

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

ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2021  
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022







May 17, 2022

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

**Re: City of Wilton Manors General Employees' and Police Officers' Retirement Plan  
Actuarial Valuation as of October 1, 2021 and Actuarial Disclosures**

Dear Board Members:

The results of the October 1, 2021 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 required employer contribution for the fiscal year ending September 30, 2022, and to estimate the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for the year ending September 30, 2022. 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, 2021. 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 under Florida Statutes as described in Section II of this report. The prescribed assumptions are the assumed

Board of Trustees

City of Wilton Manors General Employees' and Police Officers' Retirement Plan

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mortality rates detailed in the Actuarial Assumptions and Actuarial Cost Methods section in accordance with Florida Statutes Chapter 112.63. All actuarial assumptions used in this report are reasonable for the purposes of this valuation.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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 City of Wilton Manors General Employees' and Police Officers' 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 Zrelack 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 and/or cost determination 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 included 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**

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**DISCUSSION**

## DISCUSSION

### CLOSED PLAN

The required contribution is a combination of two amounts. There is a normal cost, which is considered the payment toward benefits currently accruing to active members. This amount tends to be relatively stable from year to year as a percent of payroll. There is also an amortization payment, which is a collection of fixed dollar amounts in payment toward the unfunded liability. In reviewing this Report, it is important to keep in mind that this Plan was closed to new entrants on August 1, 2007. One consequence of this closure is that the amortization payment is expected to increase as a percentage of covered payroll as the payroll of active members decreases from year to year. Therefore, the overall required contribution as a percentage of covered payroll is expected to increase from year to year. Another is that the contribution requirement is expected to continue after all the remaining active members have retired.

### REQUIRED EMPLOYER CONTRIBUTION

The required City contribution for the plan year ending September 30, 2022 is \$1,597,968, as shown below:

Required City Contribution			
	General	Police	Total
Total Required Employer Contribution	\$ 713,636	884,332	1,597,968
As a % of Payroll	643.08 %	369.59 %	456.24 %
Expected State Premium Tax Refund	N/A	\$0	\$0
Remaining City Contribution	713,636	884,332	1,597,968
As a % of Payroll	643.08 %	369.59 %	456.24 %

The actual employer contribution received during the year ending September 30, 2021 was \$1,714,248, which was greater than the minimum required amount of \$1,651,838 by \$62,410. The excess was applied to funding and not reserved for funding the subsequent plan year.

### EXPERIENCE

Overall experience during the last year was more favorable than anticipated by the actuarial assumptions, resulting in an overall gain. The investment return on a net market value basis for the previous plan year was 20.6% as compared to the assumed rate of 6.6%. However, only one fifth of the excess in investment return was recognized this year, with the rest smoothed over the next four years. At the same time, portions of the excess returns/shortfalls from the earlier four years were recognized, resulting in an investment return on a valuation asset basis of 10.3%.



## CHANGES IN BENEFITS

There were no changes in benefits provisions from the previous valuation.

## CHANGES IN ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS

The assumed rate of investment return on plan assets was reduced from 6.6% per annum, net of investment expenses to 6.4% per annum, net of investment expenses.

## 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 75.0% compared to 72.0% last year. The funded ratio before the assumption change was 76.4%.

## 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 \$2.9 million 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 will decrease by approximately \$302,000. If Market Value had been the basis for the valuation, the required City contribution would have been about \$1.3 million and the funded ratio would have been 82.5%.

## RECOMMENDATIONS

It is important to note that Plan assets are insufficient to cover the liabilities for inactive members. As of October 1, 2021, the net market value of assets is approximately \$32.0 million and the liability for inactive members is approximately \$35.0 million.

Steps have been taken to improve the funded position of the Plan, such as lowering the investment return assumption and shortening the period over which changes to the unfunded actuarial accrued liability are amortized.

We recommend that the assumed investment return continue to be monitored, and to be reduced if appropriate to reflect a more conservative portfolio allocation, which is the expected direction for a closed plan. We further recommend that no further benefit changes or improvements be adopted until the current benefits are 100% funded.



## 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. 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;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. 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>2021</u>	<u>2020</u>
Ratio of the market value of assets to total payroll	91.43	67.91
Ratio of actuarial accrued liability to payroll	110.78	94.00
Ratio of active members to inactive members	0.05	0.07
Ratio of net cash flow to market value of assets	-0.03	-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. Effective October 1, 2007, the City closed the amortization period so the number of years for new bases would go down each year.
2. 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.
3. 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.
4. 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.
5. 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) in the July 1, 2016 actuarial valuation. This change was made in accordance with Chapter 112.63 of the Florida Statutes, which requires use of the same mortality rates used in either of the last two actuarial valuation reports of FRS.
6. 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.
7. Effective October 1, 2019, the mortality tables were updated to the mortality tables for Regular Class members (General Employees) and Special Risk members (Police Officers) of the Florida Retirement System (FRS) used in the July 1, 2019 actuarial valuation, in accordance with Chapter 112.63 of the Florida Statutes, which requires use of the same mortality tables used in either of the two most recently published actuarial valuation reports of FRS. Additionally, the assumed rate of return was reduced from 6.9% net of investment expenses to 6.6% net of investment expenses.
8. Effective October 1, 2021, the assumed rate of investment return on plan assets was changed from 6.6% net of investment expenses to 6.4%, net of investment expenses.



## **SECTION II**

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### **VALUATION RESULTS**

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

	2021		2020
	After Assumption Change	Before Assumption Change	
<b>Covered Group</b>			
A. Number of Participants			
Actives	4	4	5
Retirees, Disabilities, Beneficiaries and Vested Terminations	76	76	76
Total Annual Covered Payroll	\$ 350,249	\$ 350,249	\$ 405,576
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 38,939,403	\$ 38,183,237	\$ 38,274,122
C. Actuarial Present Value of Future Normal Costs	<u>140,287</u>	<u>132,946</u>	<u>150,961</u>
D. Actuarial Accrued Liability (AAL): B - C	38,799,116	38,050,291	38,123,161
E. Valuation Assets	29,082,296	29,082,296	27,441,275
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	9,716,820	8,967,995	10,681,886
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL As % of Payroll	\$ 1,427,588 407.59%	\$ 1,361,539 388.73%	\$ 1,452,796 358.21%
H. Total Normal Cost (for current year) As % of Payroll	153,273 43.76%	149,190 42.60%	184,591 45.51%
I. Plan Year to which Contributions Apply	2021/22	N/A	2020/21
J. Interest	53,242	52,422	56,817
K. Total Required Contribution As % of Payroll	1,634,103 466.56%	1,563,151 446.30%	1,694,204 417.73%
L. Expected Member Contribution As % of Payroll	36,135 10.32%	36,135 10.32%	42,366 10.45%
M. Estimate of State Contributions	0	0	0
N. Total Remaining Required City Contribution As % of Payroll	1,597,968 456.24%	1,527,016 435.98%	1,651,838 407.28%



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

	2021		2020
	After Assumption Change	Before Assumption Change	
<b>Covered Group</b>			
A. Number of Participants			
Actives	2	2	3
Retirees, Disabilities, Beneficiaries and Vested Terminations	45	45	45
Total Annual Covered Payroll	\$ 110,972	\$ 110,972	\$ 180,797
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 17,366,663	\$ 17,074,353	\$ 17,239,194
C. Actuarial Present Value of Future Normal Costs	49,288	47,124	67,144
D. Actuarial Accrued Liability (AAL): B - C	<u>17,317,375</u>	<u>17,027,229</u>	<u>17,172,050</u>
E. Valuation Assets	12,997,666	12,997,666	12,494,454
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	4,319,709	4,029,563	4,677,596
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL As % of Payroll	\$ 639,802 576.54%	\$ 614,732 553.95%	\$ 642,553 355.40%
H. Total Normal Cost (for current year) As % of Payroll	62,392 56.22%	61,126 55.08%	88,380 48.88%
I. Plan Year to which Contributions Apply	2021/22	N/A	2020/21
J. Interest	23,649	23,452	25,363
K. Total Required Contribution As % of Payroll	725,843 654.08%	699,310 630.17%	756,296 418.31%
L. Expected Member Contribution As % of Payroll	12,207 11.00%	12,207 11.00%	19,888 11.00%
M. Estimate of State Contributions	N/A	N/A	N/A
N. Total Remaining Required City Contribution As % of Payroll	713,636 643.08%	687,103 619.17%	736,408 407.31%



**COMPARATIVE SUMMARY OF VALUATION RESULTS  
FOR POLICE OFFICERS AS OF OCTOBER 1**

	2021		2020
	After Assumption Change	Before Assumption Change	
<b>Covered Group</b>			
A. Number of Participants			
Actives	2	2	2
Retirees, Disabilities, Beneficiaries and Vested Terminations	31	31	31
Total Annual Covered Payroll	\$ 239,277	\$ 239,277	\$ 224,779
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 21,572,740	\$ 21,108,884	\$ 21,034,928
C. Actuarial Present Value of Future Normal Costs	90,999	85,822	83,817
D. Actuarial Accrued Liability (AAL): B - C	<u>21,481,741</u>	<u>21,023,062</u>	<u>20,951,111</u>
E. Valuation Assets	16,084,630	16,084,630	14,946,821
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,397,111	4,938,432	6,004,290
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL	\$ 787,786	\$ 746,807	\$ 810,243
As % of Payroll	329.24%	312.11%	360.46%
H. Total Normal Cost (for current year)	90,881	88,064	96,211
As % of Payroll	37.98%	36.80%	42.80%
I. Plan Year to which Contributions Apply	2021/22	N/A	2020/21
J. Interest	29,593	28,970	31,454
K. Total Required Contribution	908,260	863,841	937,908
As % of Payroll	379.59%	361.02%	417.26%
L. Expected Member Contribution	23,928	23,928	22,478
As % of Payroll	10.00%	10.00%	10.00%
N. Estimate of State Contributions	0	0	0
M. Total Remaining Required City Contribution	884,332	839,913	915,430
As % of Payroll	369.59%	351.02%	407.26%



<b>DERIVATION OF NORMAL COST - GENERAL EMPLOYEES AS OF OCTOBER 1</b>			
	2021		2020
	After Assumption Change	Before Assumption Change	
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 25,030	\$ 23,912	\$ 36,362
Vesting Benefits	2,093	1,982	3,247
Preretirement Death Benefits	447	430	529
Disability	1,114	1,087	2,405
Return of Contributions	756	763	1,722
Total	<u>29,440</u>	<u>28,174</u>	<u>44,265</u>
B. Normal Cost for Administrative Expenses	32,952	32,952	44,115
C. Total Normal Cost: A + B	62,392	61,126	88,380

<b>PRESENT VALUE OF PROJECTED BENEFITS - GENERAL EMPLOYEES AS OF OCTOBER 1</b>			
	2021		2020
	After Assumption Change	Before Assumption Change	
A. Present Value of Future Salaries	\$ 183,858	\$ 183,659	\$ 270,498
B. Present Value of Future Member Contributions	20,224	20,202	29,755
C. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	1,026,116	1,005,039	1,692,698
Vesting Benefits	0	0	0
Preretirement Death Benefits	5,448	5,326	6,283
Disability	5,423	5,381	6,250
Return of Contributions	0	0	0
Total	<u>1,036,987</u>	<u>1,015,746</u>	<u>1,705,231</u>
2. Inactive Members			
Service Retirees	15,443,023	15,187,343	14,655,245
DROP Participants	327,696	321,785	323,537
Disability Retirees	98,562	97,178	98,938
Beneficiaries	391,303	385,245	393,703
Terminated Vested	69,092	67,056	62,540
Total	<u>16,329,676</u>	<u>16,058,607</u>	<u>15,533,963</u>
3. Grand Total	17,366,663	17,074,353	17,239,194



<b>DERIVATION OF NORMAL COST - POLICE OFFICERS AS OF OCTOBER 1</b>			
	2021		2020
	After Assumption Change	Before Assumption Change	
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 40,458	\$ 38,071	\$ 35,339
Vesting Benefits	5,354	4,966	4,626
Preretirement Death Benefits	635	602	567
Disability	649	618	577
Return of Contributions	3,511	3,533	3,377
Total	50,607	47,790	44,486
B. Normal Cost for Administrative Expenses	40,274	40,274	51,725
C. Total Normal Cost: A + B	90,881	88,064	96,211

<b>PRESENT VALUE OF PROJECTED BENEFITS - POLICE OFFICERS AS OF OCTOBER 1</b>			
	2021		2020
	After Assumption Change	Before Assumption Change	
A. Present Value of Future Salaries	\$ 433,636	\$ 433,081	\$ 425,127
B. Present Value of Future Member Contributions	43,364	43,308	42,513
C. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	2,929,509	2,845,166	2,684,505
Vesting Benefits	0	0	0
Preretirement Death Benefits	7,568	7,328	7,247
Disability	10,480	10,230	10,318
Return of Contributions	0	0	0
Total	2,947,557	2,862,724	2,702,070
2. Inactive Members			
Service Retirees	16,434,002	16,088,839	16,191,905
DROP Participants	0	0	0
Disability Retirees	246,214	243,732	252,447
Beneficiaries	1,944,967	1,913,589	1,888,506
Terminated Vested	0	0	0
Total	18,625,183	18,246,160	18,332,858
3. Grand Total	21,572,740	21,108,884	21,034,928



## LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF OCTOBER 1, 2021 – 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:

Date & Source	Original		Current		
	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/94 Method Change	30		2	4,445	2,291
10/1/94 Assumption Changes	30		2	(2,570)	(1,325)
10/1/95 Plan Amendment	30		3	150,575	53,335
10/1/96 Assumption Change	30		4	36,792	10,071
10/1/98 Plan Amendment	30		6	8,185	1,584
10/1/03 Plan Amendment	30	624,219	9	333,121	46,835
10/1/03 Asset Method Change	30	(785,623)	9	(419,258)	(58,945)
10/1/04 Cost Method Change	30	1,443,006	9	782,889	110,070
10/1/05 (Gain)/Loss	30	540,168	9	297,518	41,829
10/1/05 Plan Amendment	30	26,548	9	14,622	2,056
10/1/06 (Gain)/Loss	30	203,371	9	113,569	15,967
10/1/06 Assumption Change	30	151,335	9	84,510	11,882
10/1/06 Plan Amendment	30	(238,605)	9	(133,246)	(18,734)
10/1/07 (Gain)/Loss	29	(429,960)	9	(253,069)	(35,580)
10/1/08 (Gain)/Loss	28	262,546	9	156,143	21,953
10/1/09 (Gain)/Loss	27	938,436	9	565,500	79,506
10/1/10 (Gain)/Loss	26	336,348	9	205,345	28,870
10/1/10 Assumption Change	20	713,404	9	435,542	61,235
10/1/11 (Gain)/Loss	19	767,956	9	480,455	67,549
10/1/12 (Gain)/Loss	18	828,428	9	532,302	74,839
10/1/13 (Gain)/Loss	17	(55,169)	9	(36,498)	(5,131)
10/1/13 Assumption Change	17	(3,377)	9	(2,235)	(314)
10/1/14 (Gain)/Loss	16	(368,125)	9	(251,520)	(35,362)
10/1/14 Assumption Change	16	1,022,253	9	698,443	98,197
10/1/15 (Gain)/Loss	15	144,135	9	102,230	14,373
10/1/16 (Gain)/Loss	14	(109,647)	9	(81,050)	(11,395)
10/1/16 Assumption Change	14	434,327	9	321,048	45,137
10/1/17 (Gain)/Loss	13	(43,129)	9	(33,383)	(4,693)
10/1/18 (Gain)/Loss	15	(5,925)	12	(5,138)	(589)
10/1/18 Assumption Change	15	153,160	12	132,820	15,218
10/1/19 (Gain)/Loss	15	25,413	13	23,213	2,522
10/1/19 Assumption Change	15	133,863	13	122,272	13,286
10/1/20 (Gain)/Loss	15	(94,949)	14	(90,924)	(9,423)
10/1/21 (Gain)/Loss	15	(263,085)	15	(263,085)	(26,128)
10/1/21 Assumption Change	15	290,146	15	290,146	28,816
				4,319,709	639,802



<b>Amortization Schedule Illustration - General</b>	
<b>Year Ended</b>	<b>Projected UAAL</b>
2021	\$ 4,319,709
2022	3,915,422
2023	3,485,260
2024	3,028,597
2025	2,599,456
2030	71,164
2035	2,688
2036	0

## LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF OCTOBER 1, 2021 – 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:

Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/94 Method Change	30		2	4,266	2,199
10/1/94 Assumption Changes	30		2	1,839	948
10/1/95 Plan Amendment	30		3	119,736	42,412
10/1/96 Assumption Change	30		4	13,472	3,688
10/1/03 Plan Amendment	30	293,612	9	167,258	23,516
10/1/03 Asset Method Change	30	(694,013)	9	(395,348)	(55,584)
10/1/04 Cost Method Change	30	1,473,123	9	853,629	120,015
10/1/05 (Gain)/Loss	30	962,062	9	565,430	79,496
10/1/05 Plan Amendment	30	1,135,420	9	667,317	93,821
10/1/06 (Gain)/Loss	30	351,747	9	218,547	30,726
10/1/06 Assumption Change	30	200,570	9	119,401	16,787
10/1/07 (Gain)/Loss	29	170,330	9	99,924	14,049
10/1/08 (Gain)/Loss	28	475,229	9	281,618	39,594
10/1/09 (Gain)/Loss	27	285,316	9	170,981	24,039
10/1/10 (Gain)/Loss	26	539,626	9	335,280	47,138
10/1/10 Assumption Change	20	961,187	9	597,203	83,963
10/1/11 (Gain)/Loss	19	650,191	9	403,977	56,797
10/1/12 (Gain)/Loss	18	712,742	9	454,634	63,919
10/1/13 (Gain)/Loss	17	14,424	9	9,471	1,332
10/1/13 Assumption Change	17	387,602	9	254,495	35,781
10/1/14 (Gain)/Loss	16	(268,596)	9	(182,085)	(25,600)
10/1/14 Assumption Change	16	1,500,251	9	1,017,042	142,990
10/1/15 (Gain)/Loss	15	(594,387)	9	(418,181)	(58,794)
10/1/16 (Gain)/Loss	14	(28,873)	9	(21,166)	(2,976)
10/1/16 Assumption Change	14	80,804	9	59,232	8,328
10/1/17 (Gain)/Loss	13	(141,211)	9	(108,367)	(15,236)
10/1/18 (Gain)/Loss	15	83,045	12	71,501	8,192
10/1/18 Assumption Change	15	237,517	12	204,500	23,430
10/1/19 (Gain)/Loss	15	148,923	13	135,100	14,680
10/1/19 Assumption Change	15	(161,755)	13	(146,738)	(15,945)
10/1/20 (Gain)/Loss	15	(82,977)	14	(78,935)	(8,180)
10/1/21 (Gain)/Loss	15	(536,601)	15	(536,601)	(53,292)
10/1/21 Assumption Change	15	458,679	15	458,679	45,553
				5,397,111	787,786



Amortization Schedule Illustration - Police	
Year Ended	Projected UAAL
2021	\$ 5,397,111
2022	4,904,321
2023	4,379,992
2024	3,825,455
2025	3,280,554
2030	8,402
2035	(7,739)
2036	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
10/1/21	4	76	\$ 350,249	\$ 29,082,296	\$ 9,716,820	\$ 117,138	33.44 %
10/1/20	5	76	405,576	27,441,275	10,681,886	142,225	35.07
10/1/19	6	76	449,077	26,516,080	11,664,353	138,402	30.82
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



## 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	\$ 4,677,596	\$ 6,004,290
2. Employer Normal Cost (NC) Previous Valuation	68,492	73,733
3. Employer Contributions Previous Year	742,186	972,062
4. Interest on:		
a. UAAL and NC	313,242	401,150
b. Contributions	24,496	32,078
c. Net Total: (a) - (b)	288,746	369,072
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	4,292,648	5,475,033
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	290,146	458,679
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	4,582,794	5,933,712
9. Actual UAAL Current Year	4,319,709	5,397,111
10. Actuarial Gain / (Loss): (8) - (9)	263,085	536,601
B. Approximate Portion of Gain / (Loss) Due to Investments	447,350	553,765
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	\$ (184,265)	\$ (17,164)

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/21	\$ 263,085	\$ 536,601	\$ 799,686
9/30/20	94,949	82,977	177,926
9/30/19	(25,413)	(148,923)	(174,336)
9/30/18	5,925	(83,045)	(77,120)
9/30/17	43,129	141,211	184,340

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
9/30/21	10.3 %	6.6 %	(0.2) %	6.4 %	5.5 %
9/30/20	7.7	6.6	5.7	6.7	5.5
9/30/19	5.8	6.9	1.9	1.5	5.5
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

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increases 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)
10/1/21	\$ 29,082,296	\$ 38,799,116	\$ 9,716,820	75.0 %	\$ 350,249	2774.3 %
10/1/20	27,441,275	38,123,161	10,681,886	72.0	405,576	2633.8
10/1/19	26,516,080	38,180,433	11,664,353	69.4	449,077	2597.4
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



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

	2021	2020
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 34,558,071	\$ 33,480,744
b. DROP Participants	468,537	417,533
c. Terminated Vested Members	69,092	62,540
d. Other Members	3,586,196	4,031,364
e. Total	<u>38,681,896</u>	<u>37,992,181</u>
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	38,681,896	37,992,181
4. Accumulated Contributions of Active Members	582,821	710,659
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	37,992,181	37,910,015
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	744,911	0
c. Benefits paid and contribution refunds	(2,735,482)	(2,670,408)
d. Other, including latest member data, benefits accumulated and decrease in discount period	2,680,286	2,752,574
e. Net Increase	<u>689,715</u>	<u>82,166</u>
3. Total Value at End of Year	38,681,896	37,992,181
<b>C. Market Value of Assets</b>	32,165,463	27,638,013
<b>D. Assumed rate of return</b>	6.40%	6.60%
<b>E. Funded Ratio</b>	83.15%	72.75%

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

	2021	2020
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 15,932,888	\$ 15,147,886
b. DROP Participants	468,537	417,533
c. Terminated Vested Members	69,092	62,540
d. Other Members	964,489	1,613,312
e. Total	<u>17,435,006</u>	<u>17,241,271</u>
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	17,435,006	17,241,271
4. Accumulated Contributions of Active Members	238,417	388,935
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	17,241,271	17,404,828
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	290,724	0
c. Benefits paid and contribution refunds	(1,414,104)	(1,373,378)
d. Other, including latest member data, benefits accumulated and decrease in discount period	1,317,115	1,209,821
e. Net Increase	<u>193,735</u>	<u>(163,557)</u>
3. Total Value at End of Year	17,435,006	17,241,271
<b>C. Market Value of Assets</b>	14,421,074	12,641,406
<b>D. Assumed rate of return</b>	6.40%	6.60%
<b>E. Funded Ratio</b>	82.71%	73.32%

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

	<b>2021</b>	<b>2020</b>
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 18,625,183	\$ 18,332,858
b. DROP Participants	0	0
c. Terminated Vested Members	0	0
d. Other Members	<u>2,621,707</u>	<u>2,418,052</u>
e. Total	21,246,890	20,750,910
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	21,246,890	20,750,910
4. Accumulated Contributions of Active Members	344,404	321,724
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	20,750,910	20,505,187
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	454,187	0
c. Benefits paid and contribution refunds	(1,321,378)	(1,297,030)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,363,171</u>	<u>1,542,753</u>
e. Net Increase	495,980	245,723
3. Total Value at End of Year	21,246,890	20,750,910
<b>C. Market Value of Assets</b>	17,744,389	14,996,607
<b>D. Assumed rate of return</b>	6.40%	6.60%
<b>E. Funded Ratio</b>	83.52%	72.27%

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

## GASB Statement No. 67

Fiscal year ending September 30,	2022*	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service Cost	\$ 75,964	\$ 88,751	\$ 95,178	\$ 90,882	\$ 131,863	\$ 141,672	\$ 141,736	\$ 129,615	\$ 112,087
Interest	2,418,218	2,431,137	2,562,751	2,568,156	2,591,888	2,547,674	2,545,418	2,571,868	2,578,844
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between actual & expected experience	194,851	109,543	(119,148)	55,056	(344,394)	68,713	(360,289)	60,844	54,908
Assumption Changes	727,449	0	(135,320)	383,306	-	549,447	-	2,522,504	-
Benefit Payments & DROP Distributions	(2,889,282)	(2,735,482)	(2,670,408)	(2,626,235)	(2,728,566)	(2,603,571)	(2,706,165)	(2,756,178)	(3,224,482)
Refunds	-	-	-	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>527,200</b>	<b>(106,051)</b>	<b>(266,947)</b>	<b>471,165</b>	<b>(349,209)</b>	<b>703,935</b>	<b>(379,300)</b>	<b>2,528,653</b>	<b>(478,643)</b>
<b>Total Pension Liability - Beginning</b>	<b>38,008,345</b>	<b>38,114,396</b>	<b>38,381,343</b>	<b>37,910,178</b>	<b>38,259,387</b>	<b>37,555,452</b>	<b>37,934,752</b>	<b>35,406,099</b>	<b>35,884,742</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$38,535,545</b>	<b>\$38,008,345</b>	<b>\$38,114,396</b>	<b>\$38,381,343</b>	<b>\$37,910,178</b>	<b>\$38,259,387</b>	<b>\$37,555,452</b>	<b>\$37,934,752</b>	<b>\$35,406,099</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer and State	\$ 1,597,968	\$ 1,714,248	\$ 1,666,916	\$ 1,674,468	\$ 1,667,049	\$ 1,685,242	\$ 1,638,492	\$ 1,676,869	\$ 1,645,738
Contributions - Member	36,135	39,626	42,595	44,771	55,551	64,490	63,650	64,249	59,289
Net Investment Income	2,016,081	5,582,284	1,521,387	1,341,884	2,759,884	2,437,040	1,717,354	(1,489,322)	2,836,305
Benefit Payments & DROP Distributions	(2,889,282)	(2,735,482)	(2,670,408)	(2,626,235)	(2,728,566)	(2,603,571)	(2,706,165)	(2,756,178)	(3,224,482)
Refunds	-	-	-	-	-	-	-	-	-
Administrative Expense	(73,226)	(73,226)	(95,840)	(85,240)	(93,091)	(104,068)	(95,119)	(88,375)	(81,815)
Other	-	-	-	-	-	-	(1)	9,974	2,154
<b>Net Change in Plan Fiduciary Net Position</b>	<b>687,676</b>	<b>4,527,450</b>	<b>464,650</b>	<b>349,648</b>	<b>1,660,827</b>	<b>1,479,133</b>	<b>618,211</b>	<b>(2,582,783)</b>	<b>1,237,189</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>32,165,463</b>	<b>27,638,013</b>	<b>27,173,363</b>	<b>26,823,715</b>	<b>25,162,888</b>	<b>23,683,755</b>	<b>23,065,544</b>	<b>25,648,327</b>	<b>24,411,138</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$32,853,139</b>	<b>\$32,165,463</b>	<b>\$27,638,013</b>	<b>\$27,173,363</b>	<b>\$26,823,715</b>	<b>\$25,162,888</b>	<b>\$23,683,755</b>	<b>\$23,065,544</b>	<b>\$25,648,327</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>5,682,406</b>	<b>5,842,882</b>	<b>10,476,383</b>	<b>11,207,980</b>	<b>11,086,463</b>	<b>13,096,499</b>	<b>13,871,697</b>	<b>14,869,208</b>	<b>9,757,772</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>85.25 %</b>	<b>84.63 %</b>	<b>72.51 %</b>	<b>70.80 %</b>	<b>70.76 %</b>	<b>65.77 %</b>	<b>63.06 %</b>	<b>60.80 %</b>	<b>72.44 %</b>
<b>Covered Payroll**</b>	<b>350,249</b>	<b>\$ 380,855</b>	<b>\$ 406,596</b>	<b>\$ 426,154</b>	<b>\$ 523,862</b>	<b>\$ 604,422</b>	<b>\$ 595,805</b>	<b>\$ 600,852</b>	<b>\$ 554,092</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>1,622.39 %</b>	<b>1,534.15 %</b>	<b>2,576.61 %</b>	<b>2,630.03 %</b>	<b>2,116.29 %</b>	<b>2,166.78 %</b>	<b>2,328.23 %</b>	<b>2,474.69 %</b>	<b>1,761.04 %</b>

\*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. This amount should be updated to actual Covered Payroll (as defined in GASB No. 67) for the fiscal year, if needed.



## 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
2022*	\$ 38,535,545	\$ 32,853,139	\$ 5,682,406	85.25%	\$ 350,249	1622.39%
2021	38,008,345	32,165,463	5,842,882	84.63%	380,855	1534.15%
2020	38,114,396	27,638,013	10,476,383	72.51%	406,596	2576.61%
2019	38,381,343	27,173,363	11,207,980	70.80%	426,154	2630.03%
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.

\*\* Covered payroll for the fiscal year is estimated from the actual member contributions to the plan for the same period. This amount should be updated to actual Covered Payroll (as defined in GASB No. 67) for the fiscal year, if needed.



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

## Significant Methods and Assumptions Used to Determine Net Pension Liability

The Total Pension Liability was determined by the actuarial valuation as of October 1, 2021, using the following actuarial assumptions and methods, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Salary Increases	5.50%
Annual Cost-of-Living Adjustments for Eligible Retirees	3.00%
Investment Rate of Return	6.40%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality (General)	Same mortality tables used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation.
Mortality (Police)	Same mortality tables used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation.

Standard actuarial update procedures were used to "roll forward" the Total Pension Liability to September 30, 2022, the Plan's fiscal year end.

### Other Information:

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
2022*	\$ 1,597,968	\$ 1,597,968	\$ -	\$ 350,249	456.24%
2021	1,651,838	1,714,248	(62,410)	380,855	450.11%
2020	1,666,916	1,666,916	-	406,596	409.97%
2019	1,674,468	1,674,468	-	426,154	392.93%
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.

\*\* Covered payroll for the fiscal year is estimated from the actual member contributions to the plan for the same period. This amount should be updated to actual Covered Payroll (as defined in GASB No. 67) for the fiscal year, if needed.

# NOTES TO SCHEDULE OF CONTRIBUTIONS

## GASB Statement No. 67

**Valuation Date:** October 1, 2021  
**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	5.50%
Investment Rate of Return	6.40%
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 (General)	Same Mortality Tables used by the Florida Retirement System for the Regular Class members in the July 1, 2020 actuarial valuation.
Mortality (Police)	Same Mortality Tables used by the Florida Retirement System for the Special Risk Class members in the July 1, 2020 actuarial valuation.

### Other Information:

**Notes** See Discussion of Valuation Results beginning on page 1.



## SINGLE DISCOUNT RATE GASB Statement No. 67

A single discount rate of 6.40% 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 6.40%. 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 6.40%, 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
5.40%	6.40%	7.40%
\$9,732,359	\$5,682,406	\$2,280,810

\*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, 2021

## Valuation Assumptions

The active member group size is not of a size sufficient 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 6.40% per direction from the Board of Trustees based on information from their investment consultant. The investment return rate is per year, compounded annually, net of investment expenses.

**The inflation rate** assumed in this valuation is 2.10% 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 6.40% investment return rate translates to an assumed real rate of return over inflation of 4.30%.

**Administrative Expenses** paid out of the fund are assumed to be the same as 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 2.10% recognizes inflation, productivity increases, and other macro-economic forces.

## Demographic Assumptions

**The mortality tables** used are based on the PUB-2010 Headcount Weighted Mortality Tables described on the following page, with mortality improvements projected to all future years after 2010 using scale MP-2018. No mortality improvement is projected for disability retirees.



## General Employees:

	<u>Pre-Retirement PUB-2010 Table</u>	<u>Post-Retirement PUB-2010 Table</u>
Healthy Female	Headcount Weighted General Below Median Employee Female Table	Headcount Weighted General Below Median Healthy Retiree Female Table
Healthy Male	Headcount Weighted General Below Median Employee Male Table, set back 1 year	Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year
Disabled Female	N/A	Headcount Weighted General Disabled Retiree Female Table, set forward 3 years
Disabled Male	N/A	Headcount Weighted General Disabled Retiree Male Table, set forward 3 years

## Police Officers:

	<u>Pre-Retirement PUB-2010 Table</u>	<u>Post-Retirement PUB-2010 Table</u>
Healthy Female	Headcount Weighted Safety Employee Female Table, set forward 1 year	Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year
Healthy Male	Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year	Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year
Disabled Female	N/A	80% Headcount Weighted General Disabled Retiree Female Table; 20% Headcount Weighted Safety Disabled Retiree Female Table
Disabled Male	N/A	80% Headcount Weighted General Disabled Retiree Male Table; 20% Headcount Weighted Safety Disabled Retiree Male Table

These are the same rates as used for Regular Class members (General) and Special Risk Class members (Police) of the Florida Retirement System (FRS) in their July 1, 2020 actuarial valuation, in accordance with Florida Statutes Chapter 112.63(1)(f), which mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.



The following tables present mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of active members dying prior to retirement, and for inactive members, the probabilities of each benefit payment being made after retirement:

### General Employees

Sample Ages 2021	FRS Healthy Pre-Retirement Mortality for Regular Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	20	0.04 %	0.01 %	68.95
25	0.05	0.02	63.64	66.56
30	0.07	0.03	58.35	61.23
35	0.09	0.04	53.13	55.94
40	0.11	0.06	47.96	50.68
45	0.14	0.07	42.82	45.45
50	0.19	0.11	37.72	40.26

Sample Ages 2021	FRS Healthy Post-Retirement Mortality for Regular Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.19 %	0.58 %	33.14
55	0.96	0.58	28.77	32.50
60	1.14	0.60	24.68	27.96
65	1.29	0.69	20.63	23.39
70	1.80	1.09	16.62	18.91
75	2.86	1.89	12.91	14.73
80	4.83	3.41	9.63	10.98

Sample Ages	FRS Disabled Mortality for Regular Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	2.02 %	1.64 %	20.99
55	2.53	1.91	18.18	20.88
60	3.08	2.27	15.50	17.88
65	3.93	2.83	12.94	14.91
70	5.08	3.79	10.53	12.07
75	6.98	5.46	8.29	9.45
80	10.12	8.31	6.33	7.19

## Police Officers

Sample Ages 2021	FRS Healthy Pre-Retirement Mortality for Special Risk Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	20	0.05 %	0.02 %	66.94
25	0.06	0.03	61.64	65.79
30	0.08	0.04	56.39	60.48
35	0.09	0.05	51.17	55.22
40	0.10	0.07	45.98	49.99
45	0.12	0.08	40.81	44.77
50	0.16	0.11	35.66	39.58

Sample Ages 2021	FRS Healthy Post-Retirement Mortality for Special Risk Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.42 %	0.20 %	32.50
55	0.56	0.36	27.73	31.30
60	0.92	0.61	23.14	26.51
65	1.32	0.92	18.87	22.00
70	2.08	1.45	14.86	17.74
75	3.54	2.42	11.27	13.82
80	6.30	4.16	8.19	10.35

Sample Ages	FRS Disabled Mortality for Special Risk Class		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	1.45 %	1.25 %	24.04
55	1.91	1.50	20.88	23.54
60	2.37	1.81	17.92	20.32
65	3.00	2.22	15.07	17.17
70	3.91	2.90	12.39	14.10
75	5.30	4.13	9.87	11.22
80	7.66	6.21	7.60	8.67

**Rates of separation from active membership.** This assumption measures the probabilities of members remaining in employment. Rates do not apply to members eligible to retire and do not include separation on account of death or disability. Sample rates follow:

<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.** This assumption measures the probability of members retiring with a disability benefit. Sample rates follow:

<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

**Rates of retirement.** This assumption measures the probability of 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.

Probability of Retirement					
Reduced Early Retirement			Unreduced		
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.

### **Rationale for Assumptions:**

The assumed investment return is 6.4%, per direction from the Board of Trustees based on information from their investment consultant. The mortality tables are based on assumptions used for Regular Class members (General) and Special Risk Class members (Police) by the Florida Retirement System in the July 1, 2020 actuarial valuation, in accordance with Florida Statutes. About 90% 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.

### **Changes Since Last Valuation:**

The investment return assumption was lowered from 6.6%, net investment expenses, to 6.4%, net investment expenses.



## 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

<b><i>Actuarial Accrued Liability (AAL)</i></b>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<b><i>Actuarial Assumptions</i></b>	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.
<b><i>Actuarial Cost Method</i></b>	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.
<b><i>Actuarial Equivalent</i></b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b><i>Actuarial Present Value (APV)</i></b>	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.
<b><i>Actuarial Present Value of Future Benefits (APVFB)</i></b>	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.
<b><i>Actuarial Valuation</i></b>	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.
<b><i>Actuarial Value of Assets</i></b>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined employer contribution (ADEC).

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



***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**

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**TRUST FUND**

**STATEMENT OF ASSETS AT MARKET VALUE AS OF OCTOBER 1  
GENERAL & POLICE GROUPS COMBINED**

	2021
Cash & Cash Equivalents	\$ 0
General Investments	
Money Market Funds	1,963,889
Equity Securities	20,004,763
Government Securities	7,603,477
Fixed Income Mutual Funds	1,026,979
Corporate Bonds	<u>1,885,964</u>
Sub-Total	32,485,072
Total Cash & Investments	32,485,072
Receivables/(Prepaid)	
Deferred Revenue	0
Net Due From/(To) Brokers	(343,883)
Prepaid Expense	6,650
Accrued Interest & Dividends	<u>26,664</u>
Sub-Total	(310,569)
Payables	9,040
Total Pension Fund Assets	32,165,463

**INCOME AND DISBURSEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 12,641,406	\$ 14,996,607	\$ 27,638,013
B. Receipts During Period			
1. Contributions			
a. Employee	16,946	22,680	39,626
b. City	742,186	972,062	1,714,248
d. Total	<u>759,132</u>	<u>994,742</u>	<u>1,753,874</u>
2. Investment Earnings			
a. Interest & Dividends	345,876	436,462	782,338
b. Net Realized Appreciation	654,449	825,852	1,480,301
c. Net Unrealized Appreciation	1,488,097	1,877,838	3,365,935
d. Total	<u>2,488,422</u>	<u>3,140,152</u>	<u>5,628,574</u>
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	3,247,554	4,134,894	7,382,448
C. Disbursements During Period			
1. Benefits			
a. Pension Payments	1,414,104	1,321,378	2,735,482
b. DROP Distributions	0	0	0
c. Refunds	0	0	0
d. Total	<u>1,414,104</u>	<u>1,321,378</u>	<u>2,735,482</u>
2. Allocated Expenses			
a. Investment Expenses	20,830	25,460	46,290
b. Administrative Expenses	32,952	40,274	73,226
c. Total Expenses	<u>53,782</u>	<u>65,734</u>	<u>119,516</u>
3. Total Disbursements During Period	1,467,886	1,387,112	2,854,998
D. Market Value as of End of Year	14,421,074	17,744,389	32,165,463



<b>Development of Funding Value of Assets for General Employees as of October 1</b>		
	<b>2021</b>	<b>2020</b>
A. Market Value of Assets at End of Last Year	\$12,641,406	12,587,744
B. Contributions	742,186	770,849
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,414,104	1,373,378
2. Non Investment Expenses	32,952	44,115
3. Total Disbursements	1,447,056	1,417,493
D. Expected Investment Income	811,072	809,452
E. Expected Assets End of Year: A+B-C+D	12,747,608	12,750,552
F. Actual Market Value at End of Year	14,421,074	12,641,406
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	1,673,466	(109,146)
2. From One Year Ago	(109,146)	(220,572)
3. From Two Years Ago	(220,572)	487,557
4. From Three Years Ago	487,557	387,964
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	1,338,773	(87,317)
2. 60% From One Year Ago	(65,488)	(132,343)
3. 40% From Two Years Ago	(88,229)	195,023
4. 20% From Three Years Ago	<u>97,511</u>	<u>77,593</u>
5. Total	1,282,567	52,956
I. Preliminary Actuarial Value as of End of Year: F-H5	13,138,507	12,588,450
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	11,536,859	10,113,125
2. 120% of Market Value	17,305,289	15,169,687
3. Valuation Assets	13,138,507	12,588,450
K. Adjustment for DROP Reserves	140,841	93,996
L. Net Valuation Assets	12,997,666	12,494,454
M. Net Market Value of Assets	14,280,233	12,547,410



<b>Development of Funding Value of Assets for Police Officers as of October 1</b>		
	<b>2021</b>	<b>2020</b>
A. Market Value of Assets at Beginning of Year	\$14,996,607	14,585,619
B. Contributions	972,062	938,662
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,321,378	1,297,030
2. Non Investment Expenses	40,274	51,725
3. Total Disbursements	1,361,652	1,348,755
D. Expected Investment Income	976,920	949,118
E. Expected Assets End of Year: A+B-C+D	15,583,937	15,124,644
F. Actual Market Value at End of Year	17,744,389	14,996,607
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	2,160,452	(128,037)
2. From One Year Ago	(128,037)	(254,148)
3. From Two Years Ago	(254,148)	549,392
4. From Three Years Ago	549,392	424,740
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	1,728,362	(102,430)
2. 60% From One Year Ago	(76,822)	(152,489)
3. 40% From Two Years Ago	(101,659)	219,757
4. 20% From Three Years Ago	<u>109,878</u>	<u>84,948</u>
5. Total	1,659,759	49,786
I. Preliminary Actuarial Value as of End of Year: F-H5	16,084,630	14,946,821
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	14,195,511	11,997,286
2. 120% of Market Value	21,293,267	17,995,928
3. Valuation Assets	16,084,630	14,946,821
K. Adjustment for DROP Reserves	0	0
L. Net Valuation Assets	16,084,630	14,946,821
M. Net Market Value of Assets	17,744,389	14,996,607



**ESTIMATED RECONCILIATION OF DROP ACCOUNTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	General	Police	Total
A. Account Balances as of Beginning of Year	\$93,996	\$0	\$93,996
B. Receipts During Period			
1 Deposits & Adjustments	25,890	0	25,890
2 Investment Earnings, net fees	<u>20,955</u>	<u>0</u>	<u>20,955</u>
3 Total	46,845	0	46,845
C. Withdrawals During Period	0	0	0
D. Account Balances as of End of Year	140,841	0	140,841

## 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
9/30/2021	20.6 %	10.3 %
9/30/2020	5.7	7.7
9/30/2019	5.1	5.8
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
Average Compounded Rate of Return for Last 5 Years	10.5	7.4
Average Compounded Rate of Return for Last 10 Years	9.7	7.3

**SECTION IV**

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**MEMBER STATISTICS**

<b>STATISTICAL DATA, GENERAL EMPLOYEES</b>			
	<b>10/1/21</b>	<b>10/1/20</b>	<b>10/1/19</b>
<b>Active Participants</b>			
Number	2	3	4
Total Annual Earnings	\$ 110,972	\$ 180,797	\$ 226,909
Average Annual Earnings	55,486	60,266	56,727
<b>Averages</b>			
Current Age	56.5	58.9	58.9
Age at Employment	31.4	30.9	31.7
Past Service	25.1	28.0	27.2
Service at Age 60	28.6	29.1	28.3
<b>Members Receiving Benefits</b>			
Number	43	43	43
Total Annual Pensions	\$ 1,467,482	\$ 1,397,086	\$ 1,357,244
Average Monthly Benefit	2,844	2,708	2,630
Average Current Age*	70.2	69.6	69.4
<b>DROP Participants</b>			
Number	1	1	1
Total Annual Pensions	\$ 28,290	\$ 28,290	\$ 28,290
Average Monthly Benefit	2,358	2,358	2,358
Average Current Age	60.1	59.1	58.1
<b>Terminated Members with Vested Benefits</b>			
Number	1	1	1
Total Annual Pensions	\$ 7,897	\$ 7,897	\$ 7,897
Average Monthly Benefit	658	658	658
Average Current Age	54.4	53.4	52.4

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

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



STATISTICAL DATA, POLICE OFFICERS			
	10/1/21	10/1/20	10/1/19
<b>Active Participants</b>			
Number	2	2	2
Total Annual Earnings	\$ 239,277	\$ 224,779	\$ 222,168
Average Annual Earnings	119,639	112,390	111,084
Averages			
Current Age	47.1	46.1	45.1
Age at Employment	21.7	21.7	21.7
Past Service	25.4	24.4	23.4
Service at Age 60	38.3	38.3	38.3
<b>Members Receiving Benefits</b>			
Number	31	31	31
Total Annual Pensions	\$ 1,335,604	\$ 1,323,469	\$ 1,298,321
Average Monthly Benefit	3,590	3,558	3,490
Average Current Age*	65.6	65.2	64.2
<b>DROP Participants</b>			
Number	0	0	0
Total Annual Pensions	\$ 0	\$ 0	\$ 0
Average Monthly Benefit	0	0	0
Average Current Age	0.0	0.0	0.0
<b>Terminated Members with Vested Benefits</b>			
Number	0	0	0
Total Annual Pensions	\$ 0	\$ 0	\$ 0
Average Monthly Benefit	0	0	0
Average Current Age	0.0	0.0	0.0

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

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



**RECONCILIATION OF MEMBERSHIP DATA  
FROM 10/1/2020 TO 9/30/2021**

	General	Police	Total
<b>A. Active Members</b>			
1 Number Included in Last Valuation	3	2	5
2 Vested Employment Terminations	0	0	0
3 Service Retirements	(1)	0	(1)
4 Disability Retirements	0	0	0
5 Deaths	0	0	0
6 DROP Retirements	0	0	0
7 Number Included in This Valuation	<u>2</u>	<u>2</u>	<u>4</u>
<b>B. Terminated Vested Members</b>			
1 Number Included in Last Valuation	1	0	1
2 Additions from Active Members/Data Correction	0	0	0
3 Lump Sum Payments	0	0	0
4 Payments Commenced	0	0	0
5 Returned to Work	0	0	0
6 Other: No benefits	0	0	0
7 Number Included in This Valuation	<u>1</u>	<u>0</u>	<u>1</u>
<b>C. DROP Participants</b>			
1 Number Included in Last Valuation	1	0	1
2 Additions from Active Members	0	0	0
3 Retired	0	0	0
4 Deaths	0	0	0
5 Number Included in This Valuation	<u>1</u>	<u>0</u>	<u>1</u>
<b>D. Service Retirees, Disability Retirees and Beneficiaries</b>			
1 Number Included in Last Valuation	43	31	74
2 Additions from Active Members	1	0	1
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	0	0	0
5 Deaths Resulting in No Further Payments	(1)	0	(1)
6 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, 2021**

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	0	1	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	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	1	1	0	2

**Age and Service Distribution  
Active Police Officers  
As of October 1, 2021**

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	2	0	2
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	0	2	0	2

## **SECTION V**

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### **SUMMARY OF PLAN PROVISIONS**

# SUMMARY OF RETIREMENT PLAN PROVISIONS AS OF OCTOBER 1, 2021

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.



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