Capital Trust Agency, Inc.
Meeting of the Board of Directors

Tuesday, September 8, 2026
3:30 PM.
315 Fairpoint Drive
Gulf Breeze, FL 32561

Meeting called by:	**Denis A. McKinnon, III**	**Type of meeting:**	**Regular**
Facilitator:	**Chris Kemp, Chairman**	**Note Taker:**	**Connie Beargie Office Administrator**

Attendees: **Chris Kemp (Chairman), Christy Larkins (Vice-Chairman), Cherry Fitch (Secretary), Deborah Roche (Asst. Secretary), Mayor JB Schluter, Bobby Potomski, Harrison Wilder, Kareem Spratling (General Counsel), Samantha Abell (City Manager), Mark Jackson (Senior Analyst), and Denis McKinnon, III (Executive Director).**

Please bring: **Attached supplements**

Agenda

Item:	Description:	Presenter:
1.	Call to Order	Chris Kemp
2.	Minutes from 8/20/2026	Denis McKinnon, III
3.	CTA Investment Policy Adoption	Denis McKinnon, III
4.	Adjourn	Chris Kemp

MINUTES OF
CAPITAL TRUST AGENCY, INC.

The 250th meeting of the Capital Trust Agency, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr., Gulf Breeze, Florida, on Monday, August 20, 2026, at 9:55 a.m.

The following Board Members were present: Chris Kemp (Chairman), Christy Larkins (Vice Chairman), Cherry Fitch (Secretary), Mayor JB Schluter (Mayor and Board Member), and Harry Wilder (Board Member). Also attending were Denis McKinnon (Executive Director), Mark Jackson (Senior Financial Analyst), and Connie Beargie (Office Administrator). Attending via teleconference was J. Caden Strain (BMO).

AGENDA ITEM:

The Chloe Vignes Legacy Teacher Grant

DISCUSSION:

Denis McKinnon stated the Santa Rosa Education Foundation has approached the Agency with a Grant they have established in the name of Chloe Vignes in order to honor teachers in the Gulf Breeze School System.

Denis McKinnon stated the balance in the current year budget for the Education Fund is \$3,500 and \$8,000 remaining in the Charitable Giving Fund.

Mayor JB Schluter asked how much has been collected to date. Denis McKinnon replied they have collected \$29,417 with 211 donors as of the date of this request.

MOTION/ACTION:

Mayor JB Schluter made a motion give a one-time contribution of \$3,500 from the Education fund and \$1,500 from the Charitable Giving fund for a total gift of \$5,000. Cherry Fitch seconded. The vote for approval was unanimous, with a 5-0 result.

No other formal business of the board was taken and the meeting adjourned at approximately 10:00am.

Minutes submitted by: ______________________________ Connie Beargie, Office Administrator

Approved by: ______________________________________ Chris Kemp, Chairman

TO:	Board of Directors, Capital Trust Agency
FROM:	Denis A. McKinnon, III, Executive Director
DATE:	September 8, 2026
RE:	Adoption of Investment Policy

PURPOSE

Staff recommends that the Board adopt the attached Investment Policy for the Agency. The Policy establishes the objectives, standards, controls, and parameters governing the investment of the Agency's operating funds and reserves, and brings the Agency into full alignment with Section 218.415, Florida Statutes, which governs the investment of public funds.

BACKGROUND

The Agency currently holds approximately $2.3 million in checking, money market, and certificate of deposit accounts at Hancock Whitney, earning a blended yield of roughly 2.9 percent. The Agency has no formally adopted investment policy. As the legacy portfolio continues its scheduled wind down, accumulated reserves will remain invested for an extended period, and a written policy has become both a statutory best practice and a practical necessity: it defines how much liquidity the Agency must hold, what may be done with funds in excess of that amount, who has authority to act, and how the Board maintains oversight. In developing the Policy, staff reviewed the City of Gulf Breeze's investment policy lineage from its 2011 adoption through its 2023 revision, the current requirements of Florida law including the 2023 pecuniary factors amendments, and the Agency's own cash flow history and fiscal year 2027 budget. The draft was then reviewed by Bryant Miller Olive P.A. as issuer's counsel, and counsel's revisions are incorporated in the version before the Board.

KEY PROVISIONS

Objectives and standards. The Policy adopts the statutory order of priorities: safety of principal first, liquidity second, and return third. All decisions must be made solely on pecuniary factors, applying the prudent person standard to the portfolio as a whole.

Segmentation and the Liquidity Reserve. Funds are divided into three tiers: Operating Funds for current expenses, a Liquidity Reserve, and Strategic Reserve Funds available for longer horizon investment. The minimum Liquidity Reserve is set by formula at six months of budgeted operating expenses plus the full budgeted annual payment to Gulf Breeze, recalculated with each annual budget. The current minimum is $800,000. Obligations contingent upon bond closings and payable from closing revenues are not prefunded through the reserve.

Authorized investments. The core program consists of United States Treasury and agency obligations, qualified public depository deposits, local government investment pools, money market funds, investment grade municipal and corporate fixed income, and diversified pooled vehicles, subject to the maturity, credit quality, and concentration limits in Attachment 1. No individual fixed income security may exceed a ten year final maturity.

Growth and income sleeve. The Policy authorizes diversified equity funds, preferred securities, and real estate investment trust (REIT) funds, capped in the aggregate at 30 percent of the portfolio and confined to Strategic Reserve Funds. Issuer's counsel has reviewed the Policy, including these categories, in the form presented for adoption. Direct stock positions, leverage, margin, derivatives, securities lending, cryptocurrency, and speculative instruments are prohibited outright.

Implementation discipline. Any growth allocation must be phased in over not less than twelve months. The September 27 maturity of the Agency's certificate of deposit provides a penalty free funding window for initial implementation in the first quarter of fiscal year 2027.

Oversight. The Executive Director serves as Investment Administrator. Any discretionary manager must be an SEC registered investment adviser operating under a Board approved agreement, with assets held by an independent third party custodian in the Agency's name and settled delivery versus payment. The Board receives quarterly reports covering holdings, income, market values at fair value in accordance with GASB standards, benchmark performance, and compliance with the Policy, including the reserve minimum.

EXPECTED FINANCIAL IMPACT

The accompanying Expected Return Exhibit details the estimates. In summary, moving the reserve and short ladder to Treasury and government money market instruments at current yields is expected to add roughly $60,000 to $80,000 of annual income with no material added risk; the full fixed income program is expected to produce combined annual income for the two entities of approximately $215,000 to $240,000, against roughly $140,000 today; and the full build including the growth sleeve carries a long run expectation of approximately $265,000 to $290,000. These are planning estimates, not guarantees, and the growth sleeve would introduce market value fluctuation on up to 30 percent of the portfolio.

RELATED ITEMS

The Policy requires the Agency to maintain a compliance and conflict of interest policy covering the Board, officers, employees, contractors, and investment advisors. Staff will present that companion policy for adoption at the next regular meeting.

CAPITAL TRUST AGENCY, INC.
INVESTMENT POLICY

Adopted September 8, 2026

I. PURPOSE AND SCOPE

This Investment Policy (this "Policy") establishes the objectives, standards, authority, controls, and investment parameters governing the investment of funds under the control of Capital Trust Agency, Inc. (the "Agency"), a legal entity duly created and a public agency duly organized and validly existing under the laws of the State of Florida (the "State") established for the purposes set forth under Chapter 163, Part I, Chapter 166, Part II, Chapter 617, Florida Statutes, as amended; Ordinance No. 05-97 duly enacted by the City Council of the City of Gulf Breeze, Florida ("Gulf Breeze"), on July 7, 1997, as amended, restated and supplemented by Ordinance Nos. 04-00, 05-01 and 10-11 duly enacted on May 15, 2000, May 7, 2001 and September 6, 2011, respectively; Ordinance 2-00 duly enacted by the Town Council of the Town of Century, Florida ("Century"), on August 7, 2000, as amended and supplemented by Ordinance Nos. 1-01 and 5-11 duly enacted on May 7, 2001 and October 3, 2011, respectively, and the Interlocal Agreement dated as of August 2, 1999, between Gulf Breeze and Century, as amended and supplemented with powers as a "local agency" under Chapter 159, Part II, and other applicable provisions of law (collectively, the "Act"). This Policy is intended to comply with Section 218.415, Florida Statutes, as amended from time to time, and other applicable provisions of Florida law, including the Act.

This Policy applies to all unrestricted funds and other legally investable funds under the control of the Agency that are in excess of amounts reasonably required to meet current expenses and near-term obligations. This Policy does not apply to:

- Funds related to the issuance of debt when such funds are subject to a separate trust indenture, bond resolution, financing agreement, investment agreement, or other governing document;
- Funds held by or for the benefit of borrowers, conduit financing participants, or other third parties;
- Funds designated or restricted for charitable or educational purposes, including any charitable education fund;
- Pension funds, if any; or
- Any other funds governed by a separate investment policy, agreement, resolution, or applicable legal restriction.

The Agency may pool eligible funds for investment purposes when doing so is operationally advantageous and legally permissible.

II. INVESTMENT OBJECTIVES

The primary objectives of the Agency's investment activities, in order of priority, are safety of capital, liquidity of funds, and investment income.

1. Safety of Principal

Preservation of capital is the foremost objective of the investment program. The portfolio shall be structured and managed to mitigate credit risk, market risk, interest rate risk, and concentration risk. Safety shall be evaluated in the context of the portfolio as a whole and in light of the investment horizon applicable to each portion of the portfolio.

2. Liquidity

The portfolio shall maintain sufficient liquidity to meet operating expenses, contractual obligations, scheduled distributions, and other cash requirements that may reasonably be anticipated. To the extent practical, investment maturities and liquidity characteristics shall be matched with anticipated cash flow requirements.

3. Investment Income and Total Return

Subject to the requirements of safety and liquidity, the Agency shall seek a competitive risk adjusted rate of return over full market cycles. Funds not reasonably expected to be required for near-term operations may be invested over a longer investment horizon and may therefore assume a prudent degree of market volatility in pursuit of increased long-term total return. The investment program is not intended for speculation.

III. PECUNIARY FACTORS

All investment decisions shall be made solely on the basis of pecuniary factors in accordance with Section 218.415(24), Florida Statutes. The Agency shall not sacrifice investment return, accept additional investment risk, or subordinate its financial interests in order to promote any nonpecuniary social, political, or ideological objective. The weight assigned to any pecuniary factor shall reflect a prudent assessment of its expected effect upon investment risk or return over the applicable investment horizon.

IV. STANDARDS OF CARE

1. Prudence

Investment officials shall apply the "Prudent Person Rule" required by Section 218.415(4), Florida Statutes: investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The standard of prudence shall be applied to the portfolio as a whole rather than to any individual investment in isolation.

2. Ethics and Conflicts of Interest

Officers, employees, contractors, investment advisers, and others involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, and shall disclose material interests or relationships that could reasonably be expected to impair their independence or objectivity. No person involved in the investment program shall use the Agency's investment activity for personal benefit. Any external investment adviser shall disclose material conflicts of interest, affiliated entities, compensation arrangements, and affiliated brokerage or advisory relationships, including any municipal advisory relationship with the Agency, and other matters required by applicable securities laws or reasonably requested by the Agency.

The Agency shall maintain a compliance and conflict of interest policy covering its Board of Directors (the "Board"), officers, employees, contractors, and investment advisors, including the Investment Administrator, which includes disclosure of any activity that could conflict with the proper execution or management of the investment program or which could reasonably impair their independence or objectivity.

V. INVESTMENT AGENCY AND RESPONSIBILITY

1. Governing Board

The Board shall adopt and amend this Policy, establish the overall risk parameters of the investment program, approve the engagement of any external investment adviser or manager, receive periodic investment reports, review investment performance and compliance, and exercise ultimate oversight of the investment program.

2. Investment Administrator

The Executive Director shall serve as the Investment Administrator unless the Board designates another officer by resolution. The Investment Administrator shall administer and oversee the investment program and may implement this Policy; maintain cash flow and liquidity analyses; establish accounts with approved custodians and financial institutions; execute agreements necessary to administer the program; transfer funds into and out of investment accounts; monitor the external investment manager; review investment reports; monitor compliance with this Policy; and perform such other investment related responsibilities as may be delegated by the Board.

3. External Investment Adviser or Manager

The Board may engage one or more investment advisers registered with the United States Securities and Exchange Commission to provide investment advisory or discretionary investment management services. A manager may be granted discretionary authority to purchase, sell, exchange, and reinvest assets without transaction by transaction approval, provided that all activity complies with this Policy and applicable law; the manager operates within an investment management agreement approved by the Agency; assets remain titled in the name of the Agency and held by an approved independent qualified custodian; the manager provides reporting sufficient to establish compliance with this Policy; and the Agency retains the right to impose additional restrictions at any time. The manager shall have no authority to modify, waive, or exceed the limitations of this Policy.

VI. CONTINUING EDUCATION

The Agency's officials responsible for making investment decisions, or its chief financial officer or equivalent officer, shall annually complete at least eight hours of continuing education in subjects or courses of study related to investment practices and products, as required by Section 218.415(14), Florida Statutes.

VII. SEGMENTATION OF FUNDS

1. Operating Funds

Operating Funds are funds reasonably expected to be required for current expenses and short-term obligations. Operating Funds shall emphasize principal stability and immediate or near immediate liquidity.

2. Liquidity Reserve

The Agency shall maintain a Liquidity Reserve sufficient to meet reasonably anticipated operating obligations, scheduled payments, and unexpected cash requirements without requiring the untimely sale of longer-term investments. The minimum Liquidity Reserve shall equal the sum of (a) six months of budgeted operating expenses for the current fiscal year, excluding interlocal or similar payments that are contingent upon and payable from the revenues of bond closings, plus (b) the full budgeted annual payment obligation to the City of Gulf Breeze for the current fiscal year. The minimum Liquidity Reserve shall be recalculated upon adoption of each annual budget and reviewed at least annually. The current stated minimum is set forth in Attachment 1.

Obligations that arise only upon the closing of a bond transaction and that are payable from revenues generated at such closing are not required to be prefunded through the Liquidity Reserve. The Liquidity Reserve may be maintained through cash, deposits, money market instruments, local government investment pools, short term fixed income securities, or other investments reasonably expected to be converted to cash when required without material loss.

3. Strategic Reserve Funds

Funds in excess of Operating Funds and the Liquidity Reserve may be designated as Strategic Reserve Funds. Strategic Reserve Funds are assets that the Agency reasonably anticipates will not be required to meet current operating expenses or known near-term obligations and that may therefore be invested over a multi-year investment horizon. Strategic Reserve Funds may be invested in the broader range of authorized asset classes described in this Policy and may experience reasonable short-term market value fluctuations in pursuit of superior long-term risk adjusted returns. Equity, real estate, preferred security, and other growth or income-oriented investments authorized under this Policy may be purchased only as part of the Strategic Reserve allocation.

VIII. AUTHORIZED INVESTMENTS

Subject to applicable Florida law and the limitations in Attachment 1, funds may be invested in the categories below. Investments not listed in this Policy are prohibited.

1. Cash and Governmental Liquidity Investments

Deposits in "qualified public depositories" as defined in Section 280.02(26), Florida Statutes; interest bearing checking and savings accounts; certificates of deposit and other insured or appropriately collateralized deposit instruments; the Local Government Surplus Funds Trust Fund; intergovernmental investment pools authorized pursuant to Section 163.01, Florida Statutes; United States Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other legally authorized cash equivalent investments.

2. United States Government Securities

Direct obligations of the United States Treasury; securities whose principal and interest are fully guaranteed by the United States Government; obligations of United States agencies and instrumentalities; and obligations of government sponsored enterprises, to the extent permitted by law.

3. State and Local Government Obligations

Investment grade obligations of states, municipalities, political subdivisions, public authorities, and other governmental issuers, to the extent permitted by applicable law.

4. Corporate Fixed Income

United States dollar denominated investment grade corporate bonds, notes, commercial paper, asset backed securities, and other corporate fixed income obligations, to the extent permitted by applicable law. Longer term corporate obligations shall be rated investment grade by at least two nationally recognized statistical rating organizations at the time of purchase, one of which shall be Moody's or Standard and Poor's. Commercial paper and other short term corporate obligations shall be rated in the highest tier by a nationally recognized rating agency at the time of purchase.

5. Repurchase Agreements

Repurchase agreements collateralized by securities otherwise authorized by this Policy. No repurchase agreement shall be entered into with any institution or dealer that has not executed a Master Repurchase Agreement with the Agency or its investment manager, and all repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement and Section 218.415(11), Florida Statutes.

6. Pooled and Managed Investment Vehicles

Mutual funds, exchange traded funds, separately managed accounts, and other professionally managed investment vehicles whose underlying strategy and holdings are materially consistent with this Policy and otherwise permissible under applicable Florida law. The Investment Administrator or manager shall monitor the composition of any such vehicle to ensure that, in combination with other holdings, the limitations of this Policy are observed.

7. Diversified Equity Investments

Strategic Reserve Funds may be invested in diversified equity mutual funds, exchange traded funds, or other diversified pooled equity vehicles, to the extent authorized by applicable Florida law. Permitted strategies include broad United States equity market strategies, large capitalization strategies, and dividend growth or dividend income strategies. Diversified vehicles are preferred over concentrated positions; direct positions in individual common stocks are prohibited.

8. Preferred Securities and Income Oriented Investments

Strategic Reserve Funds may be invested in preferred stocks or preferred security funds; real estate investment trusts (REIT) or diversified REIT funds; and other diversified income-oriented investments authorized by law and consistent with this Policy.

9. Conditional Effectiveness of Growth and Income Categories

The authorizations in subsections 7 and 8 of this Section VIII, and the corresponding categories in Attachment 1, shall become effective only upon written confirmation from the Agency's counsel that such investments are legally authorized for the Agency under Section 218.415, Florida Statutes, and other applicable law. Until such confirmation is received, those categories shall be treated as prohibited under Section XII. All other provisions of this Policy are effective upon adoption.

10. Additional Investments Authorized by Law

The Agency may invest in any additional investment expressly authorized by Section 218.415, Florida Statutes, or other applicable law, provided such investment is specifically permitted under this Policy or subsequently authorized by the Board as legally required. Nothing in this Policy authorizes an investment prohibited by Florida law.

IX. PORTFOLIO COMPOSITION AND DIVERSIFICATION

The portfolio shall be diversified to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, asset class, dealer, or bank through which financial instruments are bought and sold. The maximum allocations in Attachment 1 are limits and shall not be interpreted as target allocations. Actual allocations within those limits shall reflect current market conditions, expected risk and return, credit conditions, cash flow requirements, applicable investment horizons, and other pecuniary factors. Diversification strategies shall be reviewed periodically.

The combined market value of equity funds, preferred securities, real estate investment trusts, and other growth or income-oriented risk assets shall not exceed thirty percent of the total investment portfolio. The establishment of this maximum does not require that any such allocation be maintained. The remaining portfolio shall be held in cash, cash equivalents, fixed income securities, government securities, deposits, investment pools, or other authorized investments.

X. MATURITY AND LIQUIDITY

The portfolio shall be structured to provide sufficient liquidity to pay obligations as they come due. To the extent possible, investment maturities shall be matched with known cash needs and anticipated cash flow requirements, and a laddered maturity structure may be maintained. Except for pooled investments, equity investments, securities with appropriate liquidity features, or investments specifically designated as part of the Strategic Reserve, no individual fixed income security shall have a stated maturity exceeding ten years from the date of purchase. Strategic Reserve investments shall be evaluated based on the anticipated investment horizon of the applicable portfolio rather than solely upon short-term market fluctuations.

XI. CREDIT QUALITY

Fixed income investments exposed to issuer credit risk shall meet the minimum standards of this Policy and Attachment 1 at the time of purchase. If an investment is subsequently downgraded below the minimum credit quality required for purchase, the investment manager shall promptly evaluate the investment and determine whether continued holding or sale is in the best pecuniary interest of the portfolio. A downgrade shall not automatically require sale if an immediate sale would reasonably be expected to impair the portfolio. Any material downgrade and the recommended course of action shall be reported to the Investment Administrator.

XII. PROHIBITED INVESTMENTS AND PRACTICES

Unless subsequently authorized by amendment to this Policy and permitted by law, the following are prohibited: cryptocurrency and other digital assets; commodities and commodity futures; hedge funds; private equity and venture capital funds; direct private company equity; direct positions in individual common stocks; collectibles; speculative grade or high yield bonds; uncovered options; short sales; leveraged or inverse exchange traded products; securities purchased on margin; reverse repurchase agreements and other forms of leverage; derivatives; securities lending; and any investment whose primary purpose is speculative rather than investment oriented.

XIII. AUTHORIZED INVESTMENT INSTITUTIONS AND ADVISERS

The Investment Administrator shall maintain a list of financial institutions, custodians, broker dealers, and investment advisers authorized to conduct business with the Agency. An investment adviser providing discretionary investment management services shall be registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940; provide its current Form ADV and all material amendments annually; maintain all licenses and registrations required by law; disclose material disciplinary events; disclose affiliated broker dealers, municipal advisors, custodians, and other financial institutions and all material compensation arrangements and conflicts of interest; demonstrate experience managing institutional, governmental, or public funds; and agree in writing to comply with this Policy. Broker dealers shall comply with applicable Securities and Exchange Commission net capital requirements. Depositories shall be qualified public depositories under Chapter 280, Florida Statutes, where required by law.

XIV. CUSTODY AND SAFEKEEPING

Securities shall be held by an independent third-party custodian approved by the Agency, and all securities purchased by, and all collateral obtained by, the Agency shall be properly designated as assets of the Agency. Securities transactions between a broker dealer and the custodian involving purchase or sale of securities by transfer of money or securities shall be made on a delivery versus payment basis, if applicable, so that the custodian will have the security or money in hand at the conclusion of the transaction. The external investment manager shall not take custody of assets. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized officer of the Agency pursuant to authorized procedures. Custodial records shall be reconciled periodically to the accounting records.

XV. BID REQUIREMENT AND BEST EXECUTION

Staff or the investment manager shall determine the approximate maturity date of investments based on cash flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the bid deemed to best meet the investment objectives of this Policy must be selected. When an SEC registered adviser exercises discretionary trading authority in the open market, competitive bids are not required and the adviser shall instead seek best execution considering price, transaction costs, execution capability, liquidity, creditworthiness, and settlement. Transactions conducted through an affiliate of the adviser are subject to applicable securities laws, the adviser's fiduciary obligations, and disclosure to the Agency of any material financial benefit arising from the affiliation.

XVI. INTERNAL CONTROLS

The Agency shall maintain a written system of internal controls, made part of its operational procedures, designed to prevent losses of funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions. Controls shall address, as appropriate: separation of investment management authority from accounting and recordkeeping; independent third party custody; control of collusion; clear authorization procedures for cash transfers, including dual authorization or comparable controls for material wire transfers; written confirmation of transactions; regular account reconciliation and verification of assets held by the custodian; avoidance of physical delivery securities; procedures governing changes to bank or custodial instructions; and appropriate cybersecurity and fraud prevention measures. As part of the annual financial audit, these controls shall be reviewed by the independent auditor. The manager shall have no unilateral authority to transfer funds to a third party other than through normal settlement of authorized transactions.

XVII. PERFORMANCE MEASUREMENT

Investment performance shall be evaluated over appropriate investment horizons against benchmarks reasonably corresponding to the risk, duration, and asset allocation of the portfolio. A blended benchmark may be used when the portfolio contains multiple asset classes. Benchmarks shall be recommended by the Investment Administrator or manager and approved by the Board or incorporated into the investment management agreement. Evaluation shall consider total return, income, risk, duration, liquidity, and compliance with this Policy. Short term underperformance shall not, standing alone, establish that the investment program has failed to satisfy this Policy.

XVIII. REPORTING

The Investment Administrator shall cause investment reports to be presented to the Board at least quarterly. Each report shall include, at a minimum, securities in the portfolio by class or type, book value, income earned, and market value as of the report date, and as applicable: realized and unrealized gains and losses; total return and performance against applicable benchmarks; asset allocation; maturity distribution and weighted average maturity or duration; credit quality distribution; material transactions during the period; liquidity position and compliance with the minimum Liquidity Reserve; compliance with asset class and concentration limitations; material credit downgrades; and material exceptions to this Policy. All investments shall be reported at fair value or amortized cost, if applicable, per Governmental Accounting Standards Board ("GASB") . Reports shall be available to the public as required by law.

XIX. POLICY COMPLIANCE

The investment manager shall monitor the portfolio for compliance with this Policy. A temporary variance caused solely by market value fluctuations shall not automatically require the immediate sale of an investment. When market movements cause an allocation to exceed a limitation, the manager shall notify the Investment Administrator if the variance is material, refrain from purchases that would materially increase the noncompliant allocation, and develop a prudent rebalancing strategy considering market conditions, transaction costs, and liquidity. Any variance resulting from an unauthorized purchase shall be reported promptly to the Investment Administrator and corrected in a prudent manner.

XX. TRANSITION AND INITIAL IMPLEMENTATION

Upon initial funding of the Strategic Reserve, allocations to growth and income-oriented asset classes shall be implemented in phased increments over a period of not less than twelve months, at the discretion of the investment manager in consultation with the Investment Administrator, in order to mitigate market timing risk. Proceeds of maturing certificates of deposit and other maturing instruments may serve as funding sources for phased deployment. Any investment held at the effective date of this Policy that does not conform to this Policy is exempted from its requirements; upon maturity or liquidation, such monies shall be reinvested only as provided herein.

XXI. REVIEW AND AMENDMENT

This Policy shall be reviewed at least annually by the Investment Administrator, with the first annual review to occur no later than August 2027. The investment adviser may recommend amendments but has no authority to modify this Policy. Material amendments shall be approved by the Board. The Board may amend Attachment 1 by resolution to the extent permitted by law, provided that no amendment may authorize an investment prohibited by applicable Florida law.

ATTACHMENT 1
INVESTMENT PARAMETERS

A. Minimum Liquidity Reserve

The minimum Liquidity Reserve, calculated in accordance with Section VII.2 of this Policy, is currently:

$800,000.00

The minimum Liquidity Reserve shall be recalculated upon adoption of each annual budget.

B. Maximum Asset Class Allocations

Investment Category	Maximum % of Total Portfolio
U.S. Treasury Obligations	100%
Federal Agencies, Instrumentalities, and GSEs	100%
Local Government Investment Pools	100%
Government and Treasury Money Market Funds	100%
Qualified Deposits and Certificates of Deposit	50%
State and Local Government Obligations	40%
Investment Grade Corporate Fixed Income	30%
Repurchase Agreements	20%
Diversified Common Equity Funds and ETFs*	25%
Preferred Securities*	10%
REITs and Diversified Real Estate Securities*	10%
Other Board Authorized Income Oriented Investments*	10%

**Effective only upon the written confirmation of counsel described in Section VIII.9. The combined allocation to the categories marked with an asterisk shall not exceed 30% of the total portfolio. All percentage limitations are maximums, not targets.*

C. Fixed Income Maturity Limitations

Final Maturity	Maximum % of Total Portfolio
1 year or less	100%
Greater than 1 year through 3 years	85%
Greater than 3 years through 5 years	60%
Greater than 5 years through 10 years	30%
Greater than 10 years	0%

D. Concentration Limitations

Limitation	Maximum
Single corporate issuer	5%
Single governmental issuer other than the United States Government	10%
Individual diversified mutual fund or ETF	15%
Direct position in any individual common stock	0%
Below investment grade fixed income	0%

U.S. Treasury obligations, appropriately collateralized deposits, qualifying government money market funds, and qualifying local government investment pools are not subject to the single issuer limits applicable to corporate or municipal issuers.

E. Strategic Reserve

Only assets designated as Strategic Reserve Funds may be invested in equity, preferred security, REIT, or similar growth or income-oriented investments. The Investment Administrator shall periodically determine the amount of funds available for designation as Strategic Reserve Funds based on cash flow analysis and the minimum Liquidity Reserve.

F. Interpretation

Where an investment could reasonably fall within more than one category, it shall be classified according to its predominant investment exposure. No provision of this Attachment authorizes an investment that is not legally permissible.