

# CITY OF WILTON MANORS GENERAL EMPLOYEES' & POLICE OFFICERS' RETIREMENT PLAN

ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2016  
FOR THE YEAR BEGINNING OCTOBER 1, 2016





June 6, 2017

Board of Trustees  
City of Wilton Manors  
Wilton Manors, FL 33305

Re: City of Wilton Manors General Employees' and Police Officers' Retirement Plan  
Annual Actuarial Valuation as of October 1, 2016

Dear Board Members:

The results of the October 1, 2016 Annual Actuarial Valuation of the City of Wilton Manors General Employees' and Police Officers' Retirement Plan are presented in this report.

The contribution amount shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The contribution rate in this report is determined using the actuarial assumptions and actuarial cost methods disclosed in Section III of this report. This report includes risk metrics in Section I but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the Plan's financial condition.

This report was prepared at the request of the Board and is intended for use by the Retirement Plan and those designated or approved by the Board. This report may be provided to parties other than the Retirement Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the valuation is to measure the Retirement Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2017, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for the fiscal year ending September 30, 2016. Estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2017 is also presented in this report. This report should not be relied on for any purpose other than the purpose described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The findings in this report consider data or other information through September 30, 2016. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The valuation was based upon information furnished by the Plan Administrator concerning Plan benefits, financial transactions, plan provisions, active and terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

In addition, this report was prepared using assumptions approved by the Board and prescribed by the Florida Statute as described in Section III of this report. The prescribed assumptions are the assumed mortality rates detailed in the Actuarial Assumptions and Actuarial Cost Methods section in accordance with Florida House Bill 1309 (codified in Chapter 2015-157).

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Theora P. Braccialarghe and Melissa R. Moskovitz are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This actuarial valuation was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and Report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By Theora Braccialarghe  
Theora P. Braccialarghe, FSA, MAAA, FCA  
Enrolled Actuary No. 17-02826

By Melissa R. Moskovitz  
Melissa R. Moskovitz, MAAA, FCA  
Enrolled Actuary No. 17-06467



## TABLE OF CONTENTS

<b>I</b>	<b>Introduction</b>	
	a. Discussion.....	1
	b. Financial Position of the Plan .....	4
	c. Recent History of Plan Changes .....	7
<b>II</b>	<b>Valuation Results</b>	
	a. Comparative Summary of Valuation Results .....	8
	b. Derivation of Normal Cost and Present Value of Projected Benefits .....	11
	c. Liquidation of the Unfunded Actuarial Accrued Liability.....	13
	d. Recent History of Valuation Results.....	17
	e. Actuarial Gains and Losses.....	18
	f. Schedule of Funding Progress.....	20
	g. FASB Information.....	21
	h. GASB Information .....	24
	i. Actuarial Assumptions and Actuarial Cost Methods .....	29
	j. Glossary of Terms .....	35
<b>III</b>	<b>Pension Fund Information</b>	
	a. Statement of Assets .....	37
	b. Income and Disbursements .....	38
	c. Actuarial Value of Assets.....	39
	d. DROP Accounting.....	41
	e. Investment Rate of Return.....	42
<b>IV</b>	<b>Member Statistics</b>	
	a. Statistical Data.....	43
	b. Reconciliation of Membership Data.....	45
	c. Age and Service Distributions .....	46
<b>V</b>	<b>Summary of Retirement Plan Provisions.....</b>	<b>48</b>
<b>Appendix</b>	<b>State Requirements</b>	

**SECTION I**

**DISCUSSION**

## DISCUSSION

### CLOSED PLAN

The Plan was closed to new entrants as of August 1, 2007. One consequence of this closure is that the annual payment on the unfunded accrued liability for the City is expected to increase as a percentage of covered payroll as covered payroll decreases from year to year. Another is that the contribution requirement is expected to continue after all the remaining active members have retired.

### TOTAL REQUIRED CONTRIBUTION

The required City contribution for the plan year ending September 30, 2017, is \$1,685,242, as shown below:

<b>Required City Contribution</b>			
	<b>General</b>	<b>Police</b>	<b>Total</b>
Total Required Employer Contribution	\$ 769,608	915,634	1,685,242
As a % of Payroll	179.26 %	459.54 %	268.11 %
Expected State Premium Tax Refund	N/A	\$0	\$0
Remaining City Contribution	769,608	915,634	1,685,242
As a % of Payroll	179.26 %	459.54 %	268.11 %

The actual employer contribution received during the year ending September 30, 2016 was \$1,638,492 which was the minimum required amount.

### EXPERIENCE

There was a net experience gain for the year. The investment return on a market value basis was 7.6%. The return in excess of 7.0% is being spread over 5 years, recognizing only 20% this year. At the same time, excess returns and shortfalls from the past four years continue to be phased in at 20% per year. The resulting investment return on a valuation asset basis was 7.9%, as compared to the assumed rate of 7.0%. There were additional gains due to smaller average salary increases than expected and losses for due

to better longevity than expected. However, the net result for both groups and the plan as a whole was an experience gain.

### **CHANGES IN BENEFITS**

There were no changes in benefits in connection with the current valuation.

### **CHANGES IN ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS**

Effective October 1, 2016, the mortality table was changed from the fully generational RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA, to the mortality assumption used by the Florida Retirement System (FRS) for Regular Class members (General Employees) and Special Risk Class members (Police Officers), as contained in the FRS actuarial valuation report as of July 1, 2016. This change was made to comply with Florida House Bill 1309, which requires all public pension plans in Florida to use the same mortality tables used in either of the last two actuarial valuation reports of FRS effective no later than October 1, 2016. This change added about \$55,000 to the required contribution.

### **FUNDED RATIO**

The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability. The funded ratio this year is 64.9 % compared to 63.7 % last year. The funded ratio prior to the assumption change was 65.8%. Contributions based on the progressively shorter amortization period will pay off the unfunded liability sooner, which will have a positive effect on the funded ratio going forward.

### **VARIABILITY OF FUTURE CONTRIBUTION RATES**

The Actuarial Cost Method is intended to produce contributions which are generally level as a percent of payroll for an ongoing plan. Even so, when experience differs from the assumptions, as it often does, the employer's contributions can vary significantly from year-to-year. The fact that the plan is

closed will put more upward pressure on the contribution and add to volatility.

The Market Value of Assets was about \$1.2 million lower than the Actuarial Value as of the valuation date. This difference will be recognized over the next few years in the absence of offsetting losses. In turn, the computed employer contribution rate will increase by approximately \$130,000. If Market Value had been the basis for the valuation, the required City contribution would have been about \$ 1.8 million and the funded ratio would have been about 61.8%.

## **RECOMMENDATIONS**

Steps have been taken to improve the funded position of the plan. The amortization period has been shortened and the investment return assumption has been lowered. We recommend reviewing all of the assumptions, with particular attention to the investment return assumption. We further recommend watching the funded ratio carefully and making no further benefit changes or improvements until the situation has improved.

## **CONCLUSION**

The remainder of this Report covers detailed actuarial valuation results, financial information, other information and statistics, a summary of plan provisions, and annual filings required by law.

## **FINANCIAL POSITION OF THE PLAN**

The purpose of this Section of the Report is to provide certain measures which indicate the financial position of the plan. These measures relate to short term solvency, long term solvency and level funding.

The various percentages listed in this Section as of a single valuation date are not overly significant standing alone. What is more significant is the trend of the rates over a period of years. It is also important to keep in mind that each time there are revisions in benefits or assumptions, actuarial liabilities are created or diminished. Any newly created liabilities are financed systematically over a period of future years. All actuarially computed values in this analysis are based on the actuarial assumptions utilized in the respective years' actuarial valuations.

### **SHORT TERM SOLVENCY**

The ultimate test of financial position is the plan's ability to pay all promised benefits when due. The plan's progress in accumulating assets to pay all promised benefits can be measured by comparing the market value of assets with:

1. Accumulated contributions of active members of the program,
2. The actuarial present value (APV) of projected benefits payable to those already receiving benefits and to vested terminations, and
3. The employer-financed portion of the actuarial present value of accrued benefits payable to active participants. This amount is based on benefits earned to date without future credited service or salary increases.

The total of the first two items should generally be fully covered by assets. The portion of the third item covered by assets should increase over time. Increases in benefits will, of course, adversely affect the trend in the years when such increases are first reflected in the actuarial values.

Although more conservative actuarial assumptions would be used in the event of a termination of the plan, this test shows how much of the benefits accrued to date might be covered by assets in the event of a plan freeze using the valuation assumptions.

<b>Valuation Date</b>	<b>Market Value of Assets</b>	<b>Actuarial Present Value (APV) of Accrued Benefits</b>	<b>% of APV Covered by Assets</b>
10/1/16	\$ 23,406,901	\$ 36,822,791	64 %
10/1/15	22,631,716	35,812,191	63
10/1/14	24,942,337	36,133,046	69
10/1/13	22,990,569	33,364,884	69
10/1/12	21,758,259	32,807,782	66

### **LONG TERM SOLVENCY**

Over the longer term, the solvency of an ongoing plan can be measured by comparing the actuarial value of assets to an amount known as the Actuarial Accrued Liability (AAL) under the Entry Age Actuarial Cost Method. This item has often been called the "past service liability". Its derivation differs from the short-term solvency value derivation in several ways, but mainly due to the fact that future salary increases are included in the AAL. As in the case of the short-term solvency values, the AAL is affected immediately by any revisions in benefits or assumptions. The accumulation of assets to equal the AAL can be considered a long-range funding goal. Largely because of periodic benefit increases, very few retirement programs have attained this goal.

<b>Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>% of AAL Covered by Assets</b>
10/1/16	\$ 24,581,894	\$ 37,857,947	65 %
10/1/15	23,662,510	37,140,635	64
10/1/14	22,793,785	37,283,456	61
10/1/13	21,420,030	34,464,173	62
10/1/12	20,937,359	34,038,536	62

## LEVEL CONTRIBUTION RATES

The actuarial assumptions and cost methods have been chosen with the intent of producing required employer contributions which remain fairly level as a percentage of covered payroll. However, the contribution for a closed plan will increase as a percent of payroll as the covered payroll goes down.

<b>Required Employer Contribution Rates As a % of Payroll</b>				
<b>Valuation Date</b>	<b>Normal Cost</b>	<b>Amortization of UAAL</b>	<b>Required City Contribution</b>	
	<b>% of Payroll</b>		<b>Amount</b>	<b>% of Payroll</b>
10/1/16	26.73 %	231.50 %	\$ 1,685,242	268.11 %
10/1/15	25.61	223.33	1,638,492	258.48
10/1/14	25.86	253.06	1,674,023	289.57
10/1/13	47.58	232.39	1,645,738	291.39
10/1/12	42.45	205.63	1,606,783	258.25

A major factor affecting the stability of the percentages just shown is how well the actual plan experience is faring compared to the actuarial assumptions. The value of the difference between what actually occurred and what was assumed to occur is called the actuarial gain or loss. Gains tend to lower the subsequent cost of the program while losses tend to cause subsequent costs to rise. A summary of the actuarial gains and losses of the Plan is in the next Section.

Analysis of all the benchmarks listed above over a period of years will provide an indication of whether the program is becoming financially stronger or weaker.

## RECENT HISTORY OF PLAN CHANGES

1. Effective October 1, 2006, the assumed rates of mortality were updated from the 1983 Group Annuity Mortality Table for males, with females set back six years, to the 1994 Group Annuity Mortality Tables for males and females.
2. Ordinance 894, passed June 12, 2007, closed the plan to new members as of the August 1, 2007 effective date of participation in FRS, and redefined 'member' to include only members hired before that date who elect to remain in the plan.
3. Ordinance 923, passed August 28, 2007, provided the following pertaining to the Plan:
  - Active members with 15 or more years of service as of October 1, 2006 who retire by September 30, 2009, may retire with unreduced benefits, payable when the member would have reached normal retirement date if they had remained continuously employed.
  - The maximum DROP period is increased from five years to six years.
  - PBA members with 10 or more years of service as of October 1, 2006 receive an annual 3% cost of living adjustment, to begin six years after retirement.
  - The Plan is closed to members hired on or after the effective date of the City's participation in FRS.
  - Active members were given 30 days to elect whether to stay in the City Plan or transfer to FRS.
4. Effective October 1, 2007, the City closed the amortization period so the number of years for new bases would go down each year.
5. Effective October 1, 2010, the assumed rate of investment return on plan assets was changed from 8.0% per annum to 7.5% per annum. Additionally, the remaining amortization period has been shortened to 20 years. The number of years for new bases will continue to go down each year.
6. Effective October 1, 2013, the mortality rates were changed from the 1994 Group Annuity Mortality Table for males and females to the fully generational RP-2000 Combined Healthy Participant Mortality Table for males and females, with a one-year age set-forward, plus an additional five-year age set-forward for impaired mortality, using projection scale AA to project mortality improvement to all future years from the year 2000.
7. Effective October 1, 2014, the one-year age set-forward in the mortality rates was eliminated from the mortality rates that became effective October 1, 2013. Additionally, the assumed rate of investment return on plan assets was changed from a 7.5% gross investment return to a 7.0% assumption net of investment expenses.
8. Effective October 1, 2016, the mortality rates were changed from the RP-2000 Combined Healthy Participant Mortality Tables for males and females, using projection scale AA to project mortality improvements to all future years after 2000, to the mortality rates used by the Florida Retirement System (FRS) for Regular Class members (General Employees) and Special Risk Class members (Police Officers). This change was made in compliance with Florida House Bill 1309, which requires all public pension plans in Florida to use the same mortality rates used in either of the last two actuarial valuation reports of FRS.

**SECTION II**  
**VALUATION RESULTS**

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR ALL EMPLOYEES AS OF OCTOBER 1</b>			
	<b>2016 After Change</b>	<b>2016 Before Change</b>	<b>2015</b>
<b>Covered Group</b>			
A. Number of Participants			
Actives	10	10	10
Retirees, Disabilities, Beneficiaries and Vested Terminations	74	74	74
Total Annual Covered Payroll	\$ 628,572	\$ 628,572	\$ 633,899
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 38,257,381	\$ 37,748,390	\$ 37,628,314
C. Actuarial Present Value of Future Normal Costs	399,434	405,574	487,679
D. Actuarial Accrued Liability (AAL): B - C	37,857,947	37,342,816	37,140,635
E. Valuation Assets	24,581,894	24,581,894	23,662,510
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	13,276,053	12,760,922	13,478,125
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL	\$ 1,455,133	\$ 1,400,084	\$ 1,415,700
As % of Payroll	231.50%	222.74%	223.33%
H. Total Normal Cost (for current year)	235,162	236,791	230,111
As % of Payroll	37.41%	37.67%	36.30%
I. Plan Year to which Contributions Apply	2016/17	N/A	2015/16
J. Interest	62,098	60,136	60,464
K. Total Required Contribution	1,752,393	1,697,011	1,706,275
As % of Payroll	278.79%	269.98%	269.17%
L. Expected Member Contribution	67,151	67,151	67,783
As % of Payroll	10.68%	10.68%	10.69%
M. Estimate of State Contributions	0	0	0
N. Total Remaining Required City Contribution	1,685,242	1,629,860	1,638,492
As % of Payroll	268.11%	259.30%	258.48%

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR GENERAL EMPLOYEES AS OF OCTOBER 1</b>			
	<b>2016 After Change</b>	<b>2016 Before Change</b>	<b>2015</b>
<b>Covered Group</b>			
A. Number of Participants			
Actives	8	8	8
Retirees, Disabilities, Beneficiaries and Vested Terminations	43	43	43
Total Annual Covered Payroll	\$ 429,324	\$ 429,324	\$ 439,282
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 17,692,734	\$ 17,260,186	\$ 17,362,619
C. Actuarial Present Value of Future Normal Costs	251,097	252,876	313,224
D. Actuarial Accrued Liability (AAL): B - C	17,441,637	17,007,310	17,049,395
E. Valuation Assets	11,665,463	11,665,463	11,347,365
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,776,174	5,341,847	5,702,030
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL	\$ 637,721	\$ 591,307	\$ 603,467
As % of Payroll	148.54%	137.73%	137.38%
H. Total Normal Cost (for current year)	150,168	150,781	148,740
As % of Payroll	34.98%	35.12%	33.86%
I. Plan Year to which Contributions Apply	2016/17	N/A	2015/16
J. Interest	28,945	27,263	27,635
K. Total Required Contribution	816,834	769,351	779,842
As % of Payroll	190.26%	179.20%	177.53%
L. Expected Member Contribution	47,226	47,226	48,321
As % of Payroll	11.00%	11.00%	11.00%
M. Estimate of State Contributions	N/A	N/A	N/A
N. Total Remaining Required City Contribution	769,608	722,125	731,521
As % of Payroll	179.26%	168.20%	166.53%

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1</b>			
	<b>2016 After Change</b>	<b>2016 Before Change</b>	<b>2015</b>
<b>Covered Group</b>			
A. Number of Participants			
Actives	2	2	2
Retirees, Disabilities, Beneficiaries and Vested Terminations	31	31	31
Total Annual Covered Payroll	\$ 199,248	\$ 199,248	\$ 194,617
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 20,564,647	\$ 20,488,204	\$ 20,265,695
C. Actuarial Present Value of Future Normal Costs	148,337	152,698	174,455
D. Actuarial Accrued Liability (AAL): B - C	<u>20,416,310</u>	<u>20,335,506</u>	<u>20,091,240</u>
E. Valuation Assets	12,916,431	12,916,431	12,315,145
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	7,499,879	7,419,075	7,776,095
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL	\$ 817,412	\$ 808,777	\$ 812,233
As % of Payroll	410.25%	405.91%	417.35%
H. Total Normal Cost (for current year)	84,994	86,010	81,371
As % of Payroll	42.66%	43.17%	41.81%
I. Plan Year to which Contributions Apply	2016/17	N/A	2015/16
J. Interest	33,153	32,873	32,829
K. Total Required Contribution	935,559	927,660	926,433
As % of Payroll	469.54%	465.58%	476.03%
L. Expected Member Contribution	19,925	19,925	19,462
As % of Payroll	10.00%	10.00%	10.00%
N. Estimate of State Contributions	0	0	0
M. Total Remaining Required City Contribution	915,634	907,735	906,971
As % of Payroll	459.54%	455.58%	466.03%

<b>DERIVATION OF NORMAL COST GENERAL EMPLOYEES AS OF OCTOBER 1</b>			
	<b>2016</b> <i>After Change</i>	<b>2016</b> <i>Before Change</i>	<b>2015</b>
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 88,994	\$ 89,288	\$ 90,258
Vesting Benefits	5,124	5,124	5,075
Preretirement Death Benefits	1,770	1,196	1,060
Disability	5,453	6,352	6,741
Return of Contributions	<u>3,103</u>	<u>3,097</u>	<u>3,173</u>
Total	104,444	105,057	106,307
B. Normal Cost for Administrative	45,724	45,724	42,433
C. Total Normal Cost: A + B	150,168	150,781	148,740

<b>PRESENT VALUE OF PROJECTED BENEFITS GENERAL EMPLOYEES AS OF OCTOBER 1</b>			
	<b>2016</b> <i>After Change</i>	<b>2016</b> <i>Before Change</i>	<b>2015</b>
A. Present Value of Future Salaries	\$ 1,008,252	\$ 1,009,211	\$ 1,256,675
B. Present Value of Future Member Contributions	110,908	111,013	138,234
C. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	3,290,990	3,274,505	3,168,793
Vesting Benefits	1,562	1,590	5,860
Preretirement Death Benefits	21,021	16,322	17,656
Disability	20,850	23,949	29,263
Return of Contributions	<u>348</u>	<u>348</u>	<u>471</u>
Total	3,334,771	3,316,714	3,222,043
2. Inactive Members			
Service Retirees	13,299,508	12,880,233	13,071,891
DROP Participants	639,086	627,789	630,090
Disability Retirees	98,987	125,513	127,305
Beneficiaries	274,788	265,637	269,933
Terminated Vested	<u>45,594</u>	<u>44,300</u>	<u>41,357</u>
Total	14,357,963	13,943,472	14,140,576
3. Grand Total	17,692,734	17,260,186	17,362,619

<b>DERIVATION OF NORMAL COST POLICE OFFICERS AS OF OCTOBER 1</b>			
	<b>2016 <i>After Change</i></b>	<b>2016 <i>Before Change</i></b>	<b>2015</b>
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 27,988	\$ 29,020	\$ 28,108
Vesting Benefits	3,622	3,687	3,535
Preretirement Death Benefits	529	349	320
Disability	450	551	529
Return of Contributions	3,010	3,008	2,937
Total	<u>35,599</u>	<u>36,615</u>	<u>35,429</u>
B. Normal Cost for Administrative	49,395	49,395	45,942
C. Total Normal Cost: A + B	84,994	86,010	81,371

<b>PRESENT VALUE OF PROJECTED BENEFITS POLICE OFFICERS AS OF OCTOBER 1</b>			
	<b>2016 <i>After Change</i></b>	<b>2016 <i>Before Change</i></b>	<b>2015</b>
A. Present Value of Future Salaries	\$ 854,587	\$ 855,458	\$ 979,787
B. Present Value of Future Member Contributions	85,459	85,546	97,979
C. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	2,068,739	2,145,622	2,001,595
Vesting Benefits	0	0	7,582
Preretirement Death Benefits	15,392	10,901	11,391
Disability	16,551	19,640	21,259
Return of Contributions	0	0	0
Total	<u>2,100,682</u>	<u>2,176,163</u>	<u>2,041,827</u>
2. Inactive Members			
Service Retirees	16,865,306	16,775,659	15,843,982
DROP Participants	0	0	814,045
Disability Retirees	285,769	267,912	277,443
Beneficiaries	1,312,890	1,268,470	1,288,398
Terminated Vested	0	0	0
Total	<u>18,463,965</u>	<u>18,312,041</u>	<u>18,223,868</u>
3. Grand Total	20,564,647	20,488,204	20,265,695

**LIQUIDATION OF THE  
UNFUNDED ACTUARIAL ACCRUED LIABILITY  
GENERAL EMPLOYEES**

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining through 2029/30. Details relating to the UAAL are as follows:

<b>UAAL GENERAL EMPLOYEES AS OF OCTOBER 1, 2016</b>					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	4	\$ (78)	\$ (22)
10/1/94 Method Change	30		7	13,474	2,337
10/1/94 Assumption Changes	30		7	(7,785)	(1,350)
10/1/95 Plan Amendment	30		8	347,189	54,339
10/1/96 Assumption Change	30		9	71,585	10,269
10/1/98 Plan Amendment	30		11	13,000	1,620
10/1/03 Plan Amendment	30	624,219	14	450,660	48,160
10/1/03 Asset Method Change	30	(785,623)	14	(567,185)	(60,612)
10/1/04 Cost Method Change	30	1,443,006	14	1,059,121	113,182
10/1/05 (Gain)/Loss	30	540,168	14	402,491	43,012
10/1/05 Plan Amendment	30	26,548	14	19,782	2,114
10/1/06 (Gain)/Loss	30	203,371	14	153,641	16,419
10/1/06 Assumption Change	30	151,335	14	114,330	12,218
10/1/06 Plan Amendment	30	(238,605)	14	(180,258)	(19,263)
10/1/07 (Gain)/Loss	29	(429,960)	14	(342,361)	(36,586)
10/1/08 (Gain)/Loss	28	262,546	14	211,235	22,574
10/1/09 (Gain)/Loss	27	938,436	14	765,026	81,754
10/1/10 (Gain)/Loss	26	336,348	14	277,797	29,687
10/1/10 Assumption Change	20	713,404	14	589,217	62,966
10/1/11 (Gain)/Loss	19	767,956	14	649,976	69,459
10/1/12 (Gain)/Loss	18	828,428	14	720,119	76,955
10/1/13 (Gain)/Loss	17	(55,169)	14	(49,375)	(5,276)
10/1/13 Assumption Change	17	(3,377)	14	(3,023)	(323)
10/1/14 (Gain)/Loss	16	(368,125)	14	(340,263)	(36,362)
10/1/14 Assumption Change	16	1,022,253	14	944,878	100,974
10/1/15 (Gain)/Loss	15	144,135	14	138,301	14,779
10/1/16 (Gain)/Loss	14	(109,647)	14	(109,647)	(11,717)
10/1/16 Assumption Change	14	434,327	14	434,327	46,414
				5,776,174	637,721

<b>Amortization Schedule Illustration - General</b>	
<b>Year Ended</b>	<b>Projected UAAL</b>
2016	\$ 5,776,174
2017	5,498,147
2018	5,200,657
2019	4,882,343
2020	4,541,747
2025	2,506,156
2030	0

**LIQUIDATION OF THE  
UNFUNDED ACTUARIAL ACCRUED LIABILITY  
POLICE OFFICERS**

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining through 2029/30. Details relating to the UAAL are as follows:

<b>UAAL POLICE OFFICERS AS OF OCTOBER 1, 2016</b>					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	4	\$ (1,832)	(505)
10/1/94 Method Change	30		7	13,348	2,315
10/1/94 Assumption Changes	30		7	5,749	997
10/1/95 Plan Amendment	30		8	282,125	44,156
10/1/96 Assumption Change	30		9	26,650	3,823
10/1/03 Plan Amendment	30	293,612	14	228,173	24,384
10/1/03 Asset Method Change	30	(694,013)	14	(539,335)	(57,636)
10/1/04 Cost Method Change	30	1,473,123	14	1,164,516	124,445
10/1/05 (Gain)/Loss	30	962,062	14	771,356	82,431
10/1/05 Plan Amendment	30	1,135,420	14	910,351	97,284
10/1/06 (Gain)/Loss	30	351,747	14	298,142	31,861
10/1/06 Assumption Change	30	200,570	14	162,886	17,407
10/1/07 (Gain)/Loss	29	170,330	14	136,317	14,567
10/1/08 (Gain)/Loss	28	475,229	14	384,180	41,055
10/1/09 (Gain)/Loss	27	285,316	14	233,253	24,926
10/1/10 (Gain)/Loss	26	539,626	14	457,387	48,878
10/1/10 Assumption Change	20	961,187	14	814,701	87,063
10/1/11 (Gain)/Loss	19	650,191	14	551,102	58,893
10/1/12 (Gain)/Loss	18	712,742	14	620,211	66,278
10/1/13 (Gain)/Loss	17	14,424	14	12,921	1,381
10/1/13 Assumption Change	17	387,602	14	347,182	37,101
10/1/14 (Gain)/Loss	16	(268,596)	14	(248,399)	(26,545)
10/1/14 Assumption Change	16	1,500,251	14	1,387,444	148,268
10/1/15 (Gain)/Loss	15	(594,387)	14	(570,480)	(60,964)
10/1/16 (Gain)/Loss	14	(28,873)	14	(28,873)	(3,086)
10/1/16 Assumption Change	14	80,804	14	80,804	8,635
				7,499,879	817,412

<b>Amortization Schedule Illustration - Police</b>	
<b>Year Ended</b>	<b>Projected UAAL</b>
2016	\$ 7,499,879
2017	7,150,238
2018	6,776,123
2019	6,375,819
2020	5,947,494
2025	3,363,360
2030	0

<b>RECENT HISTORY OF VALUATION RESULTS</b>							
<b>Valuation Date</b>	<b>Number of Members</b>		<b>Covered Annual Payroll</b>	<b>Actuarial Value of Assets</b>	<b>UAAL</b>	<b>Employer Normal Cost</b>	
	<b>Active</b>	<b>Inactive</b>				<b>Amount</b>	<b>% of Payroll</b>
10/1/16	10	74	\$ 628,572	\$ 24,581,894	\$ 13,276,053	\$ 168,011	26.73 %
10/1/15	10	74	633,899	23,662,510	13,478,125	162,328	25.61
10/1/14	10	74	578,109	22,793,785	14,489,671	149,524	25.86
10/1/13	10	74	564,797	21,420,030	13,044,143	268,734	47.58
10/1/12	11	75	622,190	20,937,359	13,101,177	264,125	42.45
10/1/11	14	74	849,026	22,002,880	11,893,885	324,959	38.27
10/1/10	15	74	919,415	22,793,489	10,938,575	302,739	32.93
10/1/09	18	73	1,121,175	23,490,652	8,663,910	357,448	31.88
10/1/08	25	67	1,570,672	23,978,668	7,719,636	335,955	21.39
10/1/07	37	56	2,355,661	23,215,211	7,227,516	453,971	19.27

### ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long-range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long-term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gains (losses) for this and previous years are as follows:

	General	Police
<b>A. Derivation of Actuarial Gain / (Loss)</b>		
1. Unfunded Actuarial Accrued Liability (UAAL) Previous Valuation	\$ 5,702,030	\$ 7,776,095
2. Normal Cost (NC) Previous Valuation	100,419	61,909
3. Contributions Previous Year	731,521	906,971
4. Interest on:		
a. UAAL and NC	406,171	548,660
b. Contributions	25,605	31,745
c. Net Total: (a) - (b)	380,566	516,915
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	5,451,494	7,447,948
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	434,327	80,804
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	5,885,821	7,528,752
9. Actual UAAL Current Year	5,776,174	7,499,879
10. Actuarial Gain / (Loss): (8) - (9)	109,647	28,873
<b>B. Approximate Portion of Gain / (Loss) Due to Investments</b>	119,964	93,315
<b>C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)</b>	\$ (10,317)	\$ (64,442)

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/16	\$ 109,647	\$ 28,873	\$ 138,520
9/30/15	(144,135)	594,387	450,252
9/30/14	368,125	268,596	636,721
9/30/13	55,169	(14,424)	40,745
9/30/12	(828,428)	(712,742)	(1,541,170)

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they be in line with the actual experience. The following table shows the fund earnings on actuarial value of assets and salary increase rates compared to the assumed rates for the last few years:

Year Ended	Investment Rate of Return on Actuarial Value of Assets, General & Police Combined		Salary Increases		
	Actual	Assumed	General Actual	Police Actual	Assumed
9/30/16	7.9 %	7.0 %	(2.3) %	2.4 %	5.5 %
9/30/15	7.4	7.0	7.3	15.4	5.5
9/30/14	10.9	7.5	2.7	5.9	5.5
9/30/13	8.3	7.5	1.5	7.1	5.5
9/30/12	1.3	7.5	3.8	5.7	5.5
9/30/11	0.4	7.5	(1.8)	(4.1)	5.5
9/30/10	1.8	8.0	0.6	0.9	5.5
9/30/09	2.1	8.0	4.9	3.6	5.5
9/30/08	5.1	8.0	3.4	4.1	5.5
9/30/07	10.9	8.0	6.2	5.4	5.5

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuation both at the beginning and end of each year.

<b>SCHEDULE OF FUNDING PROGRESS</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets: (a)</b>	<b>Actuarial Accrued Liability (AAL): (b)</b>	<b>Unfunded AAL (UAAL): (b)-(a)</b>	<b>Funded Ratio: (a)/(b)</b>	<b>Covered Payroll: (c)</b>	<b>UAAL As % of Covered Payroll: [(b)-(a)]/(c)</b>
10/1/16	\$ 24,581,894	\$ 37,857,947	\$ 13,276,053	64.9 %	\$ 628,572	2112.1 %
10/1/15	23,662,510	37,140,635	13,478,125	63.7	633,899	2126.2
10/1/14	22,793,785	37,283,456	14,489,671	61.1	578,109	2506.4
10/1/13	21,420,030	34,464,173	13,044,143	62.2	564,797	2309.5
10/1/12	20,937,359	34,038,536	13,101,177	61.5	622,190	2105.7
10/1/11	22,002,880	33,896,765	11,893,885	64.9	849,026	1400.9
10/1/10	22,793,489	33,732,064	10,938,575	67.6	919,415	1189.7
10/1/09	23,490,652	32,154,562	8,663,910	73.1	1,121,175	772.8
10/1/08	23,978,668	31,698,304	7,719,636	75.6	1,570,672	491.5
10/1/07	23,215,211	30,442,727	7,227,516	76.3	2,355,661	306.8

**FASB NO. 35 INFORMATION  
ALL EMPLOYEES AS OF OCTOBER 1**

	2016	2015
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 32,137,248	\$ 30,878,952
b. DROP Participants	915,940	1,877,963
c. Terminated Vested Members	45,594	41,357
d. Other Members	4,183,601	3,635,971
e. Total	<u>37,282,383</u>	<u>36,434,243</u>
2. Non-Vested Benefits	<u>47,085</u>	<u>53,858</u>
3. Total: (1) + (2)	37,329,468	36,488,101
4. Accumulated Contributions of Active Members	917,887	853,967
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	36,488,101	37,096,685
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	536,311	0
c. Benefits paid and contribution refunds	(2,706,165)	(2,756,178)
d. Other, including latest member data, benefits accumulated and decrease in discount period	3,011,221	2,147,594
e. Net Increase	<u>841,367</u>	<u>(608,584)</u>
3. Total Value at End of Year	37,329,468	36,488,101
<b>C. Market Value of Assets</b>	23,683,755	23,065,544
<b>D. Assumed rate of return</b>	7.00%	7.00%
<b>E. Funded Ratio</b>	63.45%	63.21%

<b>FASB NO. 35 INFORMATION</b>		
<b>GENERAL EMPLOYEES AS OF OCTOBER 1</b>		
	<b>2016</b>	<b>2015</b>
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 13,673,283	\$ 13,469,129
b. DROP Participants	915,940	841,441
c. Terminated Vested Members	45,594	41,357
d. Other Members	<u>2,826,294</u>	<u>2,506,066</u>
e. Total	17,461,111	16,857,993
2. Non-Vested Benefits	<u>47,085</u>	<u>53,858</u>
3. Total: (1) + (2)	17,508,196	16,911,851
4. Accumulated Contributions of Active Members	679,060	634,296
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	16,911,851	16,718,515
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	433,005	0
c. Benefits paid and contribution refunds	(1,257,588)	(1,218,682)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,420,928</u>	<u>1,412,018</u>
e. Net Increase	596,345	193,336
3. Total Value at End of Year	17,508,196	16,911,851
<b>C. Market Value of Assets</b>	11,386,312	11,087,697
<b>D. Assumed rate of return</b>	7.00%	7.00%
<b>E. Funded Ratio</b>	65.03%	65.56%

**FASB NO. 35 INFORMATION  
POLICE OFFICERS AS OF OCTOBER 1**

	2016	2015
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 18,463,965	\$ 17,409,823
b. DROP Participants	0	1,036,522
c. Terminated Vested Members	0	0
d. Other Members	<u>1,357,307</u>	<u>1,129,905</u>
e. Total	19,821,272	19,576,250
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	19,821,272	19,576,250
4. Accumulated Contributions of Active Members	238,827	219,671
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	19,576,250	20,378,170
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	103,306	0
c. Benefits paid and contribution refunds	(1,448,577)	(1,537,496)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,590,293</u>	<u>735,576</u>
e. Net Increase	245,022	(801,920)
3. Total Value at End of Year	19,821,272	19,576,250
<b>C. Market Value of Assets</b>	12,297,443	11,977,847
<b>D. Assumed rate of return</b>	7.00%	7.00%
<b>E. Funded Ratio</b>	62.04%	61.19%

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
GASB Statement No. 67**

Fiscal year ending September 30,	<u>2017*</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>			
Service Cost	\$ 140,043	\$ 141,736	\$ 129,615
Interest	2,588,396	2,545,418	2,571,868
Benefit Changes	-	-	-
Difference between actual & expected experience	64,218	(360,289)	60,844
Assumption Changes	515,131	-	2,522,504
Benefit Payments & DROP Distributions	(2,595,339)	(2,706,165)	(2,756,178)
Refunds	(177)	0	0
<b>Net Change in Total Pension Liability</b>	<u>712,272</u>	<u>(379,300)</u>	<u>2,528,653</u>
<b>Total Pension Liability - Beginning</b>	<u>37,555,452</u>	<u>37,934,752</u>	<u>35,406,099</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 38,267,724</u>	<u>\$ 37,555,452</u>	<u>\$ 37,934,752</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer and State	\$ 1,685,242	\$ 1,638,492	\$ 1,676,869
Contributions - Member	67,151	63,650	64,249
Net Investment Income	1,624,910	1,717,354	(1,489,322)
Benefit Payments & DROP Distributions	(2,595,339)	(2,706,165)	(2,756,178)
Refunds	(177)	0	0
Administrative Expense	(98,392)	(95,119)	(88,375)
Other	-	(1)	9,974
<b>Net Change in Plan Fiduciary Net Position</b>	<u>683,395</u>	<u>618,211</u>	<u>(2,582,783)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>23,683,755</u>	<u>23,065,544</u>	<u>25,648,327</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 24,367,150</u>	<u>\$ 23,683,755</u>	<u>\$ 23,065,544</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>13,900,574</u>	<u>13,871,697</u>	<u>14,869,208</u>
<b>Plan Fiduciary Net Position as a Percentage</b>			
<b>of Total Pension Liability</b>	63.68 %	63.06 %	60.80 %
<b>Covered Payroll</b>	\$ 628,572	\$ 595,805	\$ 600,852
<b>Net Pension Liability as a Percentage</b>			
<b>of Covered Payroll</b>	2,211.45 %	2,328.23 %	2,474.69 %

\* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

**SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**  
**GASB Statement No. 67**

FY Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll*	Net Pension Liability as a % of Covered Payroll
2017*	\$ 38,267,724	\$ 24,367,150	\$ 13,900,574	63.68%	\$ 628,572	2211.45%
2016	\$ 37,555,452	\$ 23,683,755	\$ 13,871,697	63.06%	\$ 595,805	2328.23%
2015	\$ 37,934,752	\$ 23,065,544	\$ 14,869,208	60.80%	\$ 600,852	2474.69%
2014	\$ 35,406,099	\$ 25,648,327	\$ 9,757,772	72.44%	\$ 554,092	1761.04%

\*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

**SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2017*	\$ 1,685,242	\$ 1,685,242	\$ -	\$ 628,572	268.11%
2016	1,638,492	1,638,492	-	595,805	275.00%
2015	1,674,023	1,676,869	(2,846)	600,852	279.08%
2014	1,645,738	1,645,738	-	554,092	297.02%

\*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

**NOTES TO SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

**Valuation Date:** October 1, 2016  
**Notes:** Actuarially determined contribution rates are calculated as of the October 1 which is one year prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	14 years
Asset Valuation Method	5-year smoothed market
Salary Increases	5.5%
Investment Rate of Return	7.00%
Annual cost-of-living adjustment for eligible retirees	3.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Same rates used by the Florida Retirement System (FRS) for Regular Class members (General Employees) and Special Risk Class members (Police Officers) in the actuarial valuation as of July 1, 2016.

**Other Information:**  
**Notes:** See Discussion of Valuation Results on Page 1

**SINGLE DISCOUNT RATE  
GASB Statement No. 67**

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on these 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

**Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption**

<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
<b>6.00%</b>	<b>7.00%</b>	<b>8.00%</b>
\$18,261,805	\$13,900,574	\$10,287,306

\*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

**ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS  
AS OF OCTOBER 1, 2016**

**Valuation Assumptions**

The active group is too small to provide statistically significant experience on which to base certain demographic assumptions. Mortality is based on a commonly used fully generational mortality table and projection scale. The retirement age assumption tracks the eligibility requirements for normal retirement. Note that a member must be eligible for normal retirement in order to enter the DROP.

**Economic Assumptions**

*The investment return rate* assumed in the valuation is 7.0% per direction from the Board of Trustees based on information from their investment consultant. The 7.0% is per year, compounded annually, net of investment expenses.

*The inflation rate* assumed in this valuation is 2.50% per year. The Inflation Rate is defined to be the long-term rate of annual increases in goods and services.

*The assumed real rate of return* over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 7.0% investment return rate translates to an assumed real rate of return over inflation of 4.50%.

*Administrative Expenses* paid out of the fund are assumed to be the actual expenses incurred for the preceding plan year.

*Pay increase assumptions* for individual active members is 5.5% per year. Part of the assumption for each age is for merit and/or seniority increase, and the other 2.50% recognizes inflation, productivity increases, and other macro-economic forces.

**Demographic Assumptions**

*The mortality table* is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with future mortality improvements projected to future years after 2000 using Scale BB and blue collar and white collar adjustments as described below. These are the same rates used for Regular Class members (General Employees) and Special Risk members (Police Officers) of the Florida Retirement System (FRS) in the July 1, 2016 Actuarial Valuation Report, as mandated by Florida House Bill 1309. These rates are used to measure the probabilities of active members dying prior to retirement and the probabilities of each benefit payment being made after retirement.

Special Risk Class (Police Officers)

For healthy females, the base mortality rates include a 100% white collar adjustment. For healthy males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment.

For disabled retirees, the mortality table is 60% of the RP-2000 Mortality Table for Disabled Annuitants, with ages set-back 4 years for males and set-forward 2 years for females, and 40% of the RP-2000 Healthy Annuitant Mortality Table with a white collar adjustment and no age set-back, both with no provision being made for future mortality improvements.

FRS Healthy Post-Retirement Mortality for Special Risk Class Members

Sample Ages in 2016	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.54%	0.23%	33.78	38.21
55	0.67%	0.32%	29.14	33.19
60	0.91%	0.48%	24.56	28.29
65	1.32%	0.75%	20.17	23.56
70	2.04%	1.25%	16.05	19.10
75	3.31%	2.12%	12.34	15.04
80	5.45%	3.55%	9.15	11.43
Ref:	1422 x 1.00	1420 x 1.00	896	897

FRS Pre-Retirement Mortality for Special Risk Class Members

Sample Ages in 2016	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.23%	0.15%	34.77	38.56
55	0.39%	0.24%	29.65	33.42
60	0.72%	0.40%	24.77	28.40
65	1.24%	0.71%	20.21	23.58
70	2.04%	1.25%	16.05	19.10
75	3.31%	2.12%	12.34	15.04
80	5.45%	3.55%	9.15	11.43
Ref:	1532 x 1.00	1534 x 1.00	896	897

FRS Disabled Mortality for Special Risk Class Members

Sample Ages in 2016	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	1.67%	0.91%	23.74	27.06
55	2.03%	1.26%	20.77	23.37
60	2.47%	1.67%	17.91	19.90
65	3.07%	2.24%	15.15	16.62
70	3.90%	3.18%	12.52	13.58
75	5.30%	4.60%	10.02	10.86
80	7.59%	6.66%	7.80	8.48
Ref:	1426 x 1.00	1424 x 1.00	1	1

Regular Class (General Employees)

For healthy females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment.

For disabled retirees, the mortality table is the RP-2000 Mortality Table for Disabled Annuitants, set-back 4 years for males and set-forward 2 years for females, with no provision being made for future mortality

improvements.

FRS Healthy Post-Retirement Mortality for Regular Class Members

Sample Ages in 2016	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.55%	0.23%	34.55
55	0.60%	0.32%	29.92	33.19
60	0.77%	0.48%	25.25	28.29
65	1.16%	0.75%	20.73	23.56
70	1.81%	1.25%	16.49	19.10
75	3.01%	2.12%	12.64	15.04
80	5.10%	3.55%	9.33	11.43
Ref:	1421 x 1.00	1420 x 1.00	896	897

FRS Pre-Retirement Mortality for Regular Class Members

Sample Ages in 2016	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.21%	0.15%	35.47
55	0.36%	0.24%	30.35	33.42
60	0.62%	0.40%	25.42	28.40
65	1.10%	0.71%	20.77	23.58
70	1.81%	1.25%	16.49	19.10
75	3.01%	2.12%	12.64	15.04
80	5.10%	3.55%	9.33	11.43
Ref:	1533 x 1.00	1534 x 1.00	896	897

FRS Disabled Mortality for Regular Class Members

Sample Ages in 2016	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	2.38%	1.35%	20.25
55	3.03%	1.87%	17.78	20.46
60	3.67%	2.41%	15.55	17.43
65	4.35%	3.13%	13.44	14.58
70	5.22%	4.29%	11.39	11.96
75	6.58%	5.95%	9.43	9.65
80	8.70%	8.23%	7.65	7.66
Ref:	1425 x 1.00	1423 x 1.00	1	1

***Rates of separation from active membership*** were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	22.4%	37.4%
25	24.9	22.4
30	10.4	14.9
35	7.4	10.4
40	4.3	7.4
45	2.7	4.3
50	0.9	2.7
55+	0.0	0.0

***Rates of disability*** among active members were as shown below. This assumption measures the probability of members retiring with a disability benefit.

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	0.17%	0.34%
25	0.17	0.34
30	0.17	0.34
35	0.18	0.36
40	0.20	0.40
45	0.23	0.46
50	0.29	0.58
55	0.39	0.78
60	0.59	1.18
65+	0.00	0.00

***The rates of retirement*** are used to measure the probability of eligible members retiring or entering the DROP during the next year. Employees eligible for Normal Retirement or the DROP as of the valuation date are assumed to retire one half year after the valuation date.

Eligible for Retirement with Early Retirement Reduction			Eligible for Unreduced Retirement		
Ages	General	Police	Ages	General	Police
40-44	0 %	0 %	40-44	2 %	5 %
45-49	0	0	45-49	5	50
50-54	5	5	50-54	50	100
55	10	10	55	50	
56	10	10	56	50	
57	10	10	57	50	
58	25	25	58	50	
59	25	25	59	50	
60 & Up	100	100		100	

### Valuation Methods

**Actuarial Cost Method** - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Entry Age Normal Actuarial Cost Method** having the following characteristics:

- (i) The annual normal cost for each active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement.
- (ii) Each annual normal cost is a constant percentage of the member's yearly projected covered pay.

Under this method, actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is funded as a level dollar amount. The amortization periods for new bases end with the plan year 2029/30.

**Actuarial Value of Assets** - Effective with the October 1, 2003 valuation, the assets are valued using an IRS approved smoothed market value without phase in, beginning with the market value at October 1, 1999, as if the method had always been in effect. It recognizes the difference between actual and expected investment income at the rate of 20% per year. The actuarial value of assets is calculated as market value minus unrecognized excesses (shortages) of actual investment income as compared to expected. Actual contributions and expenses are used to determine the expected return. The actuarial value of assets is further adjusted to the extent necessary to fall within the corridor of 80% to 120% of the fair market value of plan assets.

**Asset Allocation** - Assets for this Plan are invested along with the assets for the Firefighter's Fund. Earnings are then allocated based on weighted assets. The earnings allocated to the Firefighter's Fund are excluded from consideration for purposes of the valuation of this Plan.

### Changes Since Last Valuation:

The mortality table was changed from the fully generational RP-2000 Combined Healthy Participant

Mortality Table for males and females with mortality improvements projected to all future years from the year 2000 using Scale AA, to the mortality rates used by the Florida Retirement System (FRS) for Regular Class members (General Employees) and Special Risk Class members (Police Officers) in the July 1, 2016 Actuarial Valuation Report, as mandated by Florida House Bill 1309.

***Rationale for Assumptions:***

The assumed investment return is 7.0%, per direction from the Board of Trustees based on information from their investment consultant. The mortality table is based on the assumption used by the Florida Retirement System, as required by Florida House Bill 1309 (codified in Chapter 2015-157). Over 85% of the present value of benefits is for inactive lives, and the only two assumptions used to value inactive lives are mortality and investment return. The other assumptions are reasonable for members of public plans in Florida.

## MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Administrative Expenses	The expenses paid out of the fund are assumed to be equal to the actual amount for the previous year.
Benefit Service	Exact Fractional service is used to determine the benefit payable.
Decrement Operation	Turnover does not operate during Normal Retirement eligibility; mortality and disability operate during Normal Retirement eligibility.
Decrement Timing	Decrements of all types are assumed to occur mid-year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the valuation date.
Incidence of Contributions	All contributions are assumed to be received monthly throughout the year.
Marriage Assumption	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Pay Increase Timing	Beginning of (fiscal) year.
Reemployment, Transfers Service Purchases	No assumption.
Service Credit Accruals	It is assumed that members accrue one year of service credit per year.
Technical Adjustments	No adjustments were made.
Vested Terminated Members	Receive the greater value of a refund of accumulated member contributions, with interest if applicable, or the vested deferred benefit.

## GLOSSARY OF TERMS

<i><b>Actuarial Accrued Liability (AAL)</b></i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i><b>Actuarial Assumptions</b></i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<i><b>Actuarial Cost Method</b></i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i><b>Actuarial Equivalent</b></i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i><b>Actuarial Present Value (APV)</b></i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i><b>Actuarial Present Value of Future Benefits (APVFB)</b></i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i><b>Actuarial Valuation</b></i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB.
<i><b>Actuarial Value of Assets</b></i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined employer contribution (ADEC).

<b><i>Amortization Method</i></b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL.
<b><i>Amortization Payment</i></b>	That portion of the plan contribution or ADEC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<b><i>Amortization Period</i></b>	The period used in calculating the Amortization Payment.
<b><i>Annual Determined Employer Contribution (ADEC)</i></b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB. The ADEC consists of the Employer Normal Cost and Amortization Payment.
<b><i>Closed Amortization Period</i></b>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<b><i>Employer Normal Cost</i></b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b><i>Equivalent Single Amortization Period</i></b>	The period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<b><i>Experience Gain/Loss</i></b>	A measure of the difference between the normal cost rate from last year and the normal cost rate from this year.
<b><i>Funded Ratio</i></b>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<b><i>GASB</i></b>	Governmental Accounting Standards Board.
<b><i>GASB No. 67 and GASB No. 68</i></b>	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
<b><i>Normal Cost</i></b>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<b><i>Unfunded Actuarial Accrued Liability</i></b>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<b><i>Valuation Date</i></b>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

**SECTION III**

**TRUST FUND**

<b>STATEMENT OF ASSETS AT MARKET VALUE AS OF OCTOBER 1, 2016</b>			
	General	Police	Total
Cash & Cash Equivalents	\$ 833,464	\$ 902,612	\$ 1,736,076
General Investments			
Common and Foreign Stock	0	0	0
Government Securities	2,912,789	3,154,451	6,067,240
Equity Mutual Funds	7,281,088	7,885,167	15,166,255
Corporate Bonds and Notes	1,035,080	1,120,956	2,156,036
Sub-Total	<u>11,228,957</u>	<u>12,160,574</u>	<u>23,389,531</u>
Total Cash & Investments	12,062,421	13,063,186	25,125,607
Receivables/(Prepaid)			
Member Contributions	0	0	0
City Contributions	0	(35,531)	(35,531)
State Contributions	0	0	0
Net Due From/(To) Brokers	0	0	0
Accrued Interest & Dividends	13,706	14,803	28,509
Sub-Total	<u>13,706</u>	<u>(20,728)</u>	<u>(7,022)</u>
Payables	9,490	10,250	19,740
Total Pension Fund Assets	12,066,637	13,032,208	25,098,845
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	680,325	734,765	1,415,090
Net Pension Fund Assets	11,386,312	12,297,443	23,683,755

**INCOME AND DISBURSEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 11,087,698	\$ 11,977,846	\$ 23,065,544
B. Receipts During Period			
1. Contributions			
a. Employee	44,764	18,886	63,650
b. City	731,521	906,971	1,638,492
d. Total	<u>776,285</u>	<u>925,857</u>	<u>1,702,142</u>
2. Investment Earnings			
a. Interest & Dividends	194,222	209,767	403,989
b. Net Realized Appreciation	793,462	856,968	1,650,430
c. Net Unrealized Appreciation	(114,833)	(124,023)	(238,856)
d. Total	<u>872,851</u>	<u>942,712</u>	<u>1,815,563</u>
3. Other Non-investment Income	(1)	0	(1)
4. Total Receipts During Period	1,649,135	1,868,569	3,517,704
C. Disbursements During Period			
1. Benefits			
a. Pension Payments	1,257,588	1,213,559	2,471,147
b. DROP Distributions	0	235,018	235,018
c. Refunds	0	0	0
d. Total	<u>1,257,588</u>	<u>1,448,577</u>	<u>2,706,165</u>
2. Allocated Expenses			
a. Investment Expenses	47,209	51,000	98,209
b. Administrative Expenses	45,724	49,395	95,119
c. Total Expenses	<u>92,933</u>	<u>100,395</u>	<u>193,328</u>
3. Total Disbursements During Period	1,350,521	1,548,972	2,899,493
D. Market Value as of End of Year	11,386,312	12,297,443	23,683,755

<b>Development of Funding Value of Assets for General Employees as of October 1</b>		
	<b>2016</b>	<b>2015</b>
A. Market Value of Assets at End of Last Year	\$11,087,697	12,301,876
B. Contributions & Commission Recapture	776,285	757,235
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,257,588	1,218,682
2. Non Investment Expenses	45,724	42,433
3. Total Disbursements	1,303,312	1,261,115
D. Expected Investment Income	757,693	843,496
E. Expected Assets End of Year: A+B-C+D	11,318,363	12,641,492
F. Actual Market Value at End of Year	11,386,312	11,087,697
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	67,949	(1,553,795)
2. From One Year Ago	(1,553,795)	593,188
3. From Two Years Ago	593,188	423,191
4. From Three Years Ago	423,191	1,234,140
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	54,359	(1,243,036)
2. 60% From One Year Ago	(932,277)	355,913
3. 40% From Two Years Ago	237,275	169,276
4. 20% From Three Years Ago	<u>84,638</u>	<u>246,828</u>
5. Total	(556,005)	(471,019)
I. Preliminary Actuarial Value as of End of Year: F-H5	11,942,317	11,558,716
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	9,109,050	8,870,158
2. 120% of Market Value	13,663,574	13,305,237
3. Valuation Assets	11,942,317	11,558,716
K. Adjustment for Reserves		
1. DROP Reserves	276,854	211,351
2. Other	0	0
L. Net Valuation Assets	11,665,463	11,347,365
M. Net Market Value of Assets	11,109,458	10,876,346

<b>Development of Funding Value of Assets for Police Officers as of October 1</b>		
	<b>2016</b>	<b>2015</b>
A. Market Value of Assets at Beginning of Year	\$11,977,847	13,346,452
B. Contributions & Commission Recapture	925,857	983,883
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,448,577	1,537,496
2. Non Investment Expenses	49,395	45,942
3. Total Disbursements	1,497,972	1,583,438
D. Expected Investment Income	818,425	913,267
E. Expected Assets End of Year: A+B-C+D	12,224,157	13,660,163
F. Actual Market Value at End of Year	12,297,443	11,977,847
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	73,286	(1,682,316)
2. From One Year Ago	(1,682,316)	614,230
3. From Two Years Ago	614,230	430,407
4. From Three Years Ago	430,407	1,226,886
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	58,629	(1,345,853)
2. 60% From One Year Ago	(1,009,390)	368,538
3. 40% From Two Years Ago	245,692	172,163
4. 20% From Three Years Ago	<u>86,081</u>	<u>245,377</u>
5. Total	(618,988)	(559,775)
I. Preliminary Actuarial Value as of End of Year: F-H5	12,916,431	12,537,622
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	9,837,954	9,582,277
2. 120% of Market Value	14,756,932	14,373,416
3. Valuation Assets	12,916,431	12,537,622
K. Adjustment for Reserves		
1. DROP Reserves	0	222,477
L. Net Valuation Assets	12,916,431	12,315,145
M. Net Market Value of Assets	12,297,443	11,755,370

<b>RECONCILIATION OF DROP ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2016</b>			
	General	Police	Total
A. Account Balances as of Beginning of Year	\$211,351	\$222,477	\$433,828
B. Receipts During Period			
1 Deposits & Adjustments	47,117	3,161	50,278
2 Investment Earnings, net fees	<u>18,386</u>	<u>3,752</u>	<u>22,138</u>
3 Total	65,503	6,913	72,416
C. Withdrawals During Period	0	(235,018)	(235,018)
D. Account Balances as of End of Year	276,854	(5,628)	276,854

### INVESTMENT RATE OF RETURN

The investment rate of return for the General and Police Plan combined has been calculated on the following bases:

- Basis 1: Market Value Basis** - interest, dividends, realized gains (losses) and unrealized appreciation (depreciation), divided by the weighted average of the market value of the fund during the year. This figure is normally called the Total Rate of Return.
- Basis 2: Valuation Asset Basis** - investment earnings recognized in the Actuarial Value of Assets divided by the weighted average of the Actuarial Value of Assets during the year.

Year Ended	Investment Rate of Return	
	Basis 1	Basis 2
9/30/2016	7.6 %	7.9 %
9/30/2015	(5.9)	7.4
9/30/2014	12.6	10.9
9/30/2013	11.5	8.3
9/30/2012	20.7	1.3
9/30/2011	(0.4)	0.4
9/30/2010	9.0	1.8
9/30/2009	0.9	2.1
9/30/2008	(13.9)	5.1
9/30/2007	13.3	10.9
Average Compounded Rate of Return for Last 5 Years	8.9	7.1
Average Compounded Rate of Return for Last 10 Years	5.1	5.5

**SECTION IV**

**MEMBER STATISTICS**

<b>STATISTICAL DATA, GENERAL EMPLOYEES</b>			
	<b>10/1/16</b>	<b>10/1/15</b>	<b>10/1/14</b>
<b>Active Participants</b>			
Number	8	8	8
Total Annual Earnings	\$ 429,324	\$ 439,282	\$ 409,531
Average Annual Earnings	53,665	54,910	51,191
Averages			
Current Age	55.5	54.5	53.5
Age at Employment	34.6	34.6	34.7
Past Service	20.9	19.9	18.8
Service at Age 60	25.4	25.4	25.3
<b>Members Receiving Benefits</b>			
Number	40	40	39
Total Annual Pensions	\$ 1,163,789	\$ 1,225,034	\$ 1,211,815
Average Monthly Benefit	2,425	2,552	2,589
Average Current Age*	68.8	67.8	66.8
<b>DROP Participants</b>			
Number	2	2	2
Total Annual Pensions	\$ 47,117	\$ 47,117	\$ 47,117
Average Monthly Benefit	1,963	1,963	1,963
Average Current Age	61.2	60.2	59.2
<b>Terminated Members with Vested Benefits</b>			
Number	1	1	1
Total Annual Pensions	\$ 7,897	\$ 7,897	\$ 7,897
Average Monthly Benefit	658	658	658
Average Current Age	49.4	48.4	47.4

*\*average current age of service retirees only, excludes beneficiaries and disability retirees*

*Note: Pensions shown include monthly supplement.*

<b>STATISTICAL DATA, POLICE OFFICERS</b>			
	<b>10/1/16</b>	<b>10/1/15</b>	<b>10/1/14</b>
<b>Active Participants</b>			
Number	2	2	2
Total Annual Earnings	\$ 199,248	\$ 194,617	\$ 168,578
Average Annual Earnings	99,624	97,308	84,289
Averages			
Current Age	42.1	41.1	40.1
Age at Employment	21.7	21.7	21.7
Past Service	20.4	19.4	18.4
Service at Age 60	38.3	38.3	38.3
<b>Members Receiving Benefits</b>			
Number	31	30	30
Total Annual Pensions	\$ 1,198,927	\$ 1,181,687	\$ 1,134,097
Average Monthly Benefit	3,223	3,282	3,150
Average Current Age*	61.8	61.3	61.2
<b>DROP Participants</b>			
Number	0	1	2
Total Annual Pensions	\$ 0	\$ 38,575	\$ 85,965
Average Monthly Benefit	0	3,215	3,582
Average Current Age	0.0	48.4	51.9
<b>Terminated Members with Vested Benefits</b>			
Number	0	0	0
Total Annual Pensions	\$ 0	\$ 0	\$ 0
Average Monthly Benefit	0	0	0
Average Current Age	0.0	0.0	0.0

*\*average current age of service retirees only, excludes beneficiaries and disability retirees*

*Note: Pensions shown include monthly supplement.*

<b>RECONCILIATION OF MEMBERSHIP DATA FROM 10/1/2015 TO 9/30/2016</b>			
	General	Police	Total
<b>A. Active Members</b>			
1 Number Included in Last Valuation	8	2	10
2 New Members Included in Current Valuation	0	0	0
3 Non-Vested Employment Terminations	0	0	0
4 Vested Employment Terminations	0	0	0
5 Non-Vested Transfers to FRS	0	0	0
6 Vested Transfers to FRS	0	0	0
7 Service Retirements	0	0	0
8 Disability Retirements	0	0	0
9 Deaths	0	0	0
10 DROP Retirements	<u>0</u>	<u>0</u>	<u>0</u>
11 Number Included in This Valuation	8	2	10
<b>B. Terminated Vested Members</b>			
1 Number Included in Last Valuation	1	0	1
2 Additions from Active Members/Data Correction	0	0	0
3 Lump Sum Payments	0	0	0
4 Payments Commenced	0	0	0
5 Returned to Work	0	0	0
6 Refunds	<u>0</u>	<u>0</u>	<u>0</u>
7 Number Included in This Valuation	1	0	1
<b>C. DROP Participants</b>			
1 Number Included in Last Valuation	2	1	3
2 Additions from Active Members	0	0	0
3 Retired	0	(1)	(1)
4 Deaths	<u>0</u>	<u>0</u>	<u>0</u>
5 Number Included in This Valuation	2	0	2
<b>D. Service Retirees, Disability Retirees and Beneficiaries</b>			
1 Number Included in Last Valuation	40	30	70
2 Additions from Active Members	0	0	0
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	0	1	1
5 Deaths Resulting in No Further Payments	0	0	0
6 End of Certain Period - No Further Payments	<u>0</u>	<u>0</u>	<u>0</u>
7 Number Included in This Valuation	40	31	71

<b>Age and Service Distribution</b>												
<b>Active General Employees</b>												
<b>As of October 1, 2016</b>												
<u>Ages</u>	<u>Years of Past Service</u>											<u>Totals</u>
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	2	0	0	0	2
50-54	0	0	0	0	0	0	0	0	1	0	0	1
55-59	0	0	0	0	0	0	1	2	1	0	0	4
60-64	0	0	0	0	0	0	0	0	0	0	1	1
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0	0	1	4	2	0	1	8

Age and Service Distribution												
Active Police Officers												
As of October 1, 2016												
Ages	Years of Past Service											Totals
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	1	1	0	0	2
45-49	0	0	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0	0	0
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	1	1	0	0	2

**SECTION V**

**SUMMARY OF PLAN PROVISIONS**

**SUMMARY OF RETIREMENT PLAN PROVISIONS  
AS OF OCTOBER 1, 2016**

A. Effective Date:

February 11, 1969, amended and restated effective April 1, 1996. The most recent amendments included as of October 1, 2016 were Ordinance Nos. 894 and 923, described above. The Plan is closed to members hired on or after August 1, 2007, the effective date of the City's participation in FRS.

B. Eligibility Requirements:

All full-time employees (excluding elected officials and the City Administrator) hired prior to August 1, 2007, who elected to remain in the City plan rather than transfer to FRS during the 30 day election period.

C. Credited Service:

Service in completed calendar months from date of participation to the earlier of the participant's termination of service or actual retirement date during which employee contributions are made. Employees hired prior to September, 1968, shall receive credited service from date of hire to September, 1968, regardless of whether contributions were made during that period.

D. Average Monthly Compensation:

Average Monthly Compensation (denoted AMC) is 1/36th of the highest 36 consecutive months of compensation during the 120 months preceding the earliest of his retirement date, date of termination, or date of death or disability. Compensation shall mean regular wages and salaries, including longevity pay, but excluding bonuses, overtime pay, and accumulated leave payments at termination or retirement.

E. Normal Retirement:

General and Police:

Eligibility: Earlier of (i) or (ii), where: (i) is attainment of age 60 and completion of five (5) years of credited service, if later, and (ii) is completion of 20 years of credited service, regardless of age.

Active members with 15 or more years of service as of October 1, 2006 who retire by September 30, 2009, may retire with unreduced benefits, payable when the member would have reached normal retirement date if they had remained continuously employed.

Benefit: 3.0% of AMC multiplied by years of credited service.

F. Early Retirement:General and Police:

Eligibility      Attainment of age 50 and completion of 15 years of credited service.

Benefit:      Benefit accrued to date of retirement reduced by 3% per year (maximum reduction 12%) to reflect commencement of benefits at an earlier age. Effective May 27, 2003, for retirements after that date, there shall be no early retirement reduction for the City Manager, Dept. Directors, Asst. Dept. Directors, or the City Planner.

G. Delayed Retirement:General and Police:

Eligibility:      Retirement after normal retirement date.

Benefit:      3.0% of AMC at delayed retirement date multiplied by years of credited service at delayed retirement date.

H. Post Retirement Supplement:

Effective October 1, 2003 for all active participants and DROP participants actually separating from service after that date, there shall be payable a monthly supplement of \$10 for each year of credited service, but not to exceed \$200 per month. The benefit is not payable during the DROP period. The benefit shall be limited to those employed by the City and participating in the Plan on or before September 30, 2005. The post retirement supplement applies only while the member is alive and does not extend to beneficiaries.

I. Disability Benefit:General and Police:

Eligibility:      Unable to perform duties pertaining to his occupation as determined by the Plan Administrator. Eligibility is immediate for service connected disability; 15 years of service are required to be eligible for non service connected disability.

Benefit:      Service Incurred: 50% of AMC payable after 5 months of continuous disability.

Non-Service Incurred: 25% of AMC payable after 5 months of continuous disability.

Both Service Incurred and Non-Service Incurred liability benefits shall not be less than the participant's accrued benefit. The disability monthly benefit is payable for life, with 120 payments guaranteed.

J. Pre-Retirement Death Benefit:

In the event of a participant's death while still employed by the City, the beneficiary shall be entitled to receive the greater of the participant's accumulated participant contributions, or the present value of the participant's vested accrued benefit computed as of date of death.

K. Termination Benefits:

General and Police:

Eligibility: Less than 5 years of service at date of termination

Benefit: Refund of accumulated participant contributions with interest, if applicable.

L. Vested Benefit Upon Termination:

General and Police:

Eligibility: At least 5 years of credited service at date of termination

Benefit: The benefit payable at normal retirement date equal to the product of his accrued benefit and his vested percentage from the following schedule:

<u>Years of Credited Service</u>	<u>Vested Percentage</u>
Less than 5 Years	0%
5	25%
6	30%
7	35%
8	40%
9	45%
10	50%
11	60%
12	70%
13	80%
14	90%
15 or More	100%

Nevertheless, a member will become 100% vested upon attaining his early or normal retirement age.

M. Employee Contributions:

Police Officers participants shall contribute 10% of basic compensation, and General employees contribute 11 % of basic compensation.

N. Normal Form of Retirement Income:

The normal form of payment shall be a life annuity. If a participant is married as of the date benefits are to commence and he has not elected otherwise, his benefit shall be payable in the form of a Qualified Joint and Survivor Annuity.

O. Deferred Retirement Option Plan (D.R.O.P.):

The D.R.O.P. is available only if the participant makes an irrevocable election to participate after the completion of 20 years of credited service. The D.R.O.P. has a maximum six (6) year participation period (five (5) year period prior to Ordinance 923), after which the participant is deemed separated from the City. If the participant dies during the D.R.O.P. period, the participant will be treated as any other vested participant in the Plan who dies prior to retirement. If the participant becomes disabled during the D.R.O.P. period, the participant will be assumed to have retired on a normal retirement on the day prior to disability.

P. Cost of Living:

Certain members of the police bargaining unit, including non-sworn members participating in the General Employees plan, receive a delayed 3% Cost of Living adjustment (COLA). It applies only to bargaining unit members who retire or enter the DROP during the term of the 2002-2005 Collective Bargaining Agreement, or enter the DROP prior to the 2002-2005 Collective Bargaining Agreement. The COLA begins on the fifth, sixth or seventh anniversary of retirement or DROP, depending on the date of retirement or DROP.

Members of the police bargaining unit, including non-sworn members participating in the General Employees plan, who have a minimum of ten (10) years of credited service with the City as of October 31, 2006 and who hereafter enter the DROP or retire from the City, receive a delayed 3% Cost of Living adjustment (COLA). The COLA begins on the sixth anniversary of retirement or DROP.

The COLA applies only while the member is alive and does not extend to beneficiaries.

Q. Changes From Previous Valuation:

None.

## **STATE REQUIREMENTS**

1. Copies of this Report are to be furnished to the Division of Retirement and the State Treasurer's Office within 60 days of receipt from the actuary, at the following addresses:

Bureau of Local Retirement  
Division of Retirement  
P.O. Box 9000  
Tallahassee, Florida 32315-9000

Bureau of Municipal Police Officers' and  
Firefighters' Retirement Funds  
P.O. Box 3010  
Tallahassee, Florida 32315-3010

2. Contributions to the System -
  - (a) Employee contributions must be deposited to the fund on at least a monthly basis.
  - (b) City contributions must be deposited to the fund on at least a monthly basis.
  - (c) Premium tax refunds and any other revenues collected for this Plan must be deposited within 5 days of receipt by the City.
3. Information for employees -
  - (a) A written plan description is to be distributed to each member every two years.
  - (b) Pertinent actuarial and financial information is to be included as part of the written plan description distributed to members.