



October 7, 2019

Mr. Dan Stauffer
Finance Director
City of DeLand
120 South Florida Avenue
DeLand, Florida 32720-5422

Re: Retirement Plan for General Employees of the City of DeLand

Dear Dan:

As requested, we are pleased to enclose eight (8) copies of the October 1, 2018 Chapter 112.664 Compliance Report for the Retirement Plan for General Employees of the City of DeLand (Plan).

As required, we will timely upload the required data to the State's online portal.

Please note we understand the following items must be posted on the Plan's website and must be posted on any website containing budget information relating to the City or actuarial or performance information relating to the Plan:

- this compliance report
- most recent financial statement
- most recent actuarial valuation report
- link to the Division of Retirement Actuarial Summary Fact Sheet
http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets
- for the previous five years - a side-by-side comparison of the Plan's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the Plan portfolio
- Plan's funded ratio as determined in the most recent actuarial valuation – 89.8% on a market value of assets basis as of October 1, 2018.

We appreciate the opportunity to work with the Board on this important assignment.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,

A handwritten signature in black ink that reads "Jennifer Borregard". The signature is written in a cursive, flowing style.

Jennifer M. Borregard, E.A.
Consultant and Actuary

Enclosures

Retirement Plan For General Employees of the City of Deland

CHAPTER 112.664, F.S. COMPLIANCE REPORT

In Connection with the October 1, 2018 Funding Actuarial Valuation Report and the Plan's Financial Reporting for the Year Ended September 30, 2018





October 7, 2019

Retirement Committee
c/o Mr. Dan Stauffer, Finance Director
Retirement Plan for General Employees
of the City of DeLand
120 South Florida Avenue
DeLand, Florida 32720-5422

Re: October 1, 2018 Chapter 112.664 Compliance Report

Dear Committee Members:

Gabriel, Roeder, Smith & Company (GRS) has been engaged by the Retirement Committee (Committee) of the Retirement Plan for General Employees of the City of DeLand (Plan) to prepare a disclosure report to satisfy the requirements set forth in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0035, F.A.C.

This report was prepared at the request of the Committee and is intended for use by the Committee and those designated or approved by the Committee. This report may be provided to parties other than the Committee only in its entirety and only with the permission of the Committee.

The purpose of the report is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This report should not be relied on for any purpose other than the purpose described above.

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

This report was based upon information furnished by the City and the Committee concerning Plan benefits, Plan provisions and Plan members as used in the corresponding Actuarial Valuation Reports for the Valuation Dates indicated. Financial information was provided by the City and Committee as of September 30, 2018. We reviewed the information provided for internal and year-to-year consistency, but did not audit the data. The Plan is responsible for the accuracy of the data.

Except where specific assumptions are required by Chapter 112.664, F.S, this report was prepared using actuarial assumptions adopted by the Committee as described in Section C. The Committee's economic and demographic actuarial assumptions are based on the results of an actuarial Experience Investigation for the period October 1, 2010 - September 30, 2015. The assumptions represent an estimate of future Plan experience. The mortality assumptions are prescribed by statute.

The investment return assumption of 2% higher than the investment return assumption utilized in the Actuarial Valuation Report does not represent an estimate of future Plan experience nor observation of the estimates inherent in market data. This assumption is provided as a counterpart to the Chapter 112.664, F.S. requirement to utilize an investment return assumption of 2% lower than the investment return assumption utilized in the Actuarial Valuation Report. The inclusion of the additional 2% higher assumption shows a more complete assessment of the range of potential results as opposed to the *one-sided* range required by statute.

If all actuarial assumptions are met and if all current and future minimum required contributions are paid Plan assets will be sufficient to pay all Plan benefits, future contributions are expected to remain relatively stable as a percentage of payroll and the funded status is expected to improve. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 15 years.

The Plan's funded ratio as of October 1, 2018 is 89.8% defined as the ratio of the market value of Plan assets to the actuarial accrued liability.

The Plan's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

The undersigned 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 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 presents the actuarial position of the Plan as of the valuation date as required by statute. 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.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, and in our opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By Michelle Jones

Shelly L. Jones, M.A.A.A
Enrolled Actuary No. 17-08646
Consultant & Actuary

By Jennifer Borregard

Jennifer M. Borregard, M.A.A.A
Enrolled Actuary No. 17-07624
Consultant & Actuary

Date: October 7, 2019

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SECTION A

CHAPTER 112.664, F.S. RESULTS

Net Pension Liability
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and Using Assumptions Required Under 112.664(1)(a), F.S.

Measurement Date	<u>September 30, 2018</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 235,928
Interest	2,360,947
Benefit Changes	0
Difference Between Actual and Expected Experience	(93,942)
Assumption Changes	148,413
Benefit Payments	(2,272,646)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	<u>\$ 378,700</u>
Total Pension Liability (TPL) - (beginning of year)	<u>32,959,366</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 33,338,066</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - City	\$ 626,403
Contributions - Member	123,455
Net Investment Income	2,355,834
Benefit Payments	(2,272,646)
Contribution Refunds	0
Administrative Expenses	(36,887)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ 796,159</u>
Plan Fiduciary Net Position - (beginning of year)	<u>29,301,888</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 30,098,047</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	<u>\$ 3,240,019</u>

Valuation Date October 1, 2017

Certain Key Assumptions

Investment Return Assumption 7.35%

Mortality Table:

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, set back four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	<u>September 30, 2018</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 380,924
Interest	2,105,560
Benefit Changes	0
Difference Between Actual and Expected Experience	(18,985)
Assumption Changes	209,176
Benefit Payments	(2,272,646)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	<u>\$ 404,029</u>
Total Pension Liability (TPL) - (beginning of year)	<u>39,928,181</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 40,332,210</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - City	\$ 626,403
Contributions - Member	123,455
Net Investment Income	2,355,834
Benefit Payments	(2,272,646)
Contribution Refunds	0
Administrative Expenses	(36,887)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ 796,159</u>
Plan Fiduciary Net Position - (beginning of year)	<u>29,301,888</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 30,098,047</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	<u>\$ 10,234,163</u>
Valuation Date	October 1, 2017

Certain Key Assumptions

Investment Return Assumption 5.35%

Mortality Table:

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, set back four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Net Pension Liability

Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

Measurement Date	<u>September 30, 2018</u>
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 152,364
Interest	2,517,188
Benefit Changes	0
Difference Between Actual and Expected Experience	(155,268)
Assumption Changes	109,155
Benefit Payments	(2,272,646)
Contribution Refunds	0
Other	0
Net Change in Total Pension Liability	<u>\$ 350,793</u>
Total Pension Liability (TPL) - (beginning of year)	<u>27,928,600</u>
Total Pension Liability (TPL) - (end of year)	<u><u>\$ 28,279,393</u></u>
B. <u>Plan Fiduciary Net Position</u>	
Contributions - City	\$ 626,403
Contributions - Member	123,455
Net Investment Income	2,355,834
Benefit Payments	(2,272,646)
Contribution Refunds	0
Administrative Expenses	(36,887)
Other	0
Net Change in Plan Fiduciary Net Position	<u>\$ 796,159</u>
Plan Fiduciary Net Position - (beginning of year)	<u>29,301,888</u>
Plan Fiduciary Net Position - (end of year)	<u><u>\$ 30,098,047</u></u>
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	<u>\$ (1,818,654)</u>
Valuation Date	October 1, 2017

Certain Key Assumptions

Investment Return Assumption 9.35%

Mortality Table:

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, set back four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and Using Assumptions Required Under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2019	\$ 29,301,517	\$ 2,044,020	\$ 2,428,445	\$ 28,917,092
2020	28,917,092	2,010,979	2,555,707	28,372,364
2021	28,372,364	1,967,570	2,648,841	27,691,093
2022	27,691,093	1,915,422	2,710,587	26,895,928
2023	26,895,928	1,855,404	2,760,982	25,990,350
2024	25,990,350	1,788,690	2,776,504	25,002,536
2025	25,002,536	1,716,338	2,782,673	23,936,201
2026	23,936,201	1,638,300	2,787,668	22,786,833
2027	22,786,833	1,553,992	2,798,000	21,542,825
2028	21,542,825	1,463,992	2,777,239	20,229,578
2029	20,229,578	1,369,050	2,753,568	18,845,060
2030	18,845,060	1,268,588	2,738,035	17,375,613
2031	17,375,613	1,162,554	2,706,451	15,831,716
2032	15,831,716	1,051,282	2,669,840	14,213,158
2033	14,213,158	934,802	2,627,012	12,520,948
2034	12,520,948	812,983	2,583,242	10,750,689
2035	10,750,689	685,652	2,534,728	8,901,613
2036	8,901,613	552,706	2,482,660	6,971,659
2037	6,971,659	414,047	2,425,705	4,960,001
2038	4,960,001	269,538	2,365,823	2,863,716
2039	2,863,716	119,008	2,301,945	680,779
2040	680,779	5,497	2,233,148	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City or Members:

21.25

Certain Key Assumptions

Investment return assumption

7.30%

Mortality Table:

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, set back four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2019	\$ 29,301,517	\$ 1,483,814	\$ 2,428,445	\$ 28,356,886
2020	28,356,886	1,430,124	2,555,707	27,231,303
2021	27,231,303	1,367,815	2,648,841	25,950,277
2022	25,950,277	1,298,162	2,710,587	24,537,852
2023	24,537,852	1,221,868	2,760,982	22,998,738
2024	22,998,738	1,139,853	2,776,504	21,362,087
2025	21,362,087	1,052,935	2,782,673	19,632,349
2026	19,632,349	961,117	2,787,668	17,805,798
2027	17,805,798	864,015	2,798,000	15,871,813
2028	15,871,813	762,105	2,777,239	13,856,679
2029	13,856,679	655,977	2,753,568	11,759,088
2030	11,759,088	545,247	2,738,035	9,566,300
2031	9,566,300	429,929	2,706,451	7,289,778
2032	7,289,778	310,316	2,669,840	4,930,254
2033	4,930,254	186,481	2,627,012	2,489,723
2034	2,489,723	58,531	2,583,242	-
2035	-	-	2,534,728	-
2036	-	-	2,482,660	-
2037	-	-	2,425,705	-
2038	-	-	2,365,823	-
2039	-	-	2,301,945	-
2040	-	-	2,233,148	-

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City or Members: 15.92

Certain Key Assumptions

Investment return assumption 5.30%

Mortality Table:

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, set back four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions
Using Assumptions Required Under 112.664(1)(a), F.S. Plus 2% on Investment Return Assumption

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2019	\$ 29,301,517	\$ 2,604,370	\$ 2,428,445	\$ 29,477,442
2020	29,477,442	2,614,407	2,555,707	29,536,142
2021	29,536,142	2,615,238	2,648,841	29,502,539
2022	29,502,539	2,609,045	2,710,587	29,400,997
2023	29,400,997	2,597,098	2,760,982	29,237,113
2024	29,237,113	2,581,085	2,776,504	29,041,694
2025	29,041,694	2,562,605	2,782,673	28,821,626
2026	28,821,626	2,541,890	2,787,668	28,575,848
2027	28,575,848	2,518,519	2,798,000	28,296,367
2028	28,296,367	2,493,559	2,777,239	28,012,687
2029	28,012,687	2,468,353	2,753,568	27,727,472
2030	27,727,472	2,442,600	2,738,035	27,432,037
2031	27,432,037	2,416,694	2,706,451	27,142,280
2032	27,142,280	2,391,566	2,669,840	26,864,006
2033	26,864,006	2,367,814	2,627,012	26,604,808
2034	26,604,808	2,345,884	2,583,242	26,367,450
2035	26,367,450	2,326,220	2,534,728	26,158,942
2036	26,158,942	2,309,416	2,482,660	25,985,698
2037	25,985,698	2,296,135	2,425,705	25,856,128
2038	25,856,128	2,287,061	2,365,823	25,777,366
2039	25,777,366	2,282,910	2,301,945	25,758,331
2040	25,758,331	2,284,558	2,233,148	25,809,741

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the City or Members:

All Future Years

Certain Key Assumptions

Investment return assumption

9.30%

Mortality Table:

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For disabled male participants, RP 2000 Disabled Male Mortality Table, set back four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Plan assets does not include future contributions from the City or Members. For this reason, this projection should not be viewed as representative of the amount of time the Plan can sustain benefit payments. Under the Government Accounting Standards Board standards which include City and Member contributions, the Plan is expected to be able to pay all future benefit payments.

ACTUARIALLY DETERMINED CONTRIBUTION

	Valuation Assumptions and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2% on Investment Return Assumption
A. Valuation Date	October 1, 2018	October 1, 2018	October 1, 2018
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2020	September 30, 2020	September 30, 2020
C. Annual Payroll of Active Employees	\$ 1,603,588	\$ 1,603,588	\$ 1,603,588
D. Total Minimum Funding Requirement			
1. Total Normal Cost	\$ 234,078	\$ 354,530	\$ 164,750
2. Annual Payment to Amortize Unfunded Actuarial Liability	442,565	1,070,191	(110,680)
3. Interest Adjustment	<u>55,598</u>	<u>89,926</u>	<u>(1,544)</u>
4. Total Minimum Funding Requirement (1. + 2. + 3., not less than 1.)	\$ 732,241	\$ 1,514,647	\$ 164,750
E. Expected Contribution Sources (\$ / % of pay)			
1. City	\$ 619,990 38.66%	\$ 1,402,396 87.45%	\$ 52,499 3.27%
2. Member	<u>112,251 7.00%</u>	<u>112,251 7.00%</u>	<u>112,251 7.00%</u>
3. Total	\$ 732,241 45.66%	\$ 1,514,647 94.45%	\$ 164,750 10.27%

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base	Current Unfunded Liabilities	Amortization Payment			Remaining Funding Period
		Valuation and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	
01/01/1989 Asset Method Change	\$ 324	\$ 324	\$ 324	\$ 324	0.25 years
01/01/1989 Actuarial Loss / (Gain)	(1,933)	(1,933)	(1,933)	(1,933)	0.25 years
01/01/1990 Plan Amendment	2,892	2,334	2,328	2,339	1.25 years
01/01/1990 Actuarial Loss / (Gain)	(22,419)	(18,092)	(18,050)	(18,132)	1.25 years
01/01/1991 Plan Amendment	106,559	49,450	48,891	49,999	2.25 years
01/01/1991 Assumption & Cost Method Change	(12,109)	(5,619)	(5,556)	(5,682)	2.25 years
01/01/1991 Actuarial Loss / (Gain)	11,580	5,374	5,313	5,434	2.25 years
01/01/1992 Actuarial Loss / (Gain)	(102,257)	(33,992)	(33,310)	(34,665)	3.25 years
01/01/1993 Plan Amendment	28,606	7,521	7,306	7,734	4.25 years
01/01/1993 Actuarial Loss / (Gain)	(28,795)	(7,570)	(7,354)	(7,785)	4.25 years
01/01/1993 Assumption Change	(23,847)	(6,270)	(6,091)	(6,447)	4.25 years
01/01/1994 Actuarial Loss / (Gain)	(4,538)	(998)	(962)	(1,035)	5.25 years
01/01/1994 Plan Amendment	142,937	31,450	30,295	32,603	5.25 years
01/01/1995 Actuarial Loss / (Gain)	122,968	23,487	22,436	24,539	6.25 years
01/01/1996 Actuarial Loss / (Gain)	(367,595)	(62,522)	(59,243)	(65,821)	7.25 years
01/01/1996 Assumption Change	97,128	16,520	15,653	17,392	7.25 years
01/01/1997 Actuarial Loss / (Gain)	(66,697)	(10,294)	(9,677)	(10,917)	8.25 years
01/01/1997 Plan Amendment	79,399	12,254	11,519	12,996	8.25 years
01/01/1998 Actuarial Loss / (Gain)	(443,613)	(63,026)	(58,790)	(67,319)	9.25 years
01/01/1999 Actuarial Loss / (Gain)	(205,598)	(27,196)	(25,178)	(29,250)	10.25 years
01/01/1999 Plan Amendment	80,524	10,652	9,861	11,456	10.25 years
01/01/2000 Actuarial Loss / (Gain)	325,267	40,429	37,153	43,772	11.25 years
01/01/2000 Plan Amendment	97,499	12,119	11,137	13,121	11.25 years
01/01/2001 Actuarial Loss / (Gain)	939,270	110,527	100,843	120,440	12.25 years
01/01/2001 Assumption & Method Change	(439,466)	(51,714)	(47,182)	(56,352)	12.25 years
01/01/2002 Actuarial Loss / (Gain)	362,742	40,666	36,844	44,590	13.25 years
10/01/2002 Actuarial Loss / (Gain)	1,768,370	191,852	172,926	211,313	14 years
10/01/2003 Actuarial Loss / (Gain)	64,123	6,686	5,986	7,408	15 years
10/01/2003 Plan Amendment (elected officials)	31,093	3,242	2,903	3,592	15 years
10/01/2003 Plan Amendment (dispatchers)	(144,699)	(15,088)	(13,509)	(16,716)	15 years
10/01/2004 Actuarial Loss / (Gain)	939,206	94,508	84,065	105,293	16 years

Unfunded Actuarial Accrued Liabilities Bases and Amortization Payments

Amortization Base	Current Unfunded Liabilities	Amortization Payment			Remaining Funding Period
		Valuation and 112.664(1)(a), F.S. Assumptions	112.664(1)(b), F.S. Assumptions	112.664(1)(a), F.S. Assumptions Plus 2%	
10/01/2005 Actuarial Loss / (Gain)	\$ 696,423	\$ 67,866	\$ 59,985	\$ 76,021	17 years
10/01/2005 Plan Amendment (DC plan)	(318,263)	(31,015)	(27,413)	(34,741)	17 years
10/01/2006 Actuarial Loss / (Gain)	(139,176)	(15,785)	(14,326)	(17,281)	13 years
10/01/2006 Assumption Change	480,042	54,444	49,412	59,605	13 years
10/01/2007 Actuarial Loss / (Gain)	(292,468)	(31,730)	(28,600)	(34,949)	14 years
10/01/2007 Plan Amendment (COLA)	675,579	73,294	66,064	80,729	14 years
10/01/2008 Actuarial Loss / (Gain)	208,657	21,757	19,480	24,104	15 years
10/01/2009 Actuarial Loss / (Gain)	(44)	(4)	(4)	(5)	16 years
10/01/2010 Actuarial Loss / (Gain)	(10,264)	(1,000)	(884)	(1,120)	17 years
10/01/2011 Actuarial Loss / (Gain)	179,101	20,313	18,435	22,238	13 years
10/01/2011 Assumption Change	(473,805)	(53,736)	(48,770)	(58,830)	13 years
10/01/2012 Actuarial Loss / (Gain)	130,930	14,205	12,803	15,646	14 years
10/01/2013 Actuarial Loss / (Gain)	(547,980)	(57,139)	(51,158)	(63,303)	15 years
10/01/2014 Actuarial Loss / (Gain)	(439,648)	(44,240)	(39,351)	(49,288)	16 years
10/01/2015 Actuarial Loss / (Gain)	145,277	17,320	15,830	18,843	12 years
10/01/2015 Assumption Change	122,746	14,634	13,375	15,921	12 years
10/01/2016 Actuarial Loss / (Gain)	(5,589)	(634)	(575)	(694)	13 years
10/01/2016 Assumption Change	342,502	38,845	35,254	42,527	13 years
10/01/2017 Actuarial Loss / (Gain)	(247,846)	(26,889)	(24,236)	(29,617)	14 years
10/01/2017 Assumption Change	142,101	15,417	13,896	16,980	14 years
10/01/2018 Actuarial Loss / (Gain)	(39,485)	(4,117)	(3,686)	(4,561)	15 years
10/01/2018 Assumption Change	150,358	15,678	14,037	17,369	15 years
10/01/2018 Assumption Change - 112.664(1)(b), F.S. Assumptions	7,194,628	N/A	671,675	N/A	15 years
10/01/2018 Assumption Change - 112.664(1)(a), F.S. Assumptions Plus 2%	(5,181,442)	N/A	N/A	(598,565)	15 years

SECTION B

SUMMARY OF PLAN PROVISIONS

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2018)

A. Effective Date:

January 1, 1960; amended and restated January 1, 1972; subsequently restated and amended through Ordinance 99-27 (effective September 20, 1999). Most recently amended by Ordinance 2017-07, adopted February 20, 2017.

B. Eligibility Requirements:

Regular full-time employees hired prior to August 5, 2006 who elected not to opt out of the Plan. Department heads and certain other positions are generally excluded.

C. Employee Contributions:

7% of basic annual compensation. Effective September 29, 1990, employee contributions are *picked-up* by the City. No contributions are required of elected officials.

D. Credited Service:

Service computed in completed months from date of employment to retirement date (or date of termination, if earlier).

E. Final Monthly Compensation (FMC):

Average monthly rate of basic compensation during the best 60 successive months out of the last 120 months preceding date of retirement (or termination). Basic compensation means compensation actually paid to a participant and includes overtime pay up to 300 hours and employee contributions *picked-up* by the City. Accrued leave is frozen as of July 1, 2011.

F. Normal Retirement:

1. Eligibility:

Earliest of:

- (a) Attainment of age 65 with completion of 10 years of credited service.
- (b) Attainment of age 60 with completion of 20 years of credited service.
- (c) Completion of 25 years of credited service.

2. Benefit:

2.4% times FMC times credited service.

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2018)

G. Early Retirement:

1. Eligibility:

Attainment of age 55 with completion of 10 years of credited service.

2. Benefit:

Benefit accrued to date of retirement, reduced by 1/15th for each of the first five years and 1/30th for each year thereafter that early retirement date precedes normal retirement date.

H. Deferred Retirement:

Calculated the same as for normal retirement based upon credited service and FMC as of deferred retirement date.

I. Disability Retirement:

1. Eligibility:

Total and permanent disability prior to normal retirement date.

2. Benefit:

Service Connected Disability:

Benefit that can be supported by the greater of (a) or (b), where:

(a) is the single-sum value of the normal retirement benefit accrued to date of disability; and

(b) is 24 times FMC (limited to the amount which can support 60% of the participant's anticipated normal retirement benefit, where anticipated normal retirement benefit is based on FMC at date of disability and on credited service projected to normal retirement date).

Non-Service Connected Disability:

Benefit which can be supported by the greater of (a) or (b), where:

(a) is the single-sum value of the normal retirement benefit accrued to date of disability; and

(b) is 12 times FMC if the participant has completed less than five (5) years of credited service, or 24 times FMC if the participant has completed five (5) or more years of credited service (limited to the amount which can support 60% of the participant's anticipated normal retirement benefit, where the anticipated benefit is based on FMC at date of disability and on credited service projected to normal retirement date).

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2018)

3. Form of Payment:

Benefit payable for 10 years certain and life thereafter, or until recovery from disability prior to normal retirement age.

J. Death Benefit:

Monthly income to beneficiary (payable for ten (10) years certain and life thereafter) which can be provided by the greater of A or B, where A is the single-sum value of the normal retirement benefit accrued to date of death and B is the smaller of (i) and (ii), where (i) is 24 times FMC at date of death and (ii) is 100 times the anticipated normal retirement benefit based upon projected FMC and anticipated credited service at normal retirement date.

K. Vested Benefit Upon Termination:

1. Eligibility:

100% vesting upon the completion of 10 years of credited service. Employees who have not completed 10 years of credited service at date of termination of employment shall only be entitled to the return of their employee contributions without interest.

2. Benefit:

Employee's option of benefit accrued to date of termination (payable at normal retirement date or actuarially reduced at early retirement date) or return of employee contributions, with interest at an annual rate of 6%.

L. Normal Form of Retirement Income:

Monthly benefit payable for ten (10) years certain and life thereafter.

M. Deferred Retirement Option Program (DROP):

The DROP is available only if the participant makes an irrevocable election to participate within 60 days after having met normal retirement eligibility. The maximum participation period in the DROP is five (5) years, after which the participant is deemed separated from the City.

The monthly retirement benefits, including any future cost of living increases, that would have been payable had the member elected to cease employment and receive a normal retirement benefit shall be deposited into the participant's DROP account.

Outline of Principal Provisions of the Retirement Plan
(as of October 1, 2018)

After each fiscal year quarter, the average daily balance in a participant's deferred retirement option account shall be credited at a rate of six and one-half percent (6.5%) annual interest compounded monthly. The Retirement Committee along with the City shall review the stated rate of return on an annual basis in order to determine the necessity of any adjustment.

If a DROP participant dies before his account balance is paid out in full, the participant's designated beneficiary shall have the same rights as the participant to elect and receive the payout options allowed. DROP payments to a beneficiary shall be in addition to any retirement benefits payable to the participant. Participants who are or have been DROP participants are not eligible for pre-retirement death or disability benefits.

N. Elected Official Benefit:

1. Eligibility:

Completion of twenty (20) consecutive years of elected service prior to August 5, 2006.

2. Benefit:

50% of pay prior to retirement.

3. Form of Payment:

Monthly life annuity.

O. Cost of Living Adjustment (COLA)

All current and future retirees who retire on or after Normal Retirement Date (including DROPs), and the beneficiaries of such retired participants, who have been receiving benefits for a minimum of twelve (12) months, will be eligible for an automatic annual cost of living adjustment (COLA) in the amount of 0.5% per annum commencing January 1, 2008.

P. Changes Since Previous Valuation

None.

SECTION C

ACTUARIAL ASSUMPTIONS AND COST METHODS USED FOR FUNDING

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2018)

A. Mortality

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For disabled male participants, RP 2000 Disabled Male Mortality Table, set back four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Sample Ages (2018)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	30.53	33.57	30.10
60	25.60	28.54	25.44	28.44
62	23.70	26.58	23.60	26.52

Sample Ages (2038)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	32.67	35.41	32.26
60	27.78	30.38	27.63	30.30
62	25.87	28.40	25.78	28.35

B. Investment Return

7.30%, compounded annually, net of investment expense - includes inflation of 2.50%.

C. Allowances for Expenses or Contingencies

Estimated expenses are based on the average of actual expenses paid in the previous three years.

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2018)

D. Employee Withdrawal Rates

Withdrawal rates for males and for females were used in accordance with the following illustrative example:

<u>Age</u>	<u>Withdrawal Rates Per 100 Employees</u>
25 & Under	6.8
30	6.5
35	6.4
40	5.4
45	4.1
50	3.6
55	3.4
60 & Over	0.0

Elected officials are assumed to withdraw prior to completion of twenty (20) years of elected service.

E. Disability Rates

The 1985 Disability Study - Class 1 separate male and female rates were used.

50% of all disablements are assumed to be service related.

F. Marriage Assumptions

All active participants are assumed to be married.

Females are assumed to be 3 years younger than their male spouses.

G. Salary Increase Factors

Current salary is assumed to increase at a rate based on the table below per year until retirement - includes wage inflation of 3.0%.

<u>Service</u>	<u>Salary Increase</u>
0 - 20 years	4.25%
21 + years	3.25%

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2018)

H. Assumed Retirement Age

Participants eligible for normal retirement are assumed to retire at the following rates:

<u>Age</u>	<u>Retirement Rate</u>
40 - 44	5%
45 - 49	25%
50 - 59	50%
60 - 64	70%
65+	100%

In addition, participants eligible for early retirement are assumed to retire at the rate of 10% per year prior to age 60 and 12% per year thereafter.

I. Loading

Service retirement liabilities are increased by 1.25% to account for unused vacation and compensatory leave.

J. Asset Valuation Method

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

K. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal Cost Method

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the Plan had always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the Plan.

Actuarial Assumptions and Actuarial Cost Methods Used in the Valuation
(as of October 1, 2018)

L. Change From Previous Valuation

Investment Return was:

7.35%, compounded annually, net of investment expense.

SECTION D

GLOSSARY

Glossary

<i>Actuarial Accrued Liability</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</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</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 No. 67.
<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 required contribution.

<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. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution 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 Required Contribution</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.
<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>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is 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 actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

<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 plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	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.