City of Lauderhill General Employees Retirement System

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2018

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019

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April 10, 2019

Board of Trustees,
City of Lauderhill General Employees Retirement System
Ft. Lauderdale, FL

Re: City of Lauderhill General Employees Retirement System
Actuarial Valuation as of October 1, 2018 and Actuarial Disclosures

Dear Board Members:

The results of the October 1, 2018 Annual Actuarial Valuation for the City of Lauderhill General Employees Retirement System are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System 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 System's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2019, and to report the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for the fiscal year ending September 30, 2018. This report also includes estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2019. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section II of this report. This report includes risk metrics on page 4 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 October 1, 2018. The valuation was based upon information furnished by the Plan Administrator concerning Retirement System 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.

This report was prepared using assumptions adopted by the Board as authorized under Florida Statutes and prescribed by Florida Statutes. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. Additional information about the actuarial assumptions is included in the section of this report entitled Actuarial Cost Methods and Assumptions.

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 Lauderhill General Employees Retirement System 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.

Melissa Moskovitz and Dina Lerner are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

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

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By: Melissa R. Moskovitz

Dina Lerner

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SECTION I

INTRODUCTION

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The required contribution for the Plan Year beginning October 1, 2018, is $876,396. The results for the current and previous year are shown below.

Contribution Period	10/1/2018 to 9/30/2019		10/1/2017 to 9/30/2018	
	Amount	% of Pay	Amount	% of Pay
Required City Contribution	$ 876,396	30.48 %	$ 966,275	30.79 %

Actuarial Experience

Actual experience during the last year was more favorable than that anticipated by the actuarial assumptions. There was a liability gain primarily due to average salary increases less than expected (2.8% versus 5.0% assumed). Average salary increases excluding members who transferred to the management plan were 0.7%. There was also a liability gain due to more terminations than expected (14 versus 5 assumed). Additionally, there was an investment gain due to a return on a smoothed valuation asset basis of 8.4% as compared to the assumed rate of 7.0%. The return on a market value basis was 10.1%.

Change in Actuarial Assumption or Method

There were no changes in assumptions since the last valuation.

Change in Benefit Provisions

There were no changes in benefit provisions.

Funded Ratio

The funded ratio this year is 83.6% compared to 80.1% last year. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year.

Over time, if year-to-year gains and losses offset each other, the contributions rate would be expected to return to the current level, but this doesn't always happen.

The Market Value of Assets exceeds the Actuarial Value of Assets by $1,657,723 as of the valuation date. This difference will be recognized over the next few years in the absence of offsetting losses. In turn, the employer contribution rate should decrease by about $138,000 as this difference is recognized in the valuation process.

Relationship to Market Value

If Market Value had been the basis for the valuation, the City contribution would have been about $738,000 and the funded ratio would have been 89.3%. In the absence of other gains and losses, or changes in assumptions, methods, or plan provisions, the City contribution would be expected to move in that direction over the next few years.

Recommendation and Conclusion

Steps were taken in recent years to improve the funded ratio by changing the provisions for employees hired after December 10, 2012 and lowering the investment return assumption. However, the funded ratio is 84% and the goal should be 100%. Steps were taken to improve this situation by reducing the amortization period for new and current bases from 30 years to a maximum of 25 years. Further reduction to the maximum amortization period would improve the funded position of the Plan. Reducing existing amortization periods to a maximum of 20 years in connection with this valuation would have a de minimis impact on the required contribution amount. Consideration should also be given to further lowering of the investment return assumption.

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

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:

	2018	2017
Ratio of the market value of assets to total payroll	9.77	8.24
Ratio of actuarial accrued liability to payroll	10.73	9.70
Ratio of actives to retirees and beneficiaries	1.00	1.08
Ratio of net cash flow to market value of assets	-1.27 %	-1.61 %

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 CHANGES IN PLAN, ASSUMPTIONS AND METHODS

1. Effective October 1, 2006, Ordinance No. 07R-08-148 provides for a coordination of benefits for employees who transfer from the General Employees' Pension Plan to the Managerial Employees' Plan. The benefit payable from the General Employees' Pension Plan will reflect years of service as of the date of transfer and average final compensation as of the date the employee terminates service with the City (rather than as of the date of transfer). The Normal Retirement Date to be used for benefit payment purposes is the date in the Managerial Employees' Pension Plan rather than the one in the General Employees' Pension Plan.

2. Effective March 31, 2008, Ordinance No. 08O-02-106 provided for a 3% multiplier for all years of service in the General Employees' Pension Plan for employees who transferred from the General Employees' Pension Plan to the Managerial Employees' Pension Plan subsequent to October 1, 2002 and prior to October 1, 2006.

3. Effective October 1, 2013, the assumed investment return was changed to 7.5% net of investment expenses, and the RP-2000 Combined Healthy Participant Mortality Table using scale AA, with ages set ahead one year, and several other changes in actuarial assumptions were adopted based on an actuarial experience study.

4. Effective October 1, 2014, the assumed investment return was changed to 7.25% net of investment expenses.

5. Effective October 1, 2014, Ordinance No. 150-03-107 provided the following:
    a. Tier I members hired before December 10, 2012 – no changes
    b. Tier II members hired from December 11, 2012 to January 12, 2015 –benefit rate 2.5%
    c. Tier III members hired after January 12, 2012 – benefit rate 2.25%
    d. Tier II and Tier III members become vested after 10 years of service, may retire at the earlier of Age 60 & 15 years of service, Age 65 & 10 years of service, or with 25 years of service regardless of age, and may not participate in the DROP

6. Effective October 1, 2015, the one year age adjustment to the mortality table was eliminated. In addition the amortization period for new bases was shortened to 25 years, and the period for all current bases with more than 25 years remaining was shortened to 25 years.

7. Effective October 1, 2016, the assumed investment return was changed to 7.00% net of investment expenses, the assumed inflation rate was changed to 2.00%, and the mortality table was changed to the FRS Regular Class (Non-Special Risk) tables.

SECTION II

VALUATION RESULTS

COMPARATIVE SUMMARY OF VALUATION RESULTS AS OF OCTOBER 1		
	2018	**2017**
Covered Group		
A. Number of Participants		
Actives	70	76
Management Employees due future benefits	25	27
Retirees, Disabilities, Beneficiaries and Vested Terminations	106	103
Total Covered Annual Payroll*	$ 2,875,440	$ 3,138,231
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	$ 32,651,095	$ 32,506,558
C. Actuarial Present Value of Future Normal Costs	3,272,399	3,508,854
D. Actuarial Accrued Liability (AAL): B - C	29,378,696	28,997,704
E. Valuation Assets	24,570,267	23,215,400
F. Unfunded AAL (UAAL): D–E	4,808,429	5,782,304
Current Cost		
G. Payment Required to Amortize UAAL	$ 461,297	$ 526,856
As % of Payroll	16.04 %	16.79 %
H. Total Normal Cost (for current year, exclusive of funding toward UAAL)	661,397	707,880
As % of Payroll	23.00 %	22.56 %
I. Fiscal Year to which Contributions Apply	2018/2019	2017/2018
J. Interest	41,246	45,362
K. Total Required Contribution if paid Monthly	1,163,940	1,280,098
As % of Payroll	40.48 %	40.79 %
L. Expected Member Contributions	287,544	313,823
As % of Payroll	10.00 %	10.00 %
M. Remaining Required City Contribution	876,396	966,275
As % of Payroll	30.48 %	30.79 %

* Excluding members transferred to the Management Plan.

DERIVATION OF NORMAL COST AS OF OCTOBER 1		
	2018	**2017**
A. Entry Age Normal Costs for Benefits		
1. Service Retirement Benefits	$ 424,893	$ 456,633
2. Vesting Benefits	69,147	72,927
3. Disability Benefits	45,699	48,390
4. Preretirement Death Benefits	6,914	7,544
5. Return of Contributions	40,076	44,535
6. Total	586,729	630,029
B. Normal Cost for Expenses	74,668	77,851
C. Total Normal Cost	661,397	707,880

PRESENT VALUE OF PROJECTED BENEFITS AS OF OCTOBER 1		
	2018	**2017**
A. Present Value of Future Salaries	$ 18,309,021	$ 19,402,195
B. Present Value of Future Member Contributions	1,830,902	1,940,220
C. Present Value of Projected Benefits		
1. Active Members		
a. Service Retirement Benefits	12,009,451	12,846,949
b. Vesting Benefits	640,828	732,538
c. Disability Benefits	531,178	559,902
d. Preretirement Death Benefits	100,339	108,989
e. Return of Contributions	169,936	172,481
f. Total	13,451,732	14,420,859
2. Inactive Members		
a. Service Retirees & DROP	16,785,080	15,871,916
b. Disability Retirees	391,471	396,738
c. Beneficiaries Receiving Benefits	1,154,085	1,201,987
d. Terminated Vested Members	868,727	615,058
e. Total	19,199,363	18,085,699
3. Grand Total	32,651,095	32,506,558

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

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

Original UAAL			Current UAAL		
Date	Original Years	Amount	Years Remaining	Amount	Payment
10/1/02 (Gain)/Loss	30	$ 602,388	14	437,100	46,710
10/1/03 (Gain)/Loss	30	644,765	15	486,731	49,944
10/1/03 Amendment	30	1,330,334	15	1,005,077	103,133
10/1/03 Amendment	30	84,100	15	63,538	6,520
10/1/04 (Gain)/Loss	30	348,586	16	273,376	27,046
10/1/05 (Gain)/Loss	30	(43,434)	17	(35,208)	(3,370)
10/1/05 Technical Change	30	(79,211)	17	(64,210)	(6,146)
10/1/06 (Gain)/Loss	30	(756,362)	18	(630,680)	(58,596)
10/1/06 Assumption Change	30	253,680	18	211,526	19,653
10/1/06 Amendment	30	1,387,234	18	1,156,723	107,470
10/1/07 (Gain)/Loss	30	(368,267)	19	(302,475)	(27,351)
10/1/08 (Gain)/Loss	30	319,941	20	269,309	23,758
10/1/09 (Gain)/Loss	30	1,124,035	21	969,787	83,645
10/1/10 (Gain)/Loss	30	973,884	22	859,290	72,603
10/1/11 (Gain)/Loss	30	869,734	22	788,257	66,601
10/1/12 (Gain)/Loss	30	373,482	22	339,453	28,681
10/1/13 (Gain)/Loss	30	137,745	22	126,820	10,715
10/1/13 Assumption Change	30	1,241,431	22	1,142,961	96,570
10/1/14 (Gain)/Loss	30	(923,985)	22	(861,434)	(72,784)
10/1/14 Assumption Change	30	674,994	22	629,299	53,170
10/1/14 Amendment	30	(11,874)	22	(11,070)	(935)
10/1/15 (Gain)/Loss	25	(357,260)	22	(337,516)	(28,517)
10/1/15 Assumption Change	25	420,080	22	396,864	33,532
10/1/16 (Gain)/Loss	25	(1,099,730)	23	(1,058,965)	(87,799)
10/1/16 Assumption Change	25	915,884	23	881,935	73,121
10/1/17 (Gain)/Loss	25	(1,148,613)	24	(1,127,880)	(91,905)
10/1/18 (Gain)/Loss	25	(800,179)	25	(800,179)	(64,172)
Totals				4,808,429	461,297

The UAAL is being liquidated as a level dollar amount over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

Fiscal Year Ended	UAAL
2018	$ 4,808,429
2019	4,651,432
2020	4,483,445
2021	4,303,699
2022	4,111,371
2027	2,927,919
2032	1,268,067
2037	130,945
2042	0
2043	0

ACTUARIAL GAINS AND LOSSES

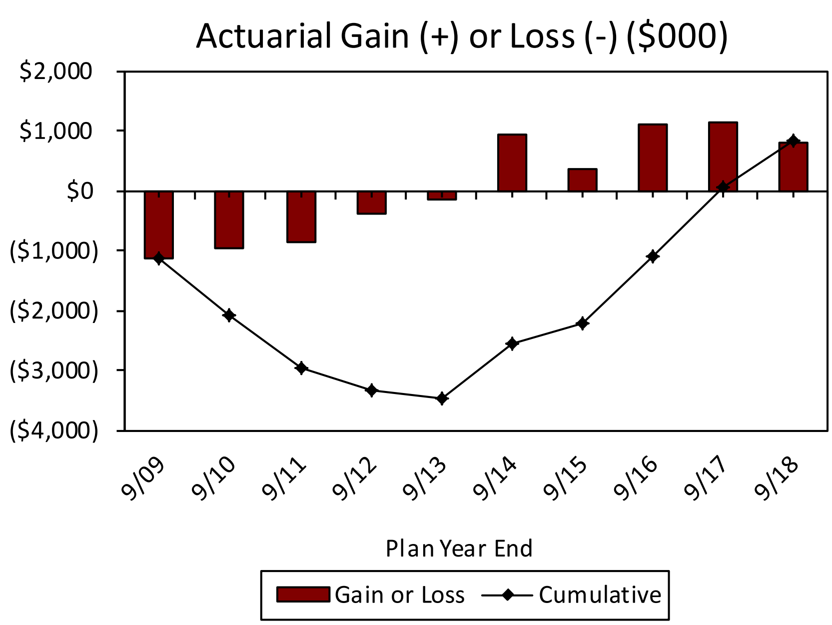
The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long-range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. 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.

DEVELOPMENT OF CURRENT YEAR ACTUARIAL GAIN / (LOSS)

A. Derivation of Experience Gain / (Loss)	
1. Unfunded Actuarial Accrued Liability (UAAL) Previous Valuation	$ 5,782,304
2. Employer Normal Cost (NC) Previous Valuation	394,057
3. City Contributions Previous Year	966,275
4. Interest at Valuation Rate on:	
a. UAAL & NC (full year on (1) and (2))	432,345
b. Contributions (3a)	33,823
c. Net Total: (a) - (b)	398,522
5. Change in UAAL due to Benefit Changes	0
6. Change in UAAL due to Assumption Changes	0
7. Expected UAAL Current Year: (1) + (2) - (3) + (4) + (5) + (6)	5,608,608
8. Actual UAAL Current Year	4,808,429
9. Experience Gain / (Loss): (7) - (8)	800,179
B. Approximate Portion of Gain / (Loss) Due to Investments	336,233
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	463,946

The net actuarial gain (loss) for recent years is:

Year Ending	Actuarial Gain (Loss)
9/30/18	$ 800,179
9/30/17	1,148,613
9/30/16	1,099,730
9/30/15	357,260
9/30/14	923,985
9/30/13	(137,745)
9/30/12	(373,482)
9/30/11	(879,550)
9/30/10	(973,884)
9/30/09	(1,124,035)



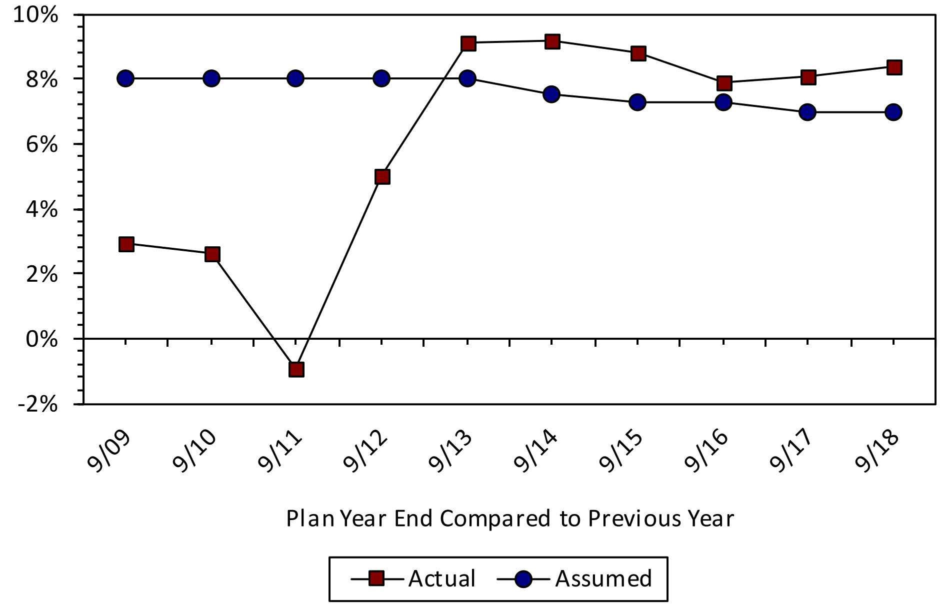
The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they be in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

	Investment Rate of Return			Salary Increase	
Year Ended	Market Value	Actuarial Value	Assumed	Actual	Assumed
9/30/18	10.1 %	8.4 %	7.00 %	2.8 %	5.0 %
9/30/17	15.1	8.1	7.00	2.0	5.0
9/30/16	11.0	7.9	7.25	6.0	5.0
9/30/15	(2.5)	8.8	7.25	2.0	5.0
9/30/14	9.6	9.2	7.50	0.0	5.0
9/30/13	15.8	9.1	8.00	10.5	7.0
9/30/12	19.0	5.0	8.00	2.0	7.0
9/30/11	(4.4)	(0.9)	8.00	1.9	7.0
9/30/10	9.0	2.6	8.00	3.6	7.0
9/30/09	(0.2)	2.9	8.00	12.3	7.0

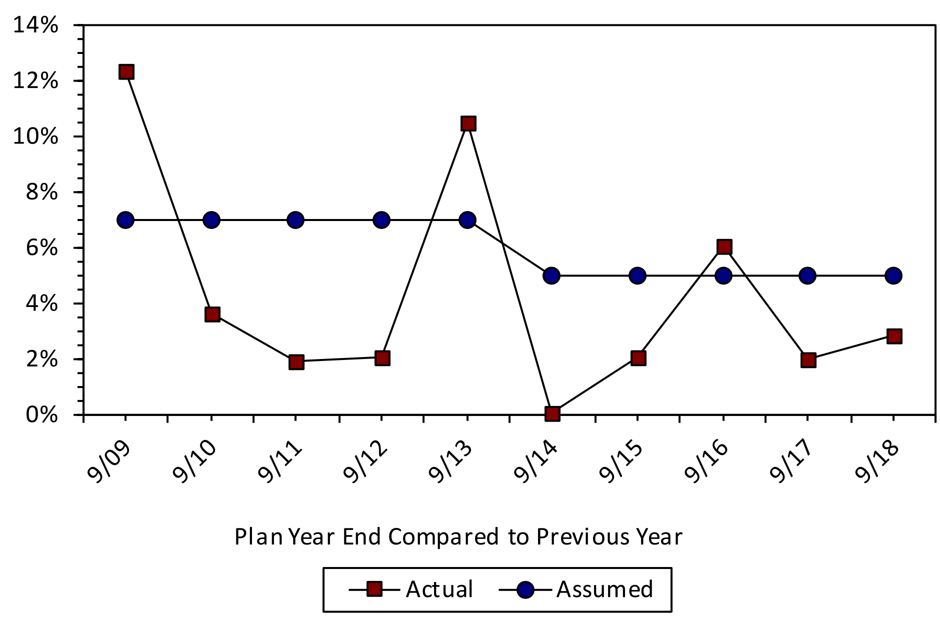
The actual salary increase rates shown above are the increases received by those active members, including management transferees, who were included in both the current and prior valuations.

Note: Prior to the October 1, 2016 valuation, actual increases shown reflect an assumed 5% increase over the prior reported pay for management transferees when actual pays were not available.

History of Investment Return
Based on Actuarial Value of Assets



History of Salary Increases



RECENT HISTORY OF VALUATION RESULTS								
Valuation Date	Number of Members			Covered Annual Payroll	Actuarial Value of Assets	UAAL	Employer Normal Cost	
	Active	Mgt Xfr[1]	Inactive				Amount	% of Payroll
10/1/18	70	25	106	$2,875,440	$24,570,267	$4,808,429	$373,853	13.00 %
10/1/17	76	27	103	3,138,231	23,215,400	5,782,304	394,057	12.56
10/1/16	83	29	96	3,525,214	21,838,774	7,113,431	423,769	12.02
10/1/15	84	25	96	3,543,395	20,400,790	7,566,214	361,431	10.20
10/1/14	81	27	92	3,472,515	18,643,107	7,777,926	389,975	11.23
10/1/13	85	25	90	3,776,063	17,133,048	8,285,475	374,165	9.91
10/1/12	82	21	92	3,453,665	15,606,667	7,117,289	340,497	9.86
10/1/11	87	22	96	3,616,860	15,336,711	6,914,221	347,431	9.61
10/1/10	91	23	104	3,756,141	15,597,828	6,187,152	357,435	9.52
10/1/09	109	13	96	4,357,098	15,522,330	5,350,700	363,262	8.34

[1]*Members who have transferred to the Managerial Plan and are entitled to future benefits from this Plan which reflect earnings while covered by the Management Plan.*

SCHEDULE OF FUNDING PROGRESS						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age 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)]
10/01/18	$ 24,570,267	$ 29,378,696	$ 4,808,429	83.6 %	$ 2,875,440	167.2 %
10/01/17	23,215,400	28,997,704	5,782,304	80.1	3,138,231	184.3
10/01/16	21,838,774	28,952,205	7,113,431	75.4	3,525,214	201.8
10/01/15	20,400,790	27,967,004	7,566,214	72.9	3,543,395	213.5
10/01/14	18,643,107	26,421,033	7,777,926	70.6	3,472,515	224.0
10/01/13	17,133,048	25,418,523	8,285,475	67.4	3,776,063	219.4
10/01/12	15,606,667	22,723,956	7,117,289	68.7	3,453,665	206.1
10/01/11	15,336,711	22,250,932	6,914,221	68.9	3,616,860	191.2
10/01/10	15,597,828	21,784,980	6,187,152	71.6	3,756,141	164.7
10/01/09	15,522,330	20,873,030	5,350,700	74.4	4,357,098	122.8

FASB NO. 35 INFORMATION
AS OF OCTOBER 1

	2018	2017
A. Number of Members Included in the Calculations		
1. Retirees & beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	106	103
2. Management Transferees entitled to benefits but not yet receiving them	25	27
3. Current Employees		
a. Non Vested	33	32
b. Vested	37	44
c. Total	70	76
4. Total	201	206
B. Statement of Accumulated Plan Benefits		
1. Actuarial present value (APV) of accumulated vested plan benefits		
a. Participants currently receiving benefits	$18,330,636	$17,470,641
b. DROP Reserve	520,048	248,297
c. Other participants	9,395,831	9,654,020
d. Total	28,246,515	27,372,958
2. APV of accumulated non-vested plan benefits	116,892	389,306
3. Total APV of accumulated plan benefits	28,363,407	27,762,264
C. Statement of Change in Accumulated Plan Benefits		
1. Actuarial present value of accumulated plan benefits as of beginning of year	27,762,264	27,279,611
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in assumptions/methods	0	0
c. Benefits paid and contributions refunded	(1,565,497)	(1,765,589)
d. Interest, benefits accumulated, other	2,166,640	2,248,242
e. Net Increase	601,143	482,653
3. Actuarial present value of accumulated plan benefits as of end of year	28,363,407	27,762,264
D. Assumed rate of return	7.00%	7.00%
E. Market Value of Assets	$26,748,038	$24,621,087
F. Funded Ratio	94.30%	88.69%

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

Fiscal year ending September 30,	2019*	2018	2017	2016	2015	2014
Total pension liability						
Service Cost	$ 586,729	$ 630,029	$ 677,372	$ 652,913	$ 673,960	$ 682,926
Interest	2,101,669	2,100,602	2,107,824	2,036,952	1,936,129	1,923,089
Benefit Changes	-	-	-	-	(11,874)	-
Difference between actual & expected experience	(481,149)	(978,033)	(1,073,581)	(73,178)	(646,450)	(4,059)
Assumption Changes	-	-	936,429	420,080	674,994	-
Benefit Payments	(1,799,908)	(1,459,982)	(1,672,465)	(1,633,810)	(1,382,619)	(1,708,640)
Refunds	(22,709)	(105,515)	(93,124)	(74,140)	-	-
Other	-	-	-	-	-	-
Net Change in Total Pension Liability	384,632	187,101	882,455	1,328,817	1,244,140	893,316
Total Pension Liability - Beginning	30,348,416	30,161,315	29,278,860	27,950,043	26,705,903	25,812,587
Total Pension Liability - Ending (a)	$ 30,733,048	$ 30,348,416	$ 30,161,315	$ 29,278,860	$ 27,950,043	$ 26,705,903
Plan Fiduciary Net Position						
Contributions - Employer (From City)	$ 876,396	$ 966,275	$ 1,095,544	$ 1,162,968	$ 1,212,601	$ 1,224,361
Contributions - Employer (From State)	-	-	-	-	-	-
Contributions - Non-Employer Contributing Entity	-	-	-	-	-	-
Contributions - Member	287,544	333,757	349,378	358,574	356,306	358,549
Net Investment Income	1,846,696	2,467,119	3,254,358	2,169,338	(512,452)	1,786,880
Benefit Payments	(1,799,908)	(1,459,982)	(1,672,465)	(1,633,810)	(1,382,619)	(1,708,640)
Refunds	(22,709)	(105,515)	(93,124)	(74,140)	-	-
Administrative Expense	(74,668)	(74,703)	(74,633)	(81,069)	(67,020)	(58,696)
Other: Adjustment to Beginning of Year	-	-	-	118	-	-
Net Change in Plan Fiduciary Net Position	1,113,351	2,126,951	2,859,058	1,901,979	(393,184)	1,602,454
Plan Fiduciary Net Position - Beginning	26,748,038	24,621,087	21,762,029	19,860,050	20,253,234	18,650,780
Plan Fiduciary Net Position - Ending (b)	$ 27,861,389	$ 26,748,038	$ 24,621,087	$ 21,762,029	$ 19,860,050	$ 20,253,234
Net Pension Liability - Ending (a) - (b)	2,871,659	3,600,378	5,540,228	7,516,831	8,089,993	6,452,669
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.66 %	88.14 %	81.63 %	74.33 %	71.06 %	75.84 %
Covered Payroll**	$ 2,875,440	$ 3,337,570	$ 3,493,780	$ 3,585,740	$ 3,563,060	$ 3,585,490
Net Pension Liability as a Percentage of Covered Payroll	99.87 %	107.87 %	158.57 %	209.63 %	227.05 %	179.97 %

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

** Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 10%.

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

FY Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll**	Net Pension Liability as a % of Covered Payroll
2014	$ 26,705,903	$ 20,253,234	$ 6,452,669	75.84%	$ 3,585,490	179.97%
2015	27,950,043	19,860,050	8,089,993	71.06%	3,563,060	277.05%
2016	29,278,860	21,762,029	7,516,831	74.33%	3,585,740	209.63%
2017	30,161,315	24,621,087	5,540,228	81.63%	3,493,780	158.57%
2018	30,348,416	26,748,038	3,600,378	88.14%	3,337,570	107.87%
2019*	30,733,048	27,861,389	2,871,659	90.66%	2,875,440	99.87%

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.
** Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 10%.

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

Valuation Date:	October 1, 2018
Measurement Date:	September 30, 2019

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.00%
Salary Increases	5.0%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Mortality Tables with collar adjustments and generational projetions using Scale BB as used by the Florida Retirement System for Regular Class Members in the July 1, 2016 Actuarial Valuation.

Other Information:

Notes	See Discussion of Valuation Results on Page 1

SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 67

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll**	Actual Contribution as a % of Covered Payroll
2010	920,970	920,970	0	4,005,580	22.99%
2011	993,731	993,731	0	3,631,980	27.36%
2012	1,056,516	1,056,516	0	3,495,200	30.23%
2013	1,103,955	1,103,955	0	3,798,110	29.07%
2014	1,224,361	1,224,361	0	3,585,490	34.15%
2015	1,200,656	1,212,601	(11,945)	3,563,060	34.03%
2016	1,174,771	1,162,968	11,803	3,585,740	32.43%
2017	1,095,544	1,095,544	0	3,493,780	31.36%
2018	966,275	966,275	0	3,337,570	28.95%
2019*	876,396	876,396	0	2,875,440	30.48%

* These figures are estimates only. Actual figures will be provided after the end of the fiscal year.
** Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 10%.

NOTES TO SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 67

Valuation Date:	October 1, 2018
Notes	Actuarially determined contribution rates are calculated as of the October 1 which is one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	4-year smoothed market
Inflation	2.00%
Salary Increases	5.0%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Mortality Tables with collar adjustments and generational projetions using Scale BB as used by the Florida Retirement System for Regular Class Members in the July 1, 2016 Actuarial Valuation.
Other Information:	
Notes	See Discussion of Valuation Results on Page 1

SINGLE DISCOUNT RATE
GASB Statement No. 67

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

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

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

1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
$6,284,242	$2,871,659	$18,441

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

ACTUARIAL COST METHODS AND ASSUMPTIONS AS OF OCTOBER 1, 2018

Valuation Methods

Actuarial Cost Method	Entry Age Actuarial Cost Method.
Actuarial Value of Assets	The difference between actual and assumed return is recognized evenly over four years.
Financing Unfunded Actuarial Accrued Liabilities	Unfunded actuarial accrued liabilities are amortized by level dollar contributions over a fixed number of years.

Actuarial Assumptions

Rationale for Assumptions: The covered group is too small to provide statistically significant experience on which to base certain demographic assumptions. The investment return assumption is per direction from the Board of Trustees based on information from their investment consultant. The mortality table is based on the assumption used by the Florida Retirement System, as required by Florida Statutes Chapter 112.63. The other actuarial assumptions are based on a combination of the results of the experience study issued January 2013 and input from the Board of Trustees.

Investment Earnings	7.00% per direction from the Board of Trustees based on information from their investment consultant. The 7.00% is per year, on a net basis, after payment of investment expenses, compounded annually.
Salary Increases	5.00% per year from valuation date to the assumed retirement age. See Table on page 25.
Increase in Covered Payroll	NA
Inflation	2.00% per year.
Retirement Rates	80% probability before age 65 and 100% thereafter. Early Retirement assumed at after age 55 with 15 years of service, at the rate of 1.0% per year of those eligible.

Mortality Rates

Rates used are the same rates currently in use for Regular Class (non-special risk) members of the Florida Retirement System (FRS), as mandated by Florida Statutes Chapter 112.63. The table is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. For disabled lives, the mortality table used was the RP-2000 Mortality Table for Disabled Annuitants, set-back 4 years for males and set-forward 2 years for females, with no provision being made for future mortality improvements. Sample rates follow:

FRS Regular Class Post-Retirement Healthy Mortality

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

FRS Regular Class Pre-Retirement Healthy Mortality

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

FRS Regular Class Post Retirement Disabled Mortality

Sample Ages in 2018	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	2.38%	1.35%	20.25	23.74
55	3.03%	1.87%	17.78	20.46
60	3.67%	2.41%	15.55	17.43
65	4.35%	3.13%	13.44	14.58
70	5.22%	4.29%	11.39	11.96
75	6.58%	5.95%	9.43	9.65
80	8.70%	8.23%	7.65	7.66

Turnover Rates See Table below.

Disability See Table below.

Age	Disability Rate During Year	Termination Rate During Year	Current Salary as% of Salary at Age 62
20	0.07%	20.7%	12.9%
30	0.11	14.1	21.0
40	0.19	8.5	34.2
50	0.51	3.5	55.7
60	1.66	0.0	90.7

Administrative Expense Average actual expenses paid during the previous two years.

Changes since last Valuation None.

Miscellaneous and Technical Assumptions

Administrative & Investment Expenses	The investment return assumption is net of investment expenses. The assumed annual administrative expenses are the average of the current and prior year's actual non-investment expenses. Assumed administrative expenses are added to the Normal Cost.
Benefit Service	Exact fractional service is used to determine the amount of benefit payable.
Decrement Operation	Disability and mortality decrements operate during retirement eligibility.
Decrement Timing	The normal retirement decrement is assumed to occur in the middle of the year. All other decrements are assumed to occur at the beginning of the year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Forfeitures	For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
Incidence of Contributions	Employer contributions are assumed to be made monthly. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
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.
Normal Form of Benefit	A life annuity is the normal form of benefit.
Pay Increase Timing	Beginning of year, assuming reported pays represent amounts paid to members during the year ended on the valuation date.
Service Credit Accruals	It is assumed members accrue one year of service credit per year.

GLOSSARY OF TERMS

Actuarial Accrued Liability (AAL)	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
Actuarial Assumptions	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.
Actuarial Cost Method	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.
Actuarially Determined Employer Contribution (ADEC)	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADEC consists of the Employer Normal Cost and Amortization Payment.
Actuarial Equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV)	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.
Actuarial Present Value of Future Benefits (APVFB)	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, nonretired 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.
Actuarial Valuation	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.
Actuarial Value of Assets	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 (ADEC).

Amortization Method	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.
Amortization Payment	That portion of the plan contribution or ADEC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Amortization Period	The period used in calculating the Amortization Payment.
Closed Amortization Period	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.
Employer Normal Cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Entry Age Actuarial Cost Method	Method under which the current year's cost, or Normal Cost is calculated for each individual. The Normal Cost is the amount, determined as a level amount which, if deposited each year from the time an employee was first included in the actuarial valuation (or would have been had the plan been in effect) until retirement, would fully fund his or her benefit. The Entry Age Actuarial Liability at any given time is equal to the Actuarial Present Value of Projected Benefits minus the Actuarial Present Value of future Normal Costs. Under the Entry Age Actuarial Cost Method, experience gains (losses) reduce (increase) the Actuarial Accrued Liability. Increases or decreases in the Actuarial Accrued Liability will also occur as a result of changes in pension Plan benefits, actuarial assumptions, or asset valuation methods.
Equivalent Single Amortization Period	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.
Experience Gain/Loss	A measure of the difference between the normal cost rate from last year and the normal cost rate from this year.
Funded Ratio	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
GASB	Governmental Accounting Standards Board.

GASB No. 67 and GASB No. 68	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.
Normal Cost	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

PENSION FUND INFORMATION

MARKET VALUE OF ASSETS AT SEPTEMBER 30				
	2018		2017	
Cash & Securities				
Cash	$	131,293	0.4%	$ 140,444
Mutual Funds - Equity		13,967,795	52.3%	14,083,590
Mutual Funds - International		4,240,354	15.9%	3,773,094
Mutual Funds - Fixed Income		4,904,385	18.3%	4,649,804
Mutual Funds - Absolute Return		2,641,380	9.9%	1,100,410
Real Estate (Mortgages)		850,000	3.2%	850,000
Sub-Total		26,735,207	100.0%	24,597,342
Receivables & Accruals				
Accrued Income and Other Receivables		12,831		29,918
Payables/Prepaid				
Accounts Payable		0		6,173
Total Assets & Liabilities at Market Value		26,748,038		24,621,087
Reserve for DROP Accounts		520,048		248,297
Market Value of Assets, Net Reserve		26,227,990		24,372,790

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED SEPTEMBER 30		
	2018	2017
Available Market Value of Fund, Beginning of Year	$ 24,621,087	$ 21,762,029
Receipts		
Contributions		
Members	333,757	349,378
City		
Prepaid Prior Year	0	0
Actual During Current Year	966,275	1,095,544
Total Contributions	1,300,032	1,444,922
Investment Income		
Dividends & Interest	1,454,782	1,038,221
Realized & Unrealized Gains (Losses)*	1,035,232	2,246,646
Investment & Custodial Expenses	(34,561)	(30,563)
Total Investment Income	2,455,453	3,254,304
Other Income	11,666	54
Total Receipts	3,767,151	4,699,280
Disbursements		
Benefit Payments & DROP Distributions	1,459,982	1,672,465
Refund of Contributions with Interest	105,515	93,124
Administrative Expenses	74,703	74,633
Total Disbursements	1,640,200	1,840,222
Net Increase (Decrease) in Fund	2,126,951	2,859,058
Value of Fund at End of Year	26,748,038	24,621,087
Reserve for DROP Accounts	520,048	248,297
Value of Fund at End of Year, Net Reserve	26,227,990	24,372,790

*A detailed breakdown of realized and unrealized gains(losses) was not provided.

ACTUARIAL VALUE OF ASSETS SEPTEMBER 30		
	2018	2017
A. Preliminary Valuation Assets, including Reserves, at Beginning of Year	$ 23,463,697	$ 22,080,305
B. Contributions	1,300,032	1,444,922
C. Benefit Payments and Administrative Expenses	1,640,200	1,840,222
D. Actual Investment Earnings Net Investment Expenses	2,467,119	3,254,358
E. Expected Investment Earnings	1,630,553	1,531,786
F. Excess of Actual over Expected Investment Earnings: D-E	836,566	1,722,572
G. Recognition of Excess Earnings Over 4 Years		
1. From This Year	209,142	430,643
2. From One Year Ago	430,643	169,014
3. From Two Years Ago	169,014	(472,567)
4. From Three Years Ago	(472,566)	119,816
5. Total	336,233	246,906
H. Preliminary Valuation Assets at End of Year: A+B-C+E+G5	25,090,315	23,463,697
I. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	21,398,430	19,696,870
2. 120% of Market Value	32,097,646	29,545,304
3. Valuation Assets	25,090,315	23,463,697
J. Adjustment for Reserves -- DROP	(520,048)	(248,297)
K. Final Valuation Assets at End of Year	24,570,267	23,215,400
J. Investment earnings recognized in the Valuation Assets:	1,966,786	1,778,692

Reconciliation of DROP Accounts						
Year Ended	Balance at Beginning of Year	Adjustments	Credits	Interest	Distributions	Balance at End of Year
9/30/18 *	$ 248,297	$ 1,264	$ 271,072	$ 37,156	$ 37,741	$ 520,048
9/30/17 *	241,531	0	151,198	24,893	169,325	248,297
9/30/16 *	329,941	0	91,773	25,354	205,537	241,531
9/30/15 *	301,540	0	86,287	(3,173)	54,713	329,941
9/30/14 *	394,064	0	77,283	21,230	191,037	301,540
9/30/13 *	594,941	0	122,393	65,907	389,177	394,064
9/30/12 *	849,636	0	180,001	107,755	542,451	594,941
9/30/11 *	901,130	0	232,386	0	283,880	849,636
9/30/10 **	579,041	0	308,990	73,197	60,098	901,130

* Estimate
** Provided by auditor

INVESTMENT RATE OF RETURN

The investment rate of return has been calculated on the following bases:

Basis 1 - **Market Value Basis -** Interest, dividends, realized gains (losses) and unrealized appreciation (depreciation) less investment expenses, divided by the weighted average of the market value of the fund during the year. This figure is normally called the net Total Rate of Return.

Basis 2 - **Valuation Asset Basis -** Investment earnings recognized in the Actuarial Value of Assets divided by the weighted average of the Actuarial Value of Assets during the year.

	Investment Rate of Return	
Year Ended	**Basis 1**	**Basis 2**
9/30/18	10.1 %	8.4 %
9/30/17	15.1	8.1
9/30/16	11.0	7.9
9/30/15	(2.5)	8.8
9/30/14	9.6	9.2
9/30/13	15.8	9.1
9/30/12	19.0	5.0
9/30/11	(4.4)	(0.9)
9/30/10	9.0	2.6
9/30/09	(0.2)	2.9
Average Compounded Rate of Return for Last 5 Years	8.5	8.5
Average Compounded Rate of Return for Last 10 Years	8.0	6.1

SECTION IV

MEMBER STATISTICS

STATISTICAL DATA			
	10/1/2018	**10/1/2017**	**10/1/2016**
Active Partipants			
Number	70	76	83
Total Annual Earnings	$ 2,738,514	$ 2,988,791	$ 3,357,347
Average Annual Earnings	39,122	39,326	40,450
Averages			
Current Age	45.5	45.2	45.1
Age at Employment	36.9	36.6	36.1
Past Service	8.6	8.6	9.0
Service at Age 62	25.1	25.4	25.9
Confidential & Managerial Employees Retirement Plan Transfers			
Number	25	27	29
Total Annual Earnings	$ 1,633,763	$ 1,646,160	$ 1,714,788
DROP Members			
Number	10	8	3
Total Annual Pension	$ 270,738	$ 236,064	$ 87,245
Average Monthly Benefit	2,256	2,459	2,423
Retirees and Beneficiaries			
Number	79	81	82
Total Annual Pension	$ 1,387,820	$ 1,365,075	$ 1,346,020
Average Monthly Benefit	1,464	1,404	1,368
Disability Retirees			
Number	6	6	6
Total Annual Pension	$ 44,501	$ 44,501	$ 44,501
Average Monthly Benefit	618	618	618
Terminated Members with Vested Benefits			
Number	11	8	5
Total Annual Pensions	$ 123,584	$ 76,821	$ 35,781
Average Monthly Benefit	936	800	596

Age and Service Distribution

Active Employees

As of October 1, 2018

	Years of Past Service											
Ages	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Totals
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	1	0	0	0	0	0	0	0	0	0	0	1
25-29	2	2	1	1	0	0	0	0	0	0	0	6
30-34	1	1	1	0	1	2	2	0	0	0	0	8
35-39	2	0	1	0	0	1	1	2	0	0	0	7
40-44	2	0	0	0	0	1	5	0	0	0	0	8
45-49	0	0	1	1	0	0	3	3	0	0	0	8
50-54	0	3	3	0	2	0	6	0	0	0	0	14
55-59	1	0	2	0	0	2	3	7	1	0	0	16
60-64	0	0	0	0	0	0	0	2	0	0	0	2
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
Totals	9	6	9	2	3	6	20	14	1	0	0	70

Reconciliation of Membership Data From 10/1/17 to 9/30/18		
A. Active Members		
1	Number Included in Last Valuation	76
2	New Members Included in Current Valuation	13
3	Non-Vested Employment Terminations	(11)
4	Vested Employment Terminations	(3)
5	DROP Retirements	(3)
6	Service Retirements	(1)
7	Transfers from/(to) Confidential & Managerial Plan	(1)
8	Number Included in This Valuation	70
B. Active Members Transferred to the Confidential & Managerial Employees Retirement Plan		
1	Number Included in Last Valuation	27
2	Additions from Active Members	1
3	Non-Vested Termination	(1)
4	Payments Commenced	0
4	Vested Employment Terminations	(1)
5	DROP Retirements	(1)
6	Number Included in This Valuation	25
C. Terminated Vested Members		
1	Number Included in Last Valuation	8
2	Additions from Active Members	4
3	Lump Sum Payments and Refunds	(1)
4	Payments Commenced	0
5	Number Included in This Valuation	11
D. DROP Members		
1	Number Included in Last Valuation	8
2	Additions from Active Members	4
3	Retirement Payments Commenced	(2)
4	Number Included in This Valuation	10
E. Service Retirees, Disability Retirees and Beneficiaries		
1	Number Included in Last Valuation	87
2	Additions from Active Members	1
3	Additions from DROP	2
4	Additions from Terminated Vested	0
5	Deaths Resulting in No Further Payments	(5)
6	Number Included in This Valuation	85

SECTION V

SUMMARY OF RETIREMENT PLAN PROVISIONS

CITY OF LAUDERHILL GENERAL EMPLOYEES RETIREMENT SYSTEM
SUMMARY OF PLAN PROVISIONS EFFECTIVE OCTOBER 1, 2018
INCLUDING ORDINANCE NO. 150-03-107

A. Ordinances

Plan established under the Code of Ordinances for the City of Lauderhill, Florida, Chapter 2, Article II, Division 3, Part 2, and was most recently amended under Ordinance No. 150-03-107 passed and adopted on April 13, 2015. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

July 1, 1977

C. Plan Year

October 1 through September 30.

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

All full-time employees that are not police officers. Effective October 1, 2002, Management and Confidential Employees are covered in a separate plan.

Tier I members are members hired before December 10, 2012.

Tier II members are members hired from December 11, 2012 to January 12, 2015.

Tier III members are members hired after January 12, 2015

F. Continuous Service

Service is measured as the total number of years and completed months of continuous service from the date of employment to the date of termination or retirement. No service is credited for any periods of employment for which the member received a refund of Employee Contributions.

G. Earnings

Basic compensation paid by the City excluding overtime, bonuses, and any other non-regular payments.

H. Average Monthly Earnings (AME)

The average of Earnings during the highest 5 consecutive years of the last 10 prior to termination or retirement.

I. Normal Retirement

Eligibility: Tier I: A participant may retire on the first day of the month coincident with or next following the earlier of:

(1) age 62 with 7 years of Continuous Service, or
(2) 20 years of Continuous Service regardless of age.

Tier II and Tier III: A participant may retire on the first day of the month coincident with or next following the earlier of:

(1) age 60 with 15 years of Continuous Service, or
(2) age 65 with 10 year of Continuous Service, or
(3) 25 years of Continuous Service regardless of age.

Benefit: Tier I: 3.0% of AME multiplied by years of Continuous Service.

Tier II: 2.5% of AME multiplied by years of Continuous Service.

Tier III: 2.25% of AME multiplied by years of Continuous Service.

For members who transferred to the Management Plan, service will be calculated as of the date of transfer and the AME will be calculated as of the date of termination. Additionally, for members who transferred to the Management Plan after October 1, 2002 and before October 1, 2006, the benefit multiplier will be 3.0% for all years of Continuous Service in the General Plan.

Minimum: $25 per month multiplied by years of Continuous Service, up to a maximum of $250 per month at 10 years of Continuous Service.

Normal Form of Benefit: Single Life Annuity; other options are available.

COLA: There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases).

J. Early Retirement

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon the attainment of age 55 with 15 years of Continuous Service.

Benefit: The Normal Retirement Benefit is actuarially reduced (1/15th-1/30th method) for each month by which the Early Retirement date precedes the Normal Retirement date.

Normal Form of Benefit: Single Life Annuity; other options are available.

COLA: There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases).

K. Delayed Retirement

Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

L. Service Connected Disability

Eligibility: Any member who becomes totally and permanently disabled as a direct result of illness or injury while in the performance of duties for the City is eligible for a disability benefit.

Benefit: The greater of the accrued Normal Retirement Benefit or 20% of the monthly rate of Earnings on the date of disability. Total disability benefits including social security and worker's compensation are subject to a cap of 100% of the rate of Earnings.

Note: Continuous Service during disability shall be credited for retirement benefit purposes

Normal Form of Benefit: Payable until the earlier of death or recovery from disability.

COLA: There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases).

M. Non-Service Connected Disability

Eligibility: Any member with 2 or more years of Continuous Service who becomes totally and permanently disabled from an illness or injury not related to the performance of duties for the City is eligible for a disability benefit.

Benefit: The greater of the accrued Normal Retirement Benefit or 20% of the monthly rate of Earnings on the date of disability. Total disability benefits including social security and worker's compensation are subject to a cap of 100% of the rate of Earnings.

Note: Continuous Service during disability shall be credited for retirement benefit purposes

Normal Form of Benefit: Payable until the earlier of death or recovery from disability.

COLA: There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases).

N. Death in the Line of Duty

Eligibility: Any member who dies as a direct result of an occurrence arising in the performance of duties for the City is eligible for survivor benefits.

Benefit: 20% of the member's monthly rate of Earnings on the date of death payable to the spouse. If there is no spouse, the benefit is divided equally among any surviving children.

Normal Form of Benefit: Benefit is paid until death or remarriage of the spouse or until age 18 for any surviving children.

COLA: There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases).

O. Other Pre-Retirement Death

Eligibility: Any member who is eligible for Early or Normal Retirement who dies while actively working prior to actual retirement is eligible for survivor benefits.

Benefit: If the member has a spouse, the benefit is paid as if the member had elected a 50% joint and survivor benefit with the spouse as beneficiary.

If there is no spouse, the benefit is paid as if the member had elected a 10 year certain and life benefit to be split equally between any surviving children.

Normal Form of Benefit: Spouse's benefit is paid until the latest of death or remarriage; upon death or remarriage the benefit continues until the youngest child reaches the age of 18.

When there is no spouse at the time of death, any surviving children's benefits are paid until the latest of 10 years or the date the youngest child reaches the age of 18.

COLA: There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases).

P. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

Q. Optional Forms

Each member entitled to a Retirement benefit may elect, in lieu of the Normal Form of benefit, a 10 Year Certain and Life option, or a 50%, 75% or 100% Joint and Last Survivor option.

R. Vested Termination

Eligibility: A participant has earned a non-forfeitable right to Plan benefits after the completion of the requisite years of Continuous Service if accumulated contributions are left in the fund. Members in Tier I are vested after 7 years of service. Members in Tiers II and III are vested after 10 years of service.

Benefit: The participant's accrued Normal Retirement Benefit as of the date of termination. Benefit begins at the member's Normal Retirement date.

Normal Form of Benefit: Single Life Annuity; other options are available.

COLA: There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases).

S. Refunds

Eligibility: Non-vested members terminating employment will receive a refund of their own accumulated Member Contributions with interest. Vested members may elect a refund in lieu of the vested benefits otherwise due.

Benefit: Refund of the Member's Contributions with interest. The current annual rate of interest is 3.0%.

T. Member Contributions

10.0% of Earnings effective 10/1/07.

Employer "pick-up" of Member Contributions was effective 1/13/92.

U. Employer Contributions

Any additional amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases), as provided below.

An ad hoc 9.25% increase was granted to retirees and beneficiaries receiving payments as of 10/1/91, with smaller increases applicable to those whose benefits started after 7/1/88.

An ad hoc 3.00% increase was granted to retirees and beneficiaries receiving payments as of 11/25/02.

W. 13th Check

None.

X. Deferred Retirement Option Plan

Eligibility: Plan members in Tier I are eligible for the DROP on the first day of the month coincident with or next following Normal Retirement Eligibility with at least 20 years of Continuous Service. Plan members in Tier II and III are not eligible for the DROP.

Members who meet eligibility must submit a written election to participate in the DROP.

Benefit: The member's Continuous Service and AME are frozen upon entry into the DROP.

The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Continuous Service and AME. The maximum DROP period is 60 months.

Interest
Credited: The member's DROP account is credited or debited at a rate equal to the actual net rate of investment return realized by the Plan.

Form of
Benefit: Upon exit from the DROP, the DROP account is payable as a lump sum payout, installment payments, a direct rollover to an IRA or other qualified plan, or a combination of these payment options.

COLA: There are currently no automatic COLA's; although the City has adopted ad hoc COLA increases in the past (refer to Section V, Cost of Living Increases).

Y. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Lauderhill General Employees' Retirement System liability if continued beyond the availability of funding by the current funding source.

For employees who transfer from the General Employees' Pension Plan to the Managerial Employees' Pension Plan, the benefit payable from the General Employees' Pension Plan reflects years of service as of the date of transfer and average final compensation as of the date the employee terminates service with the City (rather than as of the date of transfer). In addition, the Normal Retirement Date to be used for benefit payment purposes is the date in the Managerial Employees' Pension Plan rather than the one in the General Employees' Pension Plan.

Z. Changes from Previous Valuation

None.