affiliates and will make this information available to professionals in other TD Private Client Group Affiliates to provide you products and services that TD Private Client Group believes will meet the account's objectives.

Your Relationship Manager or TD Bank Advisor has access to your personal TD Private Client Group Affiliates account(s) information with the TD Private Client Group Affiliates and makes this information available to professionals in other TD Private Client Group Affiliates to provide you products and services that TD believes will meet your account objectives. Any information sharing, use and marketing choices that you have otherwise made with TD Private Client Group Affiliates will be superseded to the extent the information is used to provide you with the TD Private Client Group service. You may, at any time, withdraw your direction to use information about your TD Private Client Group Affiliates account(s) to provide the TD Private Client Group service. However, if you withdraw your direction, TD Private Client Group will no longer be able to provide you with the TD Private Client Group service.

You may withdraw from the TD Private Client Group program at any time by contacting your Relationship Manager or TD Bank Advisor. TD Private Client Group will provide you with instructions on steps to be taken with respect to your various TD Private Client Group Affiliates Account(s). TD Private Client Group will need a reasonable period of time to process your withdrawal. Withdrawal from the TD Private Client Group program will terminate access to TD Private Client Group products and services. By choosing to remain in the TD Private Client Group program, you have accepted the terms of the TD Private Client Group business model.

I/we acknowledge that I/we have read and understand the information in this Brochure and hereby accept and authorize the products, practices, services, and business models described herein. Additionally, I/we acknowledge receipt of the current fee schedule, privacy notice and the Fiduciary and Agency Account Services brochure.

X _____

X _____

Date: _____

Date: _____



A. Account Information

Account Information

These questions are essential for us to learn about your business, so that we may provide you with the appropriate services and advice. We respect your privacy and are committed to safeguarding your personal information. This information will be used and disclosed only in accordance with applicable law and our privacy policies.

Legal Name: _____

Legal Address: _____

Telephone #: _____

Tax Year End Date (mm/dd/yyyy): _____

B. Investment Responsibility & Objective

1.0 Investment Responsibility:

☐ **MANAGED**¹- From time to time, the Bank will make such investment changes that will, in the Bank's judgment, meet the Owner's investment objectives.

☒ **CUSTODY**¹- The Owner will instruct the Bank on all investment changes, and the Bank will not provide any advice on investments or changes. The Bank has no obligation to take action on the assets in the Account in the absence of instructions from the Owner.

1.1 Investment Objective: My Primary investment objective is: (Select One) ?

☐ A. Fixed Income 0% E / 90-100% FI / 0-10% C

☐ B. Income 5-35% E / 60-90% FI / 0-10% C

☐ C. Inc/Growth 20-50% E / 45-75% FI / 0-10% C

☐ D. Balanced 35-65% E / 30-60% FI / 0-10% C

☐ E. Growth/Inc 50-80% E / 15-45% FI / 0-10% C

☐ F. Growth 65-95% E / 0-30% FI / 0-10% C

☐ G. Equity 90-100% E / 0% FI / 0-10% C

☒ H. Special - Any asset allocation not included above and specified by the client

☐ I. Cash

2.0 Toronto-Dominion Bank (TD) or Affiliate Securities: I acknowledge that it is the Bank's policy not to acquire or retain TD or affiliate securities in accounts unless specifically authorized by the governing instrument or court order, or unless so directed by the account's principal, grantor or other authorized person. In addition, the Bank will not render investment advice with regard to any TD or affiliate security held in accounts under management. By initialing below, I authorize and direct the Bank to retain any shares of TD or any affiliate security deposited to my account, and I confirm that I understand that the Bank will not provide investment advice with regard to the TD or affiliate holding.

_____ (Client Initials)

Jeremy Perry

C. ID Authentication

The following information is requested to aid in customer identification during future transaction requests.

Client Name: _____

Personal Identifier: _____

[Complete 2 of the following questions]

Place of Birth: _____

Grandmother's Maiden Name: _____

Father's Middle Name: _____

Number of Siblings: _____

Father's Place of Birth: _____

Mother's Place of Birth: _____

Client Name: _____

Personal Identifier: _____

[Complete 2 of the following questions]

Place of Birth: _____

Grandmother's Maiden Name: _____

Father's Middle Name: _____

Number of Siblings: _____

Father's Place of Birth: _____

Mother's Place of Birth: _____

D. List of Assets & Additional Instructions

List of Assets & Additional Instructions

Please provide in Section E - Additional Instruction: Any Third Party Investment Advisor Information as well as Tax Preparer Information

A) List of Assets funding this account, or attach applicable financial institution statement

Cash - \$25,000,000

B) Additional Instructions:

E. Online Access

The Bank offers its clients access to their account through the internet.

Are you interested in this service? (Please select response) ☒ YES ☐ NO

If Yes, would you like to receive your account statements via Online? (Please select response) ☒ YES ☐ NO

Client Name and Email Address: Jeremy Perry - jeremy.perry@gainesville.org

Client Name and Email Address: Beverly Williams - bwilliams@gainesville.org

Client Name and Email Address: _____

Client Name and Email Address: _____

Client Agreement^t

- 1.0 The Owner hereby authorizes TD Wealth® (the "Bank") to open and maintain an account (the "Account") and to act as the Owner's agent to perform the following duties with respect to securities or cash which the Owner may cause to be delivered to the Bank for the Account:
- 1.1 Receive and protect the property deposited in the Account (as indicated in Section D) and to keep such property separate from all other property held by, or owned by the Bank.
 - 1.2 Collect all income coming due on the property and, after deducting the Bank's fee, to distribute it as instructed by me.
 - 1.3 Surrender for redemption or exchange all securities maturing or called for exchange.
 - 1.4 Keep accurate records of all transactions in the Account and furnish the Owner with monthly statements of assets, income and principal transactions. The Owner acknowledges and agrees that such statements shall be provided (electronically, if elected by the Owner) in the Bank's customary form, as it may be amended from time to time, and that the Owner has the right to receive additional notification of transactions upon request and without additional charge pursuant to 12 CFR 12.
 - 1.5 Receive and deliver assets, and purchase and sell securities in accordance with the investment authority as indicated in 1.0 of Section B.
 - 1.6 The Owner hereby authorizes and appoints the Bank his/her attorney-in-fact to sign the name of the Owner to any stock certificate, bond, security, evidence of indebtedness, or other property, or documents relating thereto, in order to purchase, sell, exchange, or otherwise deal with such property for the Account of the Owner. The appointment shall not be affected by the disability of the Owner.
 - 1.7 To hold securities in the name of the Bank's nominee and to use a clearing corporation and a custodian for Account assets.
 - 1.8 To follow any instructions from the Owner or from any authorized representative of the Owner.
 - 1.9 The Owner retains legal ownership of the assets of the Account, with the privileges and responsibilities of ownership, except as to responsibilities specifically delegated to the Bank herein.
 - 1.10 The Bank will provide annual tax information summaries to the Owner for his/her use in preparing the Owner's Federal and State income tax returns, and will maintain appropriate records therefore.

- 1.11 The Bank is under no obligation to pursue in court any claim against third party for money or property due to the Owner.
- 1.12 The Owner agrees to defend, indemnify and hold the Bank harmless from any and all actions, claims, liabilities, damages and expenses, including without limitation costs of defense and reasonable attorneys' fees, (collectively, "Claims") which the Bank may suffer, incur or be caused to pay arising out of the Bank's performance pursuant to this Agreement, except to the sole extent that any such Claim arises from the Bank's bad faith, willful misconduct or breach of this Agreement. If the Bank shall sustain any such Claim, it may recover therefore from funds held by it in the Account.
- 1.13 Except in the case of its own bad faith, willful misconduct or breach of this Agreement, the Bank will not be held liable for any damages, injuries or expenses incurred by the Owner or any third party in connection with the Account, including without limitation any losses sustained on investments held in the Account. However, if governing law mandates a threshold for liability on the Bank's part that is lower than that described above, then the Bank shall be subject to the highest liability threshold permissible pursuant to such governing law. Owner acknowledges that the Account is and shall be subject to market fluctuations, and the Bank does not warrant or represent any level of performance or return for the Account.
- 1.14 This Agreement may be modified by mutual written consent and may be terminated by either party without advance notice. The Owner may remove any property held in the Account and may add property to it at any time. If the Account is terminated, the Bank will have a reasonable time in which to re-register the property and to deliver it to the Owner or his/her designee.
- 1.15 Except as otherwise set forth in this Agreement, the Owner may communicate instructions to the Bank orally, in writing, or via electronic means including facsimile or electronic mail transmitted via the internet ("E-Mail"). The Bank may require that any specific instructions be made or confirmed in writing, and may further require delivery to the Bank of written instructions or confirmation before any action is taken based on the instructions.

IN WITNESS WHEREOF, City of Gainesville, Georgia the Owner/Company, and TD Bank, N.A., Agent, have hereunto set their hands, this _____ day of _____, 20____ and we acknowledge receipt of the current fee schedule, privacy notice and account disclosures.

by: _____
Name: Jeremy Perry Title: CFO

by: _____
Name: Title:

by: _____
Name: Title:

TD BANK, N.A. by: _____
Name: Title:

[†] Securities and other investment and insurance products are: not a deposit; not FDIC insured; not insured by any federal government agency; not guaranteed by TD Bank, N.A. or any of its affiliates; and, may be subject to investment risk, including possible loss of value.



WIRE TRANSFER SERVICES AGREEMENT

Customer: City of Gainesville, GA

Date of Agreement: December 18, 2018

The above-named customer (referred as "you", "your", and "yours") hereby directs and **TD BANK, N.A., through its TD Wealth group** ("we," "us," "our" and "ours") agrees, to act on wire transfer instructions received from you under the terms and conditions set forth in this Wire Transfer Agreement ("Agreement"). This Agreement applies to and will govern all wire and funds transfer services made available by us to you (hereinafter the "Services," as further described below) pursuant to this Agreement or any amendment hereto. The Services shall also be governed by the terms and conditions of the parties' agreement governing the underlying deposit account(s) in your name with us (hereinafter "Account(s)") and that are associated with the Services (the "Account Agreement"). All capitalized terms used herein without definition shall have the meanings given to them in the Account Agreement, as may be amended from time to time. Except as otherwise expressly provided in this Agreement, to the extent that this Agreement is inconsistent with the provisions of the Account Agreement, this Agreement and any amendment hereto from time to time shall control, but only to the extent necessary to resolve such conflict. References herein to "you," "your," and "yours" shall be deemed to include your Authorized Agent(s) (as defined below), except where otherwise expressly indicated. This Agreement shall be effective when signed by both parties, and such date shall be as reflected above.

TERMS AND CONDITIONS

1. **Applicability:** Except as otherwise expressly indicated in this Agreement, all terms and conditions provided herein shall apply to you whether you are a natural person that uses the Services for personal, family or household purposes (a "Consumer"), or you are an individual, business or other entity that uses the Services for your own lawful business or similar purposes and not for personal, family or household purposes (a "Non-Consumer").
2. **Transfer/Verification Instructions:** You or such officer, agent, employee or other person identified by you in writing to us in the "Customer Funds Transfer Authorizations" form attached hereto as Exhibit A, or otherwise on a form or other document acceptable to us as being authorized to act on your behalf, and subject to limitations in the governing document(s) and applicable state and federal laws, (hereafter referred to as your "Authorized Agent"), may instruct us to transfer funds from any Account(s) you maintain with us by completing or otherwise providing us with required information in a written instruction, a sample of which is included herein under Exhibit A entitled "Wire Transfer Request Form".

You or your Authorized Agent may verify wire transfer instructions that are provided from any Account(s) you maintain with us by completing or otherwise providing us with required information in a written instruction, a sample of which is included herein under Exhibit A entitled "Wire Transfer Request Form".

Such instruction (or "order") or verification may be received from you or your Authorized Agent verbally by means of telephone, in writing by means of facsimile, or in person.

All actions of your Authorized Agent in connection with wire transfers, including without limitation instructions, verification of wire transfer order and the receipt of information or disclosures from us, shall be deemed to be consistent with, and not adverse to, your interest and wishes. We shall be entitled to rely on any written list of Authorized Agents provided to us by you until revoked or modified by you in writing.

3. **Execution of Orders:** Subject to the terms of this Agreement, we will accept and execute a wire transfer instruction from you or your Authorized Agent that has been authenticated by us and that is in conformity with the security procedures (as further described below) and other requirements as described in this Agreement and associated set-up form(s) and other documentation we may require, and provided that we receive the wire transfer order prior to our cut-off time during our normal business hours on a day we are open. All wire transfers to accounts at other depository institutions are to be transmitted using the Fedwire funds transfer system, owned and operated by the Federal Reserve Bank, or a similar correspondent facility or wire transfer system used primarily for fund transfers between financial institutions. Orders will be deemed executed by us at the time of transmittal to the Federal Reserve Bank or such similar correspondent facility.

Except as otherwise provided herein, each wire transfer order must include the following information in addition to any information which we may require for proper identification and security purposes: (a) Account number from which the funds are to be withdrawn, (b) amount to be transferred, (c) name and ABA routing number of the beneficiary's bank, and (d) name, address and account number of the beneficiary. In the event an order describes an account number for the beneficiary that is in a name other than the designated beneficiary, we may execute the order to the account number so designated, notwithstanding such inconsistency.

You understand and agree, and you shall advise each Authorized Agent, that we may, at our option, record telephone conversations regarding transfer orders received from you or an Authorized Agent.

4. **Time of Execution; Domestic Wire Transfer Orders:** We will use reasonable efforts to execute a domestic (U.S.-based receivers) order received from you on the date the order is received, provided it is received on a day on which we, the Federal Reserve Bank or correspondent facility and the beneficiary bank are open for business, is in conformity with all security procedures and other requirements described in this Agreement and is received by us prior to any cut-off time which we may from time to time establish. If any of the foregoing requirements are not met, we will transmit the order on the next day on which all of those requirements are met.

You may also send us a domestic order that is future-dated. Future-dated domestic orders will be executed by us on the effective date requested by you, not on the date you submitted the order to us, provided the effective date is a day on which we, the Federal Reserve Bank or correspondent facility and the beneficiary bank are open for business, is in conformity with all security procedures and other requirements described in this Agreement and is received by us prior to any cut-off time which we may from time to time establish. If any of the foregoing requirements are not met, we will transmit the order on the next day on which all of those requirements are met.

We may require additional authentication of any order. We reserve the right to reject an order that cannot be properly authenticated. Cut-off times may be established and changed by us from time to time, including as set forth in Schedule A to this Agreement. Instructions for orders received after such cut-off times may be treated by us for all purposes as having been received on the following day on which we are open for business. We may handle transfer orders received from you in any order convenient to us regardless of the order in which they are received.

A wire transfer of funds into one of your Accounts with us shall be deemed received by us when the transmission to us and compliance with any security procedures which we may from time to time establish are completed.

5. **International Wires by Non-Consumers:** If you are a Non-Consumer, an international order (non-U.S. receivers) of foreign currency initiated by you and approved by us by our cut-off time as set forth in Schedule A for international orders of foreign currency on a Business Day, and an international order of U.S. currency initiated by you and approved by our cut-off time for international orders of U.S. currency on a Business Day, will be processed within the industry standard delivery time (in most, but not all cases, two (2) Business Days). Foreign orders may be subject to delays based on and due to various issues such as time-zone issues, the remote location of the recipient bank, cultural differences with respect to holidays and times of observation, and incorrect or incomplete information being supplied by you.

You may also send us an international order that is future-dated. Future-dated international orders will be executed by us on the effective date requested by you, not on the date you submitted the order to us, provided the effective date is a day on which we, the Federal Reserve Bank or correspondent facility and the foreign beneficiary bank are open for business, is in conformity with all security procedures and other requirements described in this Agreement and is received by us prior to any cut-off time which we may from time to time establish. If any of the foregoing requirements are not met, we will transmit the order on the next day on which all of those requirements are met.

We will send your authorized and authenticated wire transfers to foreign banks through any bank which is a member of our correspondent network. Neither we nor any of our correspondents shall be liable for any errors, delays or defaults in the transfer of any messages in connection with such a foreign wire transfer by any means of transmission.

International wire transfers may be made in U.S. or foreign currency. You acknowledge that foreign currency wire transfers must be based on a currency that we trade and that all rates of exchange will be the rate in effect on the date we execute the wire transfer order, or at any other rate as may be agreed to by the parties. If the financial institution designated to receive the funds does not pay the beneficiary specified in a wire transfer order that is payable in foreign currency and the funds are returned to us, we will not be liable for a sum in excess of the value of the funds after they have been converted from foreign currency to U.S. dollars at our buy rate for exchange at the time the cancellation of the wire transfer order is confirmed by us, less any charges and expenses incurred by us. If you elect to initiate an international wire transfer in U.S. currency, you acknowledge that the receiving bank may elect to pay the beneficiary in foreign currency at an exchange rate determined by the receiving bank. You agree to bear all risk of loss due to fluctuation in exchange rates, and you shall pay us any costs and expenses of foreign currency conversion at our then-prevailing rates, terms and conditions. You are advised that our prevailing exchange rates may be less favorable to you than market exchange rates.

We make no guarantee or representation as to the availability of funds at the foreign destination. We make no express or implied warranty as to the time or date the order will arrive at the receiving bank, the amount of any fees to be charged by the receiving bank or the time or date the beneficiary will receive credit for funds.

You understand and acknowledge that if the named beneficiary does not match the account at the receiving bank, there is a risk the beneficiary may not receive the wired funds. If the order is not received or credited in a timely manner, we will follow normal and customary procedures to complete

the order, determine the location of the wired funds and/or return the funds to you. If we are unable to determine that the funds have been credited to the beneficiary's account or have the funds returned, you assume all financial liability or risk of loss for the amount of the order.

International orders are subject to any and all applicable regulations and restrictions of U.S. and foreign governments relating to foreign exchange transactions. We have no obligation to accept any international order(s) directed to or through persons, entities or countries restricted by government regulation or prior experience by us with particular countries. To the extent not otherwise prohibited by law, in connection with any international order(s) involving a transfer to or from any country outside of the U.S., you agree to release and hold us harmless from any loss or liability which you may incur after we have executed the international order(s), including without limitation, any loss due to failure of a foreign bank or intermediary to deliver the funds to a beneficiary.

6. **International Wires by Consumers:** Prior to October 28, 2013, outgoing consumer-purpose international wire transfers will be subject to the same terms set forth in Section 5 (International Wires for Non-Consumers). Effective as of October 28, 2013, outgoing consumer-purpose international wire transfers (also known as "Remittance Transfers") are subject to special disclosure, error resolution and cancellation requirements under the federal Electronic Fund Transfer Act and implementing regulations issued by the Consumer Financial Protection Bureau, as further described below.

We shall send your authorized and authenticated Remittance Transfer orders to foreign banks through any bank which is a member of our correspondent network. If the Remittance Transfer order is received by us prior to any cut-off time established from time to time, any currency exchange shall be made at the rate quoted by us at the time we prepare the receipt for the Remittance Transfer order for you. Future-dated Remittance Transfers are not permitted.

You understand and acknowledge that if the named beneficiary does not match the account at the receiving bank, there is a risk the beneficiary may not receive the wired funds. If the order is not received or credited in a timely manner, we will follow normal and customary procedures (as well as error resolution requirements for Remittance Transfers described below) to complete the order, determine the location of the wired funds and/or return the funds to you. Unless otherwise provided under applicable law governing Remittance Transfers, if we are unable to determine that the funds have been credited to the beneficiary's account or have the funds returned, you assume all financial liability or risk of loss for the amount of the Remittance Transfer order.

International orders are subject to any and all applicable regulations and restrictions of U.S. and foreign governments relating to foreign exchange transactions. We have no obligation to accept any international order(s) directed to or through persons, entities or countries restricted by government regulation or prior experience by us with particular countries. To the extent not otherwise prohibited by applicable law governing Remittance Transfers, in connection with any Remittance Transfers or any international order(s) involving a transfer from any country outside of the U.S., you agree to release and hold us harmless from any loss or liability which you may incur after we have executed the international order(s), including without limitation, any loss due to failure of a foreign bank or intermediary to deliver the funds to a beneficiary.

By executing a wire transfer order for a Remittance Transfer, and our form of Withdrawal Authorization for International Outgoing Wire, you will authorize the withdrawal from your Account for a Remittance Transfer be sent to a designated recipient's account, and you will agree to maintain an available balance in your Account sufficient to cover the total amount of the Remittance Transfer described on both a pre-payment disclosure we provide to you and on a receipt we provide to you,

including applicable fees and taxes, until the Remittance Transfer is processed. If there are insufficient funds in your Account when the Remittance Transfer is processed, the Remittance Transfer will be cancelled and the funds will not be sent to the recipient. If the Remittance Transfer is cancelled as a result of unavailable funds, we will attempt to contact you to determine whether you want to re-initiate the Remittance Transfer.

Remittance Transfer Error Resolution and Cancellation Disclosures:

What to do if you think there has been an error or problem:

If you think there has been an error or problem with your remittance transfer call us at 800.889.1153.

You must contact us within 180 days of the date we promised to you that funds would be made available to the recipient. When you do, please tell us:

- (1) Your name and address or telephone number;
- (2) The error or problem with the transfer, and why you believe it is an error or problem;
- (3) The name of the person receiving the funds, and if you know it, his or her telephone number or address;
- (4) The dollar amount of the transfer; and
- (5) The confirmation code or number of the transaction.

We will determine whether an error occurred within 90 days after you contact us and we will correct any error promptly. We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of any documents we used in our investigation.

What to do if you want to cancel a remittance transfer:

You have the right to cancel a remittance transfer and obtain a refund of all funds paid to us, including any fees. In order to cancel, you must contact us at 855.725.2484 within 30 minutes of payment for the transfer.

When you contact us, you must provide us with information to help us identify the transfer you wish to cancel, including the amount and location where the funds were sent. We will refund your money within three (3) business days of your request to cancel a transfer as long as the funds have not already been picked up or deposited into a recipient's account.

Delivery of Disclosures:

For all consumer-initiated foreign wire transfer orders, requisite disclosures may be given directly to you or to your Authorized Agent. By designating an Authorized Agent, you approve of the receipt of all requisite disclosures by your Authorized Agent, and represent that all actions of your Authorization Agent, including without limitation, the receipt of information and disclosures, will be consistent with, and not adverse to, your interests. You acknowledge that we may rely upon such approvals and representations contained herein until otherwise revoked by you. By designating an Authorized Agent, you waive any rights relating to non-receipt of disclosure where the disclosures are made to your Authorized Agent, including where the agent fails to relay the content of the disclosure to you. Any

Authorized Agent of a consumer must be a direct employee, relative, or authorized individual of the consumer, and not a third-party entity.

7. **Repetitive Order Templates and Recurring Transfer Orders (“RTOs”):** You may wish to initiate wire transfer orders on a repetitive, periodic *but non-automatic* basis to the same beneficiary and to the same account at the same beneficiary bank (a “Repetitive Order”). To do so, you will complete the “Wire Transfer Request Form,” attached hereto as part of Exhibit A, or such other form as we may require from time to time, and check the appropriate box as noted on the “Wire Transfer Request Form” to request its use as a template for Repetitive Orders to be initiated to the particular beneficiary identified. Once established, the information stored in your Repetitive Order template will expedite the process for initiating future Repetitive Orders for that particular beneficiary.

Similarly, you may use a “Recurring Transfer Order Form,” attached hereto as part of Exhibit A, or such other form as we may require from time to time, if you wish to initiate a Repetitive Order that *will automatically* recur on a pre-determined schedule, in a pre-determined amount or at a pre-determined threshold balance, and for a pre-determined duration. When establishing an RTO, you determine the criteria for the transfer, including the amount, the debit and credit Accounts, execution frequency (i.e., daily, weekly, biweekly or monthly) and duration. After these instructions are established by you, available funds are automatically transferred without further action by you until the RTO expires or you notify us otherwise, as set forth herein.

We will transfer funds from your Account(s) according to the Repetitive Order template as reflected in the “Wire Transfer Request Form” or in the “Recurring Transfer Order Form” you complete.

Consumers and Non-Consumers may establish domestic Repetitive Orders and RTOs. Only Non-Consumers may request international or foreign Repetitive Orders and RTOs.

8. **Cancellation and Amendment:** You may request that we attempt to cancel or amend a wire transfer order previously received from you. If a cancellation or amendment request is received by us before the wire transfer order is executed and with sufficient time to afford us an opportunity to act upon your request, we will make a good faith effort to act upon such request. In the event your cancellation or amendment request is received after execution of your wire transfer request, we will attempt to have the wire transfer returned. Cancellation and amendment of Remittance Transfers will be governed by the terms of Section 6, above. For all other wire transfer orders, notwithstanding the foregoing, (i) we shall have no liability for the failure to effect a cancellation or amendment, (ii) we make no representation or warranty regarding our ability to amend or cancel a wire transfer order, and (iii) you agree to indemnify us against any loss, liability or expense which we incur as a result of the request to cancel or amend a wire transfer order and the actions we take pursuant to such request.
9. **Notice of Rejection or Return:** Except as provided under applicable law governing Remittance Transfers (see Section 6, above), we shall have no liability for orders sent by us as directed by you which cannot be completed or which are returned due to incorrect information furnished by you. You are required to fully complete beneficiary name and address, as the beneficiary bank may elect to return an otherwise valid order for incomplete beneficiary information. We may reject or impose conditions that must be satisfied before we will accept your instructions for any order, in our sole discretion, including without limitation, if we are unable to obtain confirmation of such order satisfactory to us, if you are in violation of this Agreement, if you fail to maintain a sufficient Account balance, or if we otherwise reasonably believe that the order may not have in fact been authorized. An order may also be rejected by an intermediary or beneficiary bank other than us, or by operation of law. If an order is rejected or returned, we will endeavor to notify you promptly. Upon rejection or return, we shall have no further obligation to act upon an order, nor shall we have any liability to you

due to rejection or return by another person in the order process, or the fact that notice was not given or was not given at an earlier time, or within any specified time of receipt, acceptance, execution or payment of any order.

10. **Security Procedures:** You agree that certain security procedures shall be used verify the authenticity of any order or associated instructions we receive from you (hereinafter the “Security Procedures”).

If you submit a wire transfer order in-person, we may require the completion of a form(s) or other documentation of the request, and the Security Procedures associated with such request may include but are not limited to positive ID and verification of account information and signature with Bank records. We may utilize similar Security Procedures at the time of your initial completion of a “Recurring Transfer Order Form.”

For all other wire transfer orders that you or your Authorized Agent provide to us verbally by means of telephone or in writing by means of facsimile, we will employ a call-back procedure to you or your Authorized Agent at a pre-arranged contact number of record to verify and confirm the authenticity of the request (which call may be electronically recorded). You or your Authorized Agent will be required to provide us with sufficient information to authenticate the request, which may include but is not limited to the use of personal information or identifiers, or a security question or group of questions. We shall be entitled to rely on any list of your Authorized Agent(s) provided by you in writing to us in the “Customer Funds Transfer Authorizations” form attached hereto as part of Exhibit A, or otherwise on a form or other document acceptable to us as being authorized to act on your behalf, until revoked or modified by you in writing. We may, but shall have no obligation to, request additional confirmation, written or verbal, of an order received at any time or for any reason whatsoever prior to executing the order.

You agree that the Security Procedures described in this Agreement are a commercially reasonable method of providing security against unauthorized orders and for all other related instructions from you to us. For all wire transactions other than Remittance Transfers (see Section 6, above), any order we receive shall bind you, whether or not authorized, if transmitted in your name and accepted by us in compliance with the Security Procedures, and you also agree that any election you may make to change or refuse the Security Procedures is at your risk and that any loss resulting in whole or in part from such change or refusal will be your responsibility.

We may, from time to time, modify the Security Procedures. Except as expressly provided otherwise in this Agreement, any such changes generally will be effective immediately upon notice to you as described in this Agreement. You will be deemed to accept any such changes if you access or use any of the Services after the date on which the change becomes effective. Except as provided under applicable law governing Remittance Transfers (see Section 6, above), you understand and agree that if you decline to use any such modified or enhanced Security Procedures, you will be liable for any losses that would have been prevented by such modified or enhanced Security Procedures. Notwithstanding anything else contained in this Agreement, if we believe immediate action is required for the security of our or your funds, we may initiate modified, enhanced or additional Security Procedures immediately and provide prompt subsequent notice thereof to you.

You hereby acknowledge that the Security Procedures are neither designed nor intended to detect errors in the content or verify the contents of an order by you. Accordingly, any errors contained in orders from you shall be your responsibility, and you shall be obligated to pay or repay (as the case may be) the amount of any such order. No Security Procedure for the detection of any such error by you has been agreed upon between us and you.

You are strictly responsible for establishing and maintaining procedures to safeguard against unauthorized orders. You covenant that no employee, Authorized Agent or other individual will be allowed to initiate orders in the absence of proper authority, supervision and safeguards, and agree to take reasonable steps to maintain the confidentiality of the Security Procedures and related instructions provided by us in connection with any Security Procedures utilized by us and/or you. If you believe or suspect that any such Security Procedures, information or instructions have been disclosed to or accessed by unauthorized persons, you agree to notify us immediately by calling your Account Officer, followed by written confirmation to TD Wealth U.S. Operations, P.O. Box 1034, Cherry Hill, NJ 08034. The occurrence of unauthorized orders or access to the Security Procedures will not affect any orders made in good faith by us prior to receipt of such notification and within a reasonable time period thereafter.

11. **Accuracy; Inconsistency of Receiving Beneficiary Name and Account Number:** In submitting any order or related instructions, you shall be responsible for providing all necessary information required by us. The Services are only designed to respond to information provided by you. Accordingly, any inaccuracy in any information provided by you may result in an unintended transfer of funds. We bear no responsibility and shall not be liable to you for any information provided by you in an order or related instructions that are inaccurate, incomplete or otherwise incorrect. You acknowledge and agree that, in accordance with Article 4A of the UCC and applicable law governing Remittance Transfers (see Section 6, above), we shall be entitled to rely upon the numbers supplied by you to identify banks, beneficiaries and other parties to the order, even if those numbers disagree or are inconsistent with the names of those parties as provided by you. We and any other receiving financial institution shall have no obligation to determine whether a name and number identify the same person or institution. You acknowledge that payment of an order or related instructions may be made by the beneficiary's bank on the basis of an identifying or bank account number even if it identifies a person different from the named beneficiary.
12. **Payment; Authorization to Charge Account:** You agree to pay us the amount of each transfer order received from you on the day we execute said order or at such other time as we may determine. We may, without prior notice or demand, obtain payment of such amount by debiting the Account designated or, in the event there are not sufficient available funds in the Account, debiting any other Account you maintain with us or with any bank which is affiliated with us. You agree to at all times maintain a balance of available funds in your designated Account sufficient to cover payment of your obligations under this Agreement.

We are not obligated to execute, and may reject, any transfer order which exceeds the amount of available funds on deposit with us for the specified Account or any transfer order that does not comply with our Security Procedures. The aforementioned notwithstanding, we may at our discretion and with the approval of one of your officers with appropriate borrowing authority, execute a transfer order which fails to meet available fund requirements. If we do so, you agree to repay us on demand the amount of any resulting overdraft in your Account, as well as the overdraft fees specified in the applicable Account Agreement.

13. **Wire Confirmation; Account Reconciliation:** All orders accepted by us (including orders sent or received on your behalf) will be reflected on your periodic Account statement issued by us with respect to the Account(s) to or from which your order was made. In any funds transfer where you are the recipient or beneficiary of the transfer, we shall not be obligated to notify you of any such payment to your Account, other than to record such payment in your next regular statement of Account.

You agree to check the daily history of the Account(s) on the day after the processing date of an order and to notify us immediately of any discrepancies between your records and the daily history as required in the Account Agreement. Except as provided under applicable law governing Remittance Transfers (see Section 6, above), if you fail to notify us of any discrepancy within thirty (30) days after any Account statement is mailed or otherwise provided to you by us, you agree that we shall have no liability to you for any such discrepancy, error or problem.

14. **Fees:** You agree that we may charge your Account for any fees imposed by us arising from your use of the Services. A schedule of such fees and charges, as it may be changed from time to time, has been provided to you.

15. **Service Providers and Correspondent Accounts:** We may use a service provider to perform, as our agent, all or any portion of our obligations under this Agreement. You may be required to direct orders and other requests to said provider. An order may also be executed through any one, or a series of, correspondent banks of the beneficiary's bank and of ours in a manner deemed most appropriate and effective by us or by any other bank participating in the order.

16. **Limits on Our Liability:** Except as otherwise provided in this Section 15, if you suffer any loss of interest resulting from our error in executing a transfer order, or from our failure to execute a transfer order, in accordance with the terms of this Agreement, we will reimburse you for such loss to the extent provided herein, provided that you have complied with the terms and conditions of this Agreement. Except as provided under applicable law governing Remittance Transfers (see Section 6, above), such compensation shall be limited to the interest lost for a period not exceeding thirty (30) days following the receipt by you of any confirmation advice or periodic Account statement (whichever occurs first) and shall be calculated using an interest rate equal to the effective Federal Funds rate at the Federal Reserve Bank for the period involved. No such compensation will be paid to you if the transfer order was not authorized by you or a person listed as an Authorized Agent, if we executed the order in good faith and in compliance with our Security Procedures.

We shall only be responsible for performing the Services as expressly provided in this Agreement, and except as provided under applicable law governing Remittance Transfers (see Section 6, above), we shall be liable only for your direct damages resulting from our gross negligence or willful misconduct in performing the Services. We shall not be responsible for your acts or omissions (including the amount, accuracy, timeliness of transmittal, or due authorization with respect to any transfer order received from you) including without limitation, any Federal Reserve Bank or transmission or communications facility, any beneficiary or beneficiary bank (including without limitation the rejection of a transfer order by such beneficiary or beneficiary bank), or any other bank, and no such person or entity shall be deemed our agent. Except as specifically and expressly provided in this Agreement, and under applicable law governing Remittance Transfers (see Section 6, above), we shall not be required to act upon any instruction received from you or any other person, or to provide any notice or advice to you or any other person with respect to any matter.

We shall be entitled to rely in good faith on communications we receive as being given or sent by you or an Authorized Agent and as being genuine and correct when made in accordance with this

Agreement. Except as provided under applicable law governing Remittance Transfers (see Section 6, above), we shall not be liable to you for the consequences of such reliance.

In no event shall we be liable for consequential or incidental damages, either direct or indirect, even if advised of the possibility of such losses. In no event shall we be liable for any damages resulting from our action or inaction which is consistent with regulations issued by the Board of Governors of the Federal Reserve System, operating circulars issued by a Federal Reserve Bank or general banking customs and usage.

17. **Indemnification:** Except as otherwise expressly prohibited or limited by law, you agree to indemnify and hold us harmless from any and all claims, liabilities, losses, damages, costs and expenses (including its reasonable attorneys' fees) that we may incur or that may be asserted by any person or entity against us, in accordance with the terms of the Account Agreement, and that may be incurred by us relating to or arising out of our refusing or accepting orders in accordance with your instructions and pursuant to this Agreement.
18. **Data Breaches:** If you are a Non-Consumer, you agree as follows:
- (a) You will adopt and implement your own commercially reasonable policies, procedures and systems to provide security as to the information being transmitted and to receive, store, transmit and destroy data or information in a secure manner to prevent loss, theft or unauthorized access to data or information ("Data Breaches").
 - (b) You agree that you will promptly investigate any suspected Data Breaches and monitor your systems regularly for unauthorized intrusions.
 - (c) You will provide prompt and accurate notification to us immediately by calling your Account Officer, followed by written confirmation to TD Wealth US Operations, P.O. Box 1034, Cherry Hill, NJ 08034, with regard to any Data Breaches when known or reasonably suspected by you, and will take all reasonable measures, which may include, without limitation, retaining computer forensic experts, to determine the scope of any data or transactions affected by any Data Breaches, providing all such determinations to us.
19. **Compliance:** You shall comply with all applicable laws, rules and regulations in connection with the Services. You agree to be bound by such rules, and agree not to initiate or receive an order or related instruction in violation of international, federal, state and local laws and regulations including, without limitation, the regulations promulgated by the Office of Foreign Asset Control ("OFAC"). To the extent permissible under applicable law, you shall be responsible for and shall fully indemnify us for any and all fines and assessments imposed on us as a result of any infraction or violation of such rules caused by or attributable to you.
20. **Term and Termination:** This Agreement shall continue in effect until terminated by either party with ten (10) calendar days' prior written notice to the other.

Notwithstanding the foregoing, we may, without prior notice, terminate this Agreement and terminate or suspend any order or the Services (i) if you or we close any Account established in connection with the Services, (ii) if we determine that you have failed to maintain a financial condition deemed reasonably satisfactory to us to minimize any credit or other risks to us in providing the Services to you, including the commencement of a voluntary or involuntary proceeding under the United States Bankruptcy Code or other statute or regulation relating to bankruptcy or relief of debtors, (iii) for security reasons or in the event of a material breach or default in the performance or observance of

any term, or breach of any representation or warranty contained herein by you, (iv) in the event of material default by you in the payment of any sum owed by you to us hereunder or under any note or other agreement you have with us, (v) if there has been a seizure, attachment, or garnishment of your deposit accounts, assets or properties or (vi) if we, in our sole discretion, believes that the continued provision of the Services in accordance with the terms of this Agreement would violate federal, state or local laws or regulations, or would subject us to unacceptable risk of loss.

Any termination of this Agreement shall not affect any of our rights and your obligations with respect to orders or related instructions initiated by you prior to the effective date of such termination, or your payment obligations with respect to the Services performed hereunder by us prior to the effective date of such termination, or any other obligations that survive termination of this Agreement. The provisions of this Agreement that are necessary to give effect to the purposes of this Agreement shall survive its termination.

21. **Changes; Amendments:** Changes by you or (a) your Authorized Agent(s) or (b) any other changes to information contained in exhibits to or forms associated with this Agreement or delivered pursuant to the terms of this Agreement, may only be made by written notice delivered to us and signed by you, an Authorized Agent, a person authorized by you to execute this Agreement or by any other officer or person designated by you in writing to us.

From time to time we may amend the terms of this Agreement, including without limitation, any cut-off time, any Security Procedures, or forms required with this Agreement. Except as expressly provided otherwise in this Agreement or applicable law, any such changes generally will be effective immediately upon notice to you as described below in Section 26. You will be deemed to accept any such changes if you access or use any of the Services after the date on which the change becomes effective. You will remain obligated under this Agreement, including without limitation, being obligated to pay all amounts owing hereunder, even if we amend this Agreement. Notwithstanding anything to the contrary in this Agreement, if we believe immediate action is required for the security of our or your funds, we may immediately initiate changes to any Security Procedures and provide prompt subsequent notice thereof to you.

22. **Force Majeure:** Neither party shall bear responsibility for non-performance of this Agreement to the extent that such non-performance is caused by an event beyond that party's control, including, but not necessarily limited to, fire, casualty, breakdown in equipment or failure of telecommunications or data processing services, lockout, strike, unavoidable accident, act of God, riot, war or the enactment, issuance or operation of any adverse governmental law, ruling, regulation, order, decree or an emergency that prevents us from operating normally.

23. **Severability:** If any provision of this Agreement shall be determined by a court of competent jurisdiction to be unenforceable as written, that provision shall be interpreted so as to achieve, to the extent permitted by applicable law, the purposes intended by the original provision, and the remaining provisions of this Agreement shall continue intact. In the event that any statute, regulation or government policy to which we are subject and that governs or affects the transactions contemplated by this Agreement, would invalidate or modify any portion of this Agreement, then this Agreement or any part thereof shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and we shall incur no liability to you as a result of our compliance with such statute, regulation or policy.

24. **Binding Agreement; Benefit:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement is

not for the benefit of any other person, and no other person shall have any right against us or you hereunder.

25. **Non-Waiver.** No deviation from any of the terms and conditions set forth or incorporated in this Agreement shall constitute a waiver of any right or duty of either party, and the failure of either party to exercise any of its rights hereunder on any occasion shall not be deemed to be a waiver of such rights on any future occasion.
26. **Notices:** Except as otherwise expressly provided in this Agreement, all notices that are required or permitted to be given by you (including all documents incorporated herein by reference) shall be sent by first class mail, postage prepaid and addressed to us at the address provided to you in writing for that purpose. All such notices shall be effective after we have received them and we have had a reasonable opportunity to act on them.

You authorize us to, and you agree that we may, send any notice or communication that we are required or permitted to give to you under this Agreement, including but not limited to notice of any change to the Services or this Agreement, to your mailing address or your email address as it appears on our records, on an Account statement or via facsimile and that any such notice or communication will be effective and deemed delivered when provided to you in such a manner. You agree to notify us promptly about any change in your mailing or email address of record and acknowledge and agree that no such change will be effective until we have had a reasonable opportunity to act upon such notice. You agree that we may consider any such notice or communication as being given to all Account owners when such notice or communication is given to any one Account owner.
27. **Disclosures to Authorized Agents:** You agree that any requisite disclosures may be given to your Authorized Agent and waive any rights relating to non-receipt of disclosures where disclosures are made to an Authorized Agent, including where the agent fails to relay the contents of the disclosure to you.
28. **Beneficiaries:** This Agreement is for the benefit only of the undersigned parties hereto and is not intended to and shall not be construed as granting any rights to or otherwise benefiting any other person.
29. **Documentation:** The parties acknowledge and agree that all documents evidencing, relating to or arising from the parties' relationship may be scanned or otherwise imaged and electronically stored and the originals (including manually signed originals) destroyed. The parties agree to treat such imaged documents as original documents and further agree that such reproductions and copies may be used and introduced as evidence at any legal proceedings including, without limitation, trials and arbitrations, relating to or arising under this Agreement.
30. **Recording of Communications:** You and we agree that all telephone conversations between us or our agents made in connection with this Agreement may be recorded and retained by either party by use of any reasonable means.
31. **Assignment:** We may assign this Agreement or any of our rights and duties hereunder without prior notice to or consent by you. You may not assign this Agreement or any of the rights or duties hereunder to any person without our prior written consent.
32. **Governing Law:** Any claim, controversy or dispute arising under or related to this Agreement shall be governed by and interpreted in accordance with federal law and, to the extent not preempted or

inconsistent therewith, by the laws of the State of New Jersey without regard to its choice of law provisions.

33. **Counterparts:** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

In witness thereof, the parties hereto have caused this Agreement to be executed by them or by their duly authorized agents or representatives as of this 18th day of December, 2018.

For Non-Consumer Customer:

By: _____

Name: Bryan Lackey

Title: City Manager _____

Company: City of Gainesville, Georgia

For TD Bank, N.A.:

By: _____

Name: _____

Title: _____

Consumer Customer:

Print Name: _____



SCHEDULE A

PROCESSING SPECIFICATIONS

Delivery Deadlines / Cut-Off Times:

- A. Same-day outgoing domestic wire transfers (U.S.-based receivers) must be initiated and approved by 4:30 p.m. Eastern Time (“ET”) on a Business Day to be processed that same day if that day is also a Business Day for Bank’s correspondent facility and the recipient bank.

Outgoing domestic wire transfers initiated and approved *after* the above cut-off time will be processed the next Business Day if that day is also a Business Day for Bank’s correspondent facility and the recipient bank.

- B. Same-day outgoing international / foreign wire transfers (non-U.S.-based receivers) must be initiated and approved by 1:30 p.m. ET on a Business Day to be processed that same day if that day is also a Business Day for Bank’s correspondent facility and the recipient bank.

Outgoing international / foreign wire transfers initiated and approved *after* the above cut-off time will be processed the next Business Day if that day is also a Business Day for Bank’s correspondent facility and the recipient bank.



EXHIBIT A:
CUSTOMER FUNDS TRANSFER AUTHORIZATIONS/VERIFICATIONS

Customer: City of Gainesville, GA Date: 12/18/18

Mailing Address: 300 Henry Ward Way, Suite 103, Gainesville, GA 30501

*Customer Call Back Phone Number(s): _____

ACCOUNTS TO BE DEBITED:

Account Number	Account Title

AUTHORIZED AGENT(S) TO TRANSFER FUNDS AND VERIFY INSTRUCTIONS:

Printed Name/Title**	Authorized Order Limit	Call Back Number *	Security Pass-code:	Signature (Required)
Jeremy Perry / CFO		770-535-6898		
Beverly Williams/Financial Services Manager		770-535-6866		

AUTHORIZED AGENT(S) TO VERIFY INSTRUCTIONS ONLY:

Printed Name/Title**	Authorized Order Limit	Call Back Number *	Security Pass-code:

BY: _____

Customer Signature

NAME: _____

TITLE: _____

* Calls will only be made to these designated numbers

** For consumer initiated international wires, any Authorized Agent must be a direct employee, relative, or other authorized individual, and not may not be a third-party business or entity. Consumer accounts are individual and joint personal accounts. Non-consumer accounts are business and institutional accounts.



RECURRING TRANSFER ORDER FORM

Transfer Account

Account Number to debit:

Account Title:

Transfer Schedule

- ☐ Daily (Monday – Friday with the exception of Federal Holidays)
- ☐ Weekly on ☐ Monday ☐ Tuesday ☐ Wednesday ☐ Thursday ☐ Friday
- ☐ Monthly on the ☐ First Business Day, ☐ Last Business Day, or ☐ on the ____ day

START DATE**If the scheduled day is a Federal holiday or weekend, transfer on:**

- ☐ Preceding banking day
- ☐ Next banking day

Transfer during:

- ☐ AM (approximately 10:30)
- ☐ PM (approximately 2:00)

Transfer Amount

- ☐ All available funds
- ☐ Always leave a balance of \$
- ☐ Specific Amount: \$

Optional

Transfer in increments of \$

Transfer Instructions

Receiving Bank Name:

Receiving Bank ABA:

Beneficiary's Name:

Beneficiary's Account #:

Beneficiary's Address:

City/State/Zip:

Transfer Authorization

Authorized Signer	Date



WIRE TRANSFER REQUEST FORM

Wire Transfer. ☐ *Check here to request use as template for Repetitive Orders to this same beneficiary.*

Amount of Wire: _____

Customer Name

Customer Account Number

Beneficiary Name

Beneficiary Account Number

Beneficiary Address

(Address cannot be a P.O. Box)

Beneficiary City

State

Zip Code

Receiving Bank Name

ABA Number (must be 9 digits)

Further Credit Bank Name

(optional)

Further Credit Bank ABA/Account Number

(optional)

(circle one)

Further Credit Comments.

Please include purpose of Outgoing Wire Transfer (Max 140 characters)

Authorized Signer: _____

Date: _____

Print Name/Signature : _____



RESOLUTION

I, Bryan Lackey, hereby certify that:

I am a/an ☐ Secretary or Clerk of Corporation
☐ Assistant Secretary or Assistant Clerk of Corporation
☐ General Partner of Partnership

OF
City Manager of the City of Gainesville, Georgia
COMPANY

(hereinafter known as the “Company”) which is organized and existing under the laws of Georgia which
has duly adopted the following resolution: STATE

Resolved: For purposes of utilizing the wire transfer service of TD Bank, N.A. (hereinafter known as the “Bank”), the Company shall enter into a Wire Transfer Service Agreement with the Bank containing such terms and provisions as any one of the officers, employees or agents of the Company set forth below and Bank shall agree upon, the execution of such Agreement to be conclusive evidence of the Company’s approval of all of the terms and provisions of such Agreement; and, in order to accomplish the execution of wire transfers, such officers, employees or agents of the Company as any of the persons specified below shall from time to time designate (each an “Authorized Agent”) shall have full power and authority to execute wire transfer orders from the Company’s accounts. The following officers, employees or agents of the Company, acting singly, are hereby given the power and authority to execute the Wire Transfer Agreement and to designate Authorized Agents as aforesaid:

NAME	TITLE	SIGNATURE
Jeremy Perry	CFO	
Beverly Williams	Financial Services Manager	

I further certify that as of the date hereof, the foregoing Resolution has not been amended or modified and is in full force and effect and that the aforesaid persons continue to serve in the capacities identified above.

IN WITNESS WHEREOF, I have set my hand and seal of the Company on the 18th day of
December, 2018.

By: _____
Signature IN CAPACITY AS AFORESAID

ATTEST:

By: _____ City Clerk

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/20/2018
Presenter: Danny Dunagan
Item of Business: Appointment(s): Parks and Recreation Board
Meeting Date: 12/13/2018

Purpose of Request:

The purpose of this request is to address three (3) expiring terms.

History/Background:

The P & R Board members serve five-year terms or until their successor is appointed. They follow the guidelines of the City Charter and Code of Ordinances along with the Bylaws of the Gainesville Parks and Recreation Board.

Facts & Issues for Consideration:

John Simpson and Chris Romberg confirmed they are willing to serve another term.

Robert Washington has confirmed he is willing to serve on the board as a replacement for position held by Jeffrey Goss .

Department Recommendation:

Consider the nominations as submitted by the Mayor.

Department Director:

Danny Dunagan

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ P&R Members	Backup Material

PARKS AND RECREATION BOARD

POST	LAST NAME	FIRST NAME	APPOINTED	REAPPOINTED	EXPIRES
Ward 1	Miller	Bruce	2/18/14 UE	12/16/2014	12/31/2019
Ward 1	Simpson	John	8/18/15 UE		12/31/2018
Ward 2	Daniel	Kristin	3/17/2015		12/31/2019
Ward 2	Richwine, Jr.	Sam W.	12/31/2005	10/19/2010 6/7/2016	12/31/2020
Ward 3	Goss	Jeffrey	12/16/2008	12/3/2013	12/31/2018
Ward 3	Castleberry	Jerry	8/19/2008 UE	12/15/2009 12/16/2014	12/31/2019
Ward 4	Daniell	Susan	12/6/2011	12/6/2016	12/31/2021
Ward 4	Embry, III	Hugh Cooper	2/3/15 UE	12/6/2016	12/31/2021
Ward 5	Romberg	Chris	12/31/2003	12/16/2008 12/3/2013	12/31/2018
Ex-Officio	Couvillon	Sam	1/10/2017	1/9/2018	1/8/2019
Director	Cooper	J. Melvin		Board Appointed	

TERM: Five year terms

CONTACT: Melvin Cooper, Director of Parks & Recreation

UE: Unexpired Term

UPDATED: 1/10/18 ag

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/27/2018
Presenter: Denise Jordan
Item of Business: 2019 Organizational Meeting Discussion
Meeting Date: 12/13/2018

Purpose of Request:

The purpose of this request is to discuss business items to be addressed during the next Organizational Meeting.

History/Background:

The governing body receives information at the end of each calendar year relating to annual business matters.

Facts & Issues for Consideration:

The items to be addressed are noted as follows:

1. Emergency Interim Successors Resolution
2. Appointment: Administrative Hearing Officer
3. Appointment: Legal Organ
4. Appointment: Board/Committee Ex-Officio Members
5. Appointment: Georgia Mountains Regional Commission

Department Recommendation:

Department Director:

Bryan Lackey

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
☐ 2019 Emergency Interim Successors	Resolution
☐ 2019 Organizational Meeting Appointments	Backup Material
☐ Ex-Officio Appointments	Backup Material

RESOLUTION BR-2019-01
EMERGENCY INTERIM

WHEREAS, the Georgia Civil Defense Act as amended in 1962 requires the Emergency Interim Successor to be named; and

WHEREAS, the governing body annually adopts a resolution identifying the order of succession during emergency situations.

NOW, THEREFORE, BE IT RESOLVED, that the Emergency Interim Successors for the City of Gainesville are designated in the order as listed below:

1. Mayor C. Danny Dunagan, Jr.
2. Mayor Pro Tem _____
3. Council Member _____
4. Council Member _____
5. Council Member _____
6. Council Member _____

Adopted this _____ day of _____, 2019.

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

Denise O. Jordan, City Clerk

ORGANIZATIONAL MEETING APPOINTMENTS

POST	LAST NAME	FIRST NAME	APPOINTED	EXPIRATION	FREQUENCY
City Manager	Lackey	Bryan	11/3/2015 effective 11/30/2015		As Needed
City Attorney	Hulsey, Oliver & Mahar, LLP (Abbott Hayes, Jr.)		10/6/2015 effective 1/1/2016		As Needed
City Auditor	Rushton & Company, CPA		2/18/1997 1/7/2014		As Needed
Chief Judge	Law, III	G. Hammond	1/1/1988 1/7/2014		As Needed
Municipal Court Solicitor	Bishop	Anne Marie	2/16/16 UE 1/9/2018	1/9/2020	2 year appt
Deputy Municipal Court Solicitor	Grant	Inez	4/19/2016 1/9/2018	1/9/2020	2 year appt
Administrative Hearing Officer	Law, III	G. Hammond	1/1/1992 1/7/2014 1/6/2015 1/5/2016 1/10/2017 1/9/2018	1/8/2019	Annual
Legal Organ	The Times		1/10/2017 1/9/2018	1/8/2019	Annual

EXPIRATION DATE: First Council Meeting of the year

UPDATED: 1/10/18 ag

"As Needed": Charter states "shall be removed at anytime upon majority vote of the governing body".

BOARD/COMMITTEE EX-OFFICIO APPOINTMENTS

(One Year Terms)

COMMITTEE	Meeting Schedule	2017	2018	2019
Chicopee Woods Area Park Commission		Bruner	Bruner	
Economic Development Council		Mayor	Mayor	Mayor
Gainesville-Hall County Development Authority	As Needed	Mayor	Mayor	Mayor
Gainesville Redevelopment Authority	As needed	Mayor	Mayor	Mayor
Greater Hall Chamber of Commerce Board of Directors	Monthly	Mayor	Mayor	Mayor
HALLmark Initiative		Mayor	Mayor	Mayor
Airport Advisory Committee	Quarterly	Couvillon	Couvillon	
Board of Health	Quarterly	Wangemann	Wangemann	
Chattahoochee Golf Course Advisory Committee	Monthly	Thompson	Thompson	
Friends of the Park	Monthly	Brooks	Brooks	
Gainesville Non-Profit Development Authority	Quarterly	Brooks	Brooks	
Historic Preservation Commission	Monthly	Wangemann	Wangemann	
Housing Authority		Dunagan	Wangemann	
Keep Hall Beautiful		Wangemann	Wangemann	
Main Street Gainesville Advisory Board	Bi-Monthly	Bruner	Bruner	
Parks & Recreation Board	Monthly	Couvillon	Couvillon	
Planning and Appeals Board	Monthly	Wangemann	Brooks	

11/27/18 dj

CITY OF GAINESVILLE

WORKSESSIONREQUEST

Date Submitted: 11/29/2018
Presenter: Denise Jordan
Item of Business: Resolution: 2019 Governing Body's Meeting Calendar
Meeting Date: 12/13/2018

Purpose of Request:

The purpose of this request is to present the proposed 2019 meeting calendar.

History/Background:

Meetings of the governing body are held in accordance with the Open Meetings Act and the City Charter.

Facts & Issues for Consideration:

The proposed calendar makes adjustments for spring break and several holidays.

Department Recommendation:

Adopt the proposed resolution as presented.

Department Director:

Bryan Lackey

If funding is involved, are funds approved within the current budget?

N/A

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
2019 WS/CM Calendar	Resolution
2019 Calendar	Attachments/Exhibits

RESOLUTION BR-2018-__

2019 MEETING CALENDAR OF THE GOVERNING BODY

WHEREAS, the governing body holds regular scheduled meetings each month; and

WHEREAS, regular scheduled Mayor/Council Meetings occur on the first and third Tuesday of each month; and

WHEREAS, regular scheduled Work Sessions occur on the Thursday before each Mayor/Council Meeting; and

WHEREAS, the Charter for the City of Gainesville requires a resolution to establish regular meeting dates of the governing body.

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the City of Gainesville hereby adopts the attached as the regularly scheduled meeting calendar for 2019.

BE IT FURTHER RESOLVED that amendments to the meeting calendar may occur in accordance with Chapter 14 of Title 50 of the O.C.G.A. and in accordance with the Section 2.20 of the City Charter.

Adopted this ____ day of December, 2018.

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

Denise O. Jordan, City Clerk

2019 WORK SESSION/COUNCIL MEETING CALENDAR

Work Session
Thursday, 9:00 AM
Administration Building
Board Room
300 Henry Ward Way

Council Meeting
Tuesday, 5:30 PM
Public Safety Complex
Municipal Court Room
701 Queen City Parkway

1	01/03/19	01/08/19
2	01/17/19	01/22/19
3	01/31/19	02/05/19
4	02/14/19	02/19/19
5	02/28/19	03/05/19
6	03/14/19	03/19/19
7	04/11/19	04/16/19
8	05/02/19	05/07/19
9	05/16/19	05/21/19
10	05/30/19	06/04/19
11	06/13/19	06/18/19
12	07/11/19	07/16/19
13	08/01/19	08/06/19
14	08/15/19	08/20/19
15	09/12/19	09/17/19
16	09/26/19	10/01/19
17	10/10/19	10/15/19
18	10/31/19	11/05/19
19	11/14/19	11/19/19
20	12/12/19	12/17/19
21	--	01/07/20
22	01/16/20	01/21/20

Holidays:

Jan. 1 – New Years

Jan. 21 – MLK

May 27 – Memorial Day

July 4 – 4th of July

Sept. 2 – Labor Day

Nov. 28-29 – Thanksgiving

Dec. 24-25 – Christmas