

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

ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2018
FOR THE YEAR BEGINNING OCTOBER 1, 2018





May 31, 2019

Board of Trustees
City of Wilton Manors General Employees' and Police Officers' Retirement Plan
Wilton Manors, FL 33305

Dear Board Members:

The results of the October 1, 2018 Annual Actuarial Valuation of the City of Wilton Manors General Employees' and Police Officers' Retirement Plan are presented in this report.

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 Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2019, and to estimate the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for the year ending September 30, 2019. This report should not be relied on for any purpose other than the purposes 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 contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section II of this report. This report includes risk metrics on pages 3 to 5 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.

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 findings in this report are based on data and other information through September 30, 2018. The valuation was based upon information furnished by the Plan Administrator concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability 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 certain assumptions approved by the Board and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Methods. The prescribed assumptions are the assumed mortality rates detailed in the Actuarial Assumptions and Methods section in accordance with Florida House Bill 1309 (codified in Chapter 2015-157). All actuarial assumptions used in this report are reasonable for purposes of this valuation.

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 Retirement 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. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I 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 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

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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, 2019 is \$1,674,468, as shown below:

Required City Contribution			
	General	Police	Total
Total Required Employer Contribution	\$ 743,396	931,072	1,674,468
As a % of Payroll	333.81 %	425.57 %	379.28 %
Expected State Premium Tax Refund	N/A	\$0	\$0
Remaining City Contribution	743,396	931,072	1,674,468
As a % of Payroll	333.81 %	425.57 %	379.28 %

The actual employer contribution received during the year ending September 30, 2018 was \$1,667,049, which was the minimum required amount.

EXPERIENCE

There was a net experience loss for the year, primarily due to better longevity among police officers than expected. In addition, there was a very small investment loss. The investment return on a market value basis was 11.2%. 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 6.9%, 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

The assumed rate of investment return on plan assets was reduced from 7.0% per annum, net of investment expenses to 6.9% per annum, net of investment expenses. Additionally, the amortization period for new bases was changed to 15 years. Prior amortization bases continue to decrease by one year each year.

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 68.0% compared to 67.0% last year. The funded ratio before the change in the assumed rate of investment return on plan assets was 68.7%.

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 \$726,000 higher 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 decrease by approximately \$77,000. If Market Value had been the basis for the valuation, the required City contribution would have been about \$ 1.6 million and the funded ratio would have been 69.9%.

RECOMMENDATIONS

It is important to note that Plan assets are insufficient to cover the liabilities for inactive members. As of October 1, 2018 the assets are \$26.8 million and the liability for inactive members is \$34.0 million.

Steps have been taken to improve the funded position of the Plan. In connection with this valuation, 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.

RISKS ASSOCIATED WITH THE MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

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 due to changing conditions; 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.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Asset/Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
4. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
6. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Board’s funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

PLAN MATURITY MEASURES

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2018</u>	<u>2017</u>
Ratio of the market value of assets to total payroll	60.69	41.65
Ratio of actuarial accrued liability to payroll	86.80	62.95
Ratio of active members to inactive members	0.08	0.12
Ratio of net cash flow to market value of assets	-0.04	-0.04

RATIO OF MARKET VALUE OF ASSETS TO PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

ADDITIONAL RISK ASSESSMENT

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

RECENT HISTORY OF PLAN CHANGES

1. 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.
2. Effective October 1, 2007, the City closed the amortization period so the number of years for new bases would go down each year.
3. 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.
4. 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.
5. 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.
6. 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.
7. Effective October 1, 2018, the assumed rate of investment return on plan assets was changed from 7.0% net of investment expenses to 6.9%, net of investment expenses. Additionally, new bases will be amortized over 15 years.

SECTION II

VALUATION RESULTS

**COMPARATIVE SUMMARY OF VALUATION RESULTS
FOR ALL EMPLOYEES AS OF OCTOBER 1**

	2018 After Assumption Change	2018 Before Assumption Change	2017
Covered Group			
A. Number of Participants			
Actives	6	6	9
Retirees, Disabilities, Beneficiaries and Vested Terminations	76	76	74
Total Annual Covered Payroll	\$ 441,483	\$ 441,483	\$ 599,770
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 38,510,018	\$ 38,114,416	\$ 38,059,502
C. Actuarial Present Value of Future Normal Costs	<u>189,943</u>	<u>185,018</u>	<u>301,861</u>
D. Actuarial Accrued Liability (AAL): B - C	38,320,075	37,929,398	37,757,641
E. Valuation Assets	26,065,028	26,065,028	25,301,063
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	12,255,047	11,864,370	12,456,578
Current Cost			
G. Payment Required to Amortize UAAL	\$ 1,474,450	\$ 1,440,654	\$ 1,433,649
As % of Payroll	333.98%	326.32%	239.03%
H. Total Normal Cost (for current year)	186,229	183,973	235,931
As % of Payroll	42.18%	41.67%	39.34%
I. Plan Year to which Contributions Apply	2018/19	N/A	2017/18
J. Interest	60,164	59,686	61,337
K. Total Required Contribution	1,720,843	1,684,313	1,730,917
As % of Payroll	389.79%	381.51%	288.60%
L. Expected Member Contribution	46,375	46,375	63,868
As % of Payroll	10.50%	10.50%	10.65%
M. Estimate of State Contributions	0	0	0
N. Total Remaining Required City Contribution	1,674,468	1,637,938	1,667,049
As % of Payroll	379.28%	371.01%	277.95%

**COMPARATIVE SUMMARY OF VALUATION RESULTS
FOR GENERAL EMPLOYEES AS OF OCTOBER 1**

	2018 After Assumption Change	2018 Before Assumption Change	2017
Covered Group			
A. Number of Participants			
Actives	4	4	7
Retirees, Disabilities, Beneficiaries and Vested Terminations	45	45	43
Total Annual Covered Payroll	\$ 222,699	\$ 222,699	\$ 389,147
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 17,523,057	\$ 17,367,989	\$ 17,534,650
C. Actuarial Present Value of Future Normal Costs	<u>86,168</u>	<u>84,260</u>	<u>173,952</u>
D. Actuarial Accrued Liability (AAL): B - C	17,436,889	17,283,729	17,360,698
E. Valuation Assets	12,137,642	12,137,642	11,909,721
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,299,247	5,146,087	5,450,977
Current Cost			
G. Payment Required to Amortize UAAL	\$ 644,333	\$ 631,328	\$ 632,420
As % of Payroll	289.33%	283.49%	162.51%
H. Total Normal Cost (for current year)	96,713	95,576	143,954
As % of Payroll	43.43%	42.92%	36.99%
I. Plan Year to which Contributions Apply	2018/19	N/A	2017/18
J. Interest	26,847	26,705	28,522
K. Total Required Contribution	767,893	753,609	804,896
As % of Payroll	344.81%	338.40%	206.84%
L. Expected Member Contribution	24,497	24,497	42,806
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	743,396	729,112	762,090
As % of Payroll	333.81%	327.40%	195.84%

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1			
	2018 After Assumption Change	2018 Before Assumption Change	2017
Covered Group			
A. Number of Participants			
Actives	2	2	2
Retirees, Disabilities, Beneficiaries and Vested Terminations	31	31	31
Total Annual Covered Payroll	\$ 218,784	\$ 218,784	\$ 210,623
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 20,986,961	\$ 20,746,427	\$ 20,524,852
C. Actuarial Present Value of Future Normal Costs	103,775	100,758	127,909
D. Actuarial Accrued Liability (AAL): B - C	<u>20,883,186</u>	<u>20,645,669</u>	<u>20,396,943</u>
E. Valuation Assets	13,927,386	13,927,386	13,391,342
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	6,955,800	6,718,283	7,005,601
Current Cost			
G. Payment Required to Amortize UAAL	\$ 830,117	\$ 809,326	\$ 801,229
As % of Payroll	379.42%	369.92%	380.41%
H. Total Normal Cost (for current year)	89,516	88,397	91,977
As % of Payroll	40.92%	40.40%	43.67%
I. Plan Year to which Contributions Apply	2018/19	N/A	2017/18
J. Interest	33,317	32,981	32,815
K. Total Required Contribution	952,950	930,704	926,021
As % of Payroll	435.57%	425.40%	439.66%
L. Expected Member Contribution	21,878	21,878	21,062
As % of Payroll	10.00%	10.00%	10.00%
N. Estimate of State Contributions	0	0	0
M. Total Remaining Required City Contribution	931,072	908,826	904,959
As % of Payroll	425.57%	415.40%	429.66%

DERIVATION OF NORMAL COST - GENERAL EMPLOYEES AS OF OCTOBER 1			
	2018 After Assumption Change	2018 Before Assumption Change	2017
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 43,958	\$ 42,955	\$ 79,938
Vesting Benefits	3,502	3,406	4,827
Preretirement Death Benefits	821	805	1,507
Disability	2,687	2,657	5,064
Return of Contributions	1,964	1,972	2,926
Total	<u>52,932</u>	<u>51,795</u>	<u>94,262</u>
B. Normal Cost for Administrative Expenses	43,781	43,781	49,692
C. Total Normal Cost: A + B	96,713	95,576	143,954

PRESENT VALUE OF PROJECTED BENEFITS - GENERAL EMPLOYEES AS OF OCTOBER 1			
	2018 After Assumption Change	2018 Before Assumption Change	2017
A. Present Value of Future Salaries	\$ 356,893	\$ 356,663	\$ 707,869
B. Present Value of Future Member Contributions	39,258	39,233	77,866
C. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	2,039,388	2,019,107	3,083,387
Vesting Benefits	0	0	0
Preretirement Death Benefits	7,992	7,899	12,974
Disability	6,552	6,495	12,793
Return of Contributions	0	0	196
Total	<u>2,053,932</u>	<u>2,033,501</u>	<u>3,109,350</u>
2. Inactive Members			
Service Retirees	14,720,701	14,593,144	13,269,130
DROP Participants	328,882	325,752	738,746
Disability Retirees	97,098	96,392	97,688
Beneficiaries	269,080	266,765	270,845
Terminated Vested	53,364	52,435	48,891
Total	<u>15,469,125</u>	<u>15,334,488</u>	<u>14,425,300</u>
3. Grand Total	17,523,057	17,367,989	17,534,650

DERIVATION OF NORMAL COST - POLICE OFFICERS AS OF OCTOBER 1			
	2018 After Assumption Change	2018 Before Assumption Change	2017
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 31,657	\$ 30,708	\$ 29,546
Vesting Benefits	4,136	3,985	3,829
Preretirement Death Benefits	593	577	557
Disability	505	493	474
Return of Contributions	3,315	3,324	3,195
Total	<u>40,206</u>	<u>39,087</u>	<u>37,601</u>
B. Normal Cost for Administrative Expenses	49,310	49,310	54,376
C. Total Normal Cost: A + B	89,516	88,397	91,977

PRESENT VALUE OF PROJECTED BENEFITS - POLICE OFFICERS AS OF OCTOBER 1			
	2018 After Assumption Change	2018 Before Assumption Change	2017
A. Present Value of Future Salaries	\$ 595,670	\$ 594,933	\$ 744,217
B. Present Value of Future Member Contributions	59,567	59,493	74,422
C. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	2,391,946	2,354,042	2,225,394
Vesting Benefits	0	0	0
Preretirement Death Benefits	12,064	11,858	14,066
Disability	12,637	12,476	14,988
Return of Contributions	0	0	0
Total	<u>2,416,647</u>	<u>2,378,376</u>	<u>2,254,448</u>
2. Inactive Members			
Service Retirees	16,449,077	16,265,119	16,136,312
DROP Participants	0	0	0
Disability Retirees	271,489	269,971	277,893
Beneficiaries	1,849,748	1,832,961	1,856,199
Terminated Vested	0	0	0
Total	<u>18,570,314</u>	<u>18,368,051</u>	<u>18,270,404</u>
3. Grand Total	20,986,961	20,746,427	20,524,852

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF OCTOBER 1, 2018 – GENERAL EMPLOYEES

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

Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	2	\$ (40)	\$ (21)
10/1/94 Method Change	30		5	10,223	2,326
10/1/94 Assumption Changes	30		5	(5,907)	(1,344)
10/1/95 Plan Amendment	30		6	276,505	54,098
10/1/96 Assumption Change	30		7	59,093	10,221
10/1/98 Plan Amendment	30		9	11,276	1,612
10/1/03 Plan Amendment	30	624,219	12	408,710	47,880
10/1/03 Asset Method Change	30	(785,623)	12	(514,389)	(60,260)
10/1/04 Cost Method Change	30	1,443,006	12	960,532	112,525
10/1/05 (Gain)/Loss	30	540,168	12	365,025	42,762
10/1/05 Plan Amendment	30	26,548	12	17,940	2,102
10/1/06 (Gain)/Loss	30	203,371	12	139,340	16,323
10/1/06 Assumption Change	30	151,335	12	103,687	12,147
10/1/06 Plan Amendment	30	(238,605)	12	(163,478)	(19,151)
10/1/07 (Gain)/Loss	29	(429,960)	12	(310,492)	(36,374)
10/1/08 (Gain)/Loss	28	262,546	12	191,572	22,442
10/1/09 (Gain)/Loss	27	938,436	12	693,814	81,279
10/1/10 (Gain)/Loss	26	336,348	12	251,937	29,514
10/1/10 Assumption Change	20	713,404	12	534,369	62,601
10/1/11 (Gain)/Loss	19	767,956	12	589,472	69,056
10/1/12 (Gain)/Loss	18	828,428	12	653,085	76,508
10/1/13 (Gain)/Loss	17	(55,169)	12	(44,779)	(5,246)
10/1/13 Assumption Change	17	(3,377)	12	(2,741)	(321)
10/1/14 (Gain)/Loss	16	(368,125)	12	(308,590)	(36,151)
10/1/14 Assumption Change	16	1,022,253	12	856,923	100,387
10/1/15 (Gain)/Loss	15	144,135	12	125,427	14,694
10/1/16 (Gain)/Loss	14	(109,647)	12	(99,441)	(11,649)
10/1/16 Assumption Change	14	434,327	12	393,897	46,144
10/1/17 (Gain)/Loss	13	(43,129)	12	(40,958)	(4,798)
10/1/18 (Gain)/Loss	15	(5,925)	15	(5,925)	(605)
10/1/18 Assumption Change	15	153,160	15	153,160	15,632
				5,299,247	644,333

Amortization Schedule Illustration - General	
Year Ended	Projected UAAL
2018	\$ 5,299,247
2019	4,976,102
2020	4,630,660
2021	4,261,361
2022	3,866,580
2027	1,657,485
2032	15,027
2033	0

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF OCTOBER 1, 2018 – POLICE OFFICERS

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

Date & Source	Original		Years Remaining	Current	
	Amortization Period	Amount		Amount	Payment
10/1/91 Plan Amendment	30	\$	2	\$ (974)	(503)
10/1/94 Method Change	30		5	10,136	2,306
10/1/94 Assumption Changes	30		5	4,366	993
10/1/95 Plan Amendment	30		6	224,851	43,992
10/1/96 Assumption Change	30		7	22,014	3,808
10/1/03 Plan Amendment	30	293,612	12	207,026	24,253
10/1/03 Asset Method Change	30	(694,013)	12	(489,349)	(57,327)
10/1/04 Cost Method Change	30	1,473,123	12	1,056,591	123,778
10/1/05 (Gain)/Loss	30	962,062	12	699,867	81,988
10/1/05 Plan Amendment	30	1,135,420	12	825,981	96,763
10/1/06 (Gain)/Loss	30	351,747	12	270,510	31,690
10/1/06 Assumption Change	30	200,570	12	147,789	17,313
10/1/07 (Gain)/Loss	29	170,330	12	123,683	14,489
10/1/08 (Gain)/Loss	28	475,229	12	348,575	40,835
10/1/09 (Gain)/Loss	27	285,316	12	211,636	24,793
10/1/10 (Gain)/Loss	26	539,626	12	414,997	48,616
10/1/10 Assumption Change	20	961,187	12	739,196	86,596
10/1/11 (Gain)/Loss	19	650,191	12	500,027	58,577
10/1/12 (Gain)/Loss	18	712,742	12	562,731	65,923
10/1/13 (Gain)/Loss	17	14,424	12	11,723	1,373
10/1/13 Assumption Change	17	387,602	12	315,006	36,903
10/1/14 (Gain)/Loss	16	(268,596)	12	(225,378)	(26,403)
10/1/14 Assumption Change	16	1,500,251	12	1,258,859	147,474
10/1/15 (Gain)/Loss	15	(594,387)	12	(517,610)	(60,637)
10/1/16 (Gain)/Loss	14	(28,873)	12	(26,198)	(3,069)
10/1/16 Assumption Change	14	80,804	12	73,315	8,589
10/1/17 (Gain)/Loss	13	(141,211)	12	(134,132)	(15,713)
10/1/18 (Gain)/Loss	15	83,045	15	83,045	8,476
10/1/18 Assumption Change	15	237,517	15	237,517	24,241
				6,955,800	830,117

Amortization Schedule Illustration - Police	
Year Ended	Projected UAAL
2018	\$ 6,955,800
2019	6,548,355
2020	6,112,797
2021	5,646,647
2022	5,148,333
2027	2,266,134
2032	32,717
2033	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
10/1/18	6	76	\$ 441,483	\$ 26,065,028	\$ 12,255,047	\$ 139,854	31.68 %
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

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	\$ 5,450,977	\$ 7,005,601
2. Normal Cost (NC) Previous Valuation	101,148	70,915
3. Contributions Previous Year	762,090	904,959
4. Interest on:		
a. UAAL and NC	388,649	495,356
b. Contributions	26,672	31,675
c. Net Total: (a) - (b)	361,977	463,681
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	5,152,012	6,635,238
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	153,160	237,517
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	5,305,172	6,872,755
9. Actual UAAL Current Year	5,299,247	6,955,800
10. Actuarial Gain / (Loss): (8) - (9)	5,925	(83,045)
B. Approximate Portion of Gain / (Loss) Due to Investments	(14,049)	(15,776)
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	\$ 19,974	\$ (67,269)

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/18	\$ 5,925	\$ (83,045)	\$ (77,120)
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

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
9/30/18	6.9 %	7.0 %	0.4 %	3.9 %	5.5 %
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

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)
10/1/18	\$ 26,065,028	\$ 38,320,075	\$ 12,255,047	68.0 %	\$ 441,483	2775.9 %
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

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

	2018	2017
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 33,657,193	\$ 31,908,067
b. DROP Participants	361,116	918,628
c. Terminated Vested Members	53,364	48,891
d. Other Members	<u>3,880,054</u>	<u>4,419,807</u>
e. Total	37,951,727	37,295,393
2. Non-Vested Benefits	<u>0</u>	<u>27,805</u>
3. Total: (1) + (2)	37,951,727	37,323,198
4. Accumulated Contributions of Active Members	715,085	912,376
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	37,323,198	37,329,468
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	386,285	0
c. Benefits paid and contribution refunds	(2,728,566)	(2,603,571)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>2,970,810</u>	<u>2,597,301</u>
e. Net Increase	628,529	(6,270)
3. Total Value at End of Year	37,951,727	37,323,198
C. Market Value of Assets	26,823,715	25,162,888
D. Assumed rate of return	6.90%	7.00%
E. Funded Ratio	70.68%	67.42%

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

	2018	2017
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 15,086,879	\$ 13,637,663
b. DROP Participants	361,116	918,628
c. Terminated Vested Members	53,364	48,891
d. Other Members	1,948,267	2,813,892
e. Total	<u>17,449,626</u>	<u>17,419,074</u>
2. Non-Vested Benefits	<u>0</u>	<u>27,805</u>
3. Total: (1) + (2)	17,449,626	17,446,879
4. Accumulated Contributions of Active Members	435,726	653,755
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	17,446,879	17,508,196
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	153,831	0
c. Benefits paid and contribution refunds	(1,479,644)	(1,376,476)
d. Other, including latest member data, benefits accumulated and decrease in discount period	1,328,560	1,315,159
e. Net Increase	<u>2,747</u>	<u>(61,317)</u>
3. Total Value at End of Year	17,449,626	17,446,879
C. Market Value of Assets	12,509,120	11,937,863
D. Assumed rate of return	6.90%	7.00%
E. Funded Ratio	71.69%	68.42%

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

	2018	2017
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 18,570,314	\$ 18,270,404
b. DROP Participants	0	0
c. Terminated Vested Members	0	0
d. Other Members	1,931,787	1,605,915
e. Total	<u>20,502,101</u>	<u>19,876,319</u>
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	20,502,101	19,876,319
4. Accumulated Contributions of Active Members	279,359	258,621
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	19,876,319	19,821,272
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	232,454	0
c. Benefits paid and contribution refunds	(1,248,922)	(1,227,095)
d. Other, including latest member data, benefits accumulated and decrease in discount period	1,642,250	1,282,142
e. Net Increase	<u>625,782</u>	<u>55,047</u>
3. Total Value at End of Year	20,502,101	19,876,319
C. Market Value of Assets	14,314,595	13,225,025
D. Assumed rate of return	6.90%	7.00%
E. Funded Ratio	69.82%	66.54%

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

GASB Statement No. 67

Fiscal year ending September 30,	2019*	2018	2017	2016	2015	2014
Total pension liability						
Service Cost	\$ 90,882	\$ 131,863	\$ 141,672	\$ 141,736	\$ 129,615	\$ 112,087
Interest	2,563,611	2,591,888	2,547,674	2,545,418	2,571,868	2,578,844
Benefit Changes	-	-	-	-	-	-
Difference between actual & expected experience	55,055	(344,394)	68,713	(360,289)	60,844	54,908
Assumption Changes	383,371	-	549,447	-	2,522,504	-
Benefit Payments & DROP Distributions	(2,756,101)	(2,728,566)	(2,603,571)	(2,706,165)	(2,756,178)	(3,224,482)
Refunds	-	-	-	-	-	-
Net Change in Total Pension Liability	336,818	(349,209)	703,935	(379,300)	2,528,653	(478,643)
Total Pension Liability - Beginning	37,910,178	38,259,387	37,555,452	37,934,752	35,406,099	35,884,742
Total Pension Liability - Ending (a)	<u>\$ 38,246,996</u>	<u>\$ 37,910,178</u>	<u>\$ 38,259,387</u>	<u>\$ 37,555,452</u>	<u>\$ 37,934,752</u>	<u>\$ 35,406,099</u>
Plan Fiduciary Net Position						
Contributions - Employer and State	\$ 1,674,468	\$ 1,667,049	\$ 1,685,242	\$ 1,638,492	\$ 1,676,869	\$ 1,645,738
Contributions - Member	46,375	55,551	64,490	63,650	64,249	59,289
Net Investment Income	1,811,908	2,759,884	2,437,040	1,717,354	(1,489,322)	2,836,305
Benefit Payments & DROP Distributions	(2,756,101)	(2,728,566)	(2,603,571)	(2,706,165)	(2,756,178)	(3,224,482)
Refunds	-	-	-	-	-	-
Administrative Expense	(93,091)	(93,091)	(104,068)	(95,119)	(88,375)	(81,815)
Other	-	-	-	(1)	9,974	2,154
Net Change in Plan Fiduciary Net Position	683,559	1,660,827	1,479,133	618,211	(2,582,783)	1,237,189
Plan Fiduciary Net Position - Beginning	26,823,715	25,162,888	23,683,755	23,065,544	25,648,327	24,411,138
Plan Fiduciary Net Position - Ending (b)	<u>\$ 27,507,274</u>	<u>\$ 26,823,715</u>	<u>\$ 25,162,888</u>	<u>\$ 23,683,755</u>	<u>\$ 23,065,544</u>	<u>\$ 25,648,327</u>
Net Pension Liability - Ending (a) - (b)	10,739,722	11,086,463	13,096,499	13,871,697	14,869,208	9,757,772
Plan Fiduciary Net Position as a Percentage						
of Total Pension Liability	71.92 %	70.76 %	65.77 %	63.06 %	60.80 %	72.44 %
Covered Payroll**	\$ 441,483	\$ 523,862	\$ 604,422	\$ 595,805	\$ 600,852	\$ 937,125
Net Pension Liability as a Percentage						
of Covered Payroll	2,432.65 %	2,116.29 %	2,166.78 %	2,328.23 %	2,474.69 %	1,041.25 %

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

** Beginning with the fiscal year ended September 30, 2015, 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
2019*	\$ 38,246,996	\$ 27,507,274	\$ 10,739,722	71.92%	\$ 441,483	2432.65%
2018	37,910,178	26,823,715	11,086,463	70.76%	523,862	2116.29%
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.

** Beginning with the fiscal year ended September 30, 2015, 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, 2018
Measurement Date: September 30, 2019

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Salary Increases	5.50%
Investment Rate of Return	6.90%
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
2019*	\$ 1,674,468	\$ 1,674,468	\$ -	\$ 441,483	379.28%
2018	1,667,049	1,667,049	-	523,862	318.22%
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.

** Beginning with the fiscal year ended September 30, 2015, 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, 2018
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	15 years
Asset Valuation Method	5-year smoothed market
Salary Increases	5.5%
Investment Rate of Return	6.90%
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 6.90% 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 6.90%. 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 6.90%, 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
5.90%	6.90%	7.90%
\$14,994,886	\$10,739,722	\$7,198,952

*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, 2018

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 6.9% per direction from the Board of Trustees based on information from their investment consultant (7.0% was used in the prior valuation). The investment return rate is per year, compounded annually, net of investment expenses.

The inflation rate assumed in this valuation is 2.40% per year (2.50% was used in the prior valuations). 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 6.9% 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, 2017 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 2018	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.53%	0.23%	34.01	38.40
55	0.67%	0.32%	29.37	33.39
60	0.90%	0.47%	24.80	28.48
65	1.29%	0.73%	20.40	23.74
70	1.98%	1.22%	16.26	19.27
75	3.21%	2.07%	12.52	15.19
80	5.29%	3.47%	9.30	11.56
Ref:	1422 x 1.00	1420 x 1.00	896	897

FRS Pre-Retirement Mortality for Special Risk Class Members

Sample Ages in 2018	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.22%	0.15%	35.00	38.75
55	0.39%	0.24%	29.88	33.61
60	0.71%	0.39%	25.00	28.59
65	1.21%	0.70%	20.44	23.76
70	1.98%	1.22%	16.26	19.27
75	3.21%	2.07%	12.52	15.19
80	5.29%	3.47%	9.30	11.56
Ref:	1532 x 1.00	1534 x 1.00	896	897

FRS Disabled Mortality for Special Risk Class Members

Sample Ages in 2018	% 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 Annuity, 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 2018	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.55%	0.23%	34.77	38.40
55	0.60%	0.32%	30.14	33.39
60	0.76%	0.47%	25.48	28.48
65	1.13%	0.73%	20.95	23.74
70	1.75%	1.22%	16.69	19.27
75	2.92%	2.07%	12.82	15.19
80	4.95%	3.47%	9.47	11.56
Ref:	1421 x 1.00	1420 x 1.00	896	897

FRS Pre-Retirement Mortality for Regular Class Members

Sample Ages in 2018	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.21%	0.15%	35.69	38.75
55	0.36%	0.24%	30.57	33.61
60	0.61%	0.39%	25.64	28.59
65	1.07%	0.70%	20.99	23.76
70	1.75%	1.22%	16.69	19.27
75	2.92%	2.07%	12.82	15.19
80	4.95%	3.47%	9.47	11.56
Ref:	1533 x 1.00	1534 x 1.00	896	897

FRS Disabled Mortality for Regular Class Members

Sample Ages in 2018	% 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 period for new bases is 15 years.

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 assumed investment return was changed from 7.0%, net investment expenses, to 6.9%, net investment expenses. The amortization period for new bases was changed to 15 years.

Rationale for Assumptions:

The assumed investment return is 6.9%, 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 Statutes. Over 88% 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. All of the 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, 2018**

	General	Police	Total
Cash & Cash Equivalents	\$ 358,952	\$ 411,267	\$ 770,219
General Investments			
Common and Foreign Stock	0	0	0
Government Securities	0	0	0
Equity Mutual Funds	8,554,253	9,800,965	18,355,218
Corporate Bonds and Notes	4,378,949	5,017,144	9,396,093
Sub-Total	<u>12,933,202</u>	<u>14,818,109</u>	<u>27,751,311</u>
Total Cash & Investments	13,292,154	15,229,376	28,521,530
Receivables/(Prepaid)			
Member Contributions	1,162	797	1,959
City Contributions	0	(18,195)	(18,195)
State Contributions	0	0	0
Net Due From/(To) Brokers	(2,072)	(2,372)	(4,444)
Accrued Interest & Dividends	20,063	22,958	43,021
Sub-Total	<u>19,153</u>	<u>3,188</u>	<u>22,341</u>
Payables	5,189	5,939	11,128
Total Pension Fund Assets	13,306,118	15,226,625	28,532,743
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	796,998	912,030	1,709,028
Net Pension Fund Assets	12,509,120	14,314,595	26,823,715

**INCOME AND DISBURSEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 11,937,863	\$ 13,225,025	\$ 25,162,888
B. Receipts During Period			
1. Contributions			
a. Employee	34,813	20,738	55,551
b. City	762,090	904,959	1,667,049
d. Total	<u>796,903</u>	<u>925,697</u>	<u>1,722,600</u>
2. Investment Earnings			
a. Interest & Dividends	88,200	99,368	187,568
b. Net Realized Appreciation	363,013	408,975	771,988
c. Net Unrealized Appreciation	867,505	977,345	1,844,850
d. Total	<u>1,318,718</u>	<u>1,485,688</u>	<u>2,804,406</u>
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	2,115,621	2,411,385	4,527,006
C. Disbursements During Period			
1. Benefits			
a. Pension Payments	1,275,862	1,248,922	2,524,784
b. DROP Distributions	203,782	0	203,782
c. Refunds	0	0	0
d. Total	<u>1,479,644</u>	<u>1,248,922</u>	<u>2,728,566</u>
2. Allocated Expenses			
a. Investment Expenses	20,939	23,583	44,522
b. Administrative Expenses	43,781	49,310	93,091
c. Total Expenses	<u>64,720</u>	<u>72,893</u>	<u>137,613</u>
3. Total Disbursements During Period	1,544,364	1,321,815	2,866,179
D. Market Value as of End of Year	12,509,120	14,314,595	26,823,715

Development of Funding Value of Assets for General Employees as of October 1		
	2018	2017
A. Market Value of Assets at End of Last Year	\$11,937,863	11,386,312
B. Contributions	796,903	814,134
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,479,644	1,376,476
2. Non Investment Expenses	43,781	49,692
3. Total Disbursements	1,523,425	1,426,168
D. Expected Investment Income	810,222	775,621
E. Expected Assets End of Year: A+B-C+D	12,021,563	11,549,899
F. Actual Market Value at End of Year	12,509,120	11,937,863
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	487,557	387,964
2. From One Year Ago	387,964	67,949
3. From Two Years Ago	67,949	(1,553,795)
4. From Three Years Ago	(1,553,795)	593,188
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	390,046	310,371
2. 60% From One Year Ago	232,778	40,769
3. 40% From Two Years Ago	27,179	(621,518)
4. 20% From Three Years Ago	<u>(310,759)</u>	<u>118,638</u>
5. Total	339,244	(151,740)
I. Preliminary Actuarial Value as of End of Year: F-H5	12,169,876	12,089,603
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	10,007,296	9,550,290
2. 120% of Market Value	15,010,944	14,325,436
3. Valuation Assets	12,169,876	12,089,603
K. Adjustment for DROP Reserves	32,234	179,882
L. Net Valuation Assets	12,137,642	11,909,721
M. Net Market Value of Assets	12,476,886	11,757,981

Development of Funding Value of Assets for Police Officers as of October 1		
	2018	2017
A. Market Value of Assets at Beginning of Year	\$13,225,025	12,297,443
B. Contributions	925,697	935,598
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,248,922	1,227,095
2. Non Investment Expenses	49,310	54,376
3. Total Disbursements	1,298,232	1,281,471
D. Expected Investment Income	912,713	848,715
E. Expected Assets End of Year: A+B-C+D	13,765,203	12,800,285
F. Actual Market Value at End of Year	14,314,595	13,225,025
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	549,392	424,740
2. From One Year Ago	424,740	73,286
3. From Two Years Ago	73,286	(1,682,316)
4. From Three Years Ago	(1,682,316)	614,230
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	439,514	339,792
2. 60% From One Year Ago	254,844	43,972
3. 40% From Two Years Ago	29,314	(672,927)
4. 20% From Three Years Ago	<u>(336,463)</u>	<u>122,846</u>
5. Total	387,209	(166,317)
I. Preliminary Actuarial Value as of End of Year: F-H5	13,927,386	13,391,342
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	11,451,676	10,580,020
2. 120% of Market Value	17,177,514	15,870,030
3. Valuation Assets	13,927,386	13,391,342
K. Adjustment for DROP Reserves	0	0
L. Net Valuation Assets	13,927,386	13,391,342
M. Net Market Value of Assets	14,314,595	13,225,025

**RECONCILIATION OF DROP ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General	Police	Total
A. Account Balances as of Beginning of Year	\$179,882	(\$5,628)	\$179,882
B. Receipts During Period			
1 Deposits & Adjustments	43,943	0	43,943
2 Investment Earnings, net fees	12,191	0	12,191
3 Total	56,134	0	56,134
C. Withdrawals During Period	(203,782)	0	(203,782)
D. Account Balances as of End of Year	32,234	(5,628)	32,234

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. Beginning with the plan year ending 9/30/2015 the returns are net of investment expenses.

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
9/30/2018	11.2 %	6.9 %
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
Average Compounded Rate of Return for Last 5 Years	7.0	7.9
Average Compounded Rate of Return for Last 10 Years	7.5	5.3

SECTION IV

MEMBER STATISTICS

STATISTICAL DATA, GENERAL EMPLOYEES			
	10/1/18	10/1/17	10/1/16
Active Participants			
Number	4	7	8
Total Annual Earnings	\$ 222,699	\$ 389,147	\$ 429,324
Average Annual Earnings	55,675	55,592	53,665
Averages			
Current Age	57.9	56.6	55.5
Age at Employment	31.7	34.5	34.6
Past Service	26.2	22.1	20.9
Service at Age 60	28.3	25.5	25.4
Members Receiving Benefits			
Number	43	40	40
Total Annual Pensions	\$ 1,354,231	\$ 1,237,466	\$ 1,229,219
Average Monthly Benefit	2,624	2,578	2,561
Average Current Age*	68.4	69.4	68.8
DROP Participants			
Number	1	2	2
Total Annual Pensions	\$ 28,290	\$ 52,970	\$ 47,117
Average Monthly Benefit	2,358	2,207	1,963
Average Current Age	57.1	51.9	61.2
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	51.4	50.4	49.4

* 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			
	10/1/18	10/1/17	10/1/16
Active Participants			
Number	2	2	2
Total Annual Earnings	\$ 218,784	\$ 210,623	\$ 199,248
Average Annual Earnings	109,392	105,312	99,624
Averages			
Current Age	44.1	43.1	42.1
Age at Employment	21.7	21.7	21.7
Past Service	22.4	21.4	20.4
Service at Age 60	38.3	38.3	38.3
Members Receiving Benefits			
Number	31	31	31
Total Annual Pensions	\$ 1,292,117	\$ 1,268,413	\$ 1,198,927
Average Monthly Benefit	3,473	3,410	3,223
Average Current Age*	64.0	63.0	61.8
DROP Participants			
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
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 10/1/2017 TO 9/30/2018**

	General	Police	Total
A. Active Members			
1 Number Included in Last Valuation	7	2	9
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	(3)	0	(3)
8 Disability Retirements	0	0	0
9 Deaths	0	0	0
10 DROP Retirements	0	0	0
11 Number Included in This Valuation	<u>4</u>	<u>2</u>	<u>6</u>
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	0	0	0
7 Number Included in This Valuation	<u>1</u>	<u>0</u>	<u>1</u>
C. DROP Participants			
1 Number Included in Last Valuation	2	0	2
2 Additions from Active Members	0	0	0
3 Retired	(1)	0	(1)
4 Deaths	0	0	0
5 Number Included in This Valuation	<u>1</u>	<u>0</u>	<u>1</u>
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	40	31	71
2 Additions from Active Members	3	0	3
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 Other	0	0	0
7 Number Included in This Valuation	<u>43</u>	<u>31</u>	<u>74</u>

**Age and Service Distribution
Active General Employees
As of October 1, 2018**

Ages	Years of Past Service											Totals
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	
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	0	0	0	1
55-59	0	0	0	0	0	0	0	0	0	1	0	1
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	0	1	0	2	1	4

Age and Service Distribution
Active Police Officers
As of October 1, 2018

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	1	0	0	1
45-49	0	0	0	0	0	0	0	0	1	0	0	1
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, 2018

A. Effective Date:

February 11, 1969, amended and restated effective April 1, 1996. The most recent amendments included as of October 1, 2018 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.

