

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

ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2017
FOR THE YEAR BEGINNING OCTOBER 1, 2017



June 4, 2018

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

Dear Board Members:

The results of the October 1, 2017 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 Plan 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 II 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, 2018 and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for the fiscal year ending September 30, 2017. Estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2018 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, 2017. 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 II 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 Braccialarghe and Melissa 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

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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, 2018 is \$1,667,049, as shown below:

Required City Contribution			
	General	Police	Total
Total Required Employer Contribution	\$ 762,090	904,959	1,667,049
As a % of Payroll	195.84 %	429.66 %	277.95 %
Expected State Premium Tax Refund	N/A	\$0	\$0
Remaining City Contribution	762,090	904,959	1,667,049
As a % of Payroll	195.84 %	429.66 %	277.95 %

The actual employer contribution received during the year ending September 30, 2017 was \$1,685,242, which was the minimum required amount.

EXPERIENCE

There was a net experience gain for the year, primarily due to average salary increases that were less than expected. The average salary increase was 2.6% as compared to the assumed average salary increase of 5.5%. The gain was partially offset by an investment loss. The investment return on a market value basis was 10.5%. The return in excess of the assumed rate 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 6.5%, as compared to the assumed rate of 7.0%.

CHANGES IN BENEFITS

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

CHANGES IN ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS

There were no changes in actuarial assumptions or cost methods in connection with this valuation.

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 67.0% compared to 64.9% last year. 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 \$318,000 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 \$37,000. If Market Value had been the basis for the valuation, the required City contribution would have been about \$ 1.7 million and the funded ratio would have been 66.2%.

RECOMMENDATIONS

It is important to note that Plan assets are insufficient to cover the liabilities for inactive members. As of October 1, 2017 the assets are \$25.2 million and the liability for inactive members is \$32.7 million.

Steps have been taken to improve the funded position of the Plan. In connection with the prior valuation, the amortization period was shortened and the investment return assumption was 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, and a summary of plan provisions.

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 position, long term position 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 POSITION

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.

Valuation Date	Market Value of Assets	Actuarial Present Value (APV) of Accrued Benefits	% of APV Covered by Assets
10/1/17	\$ 24,983,006	\$ 36,970,189	68 %
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

LONG TERM POSITION

Over the longer term, the position 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 position 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 position, 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.

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	% of AAL Covered by Assets
10/1/17	\$ 25,301,063	\$ 37,757,641	67 %
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

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.

Required Employer Contribution Rates As a % of Payroll				
Valuation Date	Normal Cost	Amortization of UAAL	Required City Contribution	
	% of Payroll		Amount	% of Payroll
10/1/17	28.69 %	239.03 %	\$ 1,667,049	277.95 %
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

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. 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.
2. 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

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR ALL EMPLOYEES AS OF OCTOBER 1		
	2017	2016
Covered Group		
A. Number of Participants		
Actives	9	10
Retirees, Disabilities, Beneficiaries and Vested Terminations	74	74
Total Annual Covered Payroll	\$ 599,770	\$ 628,572
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	\$ 38,059,502	\$ 38,257,381
C. Actuarial Present Value of Future Normal Costs	<u>301,861</u>	<u>399,434</u>
D. Actuarial Accrued Liability (AAL): B - C	37,757,641	37,857,947
E. Valuation Assets	25,301,063	24,581,894
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	12,456,578	13,276,053
Current Cost		
G. Payment Required to Amortize UAAL	\$ 1,433,649	\$ 1,455,133
As % of Payroll	239.03%	231.50%
H. Total Normal Cost (for current year)	235,931	235,162
As % of Payroll	39.34%	37.41%
I. Plan Year to which Contributions Apply	2017/18	2016/17
J. Interest	61,337	62,098
K. Total Required Contribution	1,730,917	1,752,393
As % of Payroll	288.60%	278.79%
L. Expected Member Contribution	63,868	67,151
As % of Payroll	10.65%	10.68%
M. Estimate of State Contributions	0	0
N. Total Remaining Required City Contribution	1,667,049	1,685,242
As % of Payroll	277.95%	268.11%

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR GENERAL EMPLOYEES AS OF OCTOBER 1		
	2017	2016
Covered Group		
A. Number of Participants		
Actives	7	8
Retirees, Disabilities, Beneficiaries and Vested Terminations	43	43
Total Annual Covered Payroll	\$ 389,147	\$ 429,324
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	\$ 17,534,650	\$ 17,692,734
C. Actuarial Present Value of Future Normal Costs	<u>173,952</u>	<u>251,097</u>
D. Actuarial Accrued Liability (AAL): B - C	17,360,698	17,441,637
E. Valuation Assets	11,909,721	11,665,463
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,450,977	5,776,174
Current Cost		
G. Payment Required to Amortize UAAL	\$ 632,420	\$ 637,721
As % of Payroll	162.51%	148.54%
H. Total Normal Cost (for current year)	143,954	150,168
As % of Payroll	36.99%	34.98%
I. Plan Year to which Contributions Apply	2017/18	2016/17
J. Interest	28,522	28,945
K. Total Required Contribution	804,896	816,834
As % of Payroll	206.84%	190.26%
L. Expected Member Contribution	42,806	47,226
As % of Payroll	11.00%	11.00%
M. Estimate of State Contributions	N/A	N/A
N. Total Remaining Required City Contribution	762,090	769,608
As % of Payroll	195.84%	179.26%

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1		
	2017	2016
Covered Group		
A. Number of Participants		
Actives	2	2
Retirees, Disabilities, Beneficiaries and Vested Terminations	31	31
Total Annual Covered Payroll	\$ 210,623	\$ 199,248
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	\$ 20,524,852	\$ 20,564,647
C. Actuarial Present Value of Future Normal Costs	<u>127,909</u>	<u>148,337</u>
D. Actuarial Accrued Liability (AAL): B - C	20,396,943	20,416,310
E. Valuation Assets	13,391,342	12,916,431
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	7,005,601	7,499,879
Current Cost		
G. Payment Required to Amortize UAAL	\$ 801,229	\$ 817,412
As % of Payroll	380.41%	410.25%
H. Total Normal Cost (for current year)	91,977	84,994
As % of Payroll	43.67%	42.66%
I. Plan Year to which Contributions Apply	2017/18	2016/17
J. Interest	32,815	33,153
K. Total Required Contribution	926,021	935,559
As % of Payroll	439.66%	469.54%
L. Expected Member Contribution	21,062	19,925
As % of Payroll	10.00%	10.00%
N. Estimate of State Contributions	0	0
M. Total Remaining Required City Contribution	904,959	915,634
As % of Payroll	429.66%	459.54%

DERIVATION OF NORMAL COST GENERAL EMPLOYEES AS OF OCTOBER 1		
	2017	2016
A. Entry Age Normal Cost for		
Service Retirement Benefits	\$ 79,938	\$ 88,994
Vesting Benefits	4,827	5,124
Preretirement Death Benefits	1,507	1,770
Disability	5,064	5,453
Return of Contributions	2,926	3,103
Total	<u>94,262</u>	<u>104,444</u>
B. Normal Cost for Administrative Expenses	49,692	45,724
C. Total Normal Cost: A + B	143,954	150,168

PRESENT VALUE OF PROJECTED BENEFITS GENERAL EMPLOYEES AS OF OCTOBER 1		
	2017	2016
A. Present Value of Future Salaries	\$ 707,869	\$ 1,008,252
B. Present Value of Future Member Contributions	77,866	110,908
C. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	3,083,387	3,290,990
Vesting Benefits	0	1,562
Preretirement Death Benefits	12,974	21,021
Disability	12,793	20,850
Return of Contributions	196	348
Total	<u>3,109,350</u>	<u>3,334,771</u>
2. Inactive Members		
Service Retirees	13,269,130	13,299,508
DROP Participants	738,746	639,086
Disability Retirees	97,688	98,987
Beneficiaries	270,845	274,788
Terminated Vested	48,891	45,594
Total	<u>14,425,300</u>	<u>14,357,963</u>
3. Grand Total	17,534,650	17,692,734

DERIVATION OF NORMAL COST POLICE OFFICERS AS OF OCTOBER 1		
	2017	2016
A. Entry Age Normal Cost for		
Service Retirement Benefits	\$ 29,546	\$ 27,988
Vesting Benefits	3,829	3,622
Preretirement Death Benefits	557	529
Disability	474	450
Return of Contributions	3,195	3,010
Total	<u>37,601</u>	<u>35,599</u>
B. Normal Cost for Administrative Expenses	54,376	49,395
C. Total Normal Cost: A + B	91,977	84,994

PRESENT VALUE OF PROJECTED BENEFITS POLICE OFFICERS AS OF OCTOBER 1		
	2017	2016
A. Present Value of Future Salaries	\$ 744,217	\$ 854,587
B. Present Value of Future Member Contributions	74,422	85,459
C. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	2,225,394	2,068,739
Vesting Benefits	0	0
Preretirement Death Benefits	14,066	15,392
Disability	14,988	16,551
Return of Contributions	0	0
Total	<u>2,254,448</u>	<u>2,100,682</u>
2. Inactive Members		
Service Retirees	16,136,312	16,865,306
DROP Participants	0	0
Disability Retirees	277,893	285,769
Beneficiaries	1,856,199	1,312,890
Terminated Vested	0	0
Total	<u>18,270,404</u>	<u>18,463,965</u>
3. Grand Total	20,524,852	20,564,647

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:

UAAL GENERAL EMPLOYEES AS OF OCTOBER 1, 2017					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	3	\$ (59)	\$ (21)
10/1/94 Method Change	30		6	11,902	2,334
10/1/94 Assumption Changes	30		6	(6,877)	(1,348)
10/1/95 Plan Amendment	30		7	313,005	54,280
10/1/96 Assumption Change	30		8	65,543	10,258
10/1/98 Plan Amendment	30		10	12,166	1,619
10/1/03 Plan Amendment	30	624,219	13	430,370	48,125
10/1/03 Asset Method Change	30	(785,623)	13	(541,650)	(60,569)
10/1/04 Cost Method Change	30	1,443,006	13	1,011,438	113,102
10/1/05 (Gain)/Loss	30	540,168	13	384,370	42,981
10/1/05 Plan Amendment	30	26,548	13	18,892	2,113
10/1/06 (Gain)/Loss	30	203,371	13	146,724	16,407
10/1/06 Assumption Change	30	151,335	13	109,182	12,209
10/1/06 Plan Amendment	30	(238,605)	13	(172,143)	(19,250)
10/1/07 (Gain)/Loss	29	(429,960)	13	(326,948)	(36,560)
10/1/08 (Gain)/Loss	28	262,546	13	201,724	22,557
10/1/09 (Gain)/Loss	27	938,436	13	730,584	81,696
10/1/10 (Gain)/Loss	26	336,348	13	265,290	29,666
10/1/10 Assumption Change	20	713,404	13	562,690	62,922
10/1/11 (Gain)/Loss	19	767,956	13	620,713	69,410
10/1/12 (Gain)/Loss	18	828,428	13	687,698	76,901
10/1/13 (Gain)/Loss	17	(55,169)	13	(47,152)	(5,273)
10/1/13 Assumption Change	17	(3,377)	13	(2,887)	(323)
10/1/14 (Gain)/Loss	16	(368,125)	13	(324,944)	(36,336)
10/1/14 Assumption Change	16	1,022,253	13	902,338	100,902
10/1/15 (Gain)/Loss	15	144,135	13	132,075	14,769
10/1/16 (Gain)/Loss	14	(109,647)	13	(104,711)	(11,709)
10/1/16 Assumption Change	14	434,327	13	414,773	46,381
10/1/17 (Gain)/Loss	13	(43,129)	13	(43,129)	(4,823)
				5,450,977	632,420

Amortization Schedule Illustration - General	
Year Ended	Projected UAAL
2017	\$ 5,450,977
2018	5,155,855
2019	4,840,075
2020	4,502,191
2021	4,140,632
2026	2,050,443
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:

UAAL POLICE OFFICERS AS OF OCTOBER 1, 2017					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	3	\$ (1,418)	(505)
10/1/94 Method Change	30		6	11,795	2,313
10/1/94 Assumption Changes	30		6	5,080	996
10/1/95 Plan Amendment	30		7	254,442	44,124
10/1/96 Assumption Change	30		8	24,409	3,820
10/1/03 Plan Amendment	30	293,612	13	217,952	24,372
10/1/03 Asset Method Change	30	(694,013)	13	(515,176)	(57,609)
10/1/04 Cost Method Change	30	1,473,123	13	1,112,354	124,387
10/1/05 (Gain)/Loss	30	962,062	13	736,804	82,392
10/1/05 Plan Amendment	30	1,135,420	13	869,574	97,239
10/1/06 (Gain)/Loss	30	351,747	13	284,787	31,846
10/1/06 Assumption Change	30	200,570	13	155,590	17,399
10/1/07 (Gain)/Loss	29	170,330	13	130,211	14,561
10/1/08 (Gain)/Loss	28	475,229	13	366,972	41,036
10/1/09 (Gain)/Loss	27	285,316	13	222,806	24,915
10/1/10 (Gain)/Loss	26	539,626	13	436,900	48,856
10/1/10 Assumption Change	20	961,187	13	778,208	87,022
10/1/11 (Gain)/Loss	19	650,191	13	526,417	58,866
10/1/12 (Gain)/Loss	18	712,742	13	592,431	66,248
10/1/13 (Gain)/Loss	17	14,424	13	12,342	1,380
10/1/13 Assumption Change	17	387,602	13	331,631	37,084
10/1/14 (Gain)/Loss	16	(268,596)	13	(237,273)	(26,533)
10/1/14 Assumption Change	16	1,500,251	13	1,325,297	148,199
10/1/15 (Gain)/Loss	15	(594,387)	13	(544,927)	(60,935)
10/1/16 (Gain)/Loss	14	(28,873)	13	(27,580)	(3,084)
10/1/16 Assumption Change	14	80,804	13	77,184	8,631
10/1/17 (Gain)/Loss	13	(141,211)	13	(141,211)	(15,791)
				7,005,601	801,229

Amortization Schedule Illustration - Police	
Year Ended	Projected UAAL
2017	\$ 7,005,601
2018	6,638,681
2019	6,246,076
2020	5,825,990
2021	5,375,957
2026	2,719,971
2030	0

RECENT HISTORY OF VALUATION RESULTS

Valuation Date	Number of Members		Covered Annual Payroll	Actuarial Value of Assets	UAAL	Employer Normal Cost	
	Active	Inactive				Amount	% of Payroll
10/1/17	9	74	\$ 599,770	\$ 25,301,063	\$ 12,456,578	\$ 172,063	28.69 %
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

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
A. Derivation of Actuarial Gain / (Loss)		
1. Unfunded Actuarial Accrued Liability (UAAL)		
Previous Valuation	\$ 5,776,174	\$ 7,499,879
2. Normal Cost (NC) Previous Valuation	102,942	65,069
3. Contributions Previous Year	769,608	915,634
4. Interest on:		
a. UAAL and NC	411,538	529,546
b. Contributions	26,940	32,048
c. Net Total: (a) - (b)	384,598	497,498
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	5,494,106	7,146,812
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	0	0
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	5,494,106	7,146,812
9. Actual UAAL Current Year	5,450,977	7,005,601
10. Actuarial Gain / (Loss): (8) - (9)	43,129	141,211
B. Approximate Portion of Gain / (Loss) Due to Investments	(55,221)	(71,261)
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	\$ 98,350	\$ 212,472

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/17	\$ 43,129	\$ 141,211	\$ 184,340
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

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
9/30/17	6.5 %	7.0 %	0.9 %	5.7 %	5.5 %
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

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.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets: (a)	Actuarial Accrued Liability (AAL): (b)	Unfunded AAL (UAAL): (b)-(a)	Funded Ratio: (a)/(b)	Covered Payroll: (c)	UAAL As % of Covered Payroll: [(b)-(a)]/(c)
10/1/17	\$ 25,301,063	\$ 37,757,641	\$ 12,456,578	67.0 %	\$ 599,770	2076.9 %
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

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

	2017	2016
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 31,908,067	\$ 32,137,248
b. DROP Participants	918,628	915,940
c. Terminated Vested Members	48,891	45,594
d. Other Members	<u>4,419,807</u>	<u>4,183,601</u>
e. Total	37,295,393	37,282,383
2. Non-Vested Benefits	<u>27,805</u>	<u>47,085</u>
3. Total: (1) + (2)	37,323,198	37,329,468
4. Accumulated Contributions of Active Members	912,376	917,887
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	37,329,468	36,488,101
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	536,311
c. Benefits paid and contribution refunds	(2,603,571)	(2,706,165)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>2,597,301</u>	<u>3,011,221</u>
e. Net Increase	(6,270)	841,367
3. Total Value at End of Year	37,323,198	37,329,468
C. Market Value of Assets	25,162,888	23,683,755
D. Assumed rate of return	7.00%	7.00%
E. Funded Ratio	67.42%	63.45%

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

	2017	2016
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 13,637,663	\$ 13,673,283
b. DROP Participants	918,628	915,940
c. Terminated Vested Members	48,891	45,594
d. Other Members	<u>2,813,892</u>	<u>2,826,294</u>
e. Total	17,419,074	17,461,111
2. Non-Vested Benefits	<u>27,805</u>	<u>47,085</u>
3. Total: (1) + (2)	17,446,879	17,508,196
4. Accumulated Contributions of Active Members	653,755	679,060
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	17,508,196	16,911,851
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	433,005
c. Benefits paid and contribution refunds	(1,376,476)	(1,257,588)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,315,159</u>	<u>1,420,928</u>
e. Net Increase	(61,317)	596,345
3. Total Value at End of Year	17,446,879	17,508,196
C. Market Value of Assets	11,937,863	11,386,312
D. Assumed rate of return	7.00%	7.00%
E. Funded Ratio	68.42%	65.03%

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

	2017	2016
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 18,270,404	\$ 18,463,965
b. DROP Participants	0	0
c. Terminated Vested Members	0	0
d. Other Members	1,605,915	1,357,307
e. Total	<u>19,876,319</u>	<u>19,821,272</u>
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	19,876,319	19,821,272
4. Accumulated Contributions of Active Members	258,621	238,827
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	19,821,272	19,576,250
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	103,306
c. Benefits paid and contribution refunds	(1,227,095)	(1,448,577)
d. Other, including latest member data, benefits accumulated and decrease in discount period	1,282,142	1,590,293
e. Net Increase	<u>55,047</u>	<u>245,022</u>
3. Total Value at End of Year	19,876,319	19,821,272
C. Market Value of Assets	13,225,025	12,297,443
D. Assumed rate of return	7.00%	7.00%
E. Funded Ratio	66.54%	62.04%

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

Fiscal year ending September 30,	<u>2018*</u>	<u>2017</u>	<u>2016</u>
Total pension liability			
Service Cost	\$ 131,863	\$ 141,672	\$ 141,736
Interest	2,594,963	2,547,674	2,545,418
Benefit Changes	-	-	-
Difference between actual & expected experience	(344,394)	68,713	(360,289)
Assumption Changes	-	549,447	-
Benefit Payments & DROP Distributions	(2,640,491)	(2,603,571)	(2,706,165)
Refunds	(209)	-	-
Net Change in Total Pension Liability	<u>(258,268)</u>	<u>703,935</u>	<u>(379,300)</u>
Total Pension Liability - Beginning	<u>38,259,387</u>	<u>37,555,452</u>	<u>37,934,752</u>
Total Pension Liability - Ending (a)	<u>\$ 38,001,119</u>	<u>\$ 38,259,387</u>	<u>\$ 37,555,452</u>
Plan Fiduciary Net Position			
Contributions - Employer and State	\$ 1,667,049	\$ 1,685,242	\$ 1,638,492
Contributions - Member	63,868	64,490	63,650
Net Investment Income	1,725,917	2,437,040	1,717,354
Benefit Payments & DROP Distributions	(2,640,491)	(2,603,571)	(2,706,165)
Refunds	(209)	-	-
Administrative Expense	(104,068)	(104,068)	(95,119)
Other	-	-	(1)
Net Change in Plan Fiduciary Net Position	<u>712,066</u>	<u>1,479,133</u>	<u>618,211</u>
Plan Fiduciary Net Position - Beginning	<u>25,162,888</u>	<u>23,683,755</u>	<u>23,065,544</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 25,874,954</u>	<u>\$ 25,162,888</u>	<u>\$ 23,683,755</u>
Net Pension Liability - Ending (a) - (b)	12,126,165	13,096,499	13,871,697
Plan Fiduciary Net Position as a Percentage			
of Total Pension Liability	68.09 %	65.77 %	63.06 %
Covered Payroll**	\$ 599,770	\$ 604,422	\$ 595,805
Net Pension Liability as a Percentage			
of Covered Payroll	2,021.80 %	2,166.78 %	2,328.23 %

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

** Covered payroll for the fiscal year is estimated from the actual member contributions to the plan for the same period.

SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

GASB Statement No. 67

FY Ending Sept. 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
2018*	\$ 38,001,119	\$ 25,874,954	\$ 12,126,165	68.09%	\$ 599,770	2021.80%
2017	38,259,387	25,162,888	13,096,499	65.77%	604,422	2166.78%
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.

** Covered payroll for the fiscal year is estimated from the actual member contributions to the plan for the same period.

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

Valuation Date: October 1, 2017
Measurement Date: September 30, 2018

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Salary Increases	5.50%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 mortality tables with collar adjustments and generational projections using scale BB as used by the Florida Retirement System for the Regular Class members (General Employees) and Special Risk Class members (Police Officers) in the July 1, 2017 actuarial valuation.

Other Information:

Notes See Discussion of Valuation Results beginning on page 1.

SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

FY Ending Sept. 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll**	Actual Contribution as a % of Covered Payroll
2018*	\$ 1,667,049	\$ 1,667,049	\$ -	\$ 599,770	277.95%
2017	1,685,242	1,685,242	-	604,422	278.82%
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.

** Covered payroll for the fiscal year is estimated from the actual member contributions to the plan for the same period.

NOTES TO SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

Valuation Date: October 1, 2017

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	13 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	RP-2000 mortality tables with collar adjustments and generational projections using scale BB as used by the Florida Retirement System for the Regular Class members (General Employees) and Special Risk Class members (Police Officers) in the July 1, 2017 actuarial valuation.

Other Information:

Notes See Discussion of Valuation Results on beginning 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

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$16,369,886	\$12,126,165	\$8,599,299

*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, 2017

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 2017	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.54%	0.23%	33.90	38.31
55	0.67%	0.32%	29.26	33.29
60	0.90%	0.47%	24.68	28.39
65	1.31%	0.74%	20.28	23.65
70	2.01%	1.24%	16.15	19.19
75	3.26%	2.09%	12.43	15.11
80	5.37%	3.51%	9.23	11.49
Ref:	1422 x 1.00	1420 x 1.00	896	897

FRS Pre-Retirement Mortality for Special Risk Class Members

Sample Ages in 2017	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.23%	0.15%	34.89	38.66
55	0.39%	0.24%	29.77	33.51
60	0.71%	0.39%	24.89	28.49
65	1.23%	0.70%	20.33	23.67
70	2.01%	1.24%	16.15	19.19
75	3.26%	2.09%	12.43	15.11
80	5.37%	3.51%	9.23	11.49
Ref:	1532 x 1.00	1534 x 1.00	896	897

FRS Disabled Mortality for Special Risk Class Members

Sample Ages in 2017	% 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 2017	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.55%	0.23%	34.66	38.31
55	0.60%	0.32%	30.03	33.29
60	0.76%	0.47%	25.36	28.39
65	1.15%	0.74%	20.84	23.65
70	1.78%	1.24%	16.59	19.19
75	2.97%	2.09%	12.73	15.11
80	5.03%	3.51%	9.40	11.49
Ref:	1421 x 1.00	1420 x 1.00	896	897

FRS Pre-Retirement Mortality for Regular Class Members

Sample Ages in 2017	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.21%	0.15%	35.58	38.66
55	0.36%	0.24%	30.46	33.51
60	0.61%	0.39%	25.53	28.49
65	1.08%	0.70%	20.88	23.67
70	1.78%	1.24%	16.59	19.19
75	2.97%	2.09%	12.73	15.11
80	5.03%	3.51%	9.40	11.49
Ref:	1533 x 1.00	1534 x 1.00	896	897

FRS Disabled Mortality for Regular Class Members

Sample Ages in 2017	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	2.38%	1.35%	20.25	23.74
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:

None.

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>Actuarial Accrued Liability (AAL)</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</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>Actuarial Cost Method</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>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value (APV)</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>Actuarial Present Value of Future Benefits (APVFB)</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>Actuarial Valuation</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>Actuarial Value of Assets</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).

<i>Amortization Method</i>	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.
<i>Amortization Payment</i>	That portion of the plan contribution or ADEC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Determined Employer Contribution (ADEC)</i>	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.
<i>Closed Amortization Period</i>	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.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	The period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between the normal cost rate from last year and the normal cost rate from this year.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 67 and GASB No. 68</i>	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.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

Unfunded Actuarial Accrued Liability The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

Valuation Date 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

**STATEMENT OF ASSETS AT MARKET VALUE
AS OF OCTOBER 1, 2017**

	General	Police	Total
Cash & Cash Equivalents	\$ 0	\$ 0	\$ 0
General Investments			
Common and Foreign Stock	0	0	0
Government Securities	0	0	0
Equity Mutual Funds	12,660,506	14,022,617	26,683,123
Corporate Bonds and Notes	0	0	0
Sub-Total	<u>12,660,506</u>	<u>14,022,617</u>	<u>26,683,123</u>
Total Cash & Investments	12,660,506	14,022,617	26,683,123
Receivables/(Prepaid)			
Member Contributions	10,390	12,361	22,751
City Contributions	0	0	0
State Contributions	0	0	0
Net Due From/(To) Brokers	0	0	0
Accrued Interest & Dividends	13,724	15,203	28,927
Sub-Total	<u>24,114</u>	<u>27,564</u>	<u>51,678</u>
Payables	6,064	4,601	10,665
Total Pension Fund Assets	12,678,556	14,045,580	26,724,136
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	740,693	820,555	1,561,248
Net Pension Fund Assets	11,937,863	13,225,025	25,162,888

**INCOME AND DISBURSEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 11,386,312	\$ 12,297,443	\$ 23,683,755
B. Receipts During Period			
1. Contributions			
a. Employee	44,526	19,964	64,490
b. City	769,608	915,634	1,685,242
d. Total	<u>814,134</u>	<u>935,598</u>	<u>1,749,732</u>
2. Investment Earnings			
a. Interest & Dividends	258,998	283,452	542,450
b. Net Realized Appreciation	57,842	63,304	121,146
c. Net Unrealized Appreciation	868,691	950,713	1,819,404
d. Total	<u>1,185,531</u>	<u>1,297,469</u>	<u>2,483,000</u>
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	1,999,665	2,233,067	4,232,732
C. Disbursements During Period			
1. Benefits			
a. Pension Payments	1,230,361	1,227,095	2,457,456
b. DROP Distributions	146,115	0	146,115
c. Refunds	0	0	0
d. Total	<u>1,376,476</u>	<u>1,227,095</u>	<u>2,603,571</u>
2. Allocated Expenses			
a. Investment Expenses	21,946	24,014	45,960
b. Administrative Expenses	49,692	54,376	104,068
c. Total Expenses	<u>71,638</u>	<u>78,390</u>	<u>150,028</u>
3. Total Disbursements During Period	1,448,114	1,305,485	2,753,599
D. Market Value as of End of Year	11,937,863	13,225,025	25,162,888

Development of Funding Value of Assets for General Employees as of October 1		
	2017	2016
A. Market Value of Assets at End of Last Year	\$11,386,312	11,087,697
B. Contributions	814,134	776,285
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,376,476	1,257,588
2. Non Investment Expenses	49,692	45,724
3. Total Disbursements	1,426,168	1,303,312
D. Expected Investment Income	775,621	757,693
E. Expected Assets End of Year: A+B-C+D	11,549,899	11,318,363
F. Actual Market Value at End of Year	11,937,863	11,386,312
G.		
Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	387,964	67,949
2. From One Year Ago	67,949	(1,553,795)
3. From Two Years Ago	(1,553,795)	593,188
4. From Three Years Ago	593,188	423,191
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	310,371	54,359
2. 60% From One Year Ago	40,769	(932,277)
3. 40% From Two Years Ago	(621,518)	237,275
4. 20% From Three Years Ago	<u>118,638</u>	<u>84,638</u>
5. Total	(151,740)	(556,005)
I. Preliminary Actuarial Value as of End of Year: F-H5	12,089,603	11,942,317
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	9,550,290	9,109,050
2. 120% of Market Value	14,325,436	13,663,574
3. Valuation Assets	12,089,603	11,942,317
K. Adjustment for DROP Reserves	179,882	276,854
L. Net Valuation Assets	11,909,721	11,665,463
M. Net Market Value of Assets	11,757,981	11,109,458

Development of Funding Value of Assets for Police Officers as of October 1		
	2017	2016
A. Market Value of Assets at Beginning of Year	\$12,297,443	11,977,847
B. Contributions	935,598	925,857
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,227,095	1,448,577
2. Non Investment Expenses	54,376	49,395
3. Total Disbursements	1,281,471	1,497,972
D. Expected Investment Income	848,715	818,425
E. Expected Assets End of Year: A+B-C+D	12,800,285	12,224,157
F. Actual Market Value at End of Year	13,225,025	12,297,443
G.		
Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	424,740	73,286
2. From One Year Ago	73,286	(1,682,316)
3. From Two Years Ago	(1,682,316)	614,230
4. From Three Years Ago	614,230	430,407
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	339,792	58,629
2. 60% From One Year Ago	43,972	(1,009,390)
3. 40% From Two Years Ago	(672,927)	245,692
4. 20% From Three Years Ago	<u>122,846</u>	<u>86,081</u>
5. Total	(166,317)	(618,988)
I. Preliminary Actuarial Value as of End of Year: F-H5	13,391,342	12,916,431
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	10,580,020	9,837,954
2. 120% of Market Value	15,870,030	14,756,932
3. Valuation Assets	13,391,342	12,916,431
K. Adjustment for DROP Reserves	0	0
L. Net Valuation Assets	13,391,342	12,916,431
M. Net Market Value of Assets	13,225,025	12,297,443

**RECONCILIATION OF DROP ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	General	Police	Total
A. Account Balances as of Beginning of Year	\$276,854	(\$5,628)	\$276,854
B. Receipts During Period			
1. Deposits & Adjustments	33,064	0	33,064
2. Investment Earnings, net fees	16,079	0	16,079
3. Total	<u>49,143</u>	<u>0</u>	<u>49,143</u>
C. Withdrawals During Period	(146,115)	0	(146,115)
D. Account Balances as of End of Year	179,882	(5,628)	179,882

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
9/30/2017	10.5 %	6.5 %
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
Average Compounded Rate of Return for Last 5 Years	7.0	8.2
Average Compounded Rate of Return for Last 10 Years	4.8	5.1

SECTION IV

MEMBER STATISTICS

STATISTICAL DATA, GENERAL EMPLOYEES			
	10/1/17	10/1/16	10/1/15
Active Participants			
Number	7	8	8
Total Annual Earnings	\$ 389,147	\$ 429,324	\$ 439,282
Average Annual Earnings	55,592	53,665	54,910
Averages			
Current Age	56.6	55.5	54.5
Age at Employment	34.5	34.6	34.6
Past Service	22.1	20.9	19.9
Service at Age 60	25.5	25.4	25.4
Members Receiving Benefits			
Number	40	40	40
Total Annual Pensions	\$ 1,237,466	\$ 1,229,219	\$ 1,225,034
Average Monthly Benefit	2,578	2,561	2,552
Average Current Age*	69.4	68.8	67.8
DROP Participants			
Number	2	2	2
Total Annual Pensions	\$ 52,970	\$ 47,117	\$ 47,117
Average Monthly Benefit	2,207	1,963	1,963
Average Current Age	51.9	61.2	60.2
Terminated Members with Vested Benefits			
Number	1	1	1
Total Annual Pensions	\$ 7,897	\$ 7,897	\$ 7,897
Average Monthly Benefit	658	658	658
Average Current Age	50.4	49.4	48.4

* Average current age of service retirees only (excludes beneficiaries and disability retirees)

Note: Pensions shown include monthly supplement for members receiving benefits.

STATISTICAL DATA, POLICE OFFICERS			
	10/1/17	10/1/16	10/1/15
Active Participants			
Number	2	2	2
Total Annual Earnings	\$ 210,623	\$ 199,248	\$ 194,617
Average Annual Earnings	105,312	99,624	97,308
Averages			
Current Age	43.1	42.1	41.1
Age at Employment	21.7	21.7	21.7
Past Service	21.4	20.4	19.4
Service at Age 60	38.3	38.3	38.3
Members Receiving Benefits			
Number	31	31	30
Total Annual Pensions	\$ 1,268,413	\$ 1,198,927	\$ 1,181,687
Average Monthly Benefit	3,410	3,223	3,282
Average Current Age*	63.0	61.8	61.3
DROP Participants			
Number	0	0	1
Total Annual Pensions	\$ 0	\$ 0	\$ 38,575
Average Monthly Benefit	0	0	3,215
Average Current Age	0.0	0.0	48.4
Terminated Members with Vested Benefits			
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 for members receiving benefits.

**RECONCILIATION OF MEMBERSHIP DATA
FROM 10/1/2016 TO 9/30/2017**

	General	Police	Total
A. Active Members			
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>(1)</u>	<u>0</u>	<u>0</u>
11 Number Included in This Valuation	7	2	10
B. Terminated Vested Members			
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
C. DROP Participants			
1 Number Included in Last Valuation	2	0	2
2 Additions from Active Members	1	0	1
3 Retired	(1)	0	(1)
4 Deaths	<u>0</u>	<u>0</u>	<u>0</u>
5 Number Included in This Valuation	2	0	2
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	40	31	71
2 Additions from Active Members	0	0	0
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	1	0	1
5 Deaths Resulting in No Further Payments	(1)	0	(1)
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

**Age and Service Distribution
Active General Employees
As of October 1, 2017**

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	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	1	1	0	0	2
55-59	0	0	0	0	0	0	1	1	1	0	0	3
60-64	0	0	0	0	0	0	0	0	0	1	1	2
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	1	2	2	1	1	7

**Age and Service Distribution
Active Police Officers
As of October 1, 2017**

<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	2	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	0	2	0	0	2

SECTION V

SUMMARY OF PLAN PROVISIONS

SUMMARY OF RETIREMENT PLAN PROVISIONS AS OF OCTOBER 1, 2017

A. Effective Date:

February 11, 1969, amended and restated effective April 1, 1996. The most recent amendments included as of October 1, 2017 were Ordinance Nos. 894 and 923. 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.