NOTICE OF REGULAR MEETING

AGENDA
CITY OF GALVESTON EMPLOYEES' RETIREMENT FUND
FOR POLICE
TO BE HELD AT **10:00 am., TUESDAY, MAY 4, 2021**

Notice is hereby given in accordance with the Order of the Governor issued March 16, 2020, that the Board of Trustees of the City of Galveston Employees' Retirement Fund for Police will conduct the meeting by telephone/video conference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Corona Virus/COVID-19. There will be no meeting or pubic access to the location described above.

INSTRUCTIONS FOR PARTICIPATING IN THIS MEETING ARE PROVIDED BELOW.

1. Quorum Determination
2. Call to order
3. Open Public Forum/Comment Period
4. Approve minutes of February 2, 2021 regular meeting
5. Chairman's Report
6. Ratification of loans for Officer Kylen
7. Presentation of CapTrust Investment Report and possible action, if needed
8. Report from Investment Committee/Graystone re: status of change of investment managers and possible action, if needed
9. Discussion and possible action on 2021 actuarial report
10. Discussion of and possible acceptance of audit engagement from Whitley Penn for year ended December 31, 2020
11. Presentation of compiled financial statements
12. Reminder next meeting date Tuesday, August 3, 2021
13. Board members reports/comments
14. Adjournment

Executive Session-Pursuant to Chapter 551, Subchapter D, Texas Government Code

At any time during the meeting, the Board may convene in closed session to deliberate any of the matters listed on this agenda as authorized by Chapter 551 of the Texas Government Code, including Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding prospective gifts), 551.074 (deliberation regarding personnel matters),or 551.087 (deliberation regarding economic development negotiations).

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Ann S. Masel, CPA
Administrator

Please Note
Members of the City Council may be attending and participating in the discussion.

To call in to Zoom Meeting :

Or dial the following numbers and enter the:
Meeting ID: 845 6132 9552
Passcode: 359653
Phone: 1 346 248 7799 (Houston)

This written notice of the meeting agenda packet, are posted online at:
www.galvestontx.gov/agendacenter

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on April______________________

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Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABIITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECTARY'S OFFICE, SUITE 201; 823 ROSENBERG; GALVESTON, TEXAS 77550; (409) 797-3510

Posted by Rose D'Ambra City Secretary Office
4-29-21 3pm

Rose D'Ambra

MINUTES OF THE REGULAR MEETING OF CITY OF GALVESTON RETIREMENT FUND FOR POLICE BOARD OF TRUSTEES OF GALVESTON, TEXAS

Meeting Date
Tuesday, February 2, 2021

The following members were present:
Mike Loftin
Hal Rochkind
Richard Moore
Dan Buckley
Andre Mitchell
Matthew Cauley
Geoff Gainer
Destin Sims

The following members were absent:
None

Also attending via ZOOM were Dave Sawyer (Retirement Horizons), Stefan Smith (Locke Lord), and Lisa Miller, Madelon Leone, and Ben Napier (CapTrust).

It was determined that a quorum was present, and the virtual ZOOM meeting was called to order by Chair Geoff Gainer at 10:05.

There were no public comments.

Dan Buckley moved approval of the minutes of the November 3, 2020 meeting and January 7, 2021 special meeting. Second by Andre Mitchell. Passed unanimously.

Geoff Gainer moved, Richard Moore second ratification of loans to Officers Gillis, Smith and Buck. Motion passed unanimously.

The CapTrust team gave a brief overview of the current market issues. This included the Coronavirus pandemic, vaccines and the Stimulus plan.

Discussion was then about investment performance report. Fourth quarter earnings were up 6.52%; TYD earnings up 4.39%. Total fund return since inception date of August 1, 2017 is 5.59%. Madeleon noted that the allocation at year end is US Equities 60.53%, Fixed Income 28.79%, International equity 8.37%, Real Estate 1.10% and cash 3.21%. Questions were asked about the real estate investment class. The target allocation is 3% for REIT; the current allocation is 1%

The Investment Committee had been requested by the Board to recommend a change to Greystone Consulting or remain with CapStone for Investment Management Services. The 2 areas deserving consideration were fees and return. It was determined that the fee differential is minimum: CapStone fees going forward are estimated to be .48% vs. Greystone fees of .41%. This is after considering the fees of the investment manager and the individual funds. The significant difference to be considered is the rate of return. A 1 year return rate for Capstone in this fund was 4.39% and the 3 year return rate was 5.25% . A 1 year return rate for Graystone in the City's other funds has been 11.28% and the 3 year rate of return has been 8.61%.

Richard Moore moved to recommend the change to Graystone, effective March 1, if possible. Second by Andre Mitchell. A roll call vote was taken. Buckley, Sims, Moore, Mitchell, Loftin, Rochkind and Cauley were in favor; Gainer opposed. Motion carried.

Dave Sawyer discussed the assumptions to be used in the 2021 Actuarial Study. They are:

1) No changes to termination, retirement or disability probabilities
2) Updating the longevity scale from MP-2019 to MP-2020
3) Recommend lowering productivity assumption from 1.5% to 1.0%, which would cause long term wage inflation to be 3.5%.

Dan Buckley moved to accept the change in assumptions; second by Andre Mitchell. Roll call vote was passed unanimously.

Dave Sawyer recommended an experience study re: changes in termination, retirement and disability probabilities. Engaging in this study will be discussed as an agenda item at the next Board meeting.

Possible changes to membership loan requirements were discussed. Geoff Gainer gave a recap of the Committee meeting that had been formed to investigate this change. His recap included:

1) Lowering the rate to 5%
2) Increase the borrowing limit to 50% of the member's contribution, and
3) Changing/including these loans as fixed income investments

Much discussions ensued, with the following issues discussed:

1) The proposal would offset losses on bond funds
2) The loans are no risk
3) Concerns that the interest rate would go below the stated/rate of return....why not 7%

A vote was tabled. Dan requested that the Investment Committee be given the opportunity to put together questions related to this policy and send to PRB and Stefan Smith for review prior to a Board vote. This process received unanimous consent.

Geoff Gainer left the meeting.

Stefan Smith reported on bylaw changes needed to put the bylaws in compliance with HB 2763. These bylaws had been reviewed by a Bylaws committee comprised of Geoff Gainer, Dan Buckley and Hal Rochkind. The motion to accept was made by Richard Moore; second by Hal Rochkind. Motion carried unanimously.

Richard Moore moved to accept the audit engagement letter presented by Whitley Penn. Second by Andre Mitchell. Motion passed unanimously.

Discussion of investment policy was deferred until after the change in investment advisor.

The compiled financial statements for the quarter were presented. Net increase for the quarter is 3,326,484; increase for the year is 745,223.

The next regular meeting was set for Tuesday, May 4, 2021

With no further business or requests, the meeting was adjourned at 12:15

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Ann Masel
Plan Administrator

THE CITY OF GALVESTON EMPLOYEES'
RETIREMENT PLAN FOR POLICE

To: Trustees of the City of Galveston Employees' Retirement Plan for Police

From: Plan Administrator

Re: Plan Loan to Jeremy Kylen

Date: March 15, 2021

The plan member referred to above wishes to make application for a loan from the Retirement Plan.

The Plan's Administrator, has determined that the members contribution under the Plan equal $ 157,548.90

25% of the member's contributions equals	$ 39,387.23
Loan Pay Off	$24,291.89
Amount Available After Loan Pay Off	$15,095.34
Total Requested	$ 3,050.00

Please indicate your approval of the Plan loan to the above by signing and dating this memorandum.

Trustee	Trustee
Date	Date
Trustee	Trustee
Date	Date
Trustee	Trustee
Date	Date
Trustee	Trustee
Date	Date

City of Galveston Employees' Pension Plan for Police

Bookmark Filter Notes

Since inception as of 03/31/2021

Performance

Overview Details Analytics

Group By Class Asset Expand Level - Collapse All

Manage Data Table Trailing Returns Year Over Year Export

Name	As of 03/31/2021* Ending Value	Allocation	Since Inception* Return	Month To Date Return	Quarter To Date Return	Year To Date Return	Custom Range Return
City of Galveston Employees' Pension Plan for Police	23,236,393.87	100.00%	7.38%	4.40%	7.68%	7.68%	4.46%
Class Blended Benchmark			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash & Equivalents	1,022,195.74	4.40%	0.11%	0.00%	0.00%	0.00%	0.08%
90 DAY TREASURY BILL			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Income	5,688,804.18	24.48%	3.16%	-0.24%	-0.73%	-0.73%	5.33%
BBG BARC AGGREGATE BOND INDEX			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Equities	14,298,759.19	61.96%	17.75%	7.30%	12.62%	12.62%	5.92%
RUSSELL INDEX 3000 WITH/DIV			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
International Equities	2,127,434.76	9.15%	7.69%	1.43%	3.62%	3.62%	[illegible]
MSCI ACWI EX USA IMI NET IN USD			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* [illegible]
[illegible]
2 Annualized return
3 [illegible]
[illegible]

City of Galveston Employees'
Pension Plan for Police

Madelon Y. Leone
Principal | Financial Advisor

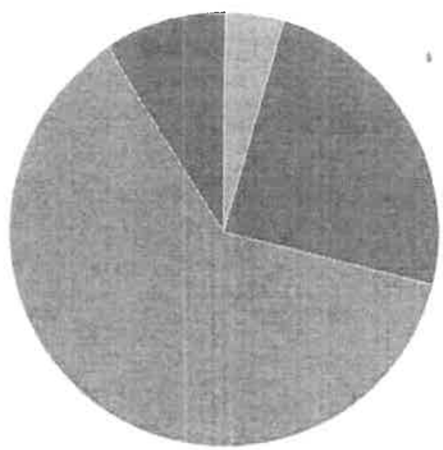
PERFORMANCE APPRAISAL

As of 3/31/2021

CAPTRUST FINANCIAL ADVISORS
700 N. Saint Mary's, Suite 100
San Antonio, TX 78205

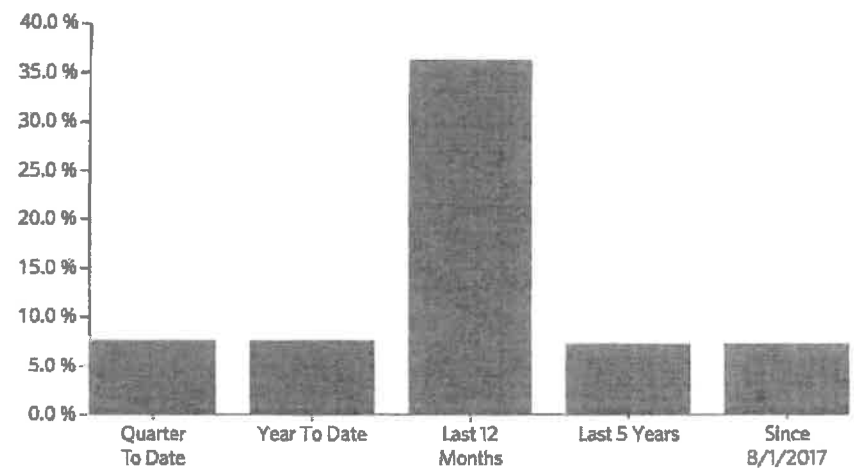
Our mission is to enrich the lives of our clients, colleagues, and communities through sound financial advice, integrity, and a commitment to service beyond expectation.

CURRENT ASSET ALLOCATION



Cash & Equivalents	4.40%
Fixed Income	24.48%
US Equities	61.96%
International Equities	9.15%

ANNUALIZED RETURNS (%)



PERFORMANCE

	Quarter To Date	Year To Date	Last 12 Months	Last 5 Years	Since 8/1/2017
Beginning Value	22,225,927.14	22,225,927.14	17,059,133.28	0.00	0.00
Net Additions	-670,000.00	-670,000.00	-56,338.76	17,960,668.54	17,960,668.54
Net Gain	1,539,407.36	1,539,407.36	5,746,766.58	4,599,707.97	4,599,707.97
Income	141,664.37	141,664.37	487,437.77	683,967.40	683,967.40
Ending Value	23,236,998.87	23,236,998.87	23,236,998.87	23,236,998.87	23,236,998.87
Return (NoF)	7.68%	7.68%	36.59%	7.38%[1 2 3]	7.38%[2 3]

[1] Not held for the entire period, [2] Level contains historical performance data, [3] Annualized return

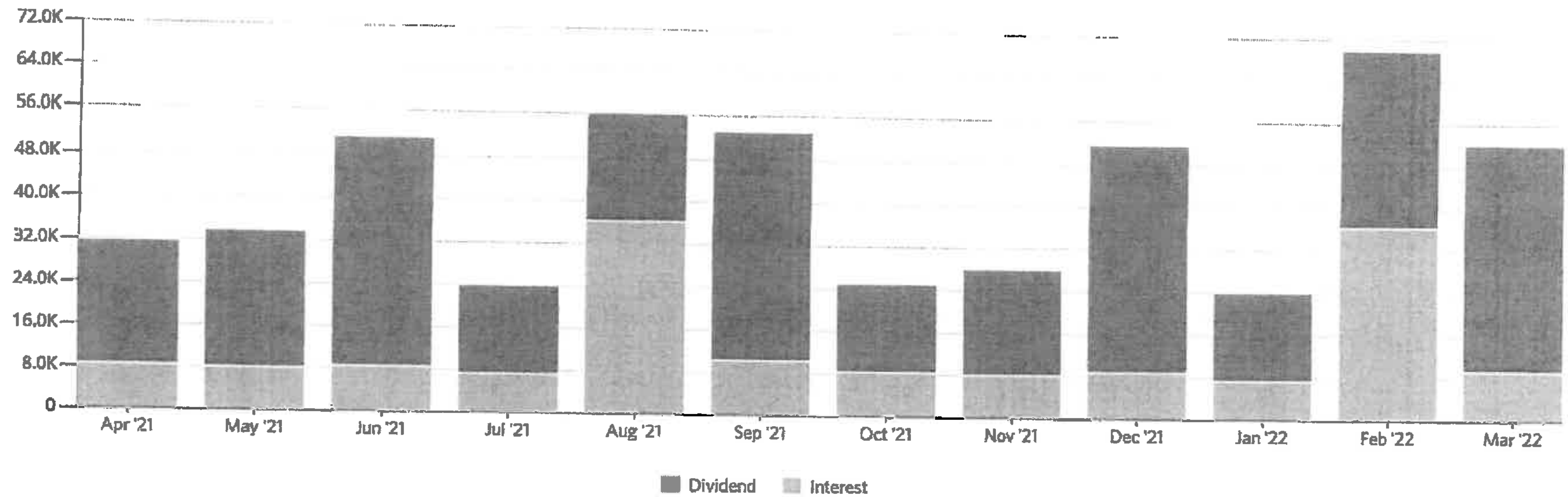
The "Since" date is the performance inception date. The data in the objects above represents Supervised Assets only.

	Ending Value	Allocation	Quarter To Date Return	Last 12 Months Return	Last 3 Years Return
City of Galveston Employees' Pension Plan for Police	**23,236,998.87**	**100.00%**	**7.68%**	**36.59%**	**8.40%[1,2]**
Cash & Equivalents	1,022,195.74	4.40%	0.00%	0.01%	—[2,3]
90 DAY TREASURY BILL			0.01%	0.09%	—[2,3]
Fixed Income	5,688,804.18	24.48%	-0.73%	2.35%	—[2,3]
BBG BARC AGGREGATE BOND INDEX			-3.37%	0.71%	—[2,3]
US Equities	14,398,759.19	61.96%	12.82%	62.84%	—[2,3]
RUSSELL INDEX 3000 WITH/DIV			6.35%	62.53%	—[2,3]
International Equities	2,127,239.76	9.15%	3.62%	31.72%	—[2,3]
MSCI ACWI EX USA IMI NET IN USD			3.77%	51.94%	—[2,3]

[1] Level contains historical performance data, [2] Annualized return, [3] Not held for the entire period

Asset Class returns are gross of fees. The data in the objects above represents Supervised Assets only.

Projected Income | As of 3/31/2021 | City of Galveston Employees' Pension Plan for Police



	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Projected Income
City of Galveston Employees' Pension Plan for...	**31,116.88**	**38,304.70**	**47,675.89**	**23,375.64**	**60,642.07**	**49,505.59**	**24,500.04**	**32,430.80**	**47,973.96**	**23,375.62**	**74,345.19**	**48,555.56**	**501,801.96**
Fixed Income	8,436.60	8,121.65	8,501.15	7,312.20	36,332.93	10,330.85	8,436.60	8,121.65	8,799.23	7,312.18	36,332.91	9,380.83	157,418.79
Collateralized Mortgage Obligations	381.60	381.60	381.60	381.60	381.60	381.60	381.60	381.60	381.60	381.58	381.58	381.58	4,579.16
Corporate Bonds	0.00	0.00	3,100.00	0.00	4,843.75	8,517.50	0.00	0.00	3,100.00	0.00	4,843.75	7,567.50	31,972.50
Municipal Bonds	8,055.00	7,740.05	5,019.55	6,930.60	31,107.58	1,431.75	8,055.00	7,740.05	5,317.63	6,930.60	31,107.58	1,431.75	120,867.12
US Equities	16,063.44	24,309.15	30,735.32	16,063.44	24,309.15	30,735.32	16,063.44	24,309.15	30,735.32	16,063.44	24,309.15	30,735.32	284,491.62
Large Cap Blend	1,669.97	6,551.70	8,162.05	1,669.97	6,551.70	8,162.05	1,669.97	6,551.70	8,162.05	1,669.97	6,551.70	8,162.05	65,534.88
Large Cap Core	1,859.40	976.62	0.00	1,859.40	976.62	0.00	1,859.40	976.62	0.00	1,859.40	976.62	0.00	11,344.08
Large Cap Growth	0.00	2,848.72	0.00	0.00	2,848.72	0.00	0.00	2,848.72	0.00	0.00	2,848.72	0.00	11,394.88
Large Cap Value	9,889.53	5,456.98	13,554.89	9,889.53	5,456.98	13,554.89	9,889.53	5,456.98	13,554.89	9,889.53	5,456.98	13,554.89	115,605.57
Mid Cap Blend	0.00	0.00	2,312.40	0.00	0.00	2,312.40	0.00	0.00	2,312.40	0.00	0.00	2,312.40	9,249.60
Mid Cap Growth	0.00	640.50	489.51	0.00	640.50	489.51	0.00	640.50	489.51	0.00	640.50	489.51	4,520.04
Mid Cap Value	2,062.64	7,834.63	1,427.63	2,062.64	7,834.63	1,427.63	2,062.64	7,834.63	1,427.63	2,062.64	7,834.63	1,427.63	45,299.58
Small Cap Blend	581.90	0.00	0.00	581.90	0.00	0.00	581.90	0.00	0.00	581.90	0.00	0.00	2,327.60

The data in the objects above represents Supervised Assets only. Black Diamond calculates projected income and yield for equities, ETFs mutual funds and fixed income securities using data from International Data Corporation (IDC).

Projected Income

As of 3/31/2021

City of Galveston Employees' Pension Plan for Police

	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21	Oct '21	Nov '21	Dec '21	Jan '22	Feb '22	Mar '22	Projected Income
Small Cap Core	0.00	0.00	4,788.85	0.00	0.00	4,788.85	0.00	0.00	4,788.85	0.00	0.00	4,788.85	19,155.39
International Equities	**6,616.84**	**5,873.90**	**8,439.42**	**0.00**	**0.00**	**8,439.42**	**0.00**	**0.00**	**8,439.42**	**0.00**	**13,703.14**	**8,439.42**	**59,961.55**
Foreign Large Cap Blend	6,616.84	0.00	5,184.46	0.00	0.00	5,184.46	0.00	0.00	5,184.46	0.00	13,703.14	5,184.46	41,057.80
Foreign Large Cap Growth	0.00	5,873.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,873.90
International	0.00	0.00	3,254.96	0.00	0.00	3,254.96	0.00	0.00	3,254.96	0.00	0.00	3,254.96	13,019.84

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	Units	Cost Basis	Price	Market Value	Allocation	Projected Income	Yield	Total UGL	% Gain/ Loss
City of Galveston Employees' Pension Plan for Police		**19,129,973.50**		**23,236,998.87**	**100.00%**	**501,801.96**	**2.16%**	**4,107,025.37**	**21.47%**
Cash & Equivalents		**1,022,195.74**		**1,022,195.74**	**4.40%**	**0.00**	**0.00%**	**0.00**	**0.00%**
Cash		1,022,195.74		1,022,195.74	4.40%	0.00	0.00%	0.00	0.00%
CASH	1,022,195.74	1,022,195.74	1.00	1,022,195.74	4.40%	0.00	0.00%	0.00	0.00%
Fixed Income		**5,517,841.85**		**5,688,804.18**	**24.48%**	**157,418.79**	**2.77%**	**170,962.33**	**3.10%**
Collateralized Mortgage Obligations		156,417.83		161,065.33	0.69%	4,579.16	2.84%	4,647.50	2.97%
FNMA UMBS INT 15 YEAR 3% 12/01/2034	300,000.00	156,417.83	105.63	160,780.90	0.69%	4,563.99	2.84%	4,363.07	2.79%
GNMA PASS-THRU M ADJUSTBL RATE 5.5% 07/20...	225,000.00	0.00	102.41	279.30	0.00%	14.97	5.36%	279.30	0.00%
GNMA PASS-THRU X PLATINUM 30YR 9.5% 12/15/...	280,000.00	0.00	182.50	5.12	0.00%	0.20	3.89%	5.12	0.00%
Corporate Bonds		1,086,584.81		1,076,036.29	4.63%	31,972.50	2.97%	-10,548.52	-0.97%
APPLE INC 2.1% 09/12/2022	205,000.00	203,652.90	102.66	210,696.89	0.91%	4,305.00	2.04%	7,043.99	3.46%
BK OF AMERICA CORP 3.875% 08/01/2025	250,000.00	283,221.37	110.32	277,445.49	1.19%	9,687.50	3.49%	-5,775.88	-2.04%
ENTERGY ARKANSAS LLC 4% 06/01/2028	155,000.00	181,997.64	110.84	173,887.13	0.75%	6,200.00	3.57%	-8,110.51	-4.46%
LAM RESEARCH CORP 3.8% 03/15/2025	285,000.00	318,288.90	109.76	313,330.56	1.35%	10,830.00	3.46%	-4,958.34	-1.56%
ORACLE CORP 1.9% 09/15/2021	100,000.00	99,424.00	100.59	100,676.22	0.43%	950.00	0.94%	1,252.22	1.26%
Municipal Bonds		4,274,839.21		4,451,702.57	19.16%	120,867.12	2.72%	176,863.36	4.14%
AMARILLO TEX HOTEL OCCUPANCY T 3.07% 08/1...	200,000.00	202,905.88	105.27	211,333.61	0.91%	6,140.00	2.91%	8,427.73	4.15%
BARBERS HILL TEX INDPT SCH DIS 4% 02/15/2026	185,000.00	199,746.00	114.23	212,295.31	0.91%	7,400.00	3.49%	12,549.31	6.28%
CARMEL IND REDEV AUTH LEASE RE 1.409% 02/0...	275,000.00	275,008.02	100.02	275,717.05	1.19%	3,874.75	1.41%	709.03	0.26%
CENTRAL OHIO SOLID WASTE AUTH 2.55% 12/01/...	170,000.00	170,007.94	104.09	178,404.94	0.77%	4,335.00	2.43%	8,397.00	4.94%
CLEAR CREEK TEX INDPT SCH DIST 5% 02/15/2028	225,000.00	276,654.99	120.04	271,565.50	1.17%	11,250.00	4.14%	-5,089.49	-1.84%
COBB CNTY GA DEV AUTH REV 2.6% 06/01/2023	100,000.00	100,004.61	104.51	105,384.89	0.45%	2,600.00	2.47%	5,380.28	5.38%
COWLITZ 911 PUB AUTH WASH SALE 1.805% 12/01...	205,000.00	205,010.00	94.62	194,904.29	0.84%	3,402.17	1.75%	-10,105.71	-4.93%
GRANT CNTY WASH PUB UTIL DIST 2.281% 01/01/...	120,000.00	120,007.87	105.22	126,951.10	0.55%	2,737.20	2.16%	6,943.23	5.79%
HOUSTON TEX INDPT SCH DIST 5.361% 02/15/2022	250,000.00	252,800.59	100.36	252,649.77	1.09%	13,402.50	5.30%	-150.82	-0.06%
LAKE CNTY ILL CMNTY CONS SCH D 3.033% 11/01...	55,000.00	55,001.53	108.71	60,489.10	0.26%	1,668.15	2.76%	5,487.57	9.98%

The data in the objects above represents Supervised Assets only. Black Diamond calculates projected income and yield for equities, ETFs mutual funds and fixed income securities using data from International Data Corporation (IDC).

	Units	Cost Basis	Price	Market Value	Allocation	Projected Income	Yield	Total UGL	% Gain/ Loss
LAKE CNTY ILL CMNTY CONS SCH D 3.033% 11/01...	95,000.00	95,002.63	108.30	104,094 52	0.45%	2,881.35	2.77%	9,091.89	9.57%
MADISON WIS 2.3% 10/01/2024	170,000.00	169,141.30	105.78	181,788.46	0.78%	3,910.00	2.15%	12,647.16	7.48%
MASSACHUSETTS ST WTR RES AUTH 2.223% 08/...	225,000.00	222,503.50	105.32	237,826.52	1.02%	5,001.75	2 10%	15,323.02	6.89%
MEMPHIS-SHELBY CNTY TENN INDL 2.781% 11/01/...	260,000.00	261,802.42	104.72	275,310.04	1.18%	7,230.60	2.63%	13,507.62	5.16%
NEW YORK N Y 2.65% 10/01/2025	200,000.00	197,604.00	107.13	216,930.72	0.93%	5,300.00	2.44%	19,326.72	9.78%
NEW YORK N Y CITY TRANSITIONAL 1.85% 05/01...	200,000.00	194,748.00	103.11	207,779.94	0.89%	3,700.00	1.78%	13,031.94	6.69%
NEW YORK ST ENVIRONMENTAL FACS 2.62% 01/1...	200,000.00	200,003.06	105.12	211,362.78	0.91%	5,240.00	2.48%	11,359.72	5.68%
NORTH CAROLINA MUN PWR AGY NO 2.942% 01...	200,000.00	201,172.95	104.01	209,515.34	0.90%	5,884.00	2.81%	8,342.39	4.15%
PORT MORROW ORE TRANSMISSION F 1.909% 09...	150,000.00	144,605.50	103.62	155,672.08	0.67%	2,863.50	1.84%	11,066.58	7.65%
SOUTH SAN ANTONIO TEX INDPT SC 3.5% 08/15/...	225,000.00	229,376.21	104.34	235,795.38	1.01%	7,875.00	3.34%	6,419.17	2.80%
TEXAS ST 2.571% 08/01/2023	65,000.00	65,477.18	105.27	68,709.97	0.30%	1,671.15	2.43%	3,232.79	4.94%
VIRGINIA ST PUB BLDG AUTH PUB 2.8% 08/01/20...	200,000.00	201,134.53	107.37	215,692.89	0.93%	5,600.00	2.60%	14,558.36	7.24%
WICHITA KANS WTR & SWR UTIL RE 3% 10/01/20...	230,000.00	235,120.50	103.50	241,528.37	1.04%	6,900.00	2.86%	6,407.87	2.73%
US Equities		**16,631,288.67**		**14,398,759.19**	**61.96%**	**284,431.62**	**1.98%**	**3,767,470.52**	**35.44%**
Communication Services		815,805.87		1,158,308.19	4.98%	27,429.48	2.37%	342,502.32	41.98%
INTERPUBLIC GROUP COS INC COM	10,254.00	236,133 81	29.20	299,416.80	1.29%	11,074.32	3.70%	63,282.99	26.80%
T-MOBILE US INC COM	3,831.00	247,027.34	125.29	479,985.99	2.07%	0.00	0.00%	232,958.65	94.30%
VERIZON COMMUNICATIONS INC COM	6,516.00	332,644.72	58.15	378,905.40	1.63%	16,355.16	4.32%	46,260.68	13.91%
Consumer Staples		896,834.34		1,120,077.68	4.82%	26,042.28	2.33%	223,243.34	24.89%
GENERAL MLS INC COM	6,263.00	342,539.49	61.32	384,047.16	1.65%	12,776.52	3.33%	41,507.67	12.12%
KROGER CO COM	9,808.00	265,298.28	35.99	352,989.92	1.52%	7,061.76	2.00%	87,691.64	33.05%
WALMART INC COM	2,820.00	288,996.57	135.83	383,040.60	1.65%	6,204.00	1.62%	94,044.03	32.54%
Consumer Discretionary		1,381,221.70		2,215,043.28	9.53%	20,002.96	0.90%	833,821.58	60.37%
AMAZON COM INC COM	192.00	316,105.68	3,094.08	594,063.36	2.56%	0.00	0.00%	277,957.68	87.93%
LOWES COS INC COM	3,099.00	493,200.89	190.18	589,367.82	2.54%	7,437.60	1.26%	96,166.93	19.50%
PULTE GROUP INC COM	7,705.00	248,007.65	52.44	405,128.90	1.74%	4,314.80	1.07%	157,121.25	63.35%

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	Units	Cost Basis	Price	Market Value	Allocation	Projected Income	Yield	Total UGL	% Gain/ Loss
WILLIAMS SONOMA INC COM	3,496.00	323,907.48	179.20	626,483.20	2.70%	8,250.56	1.32%	302,575.72	93.41%
Energy		**512,351.01**		**605,877.15**	**2.61%**	**21,136.68**	**3.49%**	**93,526.14**	**18.25%**
CHEVRON CORP NEW COM	2,930.00	326,807.12	104.79	307,034.70	1.32%	15,118.80	4.92%	-19,772.42	-6.05%
DEVON ENERGY CORP NEW COM	13,677.00	185,543.89	21.85	298,842.45	1.29%	6,017.88	2.01%	113,298.56	61.06%
Financials		**1,686,580.50**		**2,111,703.36**	**9.09%**	**49,417.12**	**2.34%**	**425,122.86**	**25.21%**
AMERICAN INTL GROUP INC COM NEW	8,707.00	370,812.32	46.21	402,350.47	1.73%	11,144.96	2.77%	31,538.15	8.51%
BANK NEW YORK MELLON CORP COM	5,387.00	207,857.40	47.29	254,751.23	1.10%	6,679.88	2.62%	46,893.83	22.56%
BK OF AMERICA CORP COM	10,635.00	271,623.50	38.69	411,468.15	1.77%	7,657.20	1.86%	139,844.65	51.48%
CITIGROUP INC COM NEW	5,111.00	328,780.44	72.75	371,825.25	1.60%	10,426.44	2.80%	43,044.81	13.09%
JEFFERIES FINL GROUP INC COM	14,237.00	289,981.05	30.10	428,533.70	1.84%	11,389.60	2.66%	138,552.65	47.78%
S&P GLOBAL INC COM	688.00	217,525.79	352.87	242,774.56	1.04%	2,119.04	0.87%	25,248.77	11.61%
Health Care		**889,011.74**		**1,012,319.15**	**4.36%**	**36,079.00**	**3.56%**	**123,307.41**	**13.87%**
AMGEN INC COM	1,575.00	313,626.74	248.81	391,875.75	1.69%	11,088.00	2.83%	78,249.01	24.95%
GILEAD SCIENCES INC COM	6,250.00	388,985.50	64.63	403,937.50	1.74%	17,750.00	4.39%	14,952.00	3.84%
MERCK & CO. INC COM	2,785.00	186,399.50	77.09	216,505.90	0.93%	7,241.00	3.34%	30,106.40	16.15%
Industrials		**671,617.96**		**868,582.04**	**3.74%**	**6,856.04**	**0.79%**	**196,964.08**	**29.33%**
CINTAS CORP COM	854.00	193,572.85	341.31	291,478.74	1.25%	2,562.00	0.88%	97,905.89	50.58%
JACOBS ENGR GROUP INC COM	2,341.00	262,991.92	129.27	302,621.07	1.30%	1,966.44	0.65%	39,629.15	15.07%
WERNER ENTERPRISES INC COM	5,819.00	215,053.19	47.17	274,482.23	1.18%	2,327.60	0.85%	59,429.04	27.63%
Information Technology		**2,610,827.75**		**4,133,341.42**	**17.79%**	**56,638.36**	**1.37%**	**1,522,513.67**	**58.32%**
ADOBE SYSTEMS INCORPORATED COM	650.00	94,914.24	475.37	308,990.50	1.33%	0.00	0.00%	214,076.26	225.55%
APPLE INC COM	4,764.00	572,529.90	122.15	581,922.60	2.50%	3,906.48	0.67%	9,392.70	1.64%
BROADCOM INC COM	1,314.00	354,554.07	463.66	609,249.24	2.62%	18,921.60	3.11%	254,695.17	71.84%
CIENA CORP COM NEW	4,817.00	188,662.31	54.72	263,586.24	1.13%	0.00	0.00%	74,923.93	39.71%
CITRIX SYS INC COM	1,323.00	181,182.20	140.36	185,696.28	0.80%	1,958.04	1.05%	4,514.08	2.49%
HP INC COM	15,391.00	258,663.78	31.75	491,647.03	2.12%	11,931.10	2.43%	232,983.25	90.07%

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	Units	Cost Basis	Price	Market Value	Allocation	Projected Income	Yield	Total UGL	% Gain/ Loss
LAM RESEARCH CORP COM	949.00	251,248.60	595.24	566,116.46	2.44%	4,934.80	0.87%	314,867.86	125.32%
MICROSOFT CORP COM	4,141.00	571,008.46	235.77	976,323.57	4.20%	9,275.84	0.95%	405,315.11	70.98%
WESTERN UN CO COM	6,075.00	138,064.19	24.66	149,809.50	0.64%	5,710.50	3.81%	11,745.31	8.51%
Materials		**382,539.05**		**389,466.21**	**1.68%**	**14,766.15**	**3.79%**	**6,927.16**	**1.81%**
INTERNATIONAL PAPER CO COM	7,203.00	382,539.05	54.07	389,466.21	1.68%	14,766.15	3.79%	6,927.16	1.81%
Real Estate		**529,925.63**		**539,556.61**	**2.32%**	**19,155.39**	**3.55%**	**9,630.98**	**1.82%**
INNOVATIVE INDL PPTYS INC COM	1,492.00	289,768.97	180.16	268,798.72	1.16%	7,877.76	2.93%	-20,970.25	-7.24%
VICI PPTYS INC COM	9,477.00	240,156.66	28.24	270,757.89	1.17%	11,277.63	4.17%	30,601.23	12.74%
Utilities		**254,573.12**		**244,484.10**	**1.05%**	**6,908.16**	**2.83%**	**-10,089.02**	**-3.96%**
CENTERPOINT ENERGY INC COM	10,794.00	254,573.12	22.65	244,484.10	1.05%	6,908.16	2.83%	-10,089.02	-3.96%
International Equities		**1,958,647.24**		**2,127,239.76**	**9.15%**	**59,951.55**	**2.82%**	**168,592.52**	**8.61%**
Financials		**231,243.30**		**279,617.65**	**1.20%**	**6,616.84**	**2.37%**	**48,374.35**	**20.92%**
UBS GROUP AG SHS	18,005.00	231,243.30	15.53	279,617.65	1.20%	6,616.84	2.37%	48,374.35	20.92%
Health Care		**261,566.12**		**238,157.64**	**1.02%**	**13,703.14**	**5.75%**	**-23,408.48**	**-8.95%**
GLAXOSMITHKLINE PLC SPONSORED ADR	6,556.00	261,566.12	35.69	238,157.64	1.02%	13,703.14	5.75%	-23,408.48	-8.95%
Information Technology		**226,855.31**		**255,034.83**	**1.10%**	**5,873.90**	**2.30%**	**28,179.52**	**12.42%**
SAP SE SPON ADR	2,077.00	226,855.31	122.79	255,034.83	1.10%	5,873.90	2.30%	28,179.52	12.42%
Materials		**299,597.13**		**381,325.64**	**1.64%**	**13,019.84**	**3.41%**	**81,728.51**	**27.28%**
NUTRIEN LTD COM	7,076.00	299,597.13	53.89	381,325.64	1.64%	13,019.84	3.41%	81,728.51	27.28%
Mutual Funds & ETFs		**939,385.38**		**973,104.00**	**4.19%**	**20,737.82**	**2.13%**	**33,718.62**	**3.59%**
VANGUARD TOTAL INTERNATIONAL STOCK ETF	15,520.00	939,385.38	62.70	973,104.00	4.19%	20,737.82	2.13%	33,718.62	3.59%

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Year To Date

	Symbol	Trade Date	Units	Price	Amount
City of Galveston Employees' Pension Plan for Police					
XXXX1503 - City of Galveston Employees Pension Plan for Police					**1,887,753.94**
Fixed Income					**1,887,753.94**
LAM RESEARCH CORP 3.8% 03/15/2025					319,831.30
	512807AN8	1/5/2021	285,000.00	1.12	319,831.30
US Equities					**1,246,798.25**
VERIZON COMMUNICATIONS INC COM	VZ	1/7/2021	1,171.00	58.47	68,472.70
INNOVATIVE INDL PPTYS INC COM	IIPR	1/20/2021	730.00	195.88	142,994.74
INNOVATIVE INDL PPTYS INC COM	IIPR	1/21/2021	762.00	192.62	146,774.23
JACOBS ENGR GROUP INC COM	J	2/18/2021	2,341.00	112.34	262,991.92
DEVON ENERGY CORP NEW COM	DVN	3/18/2021	2,330.00	22.76	53,034.76
APPLE INC COM	AAPL	3/26/2021	4,764.00	120.18	572,529.90
International Equities					**321,124.39**
VANGUARD TOTAL INTERNATIONAL STOCK ETF	VXUS	1/7/2021	5,182.00	61.97	321,124.39

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	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
City of Galveston Employees' Pension Plan for Police					**16,479,444.05**	**16,609,631.44**	**-414,935.12**	**545,122.51**
XXXX1508 - City of Galveston Employees Pension Plan for Police					**16,479,444.05**	**16,609,631.44**	**-414,935.12**	**545,122.51**
Commodities					675,976.09	728,891.54	0.00	52,915.45
SPDR GOLD SHARES	GLD	9/27/2017	4/23/2019	2,296.00	280,234.84	275,560.09	0.00	-4,674.75
SPDR GOLD SHARES	GLD	9/27/2017	10/1/2019	2,317.00	282,797.96	323,888.06	0.00	41,090.10
SPDR GOLD SHARES	GLD	9/29/2017	10/1/2019	926.00	112,943.29	129,443.39	0.00	16,500.10
Fixed Income					2,694,805.97	2,708,013.00	-8.61	13,215.64
HILLSBOROUGH CNTY FLA SCH BRD 1.98% 07/01/2019	43232VUK5	11/2/2017	7/1/2019	200,000.00	200,000.00	200,000.00	0.00	0.00
TEXAS INSTRS INC 1.65% 08/03/2019	882508AU8	12/27/2017	8/3/2019	85,000.00	85,000.00	85,000.00	0.00	0.00
TORONTO DOMINION BANK 1.9% 10/24/2019	89114QBU1	10/19/2017	10/24/2019	200,000.00	199,810.00	200,000.00	0.00	190.00
HONEYWELL INTL INC 1.8% 10/30/2019	438516BQ8	10/23/2017	10/30/2019	200,000.00	199,854.00	200,000.00	0.00	146.00
DES MOINES IOWA AREA CMNTY COL 2.75% 06/01/2020	250097Q88	12/14/2017	6/1/2020	95,000.00	95,000.00	95,000.00	0.00	0.00
OKLAHOMA CAP IMP AUTH ST HWY C 4.542% 07/01/2023	678514AZ3	10/30/2017	7/1/2020	200,000.00	200,000.00	200,000.00	0.00	0.00
FEDERAL HOME LOAN BANKS 2% 12/11/2024	3130AHP31	12/17/2019	9/11/2020	15,000.00	15,008.61	15,000.00	-8.61	0.00
COLGATE PALMOLIVE CO 2.25% 11/15/2022	19416QEL0	10/30/2017	9/24/2020	200,000.00	199,376.00	208,204.00	0.00	8,828.00
PACCAR FINANCIAL CORP 2.3% 08/10/2022	69371RN77	12/5/2017	9/24/2020	50,000.00	49,535.50	51,625.00	0.00	2,089.50

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	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
PROCTER & GAMBLE CO 1.9% 10/23/2020	742718FA2	10/23/2017	10/23/2020	200,000.00	199,704.00	200,000.00	0.00	296.00
JOHNSON & JOHNSON 3.55% 05/15/2021	478160AZ7	10/10/2017	10/29/2020	200,000.00	201,792.20	203,184.00	0.00	1,391.80
TRAVELERS COMPANIES INC 3.9% 11/01/2020	89417EAG4	6/27/2018	11/1/2020	200,000.00	200,000.00	200,000.00	0.00	0.00
AUSTIN TEX ELEC UTIL SYS REV 2.475% 11/15/2020	052414PY9	10/18/2017	11/15/2020	200,000.00	200,000.00	200,000.00	0.00	0.00
WALMART INC 1.9% 12/15/2020	931142EA7	10/11/2017	12/15/2020	200,000.00	199,720.00	200,000.00	0.00	280.00
MICROSOFT CORP 4% 02/08/2021	594918AL8	10/6/2017	2/8/2021	200,000.00	200,000.00	200,000.00	0.00	0.00
PNC BK N A PITTSBURGH PA DISC 2.15% 04/29/2021	69353REW4	10/5/2017	3/30/2021	250,000.00	250,005.66	250,000.00	0.00	-5.66
International Equities					1,701,749.96	1,525,287.27	-4,441.71	-172,020.98
VODAFONE GROUP PLC NEW SPONSORED ADR	VOD	9/27/2017	1/28/2019	11,931.00	338,363.16	212,849.29	0.00	-125,513.87
VODAFONE GROUP PLC NEW SPONSORED ADR	VOD	9/29/2017	1/28/2019	2,328.00	66,184.81	41,531.57	0.00	-24,653.24
BANK MONTREAL QUE COM	BMO	9/27/2017	9/4/2019	2,251.00	169,182.01	153,019.01	0.00	-16,163.00
BANK MONTREAL QUE COM	BMO	9/29/2017	9/4/2019	417.00	31,725.36	28,346.93	0.00	-3,378.43
ALIBABA GROUP HLDG LTD SPONSORED ADS	BABA	9/27/2017	1/24/2020	658.00	112,639.99	140,103.13	0.00	27,463.14
ALIBABA GROUP HLDG LTD SPONSORED ADS	BABA	9/29/2017	1/24/2020	121.00	20,894.28	25,763.65	0.00	4,869.37
ALIBABA GROUP HLDG LTD SPONSORED ADS	BABA	11/17/2017	1/24/2020	696.00	128,969.29	148,194.19	0.00	19,224.90
MICHELIN COMPAGNIE GENERALE DE UNSPONSORD ADR	MGDDY	9/27/2017	2/6/2020	5,792.00	169,358.08	136,075.59	0.00	-33,282.49

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	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
MICHELIN COMPAGNIE GENERALE DE UNSPONSORD ADR	MGDDY	9/29/2017	2/6/2020	1,185.00	34,566.45	27,840.05	0.00	-6,726.40
BP PLC SPONSORED ADR	BP	12/10/2018	5/4/2020	3,128.00	122,507.75	71,456.33	0.00	-51,051.42
BP PLC SPONSORED ADR	BP	12/18/2018	5/4/2020	2,950.00	112,630.64	67,390.08	0.00	-45,240.56
TENCENT HOLDINGS LIMITED UNSPON ADR	TCEHY	10/27/2017	1/7/2021	3,056.00	138,257.11	220,688.13	0.00	82,431.02
TENCENT HOLDINGS LIMITED UNSPON ADR	TCEHY	11/11/2020	1/7/2021	3,490.00	256,471.03	252,029.32	-4,441.71	0.00
Real Estate					**387,066.06**	**408,847.23**	**21,781.17**	**0.00**
VANGUARD REAL ESTATE ETF	VNQ	2/22/2019	7/8/2019	4,552.00	387,066.06	408,847.23	21,781.17	0.00
US Equities					**11,019,845.97**	**11,238,592.40**	**-432,265.97**	**651,012.40**
KAR AUCTION SVCS INC COM	KAR	9/27/2017	1/3/2019	2,405.00	113,075.89	110,501.11	0.00	-2,574.78
KAR AUCTION SVCS INC COM	KAR	12/19/2017	1/3/2019	1,248.00	62,852.98	57,341.12	0.00	-5,511.86
KAR AUCTION SVCS INC COM	KAR	9/29/2017	1/3/2019	440.00	21,088.76	20,216.42	0.00	-872.34
KAR AUCTION SVCS INC COM	KAR	10/12/2017	1/3/2019	1,444.00	68,949.56	66,346.61	0.00	-2,602.95
CHIPOTLE MEXICAN GRILL INC COM	CMG	4/5/2018	1/25/2019	108.00	35,545.92	58,538.61	22,992.69	0.00
CHIPOTLE MEXICAN GRILL INC COM	CMG	3/7/2018	1/25/2019	296.00	94,518.67	160,439.16	65,920.49	0.00
ULTA BEAUTY INC COM	ULTA	4/20/2018	1/25/2019	571.00	134,368.33	165,866.68	31,498.35	0.00
ELECTRONIC ARTS INC COM	EA	9/27/2017	2/12/2019	1,031.00	119,821.79	104,409.45	0.00	-15,412.34

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	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
AMGEN INC COM	AMGN	9/27/2017	2/14/2019	191.00	35,140.18	35,694.51	0.00	554.33
AMGEN INC COM	AMGN	9/29/2017	2/14/2019	236.00	43,903.98	44,104.22	0.00	200.24
PEABODY ENERGY CORP NEW COM	BTU	1/12/2018	2/21/2019	3,537.00	143,632.97	105,632.91	0.00	-38,000.06
ACTIVISION BLIZZARD INC COM	ATVI	2/23/2018	4/1/2019	500.00	35,504.95	23,505.41	0.00	-11,999.54
ACTIVISION BLIZZARD INC COM	ATVI	1/9/2018	4/1/2019	2,159.00	143,062.45	101,496.37	0.00	-41,566.08
ISHARES CORE S&P SMALL-CAP ETF	IJR	9/29/2017	4/3/2019	2,290.00	169,984.41	178,563.73	0.00	8,579.32
ISHARES CORE S&P SMALL-CAP ETF	IJR	9/27/2017	4/3/2019	690.00	51,004.11	53,803.04	0.00	2,798.93
FLOOR & DECOR HLDGS INC CL A	FND	9/27/2017	4/29/2019	2,962.00	113,076.13	140,770.82	0.00	27,694.69
FLOOR & DECOR HLDGS INC CL A	FND	9/29/2017	4/29/2019	519.00	20,161.54	24,665.78	0.00	4,504.24
ADOBE SYSTEMS INCORPORATED COM	ADBE	9/29/2017	5/1/2019	276.00	40,944.32	78,736.52	0.00	37,792.20
ADOBE SYSTEMS INCORPORATED COM	ADBE	9/27/2017	5/1/2019	544.00	79,435.91	155,190.83	0.00	75,754.92
QURATE RETAIL INC COM SER A	QRTEA	10/29/2018	5/10/2019	5,710.00	122,317.72	67,526.96	-54,790.76	0.00
EATON CORP PLC SHS	ETN	4/5/2018	7/2/2019	2,514.00	199,143.67	204,528.10	0.00	5,384.43
INGREDION INC COM	INGR	8/23/2018	7/16/2019	2,029.00	206,678.08	162,121.57	-44,556.51	0.00
MICROSOFT CORP COM	MSFT	1/12/2018	7/22/2019	1,315.00	117,523.58	182,060.39	0.00	64,536.81
ELANCO ANIMAL HEALTH INC COM	ELAN	4/9/2019	9/3/2019	2,153.00	71,236.74	55,757.88	-15,478.86	0.00

The data in the objects above represents Supervised Assets only.

	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
ELANCO ANIMAL HEALTH INC COM	ELAN	4/30/2019	9/3/2019	2,330.00	73,850.81	60,341.78	-13,509.03	0.00
CABOT OIL & GAS CORP COM	COG	2/12/2019	9/20/2019	5,158.00	127,833.60	93,054.49	-34,779.11	0.00
CABOT OIL & GAS CORP COM	COG	4/30/2019	9/20/2019	2,849.00	73,513.71	51,398.26	-22,115.45	0.00
LAUDER ESTEE COS INC CL A	EL	9/29/2017	10/10/2019	312.00	33,611.45	59,214.82	0.00	25,603.37
LAUDER ESTEE COS INC CL A	EL	9/27/2017	10/10/2019	1,565.00	169,240.67	297,023.03	0.00	127,782.36
SPECTRUM BRANDS HLDGS INC NEW COM	SPB	10/11/2019	10/11/2019	0.02	1.02	0.98	-0.04	0.00
MERCK & CO. INC COM	MRK	9/27/2017	11/14/2019	805.00	51,906.32	68,060.54	0.00	16,154.22
SPECTRUM BRANDS HLDGS INC NEW COM	SPB	10/11/2019	11/26/2019	253.00	12,510.85	15,829.73	3,318.88	0.00
GENERAL MTRS CO COM	GM	11/28/2018	1/7/2020	3,785.00	139,138.14	133,111.53	0.00	-6,026.61
CITIGROUP INC COM NEW	C	9/27/2017	1/8/2020	1,592.00	116,072.72	127,109.02	0.00	11,036.30
EDWARDS LIFESCIENCES CORP COM	EW	1/12/2018	1/9/2020	519.00	62,554.27	121,282.81	0.00	58,728.54
JUNIPER NETWORKS INC COM	JNPR	11/20/2019	2/5/2020	1,212.00	30,953.51	28,312.58	-2,640.93	0.00
JUNIPER NETWORKS INC COM	JNPR	10/24/2018	2/5/2020	4,545.00	130,077.40	106,172.19	0.00	-23,905.21
UTILITIES SELECT SECTOR SPDR FUND	XLU	11/20/2019	2/7/2020	2,845.00	179,874.84	195,646.60	15,771.76	0.00
UTILITIES SELECT SECTOR SPDR FUND	XLU	7/31/2019	2/7/2020	2,075.00	124,297.45	142,694.80	18,397.35	0.00
UTILITIES SELECT SECTOR SPDR FUND	XLU	8/15/2019	2/7/2020	515.00	31,375.76	35,415.82	4,040.06	0.00

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	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
UTILITIES SELECT SECTOR SPDR FUND	XLU	9/27/2017	2/7/2020	73.00	3,843.94	5,020.10	0.00	1,176.16
MARATHON PETE CORP COM	MPC	9/27/2017	3/9/2020	1,220.43	77,021.25	41,737.32	0.00	-35,283.93
OCCIDENTAL PETE CORP COM	OXY	9/27/2017	3/9/2020	1,864.00	120,990.38	30,181.59	0.00	-90,808.79
OCCIDENTAL PETE CORP COM	OXY	11/20/2019	3/9/2020	2,487.00	95,875.34	40,269.11	-55,606.23	0.00
OCCIDENTAL PETE CORP COM	OXY	9/29/2017	3/9/2020	549.00	35,316.62	8,889.32	0.00	-26,427.30
MARATHON PETE CORP COM	MPC	9/29/2017	3/9/2020	690.57	43,721.26	23,616.68	0.00	-20,104.58
OCCIDENTAL PETE CORP COM	OXY	7/12/2019	3/9/2020	2,746.00	142,038.78	44,462.80	-97,575.98	0.00
ROYAL CARIBBEAN GROUP COM	RCL	7/17/2019	3/18/2020	2,388.00	266,918.87	49,164.25	-217,754.62	0.00
ROYAL CARIBBEAN GROUP COM	RCL	2/19/2020	3/18/2020	424.00	47,297.67	8,729.33	-38,568.34	0.00
DELTA AIR LINES INC DEL COM NEW	DAL	12/18/2017	3/20/2020	4,941.00	277,290.91	109,588.96	0.00	-167,701.95
RAYTHEON TECHNOLOGIES CORP COM	RTX	11/20/2019	4/6/2020	0.34	31.26	19.08	-12.18	0.00
ISHARES CORE S&P SMALL-CAP ETF	IJR	11/20/2019	4/13/2020	1,303.00	104,797.03	76,421.34	-28,375.69	0.00
ISHARES CORE S&P SMALL-CAP ETF	IJR	9/27/2017	4/13/2020	2,128.00	157,299.63	124,807.85	0.00	-32,491.78
UTILITIES SELECT SECTOR SPDR FUND	XLU	9/27/2017	4/16/2020	2,289.00	120,531.19	134,290.83	0.00	13,759.64
SALESFORCE COM INC COM	CRM	4/4/2018	4/22/2020	622.00	73,007.97	95,468.23	0.00	22,460.26
SALESFORCE COM INC COM	CRM	3/6/2018	4/22/2020	1,078.00	134,088.75	165,457.81	0.00	31,369.06

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	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
COLUMBIA SPORTSWEAR CO COM	COLM	4/25/2019	4/23/2020	1,377.00	144,739.63	92,864.76	-51,874.87	0.00
ZIMMER BIOMET HOLDINGS INC COM	ZBH	2/11/2020	5/4/2020	1,505.00	239,343.46	171,860.73	-67,482.73	0.00
YETI HLDGS INC COM	YETI	11/20/2019	5/4/2020	5,004.00	148,726.39	130,241.23	-18,485.16	0.00
TAPESTRY INC COM	TPR	10/11/2019	5/7/2020	8,099.00	211,930.58	118,125.35	-93,805.23	0.00
ISHARES CORE S&P SMALL-CAP ETF	IJR	9/27/2017	5/13/2020	9,464.00	699,569.42	543,506.46	0.00	-156,062.96
COUSINS PPTYS INC COM NEW	CUZ	1/29/2020	6/1/2020	3,901.00	159,392.13	123,277.07	-36,115.06	0.00
T-MOBILE US INC RT	TMUSR	6/24/2020	7/1/2020	3,831.00	1,231.67	652.03	-579.64	0.00
NCR CORP NEW COM	NCR	10/19/2018	7/7/2020	4,955.00	127,488.68	81,578.81	0.00	-45,909.87
VEREIT INC COM	VER	11/13/2018	7/8/2020	17,160.00	131,278.95	106,456.58	0.00	-24,822.37
VEREIT INC COM	VER	11/20/2019	7/8/2020	5,680.00	55,532.79	35,237.37	-20,295.42	0.00
EDWARDS LIFESCIENCES CORP COM	EW	1/12/2018	7/10/2020	3,831.00	153,914.84	257,739.77	0.00	103,824.93
FIRST SOLAR INC COM	FSLR	4/8/2019	8/10/2020	2,575.00	146,304.09	188,042.94	0.00	41,738.85
FIRST SOLAR INC COM	FSLR	11/20/2019	8/10/2020	1,489.00	81,196.06	108,736.29	27,540.23	0.00
SYSCO CORP COM	SYY	12/19/2017	8/17/2020	798.00	48,770.73	47,817.34	0.00	-953.39
SYSCO CORP COM	SYY	9/29/2017	8/17/2020	607.00	32,861.58	36,372.34	0.00	3,510.76
SYSCO CORP COM	SYY	9/27/2017	8/17/2020	3,140.00	169,225.28	188,153.44	0.00	18,928.16

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	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
SYSCO CORP COM	SYY	7/6/2020	8/17/2020	563.00	30,278.14	33,735.78	3,457.64	0.00
BROWN & BROWN INC COM	BRO	5/8/2020	8/26/2020	1,255.00	47,233.43	57,356.88	10,123.45	0.00
BROWN & BROWN INC COM	BRO	7/10/2019	8/26/2020	3,734.00	129,861.52	170,653.84	0.00	40,792.32
AMERICOLD RLTY TR COM	COLD	5/20/2019	9/9/2020	2,358.00	72,501.65	89,216.97	0.00	16,715.32
AMERICOLD RLTY TR COM	COLD	5/20/2019	9/10/2020	2,161.00	66,444.47	80,937.38	0.00	14,492.91
BLACK KNIGHT INC COM	BKI	7/29/2019	11/11/2020	2,313.00	146,567.50	215,280.72	0.00	68,713.22
AMAZON COM INC COM	AMZN	10/17/2019	11/11/2020	25.00	44,753.75	78,186.65	0.00	33,432.90
BLACK KNIGHT INC COM	BKI	10/30/2019	11/11/2020	549.00	34,767.57	51,097.76	0.00	16,330.19
AMAZON COM INC COM	AMZN	4/15/2020	11/11/2020	32.00	73,848.08	100,078.91	26,230.83	0.00
AMAZON COM INC COM	AMZN	5/5/2020	11/11/2020	20.00	46,715.74	62,549.32	15,833.58	0.00
INTUITIVE SURGICAL INC COM NEW	ISRG	4/20/2020	11/11/2020	239.00	125,566.61	178,194.46	52,627.85	0.00
UTILITIES SELECT SECTOR SPDR FUND	XLU	9/27/2017	12/28/2020	8,599.00	452,794.96	529,744.30	0.00	76,949.34
WATSCO INC COM	WSO	10/8/2019	12/28/2020	1,164.00	192,125.07	270,584.10	0.00	78,459.03
INTUITIVE SURGICAL INC COM NEW	ISRG	4/20/2020	12/28/2020	84.00	44,132.20	67,551.73	23,419.53	0.00
WATSCO INC COM	WSO	2/18/2020	12/28/2020	222.00	38,039.99	51,606.24	13,566.25	0.00
ADOBE SYSTEMS INCORPORATED COM	ADBE	9/27/2017	12/28/2020	349.00	50,961.64	174,050.94	0.00	123,089.30

The data in the objects above represents Supervised Assets only.

	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
ADOBE SYSTEMS INCORPORATED COM	ADBE	11/11/2020	12/28/2020	120.00	56,276.40	59,845.59	3,569.19	0.00
INTUITIVE SURGICAL INC COM NEW	ISRG	5/15/2020	12/28/2020	116.00	59,856.35	93,285.72	33,429.37	0.00
CYRUSONE INC COM	CONE	12/6/2019	1/20/2021	1,473.00	95,039.29	107,682.46	0.00	12,643.17
CYRUSONE INC COM	CONE	4/5/2018	1/20/2021	2,646.00	133,923.24	193,433.67	0.00	59,510.43
CYRUSONE INC COM	CONE	5/14/2019	1/20/2021	666.00	41,028.09	48,687.39	0.00	7,659.30
SMILEDIRECTCLUB INC CL A COM	SDC	2/14/2020	1/27/2021	10,630.00	137,085.54	162,615.21	25,529.67	0.00
SMILEDIRECTCLUB INC CL A COM	SDC	5/8/2020	1/28/2021	3,021.00	23,711.83	41,384.97	17,673.14	0.00
SMILEDIRECTCLUB INC CL A COM	SDC	5/11/2020	1/28/2021	3,812.00	33,024.50	52,220.96	19,196.46	0.00
SMILEDIRECTCLUB INC CL A COM	SDC	2/14/2020	1/28/2021	354.00	4,565.22	4,849.48	284.26	0.00
RAYTHEON TECHNOLOGIES CORP COM	RTX	11/20/2019	2/16/2021	1,470.59	136,482.24	106,499.04	0.00	-29,983.20
RAYTHEON TECHNOLOGIES CORP COM	RTX	5/24/2019	2/16/2021	361.89	27,734.30	26,208.15	0.00	-1,526.15
RAYTHEON TECHNOLOGIES CORP COM	RTX	11/21/2018	2/16/2021	1,356.52	100,756.16	98,238.28	0.00	-2,517.88
PRA HEALTH SCIENCES INC COM	PRAH	12/28/2020	3/2/2021	894.00	107,915.19	128,894.03	20,978.84	0.00
PRA HEALTH SCIENCES INC COM	PRAH	9/29/2017	3/2/2021	283.00	21,598.28	40,802.03	0.00	19,203.75
PRA HEALTH SCIENCES INC COM	PRAH	9/27/2017	3/2/2021	1,493.00	113,133.72	215,255.91	0.00	102,122.19
MARATHON PETE CORP COM	MPC	11/11/2020	3/24/2021	1,660.00	61,771.92	88,507.92	26,736.00	0.00

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	Symbol	Open Date	Trade Date	Units Sold	Cost Basis	Proceeds	Realized ST	Realized LT
MARATHON PETE CORP COM	MPC	9/27/2017	3/24/2021	2,344.00	147,929.60	124,977.46	0.00	-22,952.14
MEDTRONIC PLC SHS	MDT	1/29/2019	3/24/2021	1,956.00	169,649.61	227,269.22	0.00	57,619.61
MEDTRONIC PLC SHS	MDT	11/21/2018	3/24/2021	1,083.00	100,409.88	125,834.64	0.00	25,424.76

The data in the objects above represents Supervised Assets only.

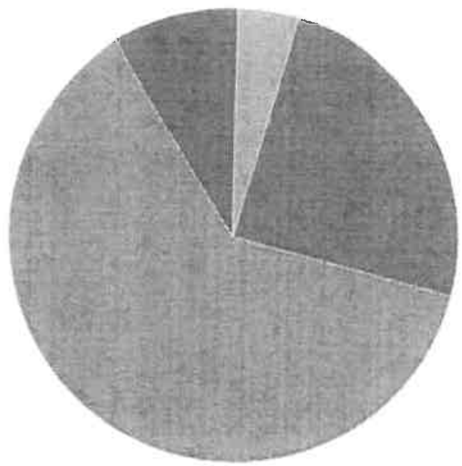
Yearly Summary of Account Value — As of 3/31/2021 — City of Galveston Employees' Pension Plan for Police

	Ending Value	Contributions & Withdrawals	Annual Income
2015	—	—	—
2016	—	—	—
2017	19,940,464.73	19,297,037.30	0.00
2018	17,304,602.92	-1,580,000.00	0.00
2019	21,394,713.51	924,970.00	79,048.74

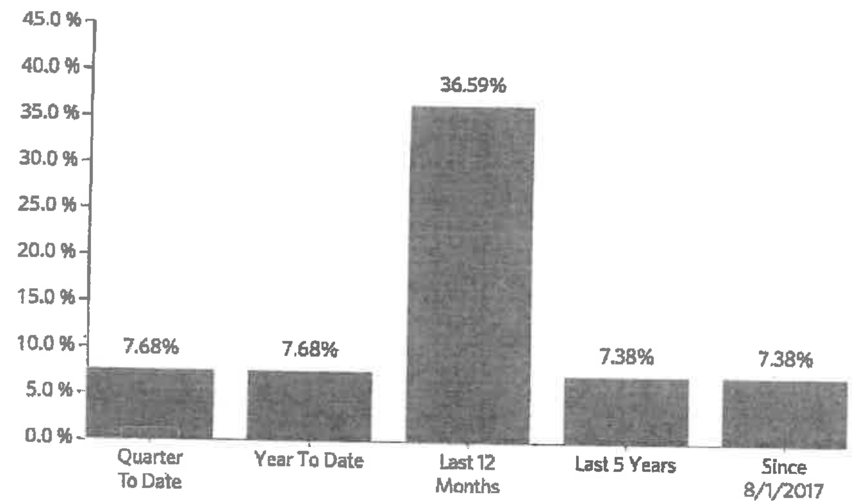
The data in the objects above represents Supervised Assets only.

Executive Performance Summary   As of 3/31/2021   City of Galveston Employees Pension Plan for Police - XXXX1503

CURRENT ASSET ALLOCATION



ANNUALIZED RETURNS (%)



PERFORMANCE

	Quarter To Date	Year To Date	Last 12 Months	Last 5 Years	Since 8/1/2017
Beginning Value	22,225,927.14	22,225,927.14	17,059,133.28	0.00	0.00
Net Additions	-670,000.00	-670,000.00	-56,338.76	17,960,668.54	17,960,668.54
Net Gain	1,539,407.36	1,539,407.36	5,746,766.58	4,599,707.97	4,599,707.97
Income	141,664.37	141,664.37	487,437.77	683,967.40	683,967.40
Ending Value	23,236,998.87	23,236,998.87	23,236,998.87	23,236,998.87	23,236,998.87

The "Since" date is the performance inception date. The data in the objects above represents Supervised Assets only.

CAPTRUST

	Quarter To Date	Year To Date	Last 12 Months	Last 5 Years	Since 8/1/2017
Return (Net of Fees)	7.68%	7.68%	36.59%	7.38%[1 2 3]	7.38%[2 3]

[1] Not held for the entire period, [2] Level contains historical performance data, [3] Annualized return

The "Since" date is the performance inception date. The data in the objects above represents Supervised Assets only.

	Ending Value	Allocation	Quarter To Date Return	Last 12 Months Return	Last 3 Years Return
Supervised Assets	**23,236,998.87**	**100.00%**	**7.68%**	**36.59%**	—1 2
Cash & Equivalents	1,022,195.74	4.40%	0.00%	0.01%	—1 2
90 DAY TREASURY BILL			0.01%	0.09%	—1 2
Fixed Income	5,688,804.18	24.48%	-0.73%	2.35%	—1 2
BBG BARC AGGREGATE BOND INDEX			-3.37%	0.71%	—1 2
US Equities	14,398,759.19	61.96%	12.82%	62.84%	—1 2
RUSSELL INDEX 3000 WITH/DIV			6.35%	62.53%	—1 2
International Equities	2,127,239.76	9.15%	3.62%	31.72%	—1 2
MSCI ACWI EX USA IMI NET IN USD			3.77%	51.94%	—1 2

[1] Not held for the entire period, [2] Annualized return

Asset Class returns are gross of fees. The data in the objects above represents Supervised Assets only.

Supervised	Units	Cost Basis	Price	Market Value	Allocation	Projected Income	Yield	Total UGL	% Gain/ Loss
		19,129,973.50		23,236,998.87	100.00%	501,801.96	2.16%	4,107,025.37	21.47%
Cash & Equivalents		1,022,195.74		1,022,195.74	4.40%	0.00	0.00%	0.00	0.00%
Cash		1,022,195.74		1,022,195.74	4.40%	0.00	0.00%	0.00	0.00%
CASH	1,022,195.74	1,022,195.74	1.00	1,022,195.74	4.40%	0.00	0.00%	0.00	0.00%
Fixed Income		5,517,841.85		5,688,804.18	24.48%	157,418.79	2.77%	170,962.33	3.10%
Collateralized Mortgage Obligations		156,417.83		161,065.33	0.69%	4,579.16	2.84%	4,647.50	2.97%
FNMA UMBS INT 15 YEAR 3% 12/01/2034	300,000.00	156,417.83	105.63	160,780.90	0.69%	4,563.99	2.84%	4,363.07	2.79%
GNMA PASS-THRU M ADJUSTBL RATE 5.5% 07/20...	225,000.00	0.00	102.41	279.30	0.00%	14.97	5.36%	279.30	0.00%
GNMA PASS-THRU X PLATINUM 30YR 9.5% 12/15/...	280,000.00	0.00	182.50	5.12	0.00%	0.20	3.89%	5.12	0.00%
Corporate Bonds		1,086,584.81		1,076,036.29	4.63%	31,972.50	2.97%	-10,548.52	-0.97%
APPLE INC 2.1% 09/12/2022	205,000.00	203,652.90	102.66	210,696.89	0.91%	4,305.00	2.04%	7,043.99	3.46%
BK OF AMERICA CORP 3.875% 08/01/2025	250,000.00	283,221.37	110.32	277,445.49	1.19%	9,687.50	3.49%	-5,775.88	-2.04%
ENTERGY ARKANSAS LLC 4% 06/01/2028	155,000.00	181,997.64	110.84	173,887.13	0.75%	6,200.00	3.57%	-8,110.51	-4.46%
LAM RESEARCH CORP 3.8% 03/15/2025	285,000.00	318,288.90	109.76	313,330.56	1.35%	10,830.00	3.46%	-4,958.34	-1.56%
ORACLE CORP 1.9% 09/15/2021	100,000.00	99,424.00	100.59	100,676.22	0.43%	950.00	0.94%	1,252.22	1.26%
Municipal Bonds		4,274,839.21		4,451,702.57	19.16%	120,867.12	2.72%	176,863.36	4.14%
AMARILLO TEX HOTEL OCCUPANCY T 3.07% 08/1...	200,000.00	202,905.88	105.27	211,333.61	0.91%	6,140.00	2.91%	8,427.73	4.15%
BARBERS HILL TEX INDPT SCH DIS 4% 02/15/2026	185,000.00	199,746.00	114.23	212,295.31	0.91%	7,400.00	3.49%	12,549.31	6.28%
CARMEL IND REDEV AUTH LEASE RE 1.409% 02/0...	275,000.00	275,008.02	100.02	275,717.05	1.19%	3,874.75	1.41%	709.03	0.26%
CENTRAL OHIO SOLID WASTE AUTH 2.55% 12/01/...	170,000.00	170,007.94	104.09	178,404.94	0.77%	4,335.00	2.43%	8,397.00	4.94%
CLEAR CREEK TEX INDPT SCH DIST 5% 02/15/2028	225,000.00	276,654.99	120.04	271,565.50	1.17%	11,250.00	4.14%	-5,089.49	-1.84%
COBB CNTY GA DEV AUTH REV 2.6% 06/01/2023	100,000.00	100,004.61	104.51	105,384.89	0.45%	2,600.00	2.47%	5,380.28	5.38%
COWLITZ 911 PUB AUTH WASH SALE 1.805% 12/01...	205,000.00	205,010.00	94.62	194,904.29	0.84%	3,402.17	1.75%	-10,105.71	-4.93%
GRANT CNTY WASH PUB UTIL DIST 2.281% 01/01/...	120,000.00	120,007.87	105.22	126,951.10	0.55%	2,737.20	2.16%	6,943.23	5.79%
HOUSTON TEX INDPT SCH DIST 5.361% 02/15/2022	250,000.00	252,800.59	100.36	252,649.77	1.09%	13,402.50	5.30%	-150.82	-0.06%
LAKE CNTY ILL CMNTY CONS SCH D 3.033% 11/01...	55,000.00	55,001.53	108.71	60,489.10	0.26%	1,668.15	2.76%	5,487.57	9.98%

The data in the objects above represents Supervised Assets only. Black Diamond calculates projected income and yield for equities, ETFs mutual funds and fixed income securities using data from International Data Corporation (IDC).

	Units	Cost Basis	Price	Market Value	Allocation	Projected Income	Yield	Total UGL	% Gain/ Loss
LAKE CNTY ILL CMNTY CONS SCH D 3.033% 11/01...	95,000.00	95,002.63	108.30	104,094.52	0.45%	2,881.35	2.77%	9,091.89	9.57%
MADISON WIS 2.3% 10/01/2024	170,000.00	169,141.30	105.78	181,788.46	0.78%	3,910.00	2.15%	12,647.16	7.48%
MASSACHUSETTS ST WTR RES AUTH 2.223% 08/...	225,000.00	222,503.50	105.32	237,826.52	1.02%	5,001.75	2.10%	15,323.02	6.89%
MEMPHIS-SHELBY CNTY TENN INDL 2.781% 11/01/...	260,000.00	261,802.42	104.72	275,310.04	1.18%	7,230.60	2.63%	13,507.62	5.16%
NEW YORK N Y 2.65% 10/01/2025	200,000.00	197,604.00	107.13	216,930.72	0.93%	5,300.00	2.44%	19,326.72	9.78%
NEW YORK N Y CITY TRANSITIONAL 1.85% 05/01...	200,000.00	194,748.00	103.11	207,779.94	0.89%	3,700.00	1.78%	13,031.94	6.69%
NEW YORK ST ENVIRONMENTAL FACS 2.62% 01/1...	200,000.00	200,003.06	105.12	211,362.78	0.91%	5,240.00	2.48%	11,359.72	5.68%
NORTH CAROLINA MUN PWR AGY NO 2.942% 01...	200,000.00	201,172.95	104.01	209,515.34	0.90%	5,884.00	2.81%	8,342.39	4.15%
PORT MORROW ORE TRANSMISSION F 1.909% 09...	150,000.00	144,605.50	103.62	155,672.08	0.67%	2,863.50	1.84%	11,066.58	7.65%
SOUTH SAN ANTONIO TEX INDPT SC 3.5% 08/15/...	225,000.00	229,376.21	104.34	235,795.38	1.01%	7,875.00	3.34%	6,419.17	2.80%
TEXAS ST 2.571% 08/01/2023	65,000.00	65,477.18	105.27	68,709.97	0.30%	1,671.15	2.43%	3,232.79	4.94%
VIRGINIA ST PUB BLDG AUTH PUB 2.8% 08/01/20...	200,000.00	201,134.53	107.37	215,692.89	0.93%	5,600.00	2.60%	14,558.36	7.24%
WICHITA KANS WTR & SWR UTIL RE 3% 10/01/20...	230,000.00	235,120.50	103.50	241,528.37	1.04%	6,900.00	2.86%	6,407.87	2.73%
US Equities		**10,631,288.67**		**14,398,759.19**	**61.96%**	**284,431.62**	**1.98%**	**3,767,470.52**	**35.44%**
Communication Services		815,805.87		1,158,308.19	4.98%	27,429.48	2.37%	342,502.32	41.98%
INTERPUBLIC GROUP COS INC COM	10,254.00	236,133.81	29.20	299,416.80	1.29%	11,074.32	3.70%	63,282.99	26.80%
T-MOBILE US INC COM	3,831.00	247,027.34	125.29	479,985.99	2.07%	0.00	0.00%	232,958.65	94.30%
VERIZON COMMUNICATIONS INC COM	6,516.00	332,644.72	58.15	378,905.40	1.63%	16,355.16	4.32%	46,260.68	13.91%
Consumer Staples		896,834.34		1,120,077.68	4.82%	26,042.28	2.33%	223,243.34	24.89%
GENERAL MLS INC COM	6,263.00	342,539.49	61.32	384,047.16	1.65%	12,776.52	3.33%	41,507.67	12.12%
KROGER CO COM	9,808.00	265,298.28	35.99	352,989.92	1.52%	7,061.76	2.00%	87,691.64	33.05%
WALMART INC COM	2,820.00	288,996.57	135.83	383,040.60	1.65%	6,204.00	1.62%	94,044.03	32.54%
Consumer Discretionary		1,381,221.70		2,215,043.28	9.53%	20,002.96	0.90%	833,821.58	60.37%
AMAZON COM INC COM	192.00	316,105.68	3,094.08	594,063.36	2.56%	0.00	0.00%	277,957.68	87.93%
LOWES COS INC COM	3,099.00	493,200.89	190.18	589,367.82	2.54%	7,437.60	1.26%	96,166.93	19.50%
PULTE GROUP INC COM	7,705.00	248,007.65	52.44	405,128.90	1.74%	4,314.80	1.07%	157,121.25	63.35%

The data in the objects above represents Supervised Assets only. Black Diamond calculates projected income and yield for equities, ETFs mutual funds and fixed income securities using data from International Data Corporation (IDC).

	Units	Cost Basis	Price	Market Value	Allocation	Projected Income	Yield	Total UGL	% Gain/ Loss
WILLIAMS SONOMA INC COM	3,496.00	323,907.48	179.20	626,483.20	2.70%	8,250.56	1.32%	302,575.72	93.41%
Energy		**512,351.01**		**605,877.15**	**2.61%**	**21,136.68**	**3.49%**	**93,526.14**	**18.25%**
CHEVRON CORP NEW COM	2,930.00	326,807.12	104.79	307,034.70	1.32%	15,118.80	4.92%	-19,772.42	-6.05%
DEVON ENERGY CORP NEW COM	13,677.00	185,543.89	21.85	298,842.45	1.29%	6,017.88	2.01%	113,298.56	61.06%
Financials		**1,686,580.50**		**2,111,703.36**	**9.09%**	**49,417.12**	**2.34%**	**425,122.86**	**25.21%**
AMERICAN INTL GROUP INC COM NEW	8,707.00	370,812.32	46.21	402,350.47	1.73%	11,144.96	2.77%	31,538.15	8.51%
BANK NEW YORK MELLON CORP COM	5,387.00	207,857.40	47.29	254,751.23	1.10%	6,679.88	2.62%	46,893.83	22.56%
BK OF AMERICA CORP COM	10,635.00	271,623.50	38.69	411,468.15	1.77%	7,657.20	1.86%	139,844.65	51.48%
CITIGROUP INC COM NEW	5,111.00	328,780.44	72.75	371,825.25	1.60%	10,426.44	2.80%	43,044.81	13.09%
JEFFERIES FINL GROUP INC COM	14,237.00	289,981.05	30.10	428,533.70	1.84%	11,389.60	2.66%	138,552.65	47.78%
S&P GLOBAL INC COM	688.00	217,525.79	352.87	242,774.56	1.04%	2,119.04	0.87%	25,248.77	11.61%
Health Care		**889,011.74**		**1,012,319.15**	**4.36%**	**36,079.00**	**3.56%**	**123,307.41**	**13.87%**
AMGEN INC COM	1,575.00	313,626.74	248.81	391,875.75	1.69%	11,088.00	2.83%	78,249.01	24.95%
GILEAD SCIENCES INC COM	6,250.00	388,985.50	64.63	403,937.50	1.74%	17,750.00	4.39%	14,952.00	3.84%
MERCK & CO. INC COM	2,785.00	186,399.50	77.09	216,505.90	0.93%	7,241.00	3.34%	30,106.40	16.15%
Industrials		**671,617.96**		**868,582.04**	**3.74%**	**6,856.04**	**0.79%**	**196,964.08**	**29.33%**
CINTAS CORP COM	854.00	193,572.85	341.31	291,478.74	1.25%	2,562.00	0.88%	97,905.89	50.58%
JACOBS ENGR GROUP INC COM	2,341.00	262,991.92	129.27	302,621.07	1.30%	1,966.44	0.65%	39,629.15	15.07%
WERNER ENTERPRISES INC COM	5,819.00	215,053.19	47.17	274,482.23	1.18%	2,327.60	0.85%	59,429.04	27.63%
Information Technology		**2,610,827.75**		**4,133,341.42**	**17.79%**	**56,638.36**	**1.37%**	**1,522,513.67**	**58.32%**
ADOBE SYSTEMS INCORPORATED COM	650.00	94,914.24	475.37	308,990.50	1.33%	0.00	0.00%	214,076.26	225.55%
APPLE INC COM	4,764.00	572,529.90	122.15	581,922.60	2.50%	3,906.48	0.67%	9,392.70	1.64%
BROADCOM INC COM	1,314.00	354,554.07	463.66	609,249.24	2.62%	18,921.60	3.11%	254,695.17	71.84%
CIENA CORP COM NEW	4,817.00	188,662.31	54.72	263,586.24	1.13%	0.00	0.00%	74,923.93	39.71%
CITRIX SYS INC COM	1,323.00	181,182.20	140.36	185,696.28	0.80%	1,958.04	1.05%	4,514.08	2.49%
HP INC COM	15,391.00	258,663.78	31.75	491,647.03	2.12%	11,931.10	2.43%	232,983.25	90.07%

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	Units	Cost Basis	Price	Market Value	Allocation	Projected Income	Yield	Total UGL	% Gain/ Loss
LAM RESEARCH CORP COM	949.00	251,248.60	595.24	566,116.46	2.44%	4,934.80	0.87%	314,867.86	125.32%
MICROSOFT CORP COM	4,141.00	571,008.46	235.77	976,323.57	4.20%	9,275.84	0.95%	405,315.11	70 98%
WESTERN UN CO COM	6,075.00	138,064.19	24.66	149,809.50	0.64%	5,710.50	3.81%	11,745.31	8.51%
Materials		**382,539.05**		**389,466.21**	**1.68%**	**14,766.15**	**3.79%**	**6,927.16**	**1.81%**
INTERNATIONAL PAPER CO COM	7,203.00	382,539.05	54.07	389,466.21	1.68%	14,766.15	3.79%	6,927.16	1.81%
Real Estate		**529,925.63**		**539,556.61**	**2.32%**	**19,155.39**	**3.55%**	**9,630.98**	**1.82%**
INNOVATIVE INDL PPTYS INC COM	1,492.00	289,768.97	180.16	268,798.72	1.16%	7,877.76	2.93%	-20,970.25	-7.24%
VICI PPTYS INC COM	9,477.00	240,156.66	28.24	270,757.89	1.17%	11,277.63	4.17%	30,601.23	12.74%
Utilities		**254,573.12**		**244,484.10**	**1.05%**	**6,908.16**	**2.83%**	**-10,089.02**	**-3.96%**
CENTERPOINT ENERGY INC COM	10,794.00	254,573.12	22.65	244,484.10	1.05%	6,908.16	2.83%	-10,089.02	-3.96%
International Equities		**1,958,647.24**		**2,127,239.76**	**9.15%**	**59,951.55**	**2.82%**	**168,592.52**	**8.61%**
Financials		**231,243.30**		**279,617.65**	**1.20%**	**6,616.84**	**2.37%**	**48,374.35**	**20.92%**
UBS GROUP AG SHS	18,005.00	231,243.30	15.53	279,617.65	1.20%	6,616.84	2.37%	48,374.35	20.92%
Health Care		**261,566.12**		**238,157.64**	**1.02%**	**13,703.14**	**5.75%**	**-23,408.48**	**-8.95%**
GLAXOSMITHKLINE PLC SPONSORED ADR	6,556.00	261,566.12	35.69	238,157.64	1.02%	13,703.14	5.75%	-23,408.48	-8.95%
Information Technology		**226,855.31**		**255,034.83**	**1.10%**	**5,873.90**	**2.30%**	**28,179.52**	**12.42%**
SAP SE SPON ADR	2,077.00	226,855.31	122.79	255,034.83	1.10%	5,873.90	2.30%	28,179.52	12.42%
Materials		**299,597.13**		**381,325.64**	**1.64%**	**13,019.84**	**3.41%**	**81,728.51**	**27.28%**
NUTRIEN LTD COM	7,076.00	299,597.13	53.89	381,325.64	1.64%	13,019.84	3.41%	81,728.51	27.28%
Mutual Funds & ETFs		**939,385.38**		**973,104.00**	**4.19%**	**20,737.82**	**2.13%**	**33,718.62**	**3.59%**
VANGUARD TOTAL INTERNATIONAL STOCK ETF	15,520.00	939,385.38	62.70	973,104.00	4.19%	20,737.82	2.13%	33,718.62	3.59%

The data in the objects above represents Supervised Assets only. Black Diamond calculates projected income and yield for equities, ETFs mutual funds and fixed income securities using data from International Data Corporation (IDC).

	Benchmark	Month To Date Return	Quarter To Date Return	Year To Date Return	Last 12 Months Return	Last 3 Years Return	Last 5 Years Return
Cash & Equivalents	**90 DAY TREASURY BILL**	**0.00%**	**0.01%**	**0.01%**	**0.09%**	**1.32%**	**1.10%**
Cash	90 DAY TREASURY BILL	0.00%	0.01%	0.01%	0.09%	1.32%	1.10%
Money Markets	90 DAY TREASURY BILL	0.00%	0.01%	0.01%	0.09%	1.32%	1.10%
Fixed Income	**BBG BARC AGGREGATE BOND INDEX**	**-1.25%**	**-3.37%**	**-3.37%**	**0.71%**	**4.65%**	**3.11%**
Corporate Bonds	FTSE BROAD INVT GRADE BOND TOTAL RETURN	-1.15%	-3.49%	-3.49%	0.76%	4.73%	3.16%
Government	BBG BARC AGGR BOND INDEX GOVT	-1.51%	-4.14%	-4.14%	-4.26%	4.10%	2.26%
High Yield	BBG BARC HIGH YIELD BOND INDEX US CP	0.15%	0.85%	0.85%	23.72%	6.84%	8.06%
High Yield Muni Bonds	BBG BARC DOMESTIC ID MUNI BOND HIGH YLD	1.08%	2.11%	2.11%	15.02%	7.28%	6.43%
Inflation - Protected	BBG BARC AGGR BOND INDEX US TREAS TIPS	-0.19%	-1.47%	-1.47%	7.54%	5.68%	3.87%
Intermediate Bonds	BBG BARC AGGR BOND INDEX INTRM GOV/CRED	-0.78%	-1.86%	-1.86%	2.01%	4.36%	2.75%
International Bonds	CITIGROUP WGBI(USD)	-2.39%	-5.83%	-5.83%	1.19%	2.03%	2.17%
Long Term Bonds	BBG BARC AGGR BOND INDEX LONG GOVT/ CREDIT	-3.62%	-10.41%	-10.41%	-2.05%	7.14%	5.48%
Multisector Bonds	BBG BARC MACRO INDEX US UNIVERSAL	-1.16%	-3.05%	-3.05%	2.95%	4.86%	3.60%
Municipal Bonds	BBG BARC MUNI BOND 5 YEAR (4-6)	0.45%	-0.31%	-0.31%	5.07%	3.89%	2.52%

	Benchmark	Month To Date Return	Quarter To Date Return	Year To Date Return	Last 12 Months Return	Last 3 Years Return	Last 5 Years Return
Municipal Funds	BBG BARC MUNI BOND 5 YEAR (4-6)	0.45%	-0.31%	-0.31%	5.07%	3.89%	2.52%
Short Term Bonds	BBG BARC BOND FUND INDEX 1-3Y GOVT/CREDIT	-0.05%	-0.04%	-0.04%	1.57%	3.04%	2.00%
Asset Allocation	**50% S&P 500/50% BBgBarc AGG Bond**	**1.56%**	**1.36%**	**1.36%**	**26.24%**	**11.37%**	**10.07%**
Blended	60% S&P 500/40% BBgBarc AGG Bond	2.12%	2.32%	2.32%	31.88%	12.56%	11.38%
US Equities	**RUSSELL INDEX 3000 WITH/DIV**	**3.58%**	**6.35%**	**6.35%**	**62.53%**	**17.12%**	**16.65%**
Large Cap Blend	S&P 500 TOTAL RETURN INDEX	4.38%	6.17%	6.17%	56.35%	16.78%	16.31%
Large Cap Growth	RUSSELL INDEX 1000 GR WITH/DIV	1.72%	0.94%	0.94%	62.74%	22.80%	21.07%
Large Cap Value	RUSSELL INDEX 1000 VL WITH/DIV	5.88%	11.25%	11.25%	56.09%	10.96%	11.75%
Mid Cap Blend	RUSSELL INDEX MID CAP WITH/DIV	2.71%	8.14%	8.14%	73.64%	14.73%	14.69%
Mid Cap Growth	RUSSELL INDEX MID CAP GR WITH/DIV	-1.91%	-0.57%	-0.57%	68.61%	19.41%	18.40%
Mid Cap Value	RUSSELL INDEX MID CAP VL WITH/DIV	5.16%	13.05%	13.05%	73.76%	10.70%	11.61%
Small Cap Blend	RUSSELL INDEX 2000 WITH/DIV	1.00%	12.70%	12.70%	94.85%	14.76%	16.37%
Small Cap Growth	RUSSELL INDEX 2000 GR WITH/DIV	-3.15%	4.88%	4.88%	90.20%	17.16%	18.62%
Small Cap Value	RUSSELL INDEX 2000 VL DIV REIN	5.23%	21.17%	21.17%	97.05%	11.57%	13.57%

	Benchmark	Month To Date Return	Quarter To Date Return	Year To Date Return	Last 12 Months Return	Last 3 Years Return	Last 5 Years Return
SMID	RUSSELL INDEX 2500 DIV REIN	1.64%	10.93%	10.93%	89.40%	15.34%	15.94%
International Equities	**MSCI ACWI EX USA IMI NET IN USD**	**1.37%**	**3.77%**	**3.77%**	**51.94%**	**6.51%**	**9.85%**
Diversified Emerging Markets	MSCI EMERGING EM MKTS (USD)	-1.70%	1.95%	1.95%	55.13%	3.98%	9.49%
Emerging Markets	MSCI EMERGING EM MKTS (USD)	-1.70%	1.95%	1.95%	55.13%	3.98%	9.49%
Foreign Large Cap Blend	MSCI EAFE INDEX NET IN USD	2.30%	3.48%	3.48%	44.57%	6.02%	8.86%
Foreign Large Cap Growth	MSCI EAFE INDEX NET IN USD	2.30%	3.48%	3.48%	44.57%	6.02%	8.86%
Real Estate	**DOW JONES US REAL ESTATE**	**5.14%**	**6.94%**	**6.94%**	**30.47%**	**6.21%**	**3.17%**
Real Properties	DJ US TOTAL MARKET TL RTN INDX REAL ESTATE	5.67%	7.70%	7.70%	34.90%	10.28%	7.24%
Commodities	**BLOOMBERG COMMODITY TR**	**-2.15%**	**6.92%**	**6.92%**	**35.04%**	**-0.20%**	**2.31%**
Commodities	BLOOMBERG COMMODITY TR	-2.15%	6.92%	6.92%	35.04%	-0.20%	2.31%
Strategic Opportunities	***HFRX ABSOLUTE RETURN INDEX - (Monthly)**	**0.26%**	**0.65%**	**0.65%**	**9.75%**	**2.30%**	**2.29%**
Alternative Assets	*HFRX ABSOLUTE RETURN INDEX - (Monthly)	0.26%	0.65%	0.65%	9.75%	2.30%	2.29%
Hedge Funds	*HFRX ABSOLUTE RETURN INDEX - (Monthly)	0.26%	0.65%	0.65%	9.75%	2.30%	2.29%

Performance is not correlated to portfolio holding period.

IMPORTANT INFORMATION

Please contact your CAPTRUST Financial Advisor if your Investment Objectives or your personal or financial situation has changed, or if you want to place reasonable restrictions on the management of your investment account(s) or portfolio. If you have elected to receive your custodial account statements electronically, you may access your custodian's portal at https://captrust.com/your-account/. Please contact your Financial Advisor if you did not receive statements from your custodian or you need to change your contact information. You may call direct at 800.216.0645 or email compliance@captrustadvisors.com.

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CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY SCHEDULES

Year Ended December 31, 2020
with Report of Independent Auditors

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE
TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees
City of Galveston Employees' Retirement
Plan for Police

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Galveston Employees' Retirement Plan for Police (the "Plan"), a component unit of the City of Galveston, which comprise the statement of plan net position as of December 31, 2020, the related statement of changes in plan net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Trustees
City of Galveston Employees' Retirement
Plan for Police

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan, as of December 31, 2020, and changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary pension information on pages 3 through 4 and [illegible] through 21, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Houston, Texas
April 24, 2021

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the City of Galveston Employees' Retirement Plan for Police (the "Plan") provides an overall review of the Plan's financial activities for the year ended December 31, 2020. Readers should consider the information here in conjunction with the financial statements, notes to the financial statements and required supplementary information, in order to enhance their understanding of the Plan's financial performance.

Financial Statements

The Statement of Plan Net Position presents the Plan's assets and liabilities and the resulting net position, which is held in trust for retirement benefits. This statement reflects a year-end snapshot of the Plan's investments, at fair value, along with cash and short-term investments, receivables and other assets and liabilities. The Statement of Changes in Plan Net Position, on the other hand, provides a view of current year additions to and deductions from the Plan. The Plan is a single-employer defined benefit pension plan. The Plan is a component unit of the City of Galveston, Texas (the "City"), and, as such, its reports are included in the Fiduciary Funds of the City as restricted assets.

Financial Highlights

The Plan presents its financials solely on the accounts of the Plan. The accrual basis of accounting is used by the Plan, whereby revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability has been incurred. Investments are reported at fair value.

A summary of the Statement of Plan Net Position for the Plan is as follows (in 000's):

			Change	
	2020	**2019**	**$**	**%**
Assets				
Investments, at fair value	$ 22,503	$ 21,625	$ 878	4%
Receivables	268	353	(85)	-24%
Total Assets	22,771	21,978	793	4%
Liabilities				
Accounts payable		25	(25)	-100%
Net position - restricted for pension benefits	$ 22,771	$ 21,953	$ 818	4%

The Plan's net position increased by $818,760, or 4%, in 2020. This was due primarily to an increase in the market value of plan investments related to favorable market performance in 2020.

A summary of the Statement of Changes in Plan Net Position is as follows (in 000's):

	2020	2019	Change $	Change %
Additions				
Total contributions	$ 4,032	$ 5,308	$ (1,276)	-24%
Net Income on Investments	973	3,194	(2,221)	-70%
Total Additions	5,005	8,502	(3,497)	-41%
Deductions				
Benefits	4,045	4,107	(63)	-2%
Administrative expenses	142	298	(156)	-52%
Total Deductions	4,187	4,405	(218)	-5%
Change in net position	818	4,097	(3,279)	80%
Net position - restricted for pension benefits				
Beginning of Year	21,953	17,856	4,097	
End of Year	$ 22,771	$ 21,953	$ 818	4%

Additions

Investments increased overall due to favorable market conditions in 2020. Due to the COVID-19 pandemic, investment initially decreased from unfavorable conditions, but recovered throughout the year to end with a net increase in fair market value.

Deductions

Benefit and refunds decreased by 2% in 2020 compared to 2019 due to fewer refunds paid in 2020. When employees are terminated prior to retirement age, refunds are not distributed until it is requested. Refunds and rollovers will fluctuate depending on the number of those leaving and the timing of the request.

Economic Factors and Next Year's Contributions

As of January 1, 2020, the City's rate remains at 18%. The employer contributions are to be made at the beginning of the employer's fiscal year and based on the estimated base salaries for the City's fiscal year-end September 30, 2021. Member contribution rates remained the same at 12%.

Contacting the Plan's Financial Management

This financial report is designed to provide members and other users with a general overview of the Plan's finances and to show the Plan's accountability for the funds it receives. If you have questions about this report, you may contact the Plan's Administrator at 1011 Tremont, Galveston, TX 77550 or by phone at 409-765-9311.

BASIC FINANCIAL STATEMENTS

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE

STATEMENT OF PLAN NET POSITION

December 31, 2020

Assets		
Investments at fair value:		
Money market funds	$	719,462
Government agencies		194,755
Bonds		5,842,444
Domestic equities		14,774,779
Exchange traded funds		621,934
Real estate investment trusts		350,023
Total investments at fair value		22,503,397
Receivables:		
Promissory notes from participants		268,174
Total Receivables		268,174
Total Assets		22,771,571
Net position - restricted for pension benefits	$	22,771,571

See accompanying notes to the financial statements.

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE

STATEMENT OF CHANGES IN PLAN NET POSITION

For the year ended December 31, 2020

Additions	
Contributions:	
Employer	$ 2,443,661
Employees	1,588,346
Total contributions	4,032,007
Investment income:	
Net change in investments	546,227
Interest and dividends	496,525
Less investment expenses	(70,094)
Net investment income	972,658
Total Additions	5,004,665
Deductions	
Benefits:	
Retirement	3,995,772
Survivor	30,900
Disability	18,000
Administrative expenses	141,233
Total Deductions	4,185,905
Change in net position	818,760
Net position restricted for pension benefits	
Net position - beginning	21,952,811
Net position - ending	$ 22,771,571

See accompanying notes to the financial statements.

A. Description of the Plan

The City of Galveston Employees' Retirement Plan for Police (the "Plan"), a component unit of the City of Galveston, is a single-employer defined benefit pension plan created by City ordinance to provide retirement and incidental benefits for employees of the City of Galveston, Texas, Police Department.

The Plan is qualified under Sections 401(a) and 414(h)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), and the members' contributions to the Plan qualify as tax-deferred contributions under Code Section 414(h). The Plan has been designed as a "governmental plan" by the U.S. Department of Labor and, thus, is not subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective November 20, 1998, the Galveston City council adopted Article 6243p of the Texas Revised Civil Statutes (the "Statutes") thereby providing for the replacement of the provisions of the City Code pertaining to the Plan with those of the Statute as the authority governing the Plan. The Plan was amended and restated effective January 1, 2009, to acknowledge the authority of Article 6243p of the Texas Revised Civil Statutes, as amended from time to time; to incorporate amendments to the Prior Plan; and to comply with changes in the law.

All full-time employees of the City of Galveston Police Department are eligible to participate in the Plan. Eligible employees, who were members of the previous plan on November 30, 1980, were given a one-time option of electing to participate as of December 1, 1980. Participation is mandatory for eligible employees hired on and after December 1, 1980.

Plan Administration

A Plan Administrator appointed by a seven-participant Board of Trustees administers the Plan. Some of the more significant responsibilities of the Plan Administrator are:

- to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits under the Plan;
- to receive from the City and from Participants such information as shall be necessary for the proper administration of the Plan;
- to receive and review the periodic valuation of the Plan made by the Plan's actuary;
- to receive and review reports of the financial condition and of the receipts and disbursements of the Trust Fund from the Trustee;
- to appoint or employ for the Plan any agent he deems advisable, including, but not limited to, legal counsel, accountants, consultants and actuaries;
- to adopt such rules and regulations for the administration of the Plan as he deems necessary or desirable, with such rules and regulations being subject to review by the Board.

Retirement Benefits

For employees with retirement benefits commencing after June 30, 2008, *Group A* consists of members with 15 or more years of service as of January 1, 2006, who were members as of June 30, 2008. *Group B* consists of members who either (a) had less than 15 years of service as of January 1, 2006, and who were members as of June 30, 2008, or (b) were employed on or after July 1, 2008.

Normal and Late Retirement - Eligibility is attainment of age 65. Benefits for Group B members will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years. Benefits for Group A members shall be the greater of (i) the monthly amount determined as 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, and (ii) the sum of the Preserved Benefit and Post Transition Accrued Benefit payable after the Member attains age sixty-five (65).

A. Description of the Plan (continued)

Retirement Benefits (continued)

Early Pension - Eligibility for an unreduced early pension for Group A members is attainment of age 45 with 20 years of service. Eligibility for an unreduced early pension for Group B members is attainment of age 50 with 20 years of service. Unreduced early retirement benefits for Group B members will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years. Eligibility for a Group A or Group B member for a reduced early pension is attainment of age 55 with between 10 and 20 years of service, or age 62. Reduced early pension benefits will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, reduced by 1/180th for each of the first 60 months and 1/360th for each of the next 60 months by which the starting date of the benefits precedes the normal retirement date.

Special Early Pension - Eligibility for special early pension benefits for Group B members is completion of 20 or more years of service and attainment of age 45, but before attainment of age 50. Benefits will be equal to 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, reduced by 1/180th for each month by which the starting date of payments precedes the first of the month immediately following the member's 50th birthday. Eligibility for special early pension benefits for Group A members is either (a) completion of at least 20, but less than 25, years of service and attainment of age 45 or (b) 25 or more years of service regardless of age. Benefits will be equal to the member's choice of (i) 2.11% of average monthly base pay multiplied by the years of benefit service, limited to 30 years, (ii) the sum of his Preserved Benefit and his Post Transition Accrued Benefit, with one sum payable prior to age sixty-five (65) and a lower sum payable after age sixty-five (65), or (iii) a level monthly Pension that is the Actuarial Equivalent of the leveling option.

The leveling option would maintain the same benefit payment throughout retirement. The payment under this leveling option shall be the actuarial equivalent of the member's early retirement pension or special early retirement pension otherwise payable.

A member shall be eligible for a deferred vested pension if his employment is terminated for reasons other than death, disability or any of the aforementioned retirement provisions on or after five (5) or more years of service. Payment of the deferred vested pension is to commence at age sixty-five (65). If the member has completed at least 10, but less than 20, years of service, the deferred vested pension may commence at age 55. Payment of the deferred vested pension for a Group B member who has completed at least 20 years of service may commence at age 50. Payment of the deferred vested pension for a Group A member who has completed at least 20, but less than 25, years of service may commence at age 45.

Severance Benefits

The minimum severance benefit is a refund of the member's accumulated contributions. After becoming eligible to receive benefits, a retired member may elect to receive a refund of his contribution accumulation, if any. Such election must be made prior to the commencement of any benefit payments, and the member forfeits any further rights or benefits under the Plan. Payments of a member's contribution accumulation and other single-sum benefits shall be paid in one lump sum or in installments without interest accruing thereon.

A. Description of the Plan (continued)

Disability Benefits

A member, regardless of age and years of service, terminated by reason of total and permanent disability, is eligible for a monthly pension, payable until death or when the disability ceases, whichever occurs earlier, commencing upon the latter of certification of the disability or 90 days after date of disability. The pension amount prior to age sixty-five (65) is calculated at 60% of the member's monthly rate of pay at the time of the disability, reduced by any primary social security benefits actually paid to the member and workers' compensation or any other disability payments. The pension amount will not exceed One Thousand Five Hundred Dollars ($1,500) per month. On and after age sixty-five (65), the pension amount is calculated as for normal retirement benefits assuming a constant rate of pay and service from disability to age sixty-five (65).

Death Benefits

The minimum in-service death benefit after completing five (5) years of service will be Two Thousand Five Hundred Dollars ($2,500) or the Participant's contribution accumulation, whichever is greater, less any payments paid to or on behalf of the deceased.

The Plan provides for a monthly pension for a surviving spouse or dependent children, if the Participant should die while actively employed and has completed five (5) or more years of service. The monthly benefit, commencing on the first day of the month after the date of death, payable for life or until remarriage, whichever occurs earlier, is equal to fifty percent (50%) of the normal retirement benefits considering average compensation and service at date of death. In the event of surviving children and no surviving spouse, or surviving dependent children upon the death of the surviving spouse, each dependent child is eligible for a monthly pension, payable until the attainment of age eighteen (18) or until such child's death prior to attaining age eighteen (18). If there is more than one child under the age eighteen (18), then such benefit is divided proportionately among those children under age eighteen (18) at the time of Participant's death.

The spouses of members who die after commencement of a normal, early, special early or disability retirement will receive a monthly pension for life equal to fifty percent (50%) of the pre- and post-age sixty-five (65) [or sixty-two (62) for those who retired before January 1, 1998] benefit.

The spouse of a disabled member who dies prior to age sixty-five (65) will receive a monthly pension equal to fifty percent (50%) of the monthly pension the deceased would have received had the member worked up to the date of death at his rate of pay in effect at the time disability. The total benefit payments payable shall not be less than the member's total contribution accumulation or Two Thousand Five Hundred ($2,500), whichever is larger.

Participation Summary Data

Below is a summary of the participant data for the Plan as of December 31, 2020, the date of the Plan's last actuarial valuation:

Retirees and beneficiaries receiving benefits	143
Terminated and vested	33
Disabled	1
Active Employees	155
Total Participants	332

A. Description of the Plan (continued)

Contributions

On May 2, 2019, the Legislature of the State of Texas passed House Bill No 2763 ("HB 2763") relating to the police pension fund in certain municipalities. HB 2763 establishes requirements that a municipality must offset any negative financial impact to the fund, as determined by the actuary, caused solely by an action taken by the municipality, including a reduction in the number of police officers. The municipality will be required to provide additional funding to the police pension fund by making contribution increases until the negative impact is eliminated, as determined by the actuary. The bill also provides that current contribution rates (18 percent by the City and 12 percent by active plan members) will remain in place until January 1, 2025. After that time, any future deficit caused by forces beyond the City's control, including economic downturn, will result in any increased net pension liability being treated as a separate liability and split between the City and the plan members in the form of mandatory contributions. Therefore, the City and plan members are mandated to keep the plan's amortization period under 30 years beginning in 2020.

HB 2763 also establishes minimum contribution levels. The City must contribute to the police pension fund 18 percent of payroll based on authorized staffing levels, as approved by the City Council and Collective Bargaining Agreement. The City shall calculate the difference between the actual payroll and the payroll in which the initial contribution was based and make a contribution to the police pension fund to cover the deficiency of the initial contribution. Furthermore, the rate of contributions to the police pension fund may not be reduced, nor shall a new benefit payable be established, if the change results in an increase to the amortization period of the unfunded actuarial liability that exceeds 25 years.

B. Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting.

Contributions

Plan Participant contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

Benefit payments

Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Summary of Significant Accounting Policies (continued)

Fair Value

Plan investments are presented at fair value or estimated fair value. Fair value measurements are based on the hierarchy established by generally accepted accounting principles.

Investments are reported at fair value. Fair value measurements are based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

Administrative Expenses

The Plan pays all administrative expenses incurred in the administration of the Plan, including expenses and fees of the trustee. All fees are paid from the trust fund. Expenses are recorded when incurred.

Refunds Paid

Participants are eligible for a refund of their contributions upon termination of service. No interest is paid on refunds. Terminated employees must request a refund of contributions. Contribution refunds are recorded when paid.

C. Cash, Investments and Related Activity

Cash and Cash Equivalents

The Plan considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents consist of money market funds. Cash balances were covered by federal depository insurance or by collateral held by the Plan's agent in the Plan's name.

C. Cash, Investments and Related Activity (continued)

Investments

The Plan's investment policy provides for investments in fixed income securities and equities. Statutes of the State of Texas authorize the Plan to invest surplus funds in a manner provided by the Government Code, Chapter 802, Subchapter C.

Investments are reported at fair value. Fair value measurements are based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

The Plan's investments at fair value measurements at December 31, 2020 are as follows:

Plan Asset	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	% of Total Portfolio
Money market funds	$ 719,462	$ 719,462	$ -	$ -	3%
Government agencies	194,755	-	194,755	-	2%
Bonds	5,842,444	5,842,444	-	-	26%
Domestic equities	14,774,779	14,774,779	-	-	66%
Exchange traded funds	621,934	621,934	-	-	3%
Real estate investment trusts	350,023	350,023	-	-	2%
	$ 22,503,397	$ 22,308,642	$ 194,755	$ -	100%

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name. At December 31, 2020, the Plan's investments that were not subject to custodial credit risk were the investments in U.S. Government Agencies, corporate and foreign bonds and common equity securities, as they are registered in the name of the Plan and held by the agent.

C. Cash, Investments and Related Activity (continued)

Concentration of Credit Risk

The allocations of assets among various asset classes are set by the board. The Plan will contract with investment managers to use different investment approaches but maintain a balanced portfolio. Statutes of the State of Texas authorize the Plan to invest surplus funds in a manner provided by the Government Code, Chapter 802, Subchapter C. The Plan provides that no more than 65% of the total trust will be invested in corporate stocks, and that no more than 5% of the Plan will be invested in corporate bonds or stocks issued by any one corporation. The fund shall not invest in commodities and futures contracts, private placements, options or derivatives. The Plan's portfolio at December 31, 2020, is allocated in the following manner:

Plan Asset	Fair Value	Percentage of Total Portfolio
Money market funds	$ 264,183	1%
Government agencies	321,623	1%
Bonds	5,775,109	27%
Domestic equities	12,133,014	56%
Exchange traded funds	2,448,548	11%
Real estate investment trusts	682,560	4%
	$ 21,625,037	100%

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.01 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk

The Plan's investment policy does not address interest rate risk beyond the applicable investments above as defined by state statutes and provisions. Information about the exposure of the Plan's debt-type investments to this risk, using the segmented time distribution model is as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More than 10
Government Agencies	$ -	$ -	$ 15,038	$ 369	$ 306,216
Corporate Bonds	1,823,476	-	1,823,476	-	-
Municipal Bonds	3,951,633	-	3,153,824	797,809	-
	$ 5,775,109	$ -	$ 4,992,338	$ 798,178	$ 306,216

C. Cash, Investments and Related Activity (continued)

Credit Risk

Generally, credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligations to the holder of the investment. This is measured by assignment of a rating by a nationally-recognized rating organization. The Plan's investment policy allows for investment in bonds rated BBB (or equivalent) or better. The Plan's debt investments' ratings at December 31, 2020, are presented below:

		Quality Ratings			
Rated Debt Investments	Fair Value	Aaa/A1	A2-A3	Baa1-Baa3	Unrated
Government Agencies	$ 321,623	$ 14,964	$ -	$ -	$ 306,659
Corporate Bonds	1,823,476	766,834	1,056,642	-	-
Municipal Bonds	3,951,587	2,139,711	930,216	-	881,660
	$ 6,096,686	$ 2,921,509	$ 1,986,858	$ -	$ 1,188,319

D. Net Pension Liability

The components of the net pension liability of the plan at December 31, 2020 were as follows:

Total pension liability	$59,113,656
Plan fiduciary net position	21,952,811
Plan net pension liability	$37,160,845
Plan fiduciary net position as a pecertage of the total pension liability	37.14%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020 using the following actuarial assumptions:

Investment rate of return	7.00%
Inflation rate	
Administrative expense	0.95% of payroll
Salary increases	4.00% per annum for wage inflation

The mortality assumption is based on the Society of Actuaries (SOA) Public Safety mortality tables with generational improvement using the MP-2019 longevity projection scale.

D. Net Pension Liability (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of December 31, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-term Expected Real Rate of
Equity	6.0%
Fixed Income	3.0%
Cash	0.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal the statutory contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all period of benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.00% as well as what the City's net pension liability would be if it were to be calculated using the discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 44,491,136	$ 37,160,845	$ 31,089,925

E. Tax Status

The Plan obtained its latest determination letter dated June 9, 2011, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code Section 401(a) and that, therefore, the Plan is tax-exempt.

F. Plan Termination

Although the Board has not expressed any intent to terminate the Plan, upon complete or partial termination of the Plan, each affected Member's accrued benefit, based on his years of Service and Average Monthly Compensation prior to that date of such termination, shall become fully vested and non-forfeitable to the extent then funded.

G. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

H. Commitments and Contingencies

As described in Note A, eligible participants are entitled to payment of their accumulated contributions upon termination. As of December 31, 2020, aggregate contributions were approximately $11.0 million.

I. Administrative Expenses

Administrative expenses are paid from Plan assets and were comprised of the following for the year ended December 31, 2020:

Actuarial services	$	59,950
Professional fees		237,814
	$	297,764

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY OF GALVESTON'S EMPLOYEES' RETIREMENT PLAN FOR POLICE NET PENSION LIABILITY AND RELATED RATIOS

Last Eight Years

	2020	2019	2018	2017
Total pension liability				
Service costs	$ -	$ 1,622,016	$ 1,258,499	$ 1,073,161
Interest	-	3,979,593	3,897,882	3,932,216
Differences between expected and actual experience	-	(138,553)	(992,542)	(358,201)
Changes of assumptions	-	(95,499)	5,113,954	2,398,032
Benefit payments, including refunds of member contributions	(4,044,672)	(4,107,380)	(4,275,151)	(4,547,830)
Net change in total pension liability	(4,044,672)	1,260,177	5,002,642	2,497,378
Total pension liability - beginning	59,113,656	57,853,479	52,850,837	50,353,459
Total pension liability - ending {a}	$ 55,068,984	$ 59,113,656	$ 57,853,479	$ 52,850,837
Plan fiduciary net position				
Contributions - employer	$ 2,443,661	$ 3,803,070	$ 1,713,305	$ 1,486,691
Contributions - member	1,588,346	1,504,688	1,417,069	1,371,859
Net investment income	899,119	3,193,800	(1,134,295)	2,607,946
Benefit payments, including refunds of member contributions	(4,044,672)	(4,107,380)	(4,275,151)	(4,548,030)
Administrative expenses	(137,947)	(297,764)	(408,688)	(159,126)
Net change in plan fiduciary net position	748,507	4,096,414	(2,687,760)	759,340
Plan fiduciary net position - beginning	21,952,811	17,856,397	20,544,157	19,784,817
Plan fiduciary net position - ending {b}	22,701,318	21,952,811	17,856,397	20,544,157
Net pension liability - ending {a} - {b}	$ 32,367,666	$ 37,160,845	$ 39,997,082	$ 32,306,680
Fiduciary net position as a percentage of the total pension liability	41.2%	37.1%	30.9%	38.9%
Covered employee payroll	$ 13,236,218	$ 11,808,927	$ 11,432,183	$ 11,432,183
Fund's net pension liability as a percentage of covered employee payroll	244.5%	314.7%	349.9%	282.6%
Annual money-weighted rate of return, net of investment expense	0.00%	-5.74%	13.68%	13.68%

Note to Schedule: Covered-employee payroll is estimated using officer contributions divided by the contribution percentage.

Note: GASB 67 was implemented in fiscal year 2014, therefore information for entire ten years is not available. Calculations were performed beginning with fiscal year 2012

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY OF GALVESTON'S EMPLOYEES' RETIREMENT PLAN FOR POLICE NET PENSION LIABILITY AND RELATED RATIOS

Last Eight Years

	2015	2014	2013	2012
Total pension liability				
Service costs	$ 1,054,361	$ 1,140,739	$ 1,102,269	$ 993,168
Interest	3,646,049	3,669,170	3,680,250	3,562,223
Differences between expected and actual experience	157,590	(502,743)	(1,187,769)	341,329
Changes of assumptions	590,641	(2,527,532)	55,368	386,446
Benefit payments, including refunds of member contributions	(4,114,277)	(3,808,422)	(3,864,220)	(3,772,922)
Net change in total pension liability	1,334,364	(2,028,788)	(214,102)	1,510,244
Total pension liability - beginning	47,656,947	49,685,735	49,899,837	48,389,593
Total pension liability - ending {a}	$ 48,991,311	$ 47,656,947	$ 49,685,735	$ 49,899,837
Plan fiduciary net position				
Contributions - employer	$ 1,257,637	$ 1,240,469	$ 1,114,126	$ 1,117,059
Contributions - member	1,254,637	1,240,469	1,113,812	1,153,530
Net investment income	(486,296)	1,101,143	3,283,808	1,671,225
Benefit payments, including refunds of member contributions	(4,114,277)	(3,808,422)	(3,864,219)	(4,066,072)
Administrative expenses	(86,285)	(85,937)	(113,501)	(86,605)
Net change in plan fiduciary net position	(2,174,584)	(312,278)	1,534,026	(210,863)
Plan fiduciary net position - beginning	22,403,026	22,715,304	21,181,278	21,392,141
Plan fiduciary net position - ending {b}	20,228,442	22,403,026	22,715,304	21,181,278
Net pension liability - ending {a} - {b}	$ 28,762,869	$ 25,253,921	$ 26,970,431	$ 28,718,559
Fiduciary net position as a percentage of the total pension liability	41.3%	45.7%	42.4%	42.4%
Covered employee payroll	$ 10,455,308	$ 10,337,242	$ 9,281,758	$ 9,612,750
Fund's net pension liability as a percentage of covered employee payroll	275.1%	290.6%	298.8%	298.8%
Annual money-weighted rate of return, net of investment expense	-2.26%	4.96%	16.03%	3.59%

Note to Schedule: Covered-employee payroll is estimated using officer contributions divided by the contribution percentage.

Note: GASB 67 was implemented in fiscal year 2014, therefore information for entire ten years is not available. Calculations were performed beginning with fiscal year 2012

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE
REQUIRED SUPPLEMENTARY INFORMATION
Last Ten Years

Schedule of the City of Galveston's Contributions

	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,443,661	$ 3,803,070	$ 1,713,305	$ 1,486,691	$ 1,255,887
Contributions in relation to the contractually required contribution	2,443,661	3,803,070	1,713,305	1,486,691	1,255,887
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	$ 13,236,218	$ 12,539,068	$11,432,183	$ 10,465,725	$10,455,308
Contributions as a percentage of covered payroll	18.5%	30.3%	15.0%	14.2%	12.0%

	2015	2014	2013	2012	2011
Contractually required contribution	$ 1,257,637	$ 1,240,469	$ 1,114,126	$ 1,117,059	$ 1,070,099
Contributions in relation to the contractually required contribution	1,257,637	1,240,469	1,114,126	1,117,059	1,070,099
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	$ 10,455,308	$ 10,337,242	$ 9,281,758	$ 9,612,750	$ 8,917,493
Contributions as a percentage of payroll	12.0%	12.0%	12.0%	11.6%	12.0%

Contributions to the Fund are based on negotiations between the members and the City rather than an actuarially determined rate. The funding policy of the City of Galveston's Employees' Retirement Plan for Police requires contributions from both the City and the police. The City's contribution rate increased to 14.83% of member payroll. Member contributions are 12.00%.

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO SCHEDULE OF CONTRIBUTIONS

Year Ended December 31, 2020

Valuation date:	January 1, 2020	January 1, 2019
Methods and assumptions used to determine contribution rates:		
Asset valuation method	Adjusted market value, with asset gains and losses recognized over 5-years. The adjusted market value is adjusted to remain within a corridor range of 90% to 110% of fair market value.	Adjusted market value, with asset gains and losses recognized over 5-years. The adjusted market value is adjusted to remain within a corridor range of 90% to 110% of fair market value.
Actuarial cost method	<u>The Entry Age Normal Actuarial Cost Method</u>. The present value of the projected benefit (PVB) is determined as of the date the member entered the plan (or would have entered if the plan had always been in effect). The present value of future salary (PVFS) is also determined at entry age. The percentage of the PBVS represented by the PVB is the level percent of pay which, if contributed every year, would exactly fund the benefit if the valuation actuarial assumptions were realized. The actuarial accrued liability is the theoretical value of assets which would result from the accumulation of these contributions from the plan entry until the valuation date.	<u>The Entry Age Normal Actuarial Cost Method</u>. The present value of the projected benefit (PVB) is determined as of the date the member entered the plan (or would have entered if the plan had always been in effect). The present value of future salary (PVFS) is also determined at entry age. The percentage of the PBVS represented by the PVB is the level percent of pay which, if contributed every year, would exactly fund the benefit if the valuation actuarial assumptions were realized. The actuarial accrued liability is the theoretical value of assets which would result from the accumulation of these contributions from the plan entry until the valuation date.
Amortization method	The unfunded actuarial accrued liability is assumed to be funded by level percent contributions of employee valuation payroll based on an assumed annual payroll growth of 3.5% per year.	The unfunded actuarial accrued liability is assumed to be funded by level percent contributions of employee valuation payroll based on an assumed annual payroll growth of 3.5% per year.
Investment rate of return Inflation rate	7.00%	7.00%
Administrative expense	0.95% of payroll	0.95% of payroll
Salary increases	4.00% per annum for wage inflation 3.00% grading down to 0.00% per annum for longevity and promotion based on years of service. The total annual assumed salary increase for wage inflation plus longevity and promotion is based on years of service according to the following table: Years of Service: Salary Increase 1 - 5: 7.00% 6 - 10: 6.00% 11 - 15: 5.00% 16+: 4.00%	4.00% per annum for wage inflation 3.00% grading down to 0.00% per annum for longevity and promotion based on years of service. The total annual assumed salary increase for wage inflation plus longevity and promotion is based on years of service according to the following table: Years of Service: Salary Increase 1 - 5: 7.00% 6 - 10: 6.00% 11 - 15: 5.00% 16+: 4.00%
Overtime Pay	10% of base pay	10% of base pay
Payroll Growth	3.5% per annum	3.5% per annum
Valuation Compensation	Base pay rate as of the valuation date increased by the annual salary scale assumption and loaded 10% for overtime (benefit accrual excludes overtime load)	Base pay rate as of the valuation date increased by the annual salary scale assumption and loaded 10% for overtime (benefit accrual excludes overtime load)
Mortality Rates:	PubS-2010 Employee and Healthy Annuitant mortality tables projected generationally with Scale MP-2019. For post-retirement spouse mortality, PubS-2010 Healthy Annuitant (opposite gender) mortality projected generationally with Scale MP-2019. All disabled members are assumed to be male using PubS-2010 Male Disability mortality tables and their spouses are assumed to be female using PubS-2010 Female Healthy Annuitant mortality tables both projected generationally with Scale MP-2019.	PubS-2010 Employee and Healthy Annuitant mortality tables projected generationally with Scale MP-2018. For post-retirement spouse mortality, PubS-2010 Healthy Annuitant (opposite gender) mortality projected generationally with Scale MP-2018. All disabled members are assumed to be male using PubS-2010 Male Disability mortality tables and their spouses are assumed to be female using PubS-2010 Female Healthy Annuitant mortality tables both projected generationally with Scale MP-2018.

CITY OF GALVESTON EMPLOYEES' RETIREMENT PLAN FOR POLICE
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS
Year Ended December 31, 2020

Valuation date:	January 1, 2017	January 1, 2016
Methods and assumptions used to determine contribution rates:		
Asset valuation method	Adjusted market value, with asset gains and losses recognized over 5-years. The adjusted market value is adjusted to remain within a corridor range of 90% to 110% of fair market value.	Adjusted market value, with asset gains and losses recognized over 5-years. The adjusted market value is adjusted to remain within a corridor range of 90% to 110% of fair market value.
Actuarial cost method	The Entry Age Normal Actuarial Cost Method. The present value of the projected benefit (PVB) is determined as of the date the member entered the plan (or would have entered if the plan had always been in effect). The present value of future salary (PVFS) is also determined at entry age. The percentage of the PBVS represented by the PVB is the level percent of pay which, if contributed every year, would exactly fund the benefit if the valuation actuarial assumptions were realized. The actuarial accrued liability is the theoretical value of assets which would result from the accumulation of these contributions from the plan entry until the valuation date.	The Entry Age Normal Actuarial Cost Method. The present value of the projected benefit (PVB) is determined as of the date the member entered the plan (or would have entered if the plan had always been in effect). The present value of future salary (PVFS) is also determined at entry age. The percentage of the PBVS represented by the PVB is the level percent of pay which, if contributed every year, would exactly fund the benefit if the valuation actuarial assumptions were realized. The actuarial accrued liability is the theoretical value of assets which would result from the accumulation of these contributions from the plan entry until the
Amortization method	The unfunded actuarial accrued liability is assumed to be funded by level percent contributions of employee valuation payroll based on an assumed annual payroll growth of 3.5% per year.	The unfunded actuarial accrued liability is assumed to be funded by level percent contributions of employee valuation payroll based on an assumed annual payroll growth of 3.5% per year.
Investment rate of return	7.50%	8.00%
Inflation rate		
Administrative expense	0.50% per annum	0.50% per annum
Salary increases	4.00% per annum for wage inflation	4.00% per annum for wage inflation
	3.00% grading down to 0.00% per annum for longevity and promotion based on years of service.	6.24% grading down to 0.00% per annum for longevity and promotion based on years of service.
	The total annual assumed salary increase for wage inflation plus longevity and promotion is based on years of service according to the following table:	The total annual assumed salary increase for wage inflation plus longevity and promotion is based on years of service according to the following table:

Years of Service	Salary Increase (January 1, 2017)	Salary Increase (January 1, 2016)
1 - 5	7.00%	10.24%
6 - 10	6.00%	6.08%
11 - 15	5.00%	5.56%
16+	4.00%	4.00%

Overtime Pay	10% of base pay	10% of base pay
Payroll Growth	3.5% per annum	4.0% per annum
Valuation Compensation	Base pay rate as of the valuation date increased by the annual salary scale assumption and loaded 10% for overtime (benefit accrual excludes overtime load)	Base pay rate as of the valuation date increased by the annual salary scale assumption and loaded 10% for overtime (benefit accrual excludes overtime load)
Mortality Rates:	RP-2014 Blue Collar Mortality Table for males and females with generational projection using Scale MP-2015	RP-2014 Blue Collar Mortality Table for males and females with generational projection using Scale MP-2015

Galveston Police Retirement Fund

COMPILED FINANCIAL STATEMENTS
For the One Month and Three Months Ended
March 31, 2021

Ham, Langston & Brezina, L.L.P.
CPAs and Advisors

1011 Tremont St.
Galveston, Texas 77550
409-765-9311 Main
hlb-cpa.com

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Galveston Police Retirement Fund
Galveston, TX 77550

Management is responsible for the accompanying financial statements of Galveston Police Retirement Fund (a Texas, non -profit organization), which comprise the Statement of Net Assets Available for Benefits- tax basis as of March 31, 2021, and the related Statement of Changes in Net Assets Available for Benefits- tax basis for the one month and three months then ended in accordance with the tax basis of accounting, and for determining that the tax basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

We are not independent with respect to Galveston Police Retirement Fund as we perform monthly administrative duties for the plan.

Ham, Langston, & Brezina
Galveston, TX

April 18, 2021

Galveston Police Retirement Fund
Statement of Net Assets Available for Benefits
As of March 31, 2021

Assets

Cash - Moody National Bank		(247,072.86)
Cash sweep - Schwab		1,022,195.74
Cash MM - Moody National Bank		0.00
Accrued dividends & interest		55,327.00
Loans receivable-retirees		277,867.24
Due to Schwab		190,000.00
Investments, at FMV		
Investments-govt & corp bonds	5,551,418.28	
Market value adj - bonds	102,574.79	
Exchange Traded Funds	939,385.38	
Market value adj. - ETF	33,718.62	
Investments-common stock	11,360,781.56	
Market value adj - stocks	3,908,907.83	
Real Estate Investment Trusts	289,768.97	
Market value adj. - REIT	(20,970.25)	
Investments - Equity funds - MNB	176,245.26	
Market value adj. - Equity funds - MNB	48,719.50	
Fixed Income funds - MNB	130,647.69	
Market value adj. - Fixed Income - MNB	(70.08)	
Total investments		22,521,127.55
Total Assets		$ 23,819,444.67

Liabilities

Accounts payable	19,301.00
Payroll tax payable	4,694.56
Child support payable	1,584.00
Total Liabilities	$ 25,579.56

Net Assets Available for Benefits	$ 23,793,865.11

Balance 3/31/20 17,410,653

Balance 12/31/20 22,801,320

See Accountants' Compilation Report

1

Galveston Police Retirement Fund
Statement of Changes in Net Assets
Available for Benefits
For the One Month and Three Months Ending March 31, 2021

	1 Month Ended March 31, 2021	3 Months Ended March 31, 2021	3 Months Ended March 31, 2020
ADDITIONS:			
Contributions			
Contributions - Police	$ 118,865.47	$ 297,345.28	372,887.07
Contributions - City	0.00	0.00	0.00
Total contributions	118,865.47	297,345.28	372,887.07
Investment income			
Net unrealized Gain/(Loss) in FMV	947,926.46	1,594,623.55	(3,865,075.56)
Capital Gain distributions	0.00	0.00	0.00
	947,926.46	1,594,623.55	(3,865,075.56)
Interest	12,615.09	56,818.83	0.00
Interest - Retiree Loans	2,604.94	6,112.98	42,094.73
Dividends	45,033.34	86,041.18	5,901.79
Other Receipts	0.00	0.00	77,408.41
Total Other Income	60,253.37	148,972.99	125,404.93
Total Investment Income/(loss)	1,008,179.83	1,743,596.54	(3,739,670.63)
Less: Investment expense			
Manager expense	(6,537.50)	(19,465.24)	(17,993.57)
Total investment expense	(6,537.50)	(19,465.24)	(17,993.57)
TOTAL ADDITIONS	1,120,507.80	2,021,476.58	(3,384,777.13)
DEDUCTIONS:			
Retirement benefits	295,492.07	886,476.21	896,972.44
Benefits - non-taxable	3,466.63	10,399.89	10,686.38
Survivor benefits	2,549.37	7,648.11	7,648.11
Survivor benefits - non-taxable	25.63	76.89	76.89
Disability benefits	1,449.76	4,349.28	4,349.28
Disability benefits - non-taxable	50.24	150.72	150.72
Rollover benefits	0.00	0.00	7,178.92
Lumpsum benefits	26,617.33	96,956.84	192,320.95
Actuarial expenses	0.00	1,750.00	15,300.00
Custodial services	170.94	517.29	517.98
Legal fees	912.00	912.00	0.00
Audit fees	0.00	0.00	23,938.29
Accounting fees	12,960.00	15,570.00	0.00
Insurance	0.00	0.00	0.00
Miscellaneous	877.50	2,211.67	(1,758.89)
Foreign Taxes	0.00	796.05	0.00
TOTAL DEDUCTIONS	344,571.47	1,027,814.95	1,157,381.07
Net increase/(decrease)	$ 775,936.33	$ 993,661.63	(4,542,158.20)

See Accountant's Compilation Report

SUPPLEMENTAL SCHEDULE

Galveston Police Retirement Fund
Supplemental Schedule
Retiree Loans Receivable
March 31, 2021

Retiree	Outstanding Loan
Loans receivable - R. Owens	$ 29,160.06
Loans receivable-A. Mitchell	8,355.51
Loans receivable- J. Harris	13,582.33
Loans receivable-H. Dominguez	18,017.96
Loans receivable-J Loyd	2,296.64
Loans receivable - Duenez	8,251.25
Loans receivable- Sanderson, L.	23,541.26
Loans receivable - Erickson	6,457.97
Loans receivable - Juana Villarreal	17,167.06
Loans receivable - T. Buck	38,514.18
Loans receivable - Murdock	5,792.95
Loan receivable - Smith, Larry	5,010.97
Loan receivable - Smith, Amanda	1,805.93
Loan receivable - Arellano, O.	3,339.64
Loan receivable - Sims, D.	12,500.15
Loans receivable - Chapman, A.	17,617.57
Loans receivable - Gillis	3,239.28
Loans receivable - D. Watson	33,101.11
Loans receivables - J. Kylen	27,873.26
Loans receivable - Perry	2,242.16
Total	$ 277,867.24

See Accountants' Compilation Report

1

The City of Galveston Employees' Retirement Plan for Police

Actuarial Valuation Report
As of January 1, 2021

Definiti LLC
May 4, 2021

DEFINITI

2201 Timberloch Place, Suite 150
The Woodlands, TX 77380
(281) 296-1107
definiti-llc.com

May 4, 2021

Police Retirement Board of Trustees
The City of Galveston Employees' Retirement Plan for Police
1011 Tremont
Galveston, Texas 77550

Re: 2021 ACTUARIAL VALUATION

Members of the Board of Trustees:

The Board of Trustees for The City of Galveston Employees' Retirement Plan for Police retained Definiti LLC to perform an actuarial valuation as of January 1, 2021. This report summarizes the results of our study including an analysis of current funded status and a projection of valuation results. It also provides financial accounting and disclosure information in accordance with GASB Nos. 67 and 68 with results organized as follows:

- Section 1 – Valuation Highlights
- Section 2 – Executive Summary
- Section 3 – Actuarial Exhibits
- Section 4 – Valuation Basis

Summary of Results

The unfunded actuarial liability was $37.3 million (38.0% funded status) as of January 1, 2021, compared to $37.6 million (36.4 % funded status) in the prior valuation. Provided future plan experience is consistent with the underlying valuation basis, including the current contribution policy, the unfunded actuarial liability is expected to be amortized over 27 years based on the 2021 valuation, compared to 28 years in the 2020 valuation. Due to favorable experience, the City and Member Contribution Rates are projected to remain at 18.00% and 12.00% to achieve this 27-year amortization period.

Texas Pension Review Board (PRB) guidelines for actuarial soundness require a contribution policy that will amortize the unfunded liability over a preferred period of 10-25 years, not to exceed a maximum of 30 years. The 2021 valuation indicates the current financing arrangement satisfies the PRB funding policy guidelines.

Certification

We certify the amounts presented in the 2021 valuation report have been determined according to the actuarial assumptions and methods selected by the Board of Trustees, with review and concurrence by Definiti. However, it is important to note that future results may be materially different if actual plan experience varies significantly from the underlying valuation basis. Differences could occur for a number of reasons such as plan experience differing from underlying demographic and economic assumptions, changes in the plan provisions, or changes in the law or accounting standards. Due to the limited scope of this report, an analysis of the potential range of impact on results from any such future measurements has not been performed.

Although the scope of this Actuarial Report is as stated above, there are events and anomalies that are identified below to disclose risks associated with their impact on the plan and its cost. The assessment and disclosure of these risks and the actual future results may reasonably be expected to differ. These risks can impact pension obligations, the funded status, and the adequacy of the funding policy.

Investment Risk - As the return on the plan trust assets is subject to market return, should the actual rate of return be lower than the expected return the cost of the plan will rise and vice versa.

Asset/Liability Mismatch Risk - The changes in assets are not tied to the changes in the value of liabilities in direction or magnitude.

Longevity and other Demographic Risks - Cessation from employment due to termination, disability, death, or retirement may not directly align with the assumptions used to value the Actuarial Accrued Liability (AAL). Actual demographic experience of the plan population may increase or decrease the future measurement of the AAL.

Contribution Risk - The expected period to fully amortize the Unfunded AAL as stated in this valuation presumes future contributions will follow the current funding policy. If contributions are less than expected, the funded status will likely decrease over time. The current plan funding policy indicates that the members will contribute 12.00% of their plan compensation and the City will contribute 18.00% of payroll over the next five years, and this valuation has not considered the possibility of unpaid contributions. Thereafter, if these contributions are not sufficient to cover the actuarially determined contribution, the City and Member contributions will increase to cover the difference. If the Board knows of events that might impact the ability to follow the funding policy; these events should be discussed and evaluated as to how they may or may not impact the future funded status of the plan.

Understand that the above risks may not be independent of one another. Thus, it is important to discuss any known upcoming changes in the City of Galveston's financials and the impact on the Fund to better identify associated risks. Please discuss with me any impending changes as soon as possible, so corresponding measures may be taken to align the pension plan liabilities with these variations.

Also understand that this valuation did not assess the likelihood or consequences of potential future changes in applicable law that would impact future benefits or funding of the plan. Should applicable law be changed, these changes will be addressed in separate actuarial communications.

The 2021 actuarial valuation was based upon member census data, financial information and plan provisions as provided by the Plan Administrator. We performed testing as needed to assure the reasonableness of the underlying input and the results of the study, but we did not audit the census data. The 2021 valuation was prepared in accordance with generally accepted actuarial principles and practices including compliance with applicable Actuarial Standards of Practice issued by the Actuarial Standards Board.

Information contained in this report was prepared for the Board of Trustees as well as the respective auditors of the GASB Nos. 67 and 68 financial disclosure information. If the results of the Fund's audited financials differ from the asset values used in this report, then the GASB exhibits contained herein may need to be updated. This report is not intended for any other purposes, and it should not be distributed to any outside party without the express written consent of Definiti, as significantly different results from those contained in this report may be needed for other purposes.

The measures of funded status for long-term funding policy and PRB actuarial soundness should not be relied upon for assessing the sufficiency of plan assets for settlement of liabilities for plan termination. Likewise, the measurements of funded status for GASB Nos. 67 and 68 accounting disclosures should not necessarily be relied upon for assessing the need for or amount of future contributions or for assessing the sufficiency of plan assets for settlement of plan liabilities for plan termination. Throughout this report, measures of funded status are based on the actuarial value of assets unless otherwise noted. These measures would be different if based on the market value of assets.

The undersigned has met the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" and is available to respond to any questions regarding the information contained in this report or provide further details or explanations as needed, respectfully submitted by Definiti LLC

David A. Sawyer

David A. Sawyer, FSA MAAA EA
Senior Consulting Actuary

Table of Contents

1. Valuation Highlights

FUNDING VALUATION	January 1, 2020	January 1, 2021
Fair Value of Assets	$21,952,811	$22,771,571
Average Annual Return (prior year)	18.0%	4.6%
Actuarial Value of Assets	$21,541,864	$22,845,333
Average Annual Return (prior year)	5.1%	7.0%
Present Value of Projected Benefits	$75,619,864	$77,992,304
% funded	28.5%	29.3%
Actuarial Accrued Liability	$59,113,656	$60,101,768
% funded	36.4%	38.0%
Unfunded Actuarial Liability (UAL)	$37,571,792	$37,256,435
% of valuation payroll	301.5%	290.4%
Normal Cost Rate (as a % of payroll)	13.24%	13.31%
Funding Policy Contribution Rates for following FY		
City	18.00%	18.00%
Officer	12.00%	12.00%
Total	30.00%	30.00%
Remaining UAL Amortization Period (years)	28	27
Actuarially Determined Contribution Rate for following FY	30.14%	29.96%
ASSUMPTIONS		
Investment Return	7.00%	7.00%
Salary Scale	Graded by Service	Graded by Service
Payroll Growth Assumption	3.50%	3.50%
Administrative Expense Assumption (as a % of payroll)	0.95%	0.95%
DEMOGRAPHICS		
Active	155	156
Terminated with Deferred Benefits	33	37
Retirees\Beneficiaries	144	144
Total	332	337
Valuation Payroll (with Overtime Adjustment)	$12,460,037	$12,829,898
Average Pay	$80,909	$82,774

1. Valuation Highlights (continued)

GASB 67 PLAN ACCOUNTING DISCLOSURE	December 31, 2019	December 31, 2020
Total Pension Liability	$59,113,656	$60,101,768
Plan Fiduciary Net Position	$21,952,811	$22,771,571
Fund Net Pension Liability	$37,160,845	$37,330,197
Effective Discount Rate	7.00%	7.00%

GASB 68 EMPLOYER ACCOUNTING DISCLOSURE	Fiscal Year Ending September 30, 2020	Fiscal Year Ending September 30, 2021
Total Pension Liability	$59,113,656	$60,101,768
Plan Fiduciary Net Position	$21,952,811	$22,771,571
Fund Net Pension Liability	$37,160,845	$37,330,197
Measurement Date	December 31, 2019	December 31, 2020
Pension Expense	$4,340,311	$3,617,656
Effective Discount Rate	7.00%	7.00%

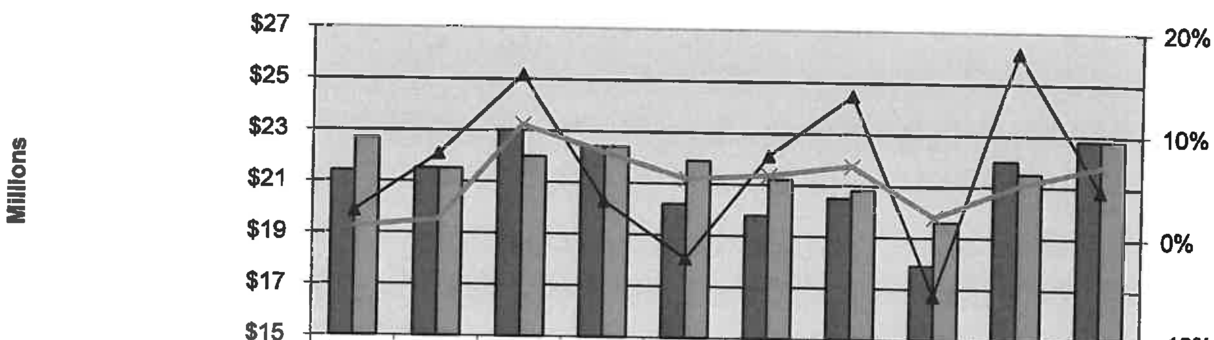
2.1 Plan Asset Values

The *fair value (FV)* of plan assets was $22.8 million as of January 1, 2021, compared to $22.0 million for the prior valuation. The increase of $0.8 million was primarily attributable to net investment income of $1.0 million offset by a negative cash flow to the Fund of $0.2 million (contributions of $4.0 million less total disbursements of $4.2 million). Please see Exhibit 3.1 for details on the development of the fair value of plan assets and reconciliation with prior year values.

The rate of return on the fair value of assets was 4.6% (net of investment expenses) for plan year ended 2020, compared to the long-term investment return assumption of 7.0% (net of investment expenses). The rate of return on the fair value of assets averaged 7.4% over the last 5 years and 6.2% over the last 10 years. Based on future expectations, the Board adopted a 7.00% assumed investment return (net of investment expenses, and it should continue to monitor this assumption carefully.

Please note the long-term interest rate assumption was changed from net of all trust payable expenses, to net of investment management expenses only effective January 1, 2015, analogous to the GASB rules. As a result, historical rates of return in the chart below are calculated net of all trust paid expenses prior to that date, but net of investment management expenses only after that date.

Plan Asset Comparison as of January 1



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Plan Assets (FV)	$21.4	$21.5	$23.0	$22.4	$20.2	$19.8	$20.5	$17.9	$22.0	$22.8
Plan Assets (AV)	$22.7	$21.5	$22.0	$22.4	$21.9	$21.2	$20.8	$19.6	$21.5	$22.8
ROR FV Prior Yr	2.1%	7.7%	15.4%	3.2%	-2.3%	7.8%	13.7%	-5.7%	18.0%	4.6%
ROR AV Prior Yr	0.6%	1.3%	10.6%	8.0%	5.5%	5.9%	6.9%	2.0%	5.1%	7.0%

To produce a more stable measure of plan asset values for measuring long-term actuarial soundness, the *actuarial value of assets (AV)* is developed as the fair value of plan assets as of the measurement date with deferred recognition of investment gains and losses amortized straight-line over 5 years (20% per year), subject to corridor limits within a range of 90% to 110% of the fair value of assets.

As developed in Exhibit 3.2, the AV was $22.8 million as of January 1, 2021, compared to $21.5 million for the prior valuation. After application of the asset smoothing method, the annual rate of return on AV was 7.0% for the 2020 plan year and averaged 5.4% over the last 5 years.

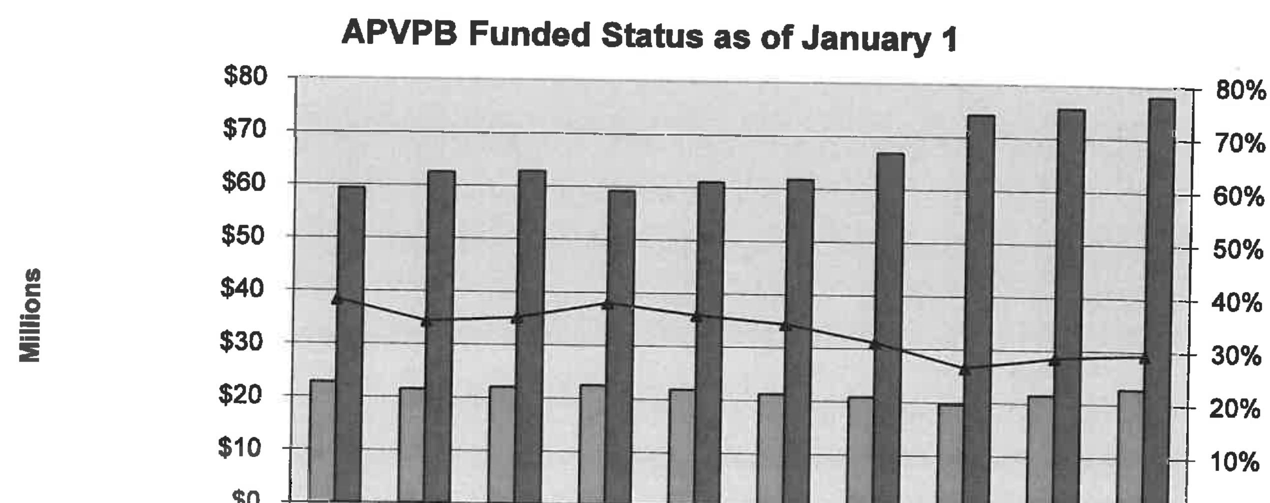
2.2 Actuarial Present Value of Projected Benefits

The true cost of a pension plan is the accumulation of benefit payments less investment income (net of expenses), over the lifetime of the program. In the actuarial valuation process, we use a mathematical model to project the future stream of plan benefits. The model incorporates current plan provisions and member census data, using the actuarial assumptions to predict future events.

Discounting the stream of expected future benefit payments for the time value of money produces the *actuarial present value of projected benefits (APVPB)*. This represents the hypothetical amount of plan assets necessary to fully fund future plan costs for all current members – assuming future plan experience follows the actuarial assumptions. It is important to note that this measure of pension liability includes benefits that have not yet been fully earned for current employees, based on expected future pay increases as well as projected service, a portion of which will be funded by future contributions.

The total APVPB was $78.0 million as of January 1, 2021, compared to $75.6 million for the prior year valuation. The net increase of $2.4 million is primarily attributable to the normal operation of the plan, including new entrants and maturing plan obligations, offset by benefit payments. Please see Exhibit 3.3 for details on the development of the APVPB.

Comparing the actuarial value of plan assets to the APVPB provides one measure of long-term funding policy progress. The APVPB funded status increased from 28.5% to 29.3% since the prior valuation. As illustrated below, funded status has not fully recovered from the decade long trend of workforce contraction that began in 2012, lower than assumed returns on investments and updates to the actuarial assumptions. Assuming the current actuarial assumptions are met, the recent changes made to the funding policy should restore the plan's funded status over the next 27 years.



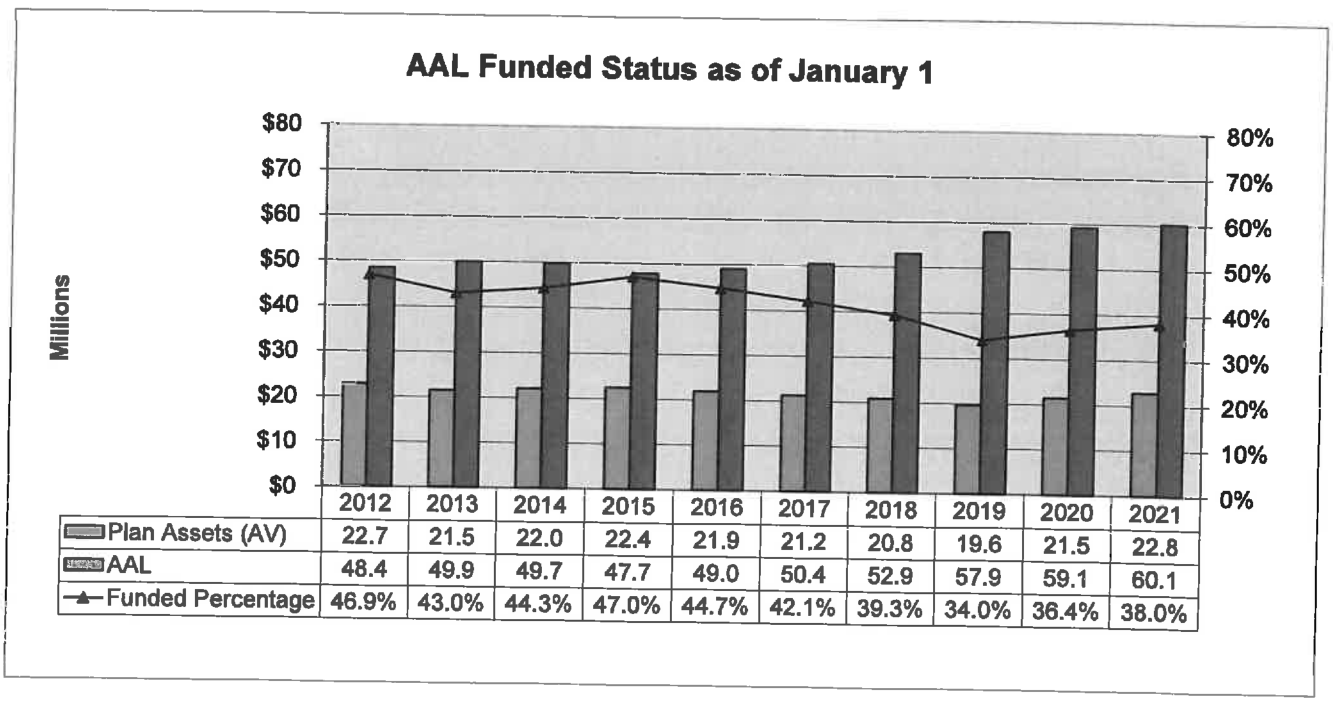
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Plan Assets (AV)	22.7	21.5	22.0	22.4	21.9	21.2	20.8	19.6	21.5	22.8
APVPB	59.2	62.4	62.7	59.1	61.0	61.7	66.8	74.2	75.6	78.0
Funded Percentage	38.3%	34.4%	35.1%	38.0%	35.9%	34.4%	31.1%	26.5%	28.5%	29.3%

2.3 Actuarial Accrued Liability

As a practical matter, few plan sponsors can afford to fully fund benefits before they have been earned. Generally accepted actuarial principals apply a mathematical formula known as an actuarial cost method to allocate the APVPB over periods of employee service. The portion of cost attributable to periods of employee service rendered prior to the valuation date is the *actuarial accrued liability (AAL)*, and the allocation to the current year of expected employee service is referred to as *normal cost (NC)*.

Comparing the AAL to the actuarial value of plan assets provides a more appropriate measure of progress in long-term funding policy over the period that employee services are rendered. The *unfunded actuarial accrued liability (UAAL)* was $37.3 million as of January 1, 2021, compared to $37.6 million for the prior year. The net decrease of $0.3 million in UAAL is primarily due to demographic gains during the year. Please see Exhibit 3.4 for more details on the development of the UAAL.

Comparing the actuarial value of plan assets to the AAL provides another measure of long-term funding policy progress, more consistent with the attribution of liabilities and costs to periods of member service. The AAL funded status increased from 36.4% to 38.0% since the prior valuation. As illustrated below, the funded status has declined over the last decade, but the trend has been positive since the reforms adopted beginning with the 2019 valuation. Assuming the current actuarial assumptions are met, the recent changes made to the funding policy should restore the plan's funded status over the next 27 years.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Plan Assets (AV)	22.7	21.5	22.0	22.4	21.9	21.2	20.8	19.6	21.5	22.8
AAL	48.4	49.9	49.7	47.7	49.0	50.4	52.9	57.9	59.1	60.1
Funded Percentage	46.9%	43.0%	44.3%	47.0%	44.7%	42.1%	39.3%	34.0%	36.4%	38.0%

2.4 Funding Policy and Deterministic Forecast of UAL

Under Article 6243p of Vernon's Texas Civil Statutes, the Funding Policy is now based on an actuarially determined contribution rate (ADCR) designed to fully amortize the AAL over a 30-year period beginning January 1, 2019. Similar to other Funds that measure an actuarially determined contribution rate, the ADCR calculated in the current calendar year will apply to the contributions made for the following plan year. Under the statute, the City will contribute 18% of payroll for the 2020 – 2024 plan years, while the members will contribute 12% for that period. After 2024, if the ADCR exceeds the total contribution of 30% of payroll, City and the members will increase their contribution percentage to make up the difference (City by 1/2 and members by 1/2 of difference as a percent of payroll). While member contributions will be made throughout the plan year, City contributions will be deposited in an annual lump sum each October based on the budgeted forecast of member payroll. If actual payroll exceeds the budgeted amount, a true-up contribution will be made within three months following the City's fiscal year.

Current Texas Pension Review Board (PRB) pension funding guidelines recommend a funding policy that will amortize the UAAL over a period of 10-25 years, not to exceed a maximum period of 30 years. Furthermore, plan improvements should not be considered if the resulting expected amortization period would exceed 25 years.

To measure the expected UAAL amortization period, we performed the projection summarized below. The UAAL expected amortization period was 30 years as of January 1, 2019, as developed in Exhibit 3.5, with the 2021 values reflecting actual experience during 2019 and 2020. Due to the favorable 2020 experience, contributions for the City and Members are projected to remain at 18.0% and 12%, respectively. Below is a summary of the results from Exhibit 3.5.

Year	Time Period	UAAL ($Millions)	City Contribution Rate	Member Contribution Rate
2019	-2 year	$38.3	17.00%	12.00%
2021	0	$37.3	18.00%	12.00%
2025	4	$38.9	18.00%	12.00%
2026	5	$39.1	18.00%	12.00%
2027	6	$39.3	18.00%	12.00%
2028	7	$39.4	18.00%	12.00%
2029	8	$39.3	18.00%	12.00%
2030	9	$39.2	18.00%	12.00%
2036	15	$35.2	18.00%	12.00%
2041	20	$25.9	18.00%	12.00%
2046	25	$8.0	18.00%	12.00%
2048	27	-$2.5	18.00%	12.00%

It is important to note that the UAAL expected amortization period is based on the assumption that the Actuarial Value rather than the Fair Value of Assets will grow at 7.00% per year. It is important to also consider the results assuming the Fair Value of Asset will grow at the assumed rate when forecasting future valuation results. Currently, there is a deferred asset loss of $0.074 million, that will be recognized gradually over the next few years. Because the deferred asset loss is minor there will be no impact on contributions throughout the forecast period by assuming a 7.00% return on Fair Value of Asset.

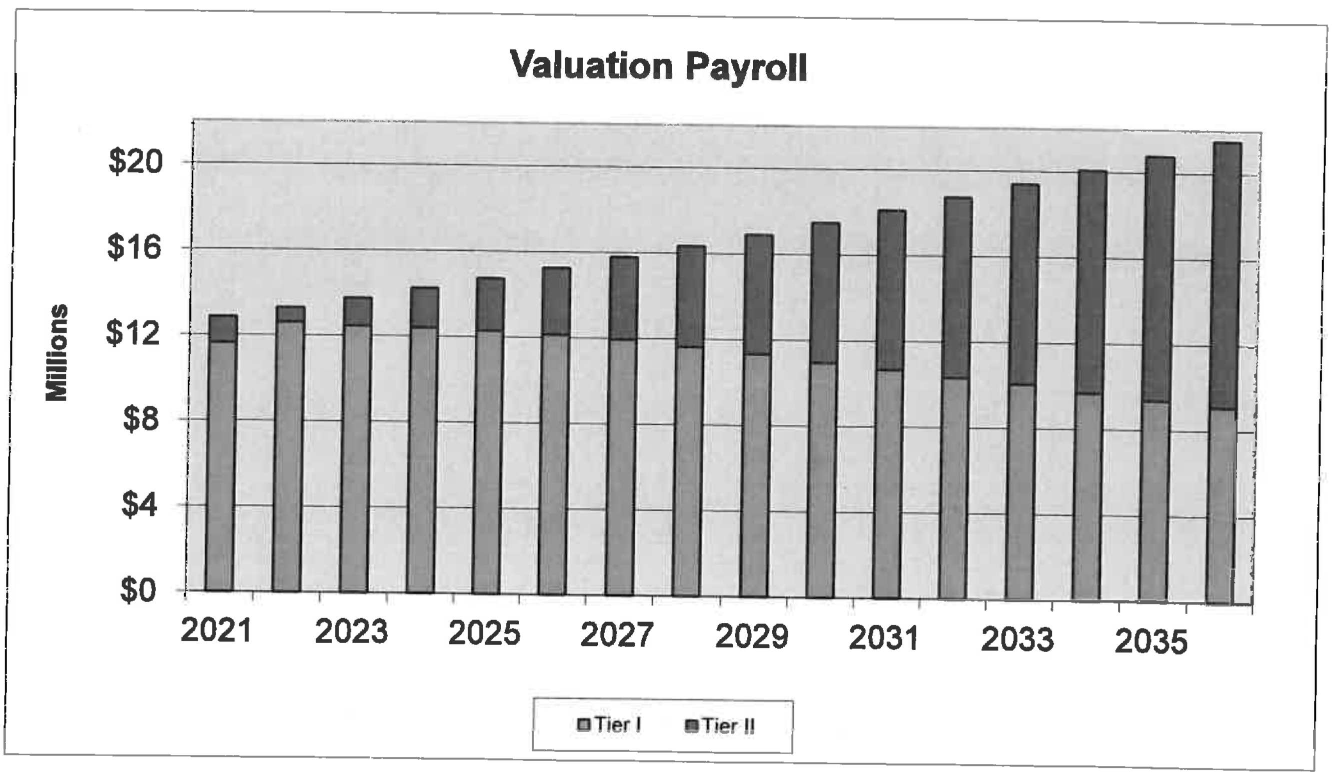
2.5 Open Group Forecast Valuation

The measurements of liabilities summarized in Exhibit 3.4 are based only on the current group of plan members as of the valuation date, what is commonly referred to as a closed group valuation. Based on the results from the 2021 valuation, we can also project pension plan liabilities and costs using an open group forecast that reflects future entrants.

Valuation Payroll

Based on the data provided for the 2021 valuation, the payroll is projected forward using the 3.50% payroll growth assumption from the actuarial valuation. From this amount, the projected payroll from the closed group projection is subtracted resulting in the projected payroll for future entrants. As the remaining Group A members are basically receiving the same benefit as Group B members, we are grouping them together for this forecast (Tier I). New entrants will have the new plan provisions with later retirement eligibility (Tier II).

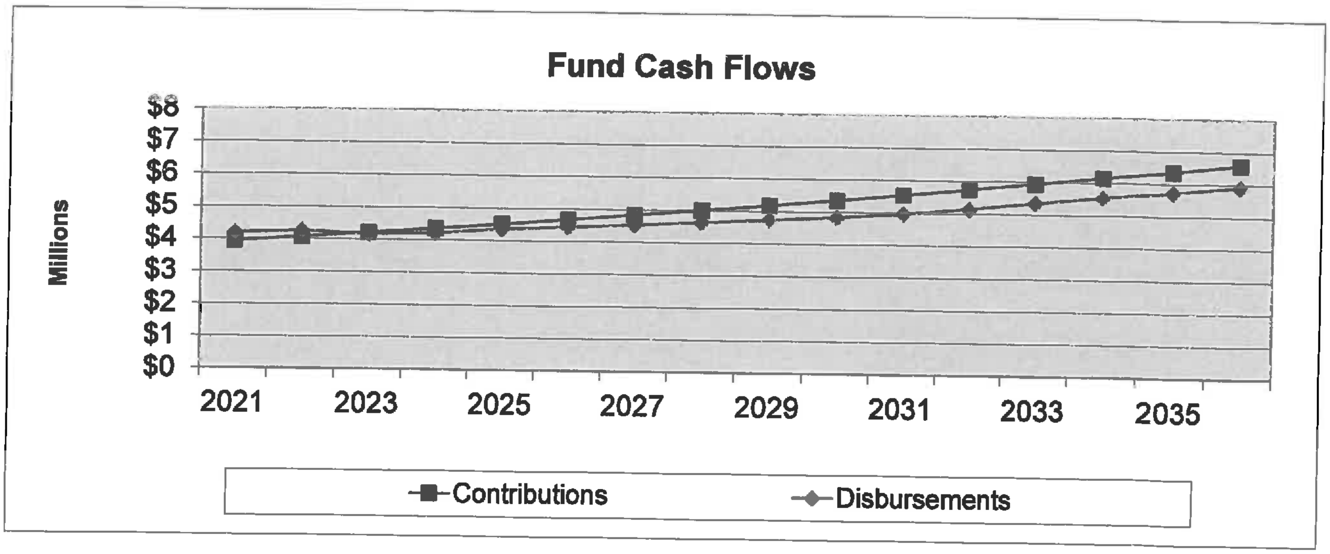
Below is a graph of the open group payroll over the next 15 years. As you can see, about 58% of the payroll will be from Tier II members by 2036.



2.5 Open Group Forecast Valuation (continued)

Fund Cash Flows

Total disbursements have exceeded total contributions for the last several years, resulting in negative net cash flow to the Fund. This temporarily reversed in 2019 with the City making contributions for both the 2019 and 2020 plan years. Based on the 2021 valuation, our projections indicate the Fund cash flow will shift positive starting in 2024.



2.6 GASB 67/68 Accounting Information

The GASB adopted changes to GASB Statement Nos. 25 and 27, creating GASB statement Nos. 67 and 68. These statements apply to the actuarial valuation for accounting disclosures only, and do not change the calculation of the actuarially determined financing arrangement. The accounting statements expanded the disclosure information required for both the Fund and the sponsoring employer and also increased the complexity of the actuarial calculations. Below is a high-level summary of the impact for the Plan and the City of Galveston based on our current understanding of the guidance issued to date:

- *Terminology* – GASB 67 and 68 created different labels for the traditional actuarial terminology that was used in GASB 25 and 27. The actuarial accrued liability is referred to as the ***Total Pension Liability***, the market value of assets is referred to as the ***Plan Fiduciary Position***, and the unfunded actuarial liability and balance sheet liability are referred to as the ***Net Pension Liability***.

- *Net Pension Liability* – Under GASB 68, the City must recognize the unfunded actuarial liability on its balance sheet. Based on the 2021 actuarial valuation and applying the "look back" approach, the City's September 30, 2021 *Net Pension Liability* will increase to $37.3 million.

- *Discount Rate Assumption* – To the extent current plan assets and funding policy are not sufficient to cover projected plan benefit payments, the net pension liability would be measured using a blended discount rate based on the plan's long-term actuarial assumption for the funded portion and a 30 year municipal bond index rate (AA/Aa or higher) for the unfunded portion. Based on the 2021 valuation projections, this provision will not impact the Fund.

- *Pension Expense* – Under GASB 67, the pension expense will equal the difference between the Fund's actuarially determined contribution rate and actual contributions. However, GASB 68 requires a completely separate calculation of pension expense for the City's financial statements that results in more rapid cost recognition of changes in the Net Pension Liability than prior rules. The GASB 68 pension expense equals the sum of the following components:

    - Service Cost (Normal Cost) for additional benefits accrued.
    - Interest Cost on Total Pension Liability less Expected Return on Plan Fiduciary Position.
    - Amortization of changes in the components of Net Pension Liability:
        - Full and immediate recognition of plan changes and improvements.
        - Plan asset experience gains and losses amortized over 5 years.
        - Plan liability experience gain/loss amortized over future service (about 5 years).
        - Impact of assumption changes amortized over future service (about 5 years).

- *Expanded Disclosure* –Exhibit 3.7 provides GASB 67 disclosure information for the Fund from December 31, 2019 through December 31, 2020. Exhibit 3.8 provides GASB 68 disclosure information for City fiscal year end September 30, 2021, using the look back approach for the plan year end measurement date of December 31, 2020.

2.7 Membership Demographics

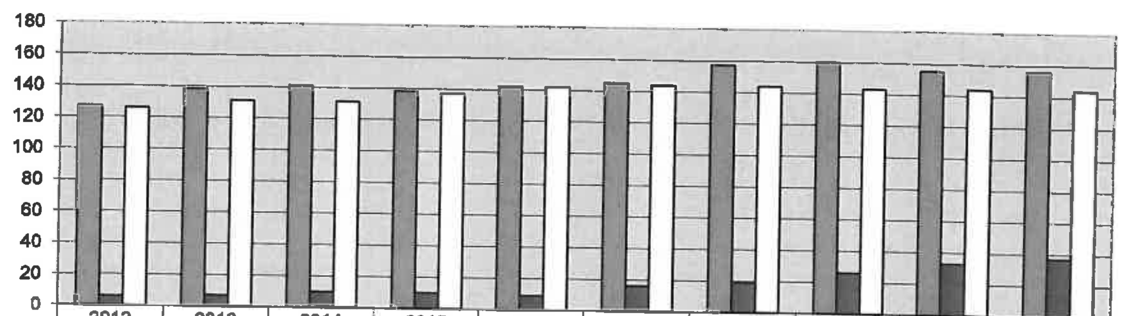
There were 156 active members (135 Tier I, 21 Tier II) covered by the Fund as of January 1, 2021, compared to 155 (141 Tier I, 14 Tier II) in the prior valuation. The average age of the active member group remained at 36.3 years, and average service increased from 8.5 to 8.8 years.

Based on member contributions, actual 2020 payroll (including overtime) increased by 5.6% over the prior year. With the demographic changes during 2020, the valuation payroll is projected to only increase from the prior year's estimate from $12.46 million to $12.83 million (3.0%). This valuation payroll does not meet the 3.5% payroll growth assumption, so this should be monitored to ensure the City actions do not hurt the Plan.

The number of retired and disabled members in pay status remained at 144, with the average annual benefit payments decreasing from $25,338 to $25,252. The number of inactive members with deferred payments/refunds due increased from 33 to 37.

Please see Exhibit 4.1 for a summary of census data used in the valuation as of January 1, 2021, along with the prior valuation. Exhibit 4.2 provides a reconciliation of census data by member group and exhibit 4.3 provides a distribution of active members by age and service.

Participants by Category as of January 1



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actives	127	138	141	138	142	145	157	160	155	156
Deferred Vested	6	7	10	10	9	16	19	26	33	37
Pay Status	126	131	131	137	142	144	144	143	144	144

As indicated above, the number of active members has increased from a low of 127 in year 2012 to 160 in year 2019 before decreasing to 156 in 2021. Over these ten valuation years, the active population grew about 23%. Over the same period, the number of retired and disabled members receiving monthly pensions has increased by about 14%. As a result, the ratio of the number active members to those in payment increased from 1.0 to 1.1.

2.8 Actuarial Methods and Assumptions

Introduction

Sponsoring a defined benefit pension plan is a long-term commitment, with the ultimate cost dependent on a number of financial and demographic variables. The actuarial valuation process uses a mathematical model and applies actuarial assumptions to predict these future events. Periodic updates of the actuarial valuation process are necessary to ensure the model is financially sound, comparing emerging plan asset and liability experience to valuation projections to measure actuarial gains and losses, making adjustments to the long-term actuarial assumptions if appropriate.

Actuarial Standards of Practice (ASOP)

ASOP No. 27 provides a framework for the actuary in providing advice on development of economic actuarial assumptions. Because no one knows for certain what the future holds with respect to volatile financial markets and a dynamic global economy, ASOP No. 27 emphasizes use of professional judgment to develop a best estimate for each economic assumption.

Under generally accepted actuarial principles, each individual assumption should represent a best estimate of expected long-term experience, and should also be reasonable and realistic in the aggregate. Likewise, the GASB accounting standards confirm that actuarial assumptions should be based on the actual plan experience (to the extent credible), emphasizing expected long-term future trends rather than giving undue weight to recent past experience.

ASOP No. 35 requires the actuary to use professional judgment in the selection of demographic and other non-economic actuarial assumptions considering the relevant universe of possible choices. It also directs the actuary to consider the specific characteristics of the particular benefit provisions and covered group of the plan being valued.

Reasonable demographic assumptions are defined as those that are expected to appropriately model the contingency being measured without producing any significant cumulative actuarial gains and losses over the measurement period. ASOP No. 35 encourages the use of more sophisticated models if appropriate for the situation (e.g., large plans) while also acknowledging that simplified techniques may actually be more accurate in other situations (e.g., small plans).

Please see Exhibit 4.4 for a summary of actuarial assumptions and methods used for the 2021 valuation of the Fund. The amounts presented in this actuarial report have been determined according to the actuarial assumptions and methods selected by the Board of Trustees with review and concurrence by Definiti. The salary scale and mortality assumption were updated for the 2021 valuation. There were no other assumption changes adopted for this valuation.

2.8 Actuarial Methods and Assumptions (continued)

Long-Term Investment Return Assumption

The interest rate is the most powerful assumption in the actuarial valuation process, used to project the average rate of return expected on assets and also used to discount future benefit payments in the actuarial present value calculations. To illustrate the sensitivity, a one-percentage-point increase in the interest rate assumption will generally decrease plan liabilities and cost 10% to 15% based on plan demographics.

The rate of return on the fair value of assets was 4.57% (net of investment expenses) for plan year ended 2020, compared to the long-term investment return assumption of 7.0% (net of investment expenses). The rate of return on the fair value of assets averaged 7.4% over the last 5 years and 6.2% over the last 10 years. Based on future expectations, the Board adopted a 7.00% assumed investment return (net of investment expenses) and should continue to monitor this assumption carefully.

The GASB 67 rules require the long-term investment return assumption be applied net of investment expenses only, with other plan administration expenses separated as an explicit charge in the calculation of annual pension accounting expense. The Fund is also using a long-term funding policy interest rate assumption of 7.0% net of investment management with a separate explicit assumption for plan administration costs.

As the investment expenses have also averaged about 40 basis points in recent years, the Fund will need to earn a *gross rate of return* of about 7.4% in order to achieve the long-term actuarial assumption of 7.0% net of investment expenses. Based on historical capital market performance and assuming an asset allocation of 65% equity/35% fixed income and cash, consistent with the current holdings of the Fund, we believe an expected rate of return of 7.4% is reasonable.

However, data on forward looking capital market expectations over the next 10-15 years (source J.P. Morgan) indicate it may be a challenge to achieve an 7.4% gross rate of return with a traditional asset allocation model:

Capital Market Expectations	Total Expected Return
U.S. Equity – Large Cap	5.1%
U.S. Equity – Small Cap	6.3%
International Equity - EAFE	7.8%
International Equity – Emerging Markets	9.1%
U.S. Treasury Bonds	1.0%
U.S. Corporate Bonds – Investment Grade	2.7%
US REITs	7.6%

We encourage the Board to review this critical assumption with its investment advisors, to confirm it is consistent with their expectations for the Fund under the current asset allocation strategy and financial market outlook.

2.8 Actuarial Methods and Assumptions (continued)

Mortality

The mortality assumption is another important factor in the actuarial valuation process. The current base mortality assumption is the Society of Actuaries (SOA) Public Safety mortality tables with generational improvement using the MP-2020 longevity projection scale (MP-2019 in prior valuation).

Valuation Pay

Benefits are determined on base pay, but contributions to the Fund are determined as a percentage of total compensation including overtime. We are currently assuming a 10% load to base pay in the calculation of valuation pay to represent assumed overtime. Based on recent experience, it appears overtime has exceeded the 10% assumption; however, it is difficult to separate overtime from promotion. With the decrease in the active population over the past two years, the amount of overtime may be higher than prior years, so we recommend getting additional detail to confirm the continued reasonableness of this assumption.

Salary Scale

An experience study was completed on the salary scale assumption during 2020 and the Board accepted the recommended salary scale. This new salary assumptions were reflected in this January 1, 2021 actuarial valuation.

2.9 Plan Provisions

Please see Exhibit 4.5 for a summary of provisions included in the current year valuation. Effective June 2019, HB 2763 increased the City contribution rate to 18.00% of member payroll from 2020 through 2024. The member contributions remain at 12% through 2024. Thereafter, the City and the members will increase their contribution rates equally, as necessary, to contribute the actuarially determined contribution rate determined in the prior valuation.

The unreduced and special early retirement eligibility was changed for members hired after February 4, 2019. For these new members, the unreduced early retirement eligibility occurs at age is 55 with 20 years of service and the special early retirement eligibility occurs at age 50 with 20 years of service.

The plan document was restated to reflect recent amendments and the changes enacted by HB 2763. All of the recent changes mentioned above were reflected in the prior valuation. We are not aware of any plan changes since the prior valuation.

3.1 Fair Value of Plan Assets

	January 1, 2020	Change	January 1, 2021
A. Fair Value of Plan Assets			
1. Fixed Income	$6,223,556		$6,037,199
2. Equities	$15,137,299		$15,746,736
3. Cash Equivalents	$264,183		$719,462
4. Participant Loans	$223,026		$268,174
5. Accruals	$55,327		$0
6. Prepaid Benefits	$0		$0
7. Receivables/(Payables)	$49,420		$0
8. Total Fair Value	$21,952,811		$22,771,571
B. Change in Fair Value			
1. Contributions			
a. Officers		$1,588,346	
b. City		$2,443,661	
c. Total		$4,032,007	
2. Disbursements			
a. Benefit Payments		($4,044,672)	
b. Administrative Expenses		($141,233)	
c. Total		($4,185,905)	
3. Investment Return			
a. Interest and Dividends		$496,525	
b. Realized and Unrealized Gain/(Loss)		$546,227	
c. Plan Investment Expenses		($70,094)	
d. Total Return		$972,658	
4. Net Change		$818,760	
5. Average Rate of Return			
a. Average Asset Value		$21,264,947	
b. Income Net of Investment Expenses		$972,658	
c. Annual Rate of Return - Net of Investment Expenses		4.57%	
d. Annual Rate of Return - Gross		4.91%	
6. Investment Gain/(Loss)		($515,888)	

3.2 Actuarial Value of Plan Assets

	January 1, 2020	January 1, 2021
A. Prior Years' Investment Gain/(Loss) History		
1. Year N-1	$1,952,193	($515,888)
2. Year N-2	($2,616,853)	$1,952,193
3. Year N-3	$1,071,864	($2,616,853)
4. Year N-4	($47,205)	$1,071,864
5. Year N-5	($2,211,007)	($47,205)
B. Actuarial Value of Plan Assets		
1. Fair Value	$21,952,811	$22,771,571
2. Gain/(Loss) Deferral		
a. 80% of Year N-1	$1,561,754	($412,710)
b. 60% of Year N-2	($1,570,112)	$1,171,316
c. 40% of Year N-3	$428,746	($1,046,741)
d. 20% of Year N-4	($9,441)	$214,373
e. 0% of Year N-5	$0	$0
f. Total Gain/(Loss) Deferral	$410,947	($73,762)
3. Preliminary Actuarial Value	$21,541,864	$22,845,333
4. 90% FV (Minimum)	$19,757,530	$20,494,414
5. 110% FV (Maximum)	$24,148,092	$25,048,728
6. Final Actuarial Value	$21,541,864	$22,845,333

	Change
C. Change in Actuarial Value	
1. Contributions	
a. Officers	$1,588,346
b. City	$2,443,661
c. Total	$4,032,007
2. Disbursements	
a. Benefit Payments	($4,044,672)
b. Administrative Expenses	($141,233)
c. Total	($4,185,905)
3. Net Investment Return	$1,457,367
4. Net Change	$1,303,469
5. Average Rate of Return	
a. Average Asset Value	$20,854,000
b. Income Net of Investment Expenses	$1,457,367
c. Annual Rate of Return	7.0%
6. Investment Gain/(Loss)	($2,413)

3.3 Actuarial Present Value of Projected Benefits

	January 1, 2020	Change	January 1, 2021
A. Discount Rate	7.00%		7.00%
B. Present Value of Projected Benefits			
1. Active	$36,525,980		$38,948,206
2. Contribution Payable	$104,155		$211,460
3. Terminated Vested	$1,112,663		$1,570,226
4. Retired	$36,040,511		$35,360,646
5. Disabled	$153,595		$0
6. Beneficiary	$1,682,960		$1,901,766
7. Total	$75,619,864		$77,992,304
C. Change in Present Value of Projected Benefits		Change	
1. Benefits Accumulated		$0	
2. Benefits Paid		($4,044,672)	
3. Decrease in Discount Period		$5,151,827	
4. Plan Experience		$240,071	
5. Actuarial Assumptions		$1,025,214	
6. Actuarial Methods		$0	
7. Plan Amendments		$0	
8. Net Change		$2,372,440	
D. Actuarial Value of Assets	$21,541,864		$22,845,333
E. Present Value of Future Compensation	$125,544,571		$134,378,462
F. Funded Status	28.5%		29.3%

3.4 Actuarial Accrued Liability and Normal Cost Rate

	January 1, 2020	Change	January 1, 2021
A. Discount Rate	7.00%		7.00%
B. Actuarial Accrued Liability (EAN)			
1. Active	$20,019,772		$21,057,670
2. Contribution Refund Payable	$104,155		$211,460
3. Terminated Vested	$1,112,663		$1,570,226
4. Retired	$36,040,511		$35,360,646
5. Disabled	$153,595		$0
6. Beneficiary	$1,682,960		$1,901,766
7. Total	$59,113,656		$60,101,768
C. Actuarial Value of Assets	$21,541,864		$22,845,333
D. Unfunded Actuarial Liability	$37,571,792		$37,256,435
E. Change in Unfunded Actuarial Accrued Liability		Change	
1. Contributions		($4,032,007)	
2. Benefits Accumulated		$1,649,898	
3. Decrease in Discount Period		$2,652,105	
4. Administrative Expense		$141,233	
5. Plan Asset Experience		$2,413	
6. Plan Liability Experience		($540,296)	
7. Actuarial Assumptions		($188,703)	
8. Actuarial Methods		$0	
9. Plan Amendments		$0	
10. Net Change		($315,357)	
F. Funded Status	36.4%		38.0%
G. Normal Cost Rate	13.24%		13.31%

3.5 Expected Amortization Period

The table below shows the projected results (in $Millions) used to develop the amortization period.

Year	Time	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Status	Normal Cost Rate	Payroll	Prior Year's ADCR	City Contribution Rate	Member Contribution Rate	Administrative Expenses as % of Payroll
2019	-2	57.9	19.6	38.3	34%	13.4%	$ 12.10		17.00%	12.00%	0.95%
2020	-1	59.1	21.5	37.6	36%	13.2%	$ 12.50	30.7%	18.00%	12.00%	0.95%
2021	0	60.1	22.8	37.3	38%	13.3%	$ 12.80	30.1%	18.00%	12.00%	0.95%
2022	1	61.9	24.1	37.8	39%	13.2%	$ 13.30	30.0%	18.00%	12.00%	0.95%
2023	2	63.7	25.6	38.1	40%	13.1%	$ 13.70	29.9%	18.00%	12.00%	0.95%
2024	3	65.9	27.3	38.6	41%	13.1%	$ 14.20	29.8%	18.00%	12.00%	0.95%
2025	4	68.2	29.3	38.9	43%	13.0%	$ 14.70	29.8%	18.00%	12.00%	0.95%
2026	5	70.6	31.5	39.1	45%	12.9%	$ 15.20	29.7%	18.00%	12.00%	0.95%
2027	6	73.2	33.9	39.3	46%	12.9%	$ 15.80	29.6%	18.00%	12.00%	0.95%
2028	7	75.9	36.5	39.4	48%	12.8%	$ 16.30	29.5%	18.00%	12.00%	0.95%
2029	8	78.7	39.4	39.3	50%	12.7%	$ 16.90	29.5%	18.00%	12.00%	0.95%
2030	9	81.7	42.5	39.2	52%	12.6%	$ 17.50	29.4%	18.00%	12.00%	0.95%
2031	10	84.9	46.0	38.9	54%	12.5%	$ 18.10	29.3%	18.00%	12.00%	0.95%
2032	11	88.2	49.7	38.5	56%	12.5%	$ 18.70	29.2%	18.00%	12.00%	0.95%
2033	12	91.7	53.7	38.0	59%	12.4%	$ 19.40	29.1%	18.00%	12.00%	0.95%
2034	13	95.2	58.0	37.2	61%	12.3%	$ 20.10	29.0%	18.00%	12.00%	0.95%
2035	14	98.9	62.6	36.3	63%	12.3%	$ 20.80	28.9%	18.00%	12.00%	0.95%
2036	15	102.8	67.6	35.2	66%	12.2%	$ 21.50	28.8%	18.00%	12.00%	0.95%
2037	16	106.8	72.9	33.9	68%	12.2%	$ 22.20	28.7%	18.00%	12.00%	0.95%
2038	17	110.9	78.6	32.3	71%	12.1%	$ 23.00	28.6%	18.00%	12.00%	0.95%
2039	18	115.1	84.6	30.5	74%	12.0%	$ 23.80	28.5%	18.00%	12.00%	0.95%
2040	19	119.4	91.0	28.4	76%	12.0%	$ 24.70	28.3%	18.00%	12.00%	0.95%
2041	20	123.8	97.9	25.9	79%	11.9%	$ 25.50	28.2%	18.00%	12.00%	0.95%
2042	21	128.3	105.1	23.2	82%	11.8%	$ 26.40	28.0%	18.00%	12.00%	0.95%
2043	22	133.0	113.0	20.0	85%	11.7%	$ 27.30	27.8%	18.00%	12.00%	0.95%
2044	23	138.0	121.5	16.5	88%	11.7%	$ 28.30	27.7%	18.00%	12.00%	0.95%
2045	24	143.2	130.7	12.5	91%	11.6%	$ 29.30	27.5%	18.00%	12.00%	0.95%
2046	25	148.7	140.7	8.0	95%	11.6%	$ 30.30	27.4%	18.00%	12.00%	0.95%
2047	26	154.7	151.6	3.1	98%	11.6%	$ 31.40	27.2%	18.00%	12.00%	0.95%
2048	27	161.1	163.6	-2.5	102%	11.6%	$ 32.50	27.0%	18.00%	12.00%	0.95%

3.6 GASB 67 Plan Accounting Information

Schedule of Changes in the City of Galveston's Employees' Retirement Plan for Police Net Pension Liability and Related Ratios

	December 31, 2018	December 31, 2019	December 31, 2020
Total Pension Liability			
Service Cost	$1,258,499	$1,622,016	$1,649,898
Interest	$3,897,883	$3,979,593	$4,111,885
Changes of benefit terms	$0	$0	$0
Differences between expected and actual experience	($992,543)	($138,553)	($540,296)
Changes of assumptions	$5,113,954	($95,499)	($188,703)
Benefit payments, including refunds of member contributions	($4,275,151)	($4,107,380)	($4,044,672)
Net change in total pension liability	$5,002,642	$1,260,177	$988,112
Total pension liability - beginning	$52,850,837	$57,853,479	$59,113,656
Total pension liability - ending (a)	$57,853,479	$59,113,656	$60,101,768
Plan fiduciary net position			
Contributions - employer	$1,713,305	$3,803,070	$2,443,661
Contributions - member	$1,417,069	$1,504,688	$1,588,346
Net investment income	($1,134,296)	$3,193,800	$972,658
Benefit payments, including refunds of member contributions	($4,275,151)	($4,107,380)	($4,044,672)
Administrative expense	($408,688)	($297,764)	($141,233)
Other	$0	$0	$0
Net change in plan fiduciary net position	($2,687,761)	$4,096,414	$818,760
Plan fiduciary net position - beginning	$20,544,158	$17,856,397	$21,952,811
Plan fiduciary net position - ending (b)	$17,856,397	$21,952,811	$22,771,571
Fund's net pension liability - ending (a) - (b)	$39,997,082	$37,160,845	$37,330,197
Plan fiduciary net position as a percentage of the total pension liability	30.9%	37.1%	37.9%
Covered-employee payroll	$11,808,908	$12,539,068	$13,236,217
Fund's net position liability as a percentage of covered employee payroll	338.7%	296.4%	282.0%

Notes to Schedule: Covered-employee payroll is estimated using officer contributions divided by the contribution percentage.

3.6 GASB 67 Plan Accounting Information (continued)

Schedule of the City of Galveston's Contributions

	December 31, 2018	December 31, 2019	December 31, 2020
Required City Contributions	$1,713,305	$3,803,070	$2,443,661
Contributions in relation to the City required contributions	$1,713,305	$3,803,070	$2,443,661
Contribution deficiency (excess)	$0	$0	$0
Covered-employee payroll	$11,808,908	$12,539,068	$13,236,217
Contributions as a percentage of covered-employee payroll	14.5%	30.3%	18.5%

Notes to Schedule

Valuation date: January 1, 2021

Contributions to the Fund have historically been based on negotiations between the Board and the City rather than an actuarially determined rate. The funding policy of the City of Galveston's Employees' Retirement Plan for Police requires contributions from both the City and the police. Upon passage of House Bill 2763 in June 2019, the funding policy changed. The City's contribution rate increased to 17% of payroll retroactive to January 1, 2019 with an increase to 18% of payroll in October 2019. Member contributions remain at 12% of payroll for 2019. In future years, the City and member contribution rates follow HB 2763.

The mortality assumption was updated to use the Public Safety version of the Pub-2010 mortality tables with generational longevity projection from Scale MP-2020 and the salary scale assumption was updated. There were no other changes in the assumptions or methods since the prior valuation.

3.6 GASB 67 Plan Accounting Information (continued)

Notes to Schedule

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.50%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of December 31, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	**Long-Term Expected Real Rate of Return**
Equity	6.0%
Fixed Income	3.0%
Cash	0.0%

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the City and member contributions would equal the statutory contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all period of benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the Discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.50% as well as what the City's net pension liability would be if it were to be calculated using the discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.00%)	**Current Discount Rate (7.00%)**	**1% Increase (8.00%)**
City's net pension liability	$45,616,929	$37,330,197	$31,963,364

Schedule of Investment Returns
Fiscal Year Ending December 31

	2018	**2019**	**2020**
Annual money-weighted rate of return, net of investment expense	-5.74%	18.01%	4.57%

3.7 GASB 68 City Accounting Information

Changes in Net Pension Liability

The Net Pension Liability Amounts shown below assume the City will use a measurement date equal to the Fund's prior fiscal year end. Under this method, the City's reporting for its fiscal year ended September 30, 2021 would use the Fund's valuation results as of December 31, 2020.

	Increase (Decrease)		
	Total Pension Liability (TPL)	Plan Fiduciary Net Position	Net Pension Liability (NPL)
Balance at 9/30/2020	$59,113,656	$21,952,811	$37,160,845
Changes for the year:			
Service Cost	1,649,898		1,649,898
Interest	4,111,885		4,111,885
Experience	(540,296)		(540,296)
Employer Contributions		2,443,661	(2,443,661)
Member Contributions		1,588,346	(1,588,346)
Net Investment Income		972,658	(972,658)
Benefit Payments	(4,044,672)	(4,044,672)	-
Administrative Expense		(141,233)	141,233
Assumption Changes	(188,703)		(188,703)
Changes in Benefit Terms	-		-
Net Change	988,112	818,760	169,352
Balance at 9/30/2021	$60,101,768	$22,771,571	$37,330,197

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.
The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate of 7.00%	1% Increase 8.00%
Policemen Fund Net Pension Liability	$45,616,929	$37,330,197	$31,963,364

3.7 GASB 68 City Accounting Information (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense Components		FYE 9/30/2021
Service Cost	$	1,649,898
Interest on TPL		4,111,885
Differences between expected and actual experience		(330,549)
Changes in Assumptions		1,090,905
Changes in Benefit Terms		-
Employee Contributions		(1,588,346)
Projected Earnings on Pension Plan Investments		(1,488,546)
Differences between projected and actual earnings on plan investments		31,176
Pension Plan Administrative Expenses		141,233
Other Changes in Fiduciary Net Position		-
Total Pension Expense	$	3,617,656

For the year ended September 30, 2021, the City should recognize a pension expense of $3,617,656. At September 30, 2021, the City should report deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	150,361	1,100,528
Changes in assumptions	3,325,886	214,632
Net difference between projected and actual investment earnings	73,763	-
City Contributions subsequent to Measurement Date	To be determined	-
Total	To be determined	1,315,160

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2022	$1,116,587
2023	$1,209,640
2024	($9,746)
2025	($81,631)
2026	$0
Thereafter	$0

3.7 GASB 68 City Accounting Information (continued)

Recognition of Changes in TPL

City Fiscal Year	Differences Between Expected and Actual Experience	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025
2015	($502,743)	6.8	($73,933)	($73,933)	($59,145)	$0	$0	$0	$0
2016	$157,590	6.8	$23,175	$23,175	$23,175	$18,540	$0	$0	$0
2017	$519,531	6.7	$77,542	$77,542	$77,542	$77,542	$54,279	$0	$0
2018	($358,201)	6.9	($51,913)	($51,913)	($51,913)	($51,913)	($51,913)	($46,723)	$0
2019	($992,543)	5.25	($189,056)	($189,056)	($189,056)	($189,056)	($189,056)	($47,263)	$0
2020	($138,553)	6		($23,093)	($23,092)	($23,092)	($23,092)	($23,092)	($23,092)
2021	($540,296)	5			($108,060)	($108,059)	($108,059)	($108,059)	($108,059)
Subtotal			($214,185)	($237,278)	($330,549)	($276,038)	($317,841)	($225,137)	($131,151)

City Fiscal Year	Changes in Assumptions	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025
2015	($2,527,532)	6.8	($371,696)	($371,696)	($297,356)	$0	$0	$0	$0
2016	$590,641	6.8	$86,859	$86,859	$86,859	$69,487	$0	$0	$0
2017	$223,990	6.7	$33,431	$33,431	$33,431	$33,431	$23,404	$0	$0
2018	$2,398,032	6.9	$347,541	$347,541	$347,541	$347,541	$347,541	$312,786	$0
2019	$5,113,954	5.25	$974,086	$974,086	$974,086	$974,086	$974,086	$243,524	$0
2020	($95,499)	6		($15,914)	($15,917)	($15,917)	($15,917)	($15,917)	($15,917)
2021	($188,703)	5			($37,739)	($37,741)	($37,741)	($37,741)	($37,741)
Subtotal			$1,070,221	$1,054,307	$1,090,905	$1,370,887	$1,291,373	$502,652	($53,658)

Recognition of Investment (Gains) / Losses

Year	Differences between Projected and Actual Earnings on Pension Plan Investment	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025
2015	$872,502	5	$174,502	$0	$0	$0	$0	$0	$0
2016	$2,211,007	5	$442,201	$442,203	$0	$0	$0	$0	$0
2017	$47,205	5	$9,441	$9,441	$9,441	$0	$0	$0	$0
2018	($1,071,864)	5	($214,373)	($214,373)	($214,373)	($214,372)	$0	$0	$0
2019	$2,616,853	5	$523,371	$523,371	$523,371	$523,371	$523,369	$0	$0
2020	($1,952,193)	5		($390,437)	($390,439)	($390,439)	($390,439)	($390,439)	$0
2021	$515,888	5			$103,176	$103,178	$103,178	$103,178	$103,178
Subtotal			$935,142	$370,205	$31,176	$21,738	$236,108	($287,261)	$103,178
Total			$1,791,178	$1,187,234	$791,532	$1,116,587	$1,209,640	($9,746)	($81,631)

4.1 Demographic Summary

	January 1, 2020	January 1, 2021
A. Active Members - Pre 2/4/2019 Hires		
1. Number	141	135
2. Valuation payroll	$11,659,204	$11,592,285
3. Average pay	$82,689	$85,869
4. Average age	37.4	37.8
5. Average service	9.4	10.1
B. Active Members - Post 2/4/2019 Hires		
1. Number	14	21
2. Valuation payroll	$800,833	$1,237,613
3. Average pay	$57,202	$58,934
4. Average age	25.3	26.3
5. Average service	0.5	1.0
C. Terminated Vested		
1. Number	7	8
2. Average age	45.3	47.3
D. Disabled		
1. Number	1	0
2. Average age	67.1	N/A
E. Retired		
1. Number	123	121
2. Total benefits	$3,462,982	$3,439,214
3. Average annual benefits	$28,154	$28,423
4. Average age	64.6	65.4
F. Beneficiaries		
1. Number	20	23
2. Total benefits	$171,681	$197,097
3. Average annual benefits	$8,584	$8,569
4. Average age	70.1	70.8
G. Contribution Payable		
1. Number	26	29
2. Total contributions	$112,376	$225,381
3. Average contributions	$4,322	$7,772
4. Average age	31.4	31.8

4.2 Data Reconciliation

	Active	Term. Vested	Disabled	Retirees	Bene.	Total
A. Prior Valuation Date	155	33	1	123	20	332
B. Change due to:						
1. New hires, rehires	15	(1)	0	0	0	14
2. Data corrections	0	2	0	0	0	2
3. Termination	(8)	8	0	0	0	0
4. Cash Out	(5)	(5)	0	0	0	(10)
5. Retirement	(1)	0	0	1	0	0
6. Disability	0	0	0	0	0	0
7. Death without beneficiary	0	0	0	(1)	0	(1)
8. Death with beneficiary	0	0	(1)	(2)	3	0
9. Net change	1	4	(1)	(2)	3	5
C. Current Valuation Date	156	37	0	121	23	337

4.3 Active Members by Age and Service

Attained Age	Years of Service as of December 31, 2020							
	0-4	5-9	10-14	15-19	20-24	25-29	30 & up	Total
Under 25	15	0	0	0	0	0	0	15
25-29	29	3	0	0	0	0	0	32
30-34	17	10	0	0	0	0	0	27
35-39	7	11	14	5	0	0	0	37
40-44	2	3	2	9	2	0	0	18
45-49	0	0	2	6	3	1	0	12
50-54	1	2	1	3	2	1	0	10
55-59	0	0	0	0	0	2	0	2
60-64	0	0	0	0	0	1	1	2
65 & up	0	1	0	0	0	0	0	1
Total	71	30	19	23	7	5	1	156

Not Vested	Vested	Retirement Eligible

4.4 Assumptions and Methods

Economic Assumptions

Investment Return	7.00% per annum, net of investment expenses.
Administrative Expense	0.95% of Payroll.
Salary Increases	4.00% per annum for wage inflation.

3.00% grading down to 0.00% per annum for longevity and promotion based on years of service.

The total annual assumed salary increase for wage inflation plus longevity and promotion is based on years of service according to the following table:

Years of Service	Salary Increase
1 – 5	9.00%
6 - 10	6.50%
11 – 24	4.25%
25+	3.50%

Overtime Pay	10% of base pay.
Payroll Growth	3.50% per annum.
Valuation Compensation	Base pay rate as of the valuation date increased by the annual salary scale assumption and loaded 10% for overtime (benefit accrual excludes overtime load).

Demographic Assumptions

Mortality – All Participants	Society of Actuaries (SOA) Public Safety mortality tables projected generationally with Scale MP-2020.

4.4 Assumptions and Methods (continued)

Retirement

Active Officers are assumed to retire based on age related rates once eligible for Special Early Retirement, according to the following table:

Age	Rate
45	0.35
46	0.15
47	0.16
48	0.17
49	0.18
50	0.20
51	0.22
52	0.24
53	0.25
54	0.25
55	0.25
56	0.25
57	0.25
58	0.25
59	0.25
60	0.30
61	0.30
62	0.30
63	0.30
64	0.30
65	1.00

Termination

Rates based on Service at the beginning of the year:

Service	Rate
0 – 4	0.100
5 – 9	0.050
10	0.035
11	0.030
12	0.025
13	0.020
14	0.015
15	0.010
16+	0.000

Members terminating with less than ten (10) years of service are assumed to elect a refund of contributions. All other members terminating are assumed to commence a lifetime annuity at age 55, or current age if older.

4.4 Assumptions and Methods (continued)

Disability

Active Officers are assumed to incur disabilities based on experience that vary by age as shown below, with sample rates per 1,000 lives summarized below:

Age	Rate	Age	Rate
20	0.14	42	1.32
21	0.15	43	1.48
22	0.16	44	1.73
23	0.17	45	2.09
24	0.18	46	2.55
25	0.19	47	2.98
26	0.21	48	3.34
27	0.23	49	3.62
28	0.25	50	3.79
29	0.28	51	3.92
30	0.31	52	4.04
31	0.35	53	4.24
32	0.40	54	4.56
33	0.45	55	4.90
34	0.49	56	5.32
35	0.52	57	5.86
36	0.54	58	6.60
37	0.57	59	7.53
38	0.62	60	9.11
39	0.73	61	11.72
40	0.92	62+	0.00
41	1.14		

Social Security Disability Benefit

For the purpose of the offset to the pre-65 disability benefit, the Social Security disability benefit is assumed to be 40% of base pay.

Marital Status

85% of all active Officers are assumed to be married. Female spouses are assumed to be two years younger than their male spouses. Surviving spouses are assumed never to remarry.

Changes in Assumptions

The salary increase assumptions was updated based on an experience study to better anticipate future experience. The longevity scale used to project the mortality table was changed from MP-2019 to MP-2020. There have been no other changes in actuarial assumptions since the prior year valuation.

4.4 Assumptions and Methods (continued)

Methods

Valuation Date	January 1, 2021
Asset Valuation Method	Adjusted market value, with asset gains and losses recognized over 5-years. The adjusted market value is adjusted to remain within a corridor range of 90% to 110% of fair market value.
Actuarial Cost Method	The Entry Age Normal Actuarial Cost Method The present value of the projected benefit (PVB) is determined as of the date the member entered the plan (or would have entered if the plan had always been in effect). The present value of future salary (PVFS) is also determined at entry age. The percentage of the PVFS represented by the PVB is the level percent of pay which, if contributed every year, would exactly fund the benefit if the valuation actuarial assumptions were realized. The actuarial accrued liability is the theoretical value of assets which would result from the accumulation of these contributions from the plan entry until the valuation date.
Amortization Method	Once adjusted for the time value of money, the unfunded actuarial accrued liability is assumed to be reduced each year by the amount contributions exceed the normal cost of the Fund. Payroll is assumed to grow at 3.50% per year.
Changes in Methods	There have been no changes since the prior valuation.

4.5 Plan Provisions

Effective Date	The Plan was established December 1, 1980 by city ordinance. In 1997 the city council adopted Article 6243p of the Texas Revised Civil Statutes. The plan was restated effective January 1, 2009 to create a new benefit structure, and subsequently amended for technical corrections retroactive to January 1, 2009. The plan was amended in 2017 to change the vesting schedule for new hires on or after April 15, 2017. Effective for members hired after February 4, 2019, the retirement eligibility provisions were modified such that the unreduced retirement eligibility was moved to age 55 and the special early retirement eligibility was moved to age 50. Article 6243p was amended by HB 2763 on June 2019.
Administration	The plan is administered by a board of trustees consisting of eight members. Funds are held by the board, as trustee.
Eligibility	All regular and permanent full-time police officers who are employed by the City of Galveston in the police department become members of the plan as a condition of employment.
Group A Member	Any participant with fifteen (15) or more years of Service as of January 1, 2006 who was a Member on June 30, 2008.
Group B Member	Any participant with less than fifteen (15) years of Service as of January 1, 2006 who was a Member on June 30, 2008, or any Member whose period of employment begins after June 30, 2008 and prior to February 5, 2019.
Other Members	Members hired after February 4, 2019 have different retirement eligibility provisions.
Service	Service is calculated on an elapsed time basis from date of hire.
Post Transition Service	Service for a Group A Member that is earned after June 30, 2008.

4.5 Plan Provisions (continued)

Average Monthly Base Pay	The average base pay during the last 60 consecutive completed calendar months of employment.
Transition Monthly Base Pay	The average base pay during the last 60 consecutive completed calendar months as of June 30, 2008.
Member Contributions	Each active member shall have 12.0% of biweekly compensation deducted and paid into the plan. As of 2025, members will also contribute half of the prior year ADCR in excess of 30% of member payroll.
City Contributions	Effective June 2019, HB 2763 increased the City contribution rate to 18.00% of member payroll from 2020 through 2024. Thereafter, the City will also contribute half of the prior year ADCR in excess of 30% of member payroll.
Actuarially Determined Contribution (ADCR)	The rate of payroll required to pay the normal cost, administrative expenses and amortize the Unfunded Actuarial Accrued Liability over closed 30-year periods.
Normal Retirement	Normal retirement eligibility is attainment of age 65.
Unreduced Early Retirement	Group A members are eligible for an unreduced benefit if they retire after age 45 with at least 20 years of Service, or after 25 years of Service regardless of age. Group B members, hired prior to February 4, 2019, are eligible for an unreduced benefit if they retire after age 50 with at least 20 years of Service. Members hired after February 4, 2019 are eligible for an unreduced benefit if they retire after age 55 with at least 20 years of Service.
Special Early Retirement	Group A members are eligible for a retirement benefit if they retire prior to age 45 with at least 20 years of Service. The benefit is unreduced, but it is deferred for commencement until age 45. Group B members, hired prior to February 4, 2019, are eligible for a retirement benefit if they retire after age 45 with at least 20 years of Service. The benefit is reduced 1/180 per month for each month that the retirement date precedes age 50.

4.5 Plan Provisions (continued)

Special Early Retirement (Continued)	Members hired after February 4, 2019 are eligible for a retirement benefit if they retire after age 50 with at least 20 years of Service. The benefit is reduced 1/180 per month for each month that the retirement date precedes age 55.
Regular Early Retirement	Members are eligible to retire after age 55 with at least 10 years of Service with the benefit reduced 1/180th per month for each of the first sixty months and by 1/360th for each of the next sixty months by which the retirement date precedes age 65.
Retirement Benefit – Group A Member	A Group A member, upon retirement, will choose either the Preserved Benefit plus the Post Transition Benefit, or a benefit calculated under the Group B formula. The Preserved Benefit and the Post Transition Benefit provide a higher benefit prior to age 65 and a lower benefit thereafter.
Preserved Benefit	The Preserved Benefit is the result of the prior plan formula calculated as of June 30, 2008 for Group A Members. There are separate pre-65 and post-65 Preserved Benefits.
Post Transition Benefit	The Post Transition Benefit is an additional accrual that is added to the Preserved Benefit for Service after June 30, 2008. For the remainder of this section, Transition Monthly Base Pay is abbreviated as "Transpay". The benefit is (a) plus (b) plus (c) for the pre-65 benefit and (d) for the post 65 benefit: (a) 2.725% of Transpay multiplied by Post Transition Service, if any, that makes total Service exceed 15 years, but not exceed 20 years. (b) 5.000% of Transpay multiplied by Post Transition Service, if any, that makes total Service exceed 20 years, but not exceed 25 years. (c) 1.000% of Transpay multiplied by Post Transition Service, if any, that makes total Service exceed 25 years, but not exceed 30 years. (d) 1.650% of Transpay multiplied by Post Transition Service, if any, that makes total Service exceed 15 years, but not exceed 30 years.

4.5 Plan Provisions (continued)

Retirement Benefit – Group B Member	A monthly lifetime pension benefit, commencing on the first day of the month next following the member's date of retirement equal to 2.11% of Average Monthly Base Pay multiplied by the number of years of service, limited to 30 years.
Minimum Retirement Benefit	The minimum monthly pension benefit payable to a retired member or his beneficiary is $500 per month.
Deferred Vested Retirement	Vested retirement eligibility is completion of 5 or more years of service. For members hired on or after April 15, 2017, a graded vesting schedule of 0% until 5 years of service, 50% at 5 years of service, and increasing 10% per year until 100% at 10 years of service is applied. Each member who terminates employment after meeting vested retirement eligibility but before meeting any of the early retirement eligibility provisions shall receive a monthly lifetime pension benefit according to the formula for early retirement payable upon attainment of early retirement eligibility or as late as age 65. If a vested terminated member receives a refund of his accumulated contributions, membership is terminated and the deferred retirement benefit is forfeited.
Refund of Contribution	Each member who terminates prior to completing 5 or more years of service shall receive a refund of his accumulated contributions without interest.
Disability Retirement	Any member who becomes disabled in accordance with the provisions of the plan shall receive a monthly benefit payable up to age 65 equal to 60% of his current pay rate minus any Worker's Compensation or any other disability benefit paid, with a maximum net benefit of $1,500 per month. Any member who becomes disabled in accordance with the provisions of the plan shall receive a monthly lifetime benefit payable after age 65 equal to the normal retirement benefit as if he had continued working to age 65 with the rate of pay at the time of disability.

4.5 Plan Provisions (continued)

In-Service Death Benefit

In-service death benefit eligibility is completion of 5 years of service.

The surviving spouse of a deceased active member shall receive a monthly lifetime pension benefit payable beginning the first of the month next following the date of death for as long as the spouse does not remarry equal to 50% of the normal retirement pension the member would have received at age 65, considering service to date of death and average monthly compensation at date of death.

If there is no surviving spouse but there are surviving dependent children, each surviving child shall receive a proportionate share of the monthly pension benefit the spouse would have received payable until age 18.

Post-Retirement Death Benefit

The surviving spouse of a member who dies after commencement of a normal, early, special early, or disability pension benefit shall receive a monthly lifetime pension benefit payable for as long as the spouse does not remarry equal to 50% of the pension benefit which the retired member would have received if he had continued living.

The surviving spouse of a disabled member who dies prior to age 65 will receive a monthly pension equal to 50% of the monthly pension benefit the deceased member would have received had he worked up the to the date of death at the rate of pay in effect at date of disability and had retired and continued living.

Changes in Plan Provisions

There have been no plan amendments since the prior year valuation which have an impact on the valuation results.