

# City of Dania Beach Retirement Plan for General Employees

Actuarial Valuation Report as of October 1, 2021

Annual Employer Contribution is Determined by this  
Valuation for the Fiscal Year Ending September 30, 2023





April 29, 2022

Board of Trustees  
City of Dania Beach Retirement Plan  
for General Employees  
Dania Beach, Florida

Dear Board Members:

The results of the October 1, 2021 Annual Actuarial Valuation of the City of Dania Beach Retirement Plan for General Employees are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2023, and to report the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for fiscal year ending September 30, 2021. 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 B of this report. This report includes risk metrics in Section A but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the Plan's financial condition.

This 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 or other information through September 30, 2021. The valuation was based upon information furnished by the Plan Administrator and the City concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator or the City.

This report was prepared using certain assumptions approved by the Board as authorized under Florida Statutes and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Cost Method. The investment return assumption was prescribed by the Board and the assumed mortality rates detailed in the Actuarial Assumptions and Cost Method section were prescribed by the Florida Statutes in accordance with Florida Statutes Chapter 112.63. All actuarial assumptions used in this report are reasonable for purposes of this valuation.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

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

Dina Lerner and Travis Robinson are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.


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

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

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## **SECTION A**

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### **DISCUSSION OF VALUATION RESULTS**

# DISCUSSION OF VALUATION RESULTS

## Closed Plan

In reviewing this Report, it is important for the reader to keep in mind that this Plan was closed to new members after February 28, 2006. One consequence of this closure is that the required employer contribution will have a tendency to increase as a percentage of covered payroll as such payroll decreases from year to year.

## Comparison of Required Employer Contributions

The minimum required employer contribution developed in this year's valuation is compared below with last year's results.

	For FYE 9/30/2023 Based on 10/1/2021 Valuation	For FYE 9/30/2022 Based on 10/1/2020 Valuation	Increase (Decrease)
Required Employer Contribution	\$ 1,054,714	\$ 1,164,792	(110,078)
As % of Covered Payroll	136.69 %	144.85 %	(8.16) %
Estimated Pick-Up Contribution	\$ 124,072	\$ 129,307	\$ (5,235)
As % of Covered Payroll	16.08 %	16.08 %	0.00 %
Total Employer Contribution	\$ 1,178,786	\$ 1,294,099	\$ (115,313)
As % of Covered Payroll	152.77 %	160.93 %	(8.16) %

The contribution has been adjusted for interest on the basis that the contribution is paid at the end of each quarter during the fiscal year.

The actual employer contribution for the year ending September 30, 2021 was \$1,209,601, an amount equal to the minimum required employer contribution.

## Revisions in Benefits

There have been no revisions in benefits since the prior valuation.

## Revisions in Actuarial Assumptions and Methods

There have been no revisions in actuarial assumptions or methods since the prior valuation.



## Actuarial Experience

The Plan experienced a net actuarial gain of \$611,103 for the year which means that actual experience was more favorable than expected. The actuarial gain was primarily due to a higher than expected recognized return on the smoothed value of assets (8.76% actual return versus 6.40% expected). The return on the market value of assets was 18.92%.

## Funded Ratio

This year's funded ratio is 94.8% compared to 89.5% last year. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

## Analysis of Change in Employer Contribution

The components of change in the required City contribution excluding the estimated pick-up contributions are as follows:

Contribution last year	\$ 1,164,792
Change in employer normal cost	(3,531)
Change in administrative expense	2,371
Change in assumptions/methods	-
Experience gain/loss	(82,627)
Amortization Payment on UAAL	<u>(26,291)</u>
Contribution this year	\$ 1,054,714

## Variability of Future Contribution Rates

The market value of assets exceeds the actuarial value of assets by \$2,086,843 as of the valuation date (see Section C). This difference will be gradually recognized over the next four years causing the required contribution to decrease, in the absence of offsetting losses.

## Relationship to Market Value

If we were not using an asset smoothing method, the required employer contribution before reflecting the estimated pick-up contribution would have been approximately \$130,000 and the funded ratio would have been 102.1%. This funded ratio (on a market value basis) is up from 87.9% last year.

## Cost of Living Adjustment (COLA)

The Plan allows a COLA to be provided on April 1st if there is an actuarial gain for the previous year. Additionally, according to Florida Statute Section 112.61, a COLA tied to experience gains must have an accumulated gain since the provision was adopted. As shown on the following page, there is an accumulated actuarial loss as of October 1, 2021. Therefore, no COLA is payable this year.



## Future Benefit Reserve and Health Insurance Subsidy

This provision specifies that 75% of each year's actuarial gain remaining after application of the COLA provision is used for the Reserve and Subsidy. Any addition to the Reserve is to be utilized to subsidize up to one year's payment for retiree health insurance for retirees and survivors. Should the total amount available exceed such health insurance premiums, then the balance shall be held in reserve for future benefits. The reserve available for future benefits as of October 1, 2021 is \$3,326. Since there is an accumulated actuarial loss position as of October 1, 2021, there is no addition to the Reserve this year as specified in Florida Statute Section 112.61.

Cumulative Actuarial Gains (Losses)					
Year Ending 9/30	Balance at Beginning of Year	Interest	Gain (Loss) for Year	COLA	Balance at End of Year
2000	\$ -	\$ -	\$ 381,047	\$ -	\$ 381,047
2001	381,047	30,484	154,000	0	565,531
2002	565,531	45,242	(1,160,988)	0	(550,215)
2003	(550,215)	(44,017)	(964,604)	0	(1,558,836)
2004	(1,558,836)	(124,707)	(352,849)	0	(2,036,392)
2005	(2,036,392)	(162,911)	367,317	0	(1,831,986)
2006	(1,831,986)	(146,559)	(402,903)	0	(2,381,448)
2007	(2,381,448)	(190,516)	(435,322)	0	(3,007,286)
2008	(3,007,286)	(233,065)	(518,471)	0	(3,758,822)
2009	(3,758,822)	(291,309)	(982,710)	0	(5,032,841)
2010	(5,032,841)	(390,045)	(1,760,943)	0	(7,183,829)
2011	(7,183,829)	(538,787)	(1,496,495)	0	(9,219,111)
2012	(9,219,111)	(691,433)	(1,708,476)	0	(11,619,020)
2013	(11,619,020)	(871,427)	(713,717)	0	(13,204,164)
2014	(13,204,164)	(957,302)	624,007	0	(13,537,459)
2015	(13,537,459)	(947,622)	274,016	0	(14,211,065)
2016	(14,211,065)	(959,247)	333,974	0	(14,836,338)
2017	(14,836,338)	(964,362)	227,216	0	(15,573,484)
2018	(15,573,484)	(1,012,276)	(278,097)	0	(16,863,857)
2019	(16,863,857)	(1,096,151)	(279,853)	0	(18,239,861)
2020	(18,239,861)	(1,185,591)	(336,105)	0	(19,761,557)
2021	(19,761,557)	(1,264,740)	611,103	0	(20,415,194)

## Conclusion and Recommendations

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.





## **RISKS ASSOCIATED WITH 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 shown on page 1 may be considered as a minimum contribution 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 Values

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Ratio of the market value of assets to total payroll	38.00	31.43	31.96
Ratio of actuarial accrued liability to payroll	37.24	35.73	37.38
Ratio of actives to retirees and beneficiaries	0.12	0.13	0.13
Ratio of net cash flow to market value of assets	-1.9%	-1.8%	-1.0%

### 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.



## **SECTION B**

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### **VALUATION RESULTS**

<b>PARTICIPANT DATA</b>		
	<b>October 1, 2021</b>	<b>October 1, 2020</b>
<b>ACTIVE MEMBERS</b>		
Number	10	11
Covered Annual Payroll*	\$ 771,592	\$ 804,146
Average Annual Payroll*	\$ 77,159	\$ 73,104
Average Age	53.6	54.0
Average Past Service	20.7	19.5
Average Age at Hire	32.9	34.5
<b>RETIREES, BENEFICIARIES &amp; DROP</b>		
Number	78	78
Annual Benefits	\$ 2,008,283	\$ 1,983,112
Average Annual Benefit	\$ 25,747	\$ 25,425
Average Age	70.4	69.6
<b>DISABILITY RETIREES</b>		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0
<b>TERMINATED VESTED MEMBERS</b>		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0
<b>METLIFE ANNUITANTS</b>		
Number	5	5
Annual Benefits	\$ 2,562	\$ 2,562
Average Annual Benefit	\$ 512	\$ 512
Average Age	82.1	81.1

\* Excludes picked-up member contributions.



<b>ACTUARIALY DETERMINED EMPLOYER CONTRIBUTION (ADEC)</b>		
A. Valuation Date	October 1, 2021	October 1, 2020
B. ADEC to Be Paid During Fiscal Year Ending	9/30/2023	9/30/2022
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 890,312	\$ 995,136
E. Employer Normal Cost	124,754	125,870
F. ADEC if Paid on the Valuation Date: D+E	1,015,066	1,121,006
G. ADEC Adjusted for Frequency of Payments	1,054,714	1,164,792
H. ADEC as % of Covered Payroll	136.69 %	144.85 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %
J. Covered Payroll for Contribution Year*	771,592	804,146
K. Required Employer Contribution (REC) for Contribution Year: H x J As a % of Payroll	1,054,714 136.69 %	1,164,792 144.85 %
L. Estimated Pick-Up Contribution As a % of Payroll	124,072 16.08 %	129,307 16.08 %
M. Total Employer Contribution As a % of Payroll	1,178,786 152.77 %	1,294,099 160.93 %

\* Excludes picked-up member contributions.



**ACTUARIAL VALUE OF BENEFITS AND ASSETS**

A. Valuation Date	October 1, 2021	October 1, 2020
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 6,625,692	\$ 6,520,792
b. Vesting Benefits	126,041	150,608
c. Disability Benefits	140,399	137,967
d. Preretirement Death Benefits	35,352	32,794
e. Return of Member Contributions	-	-
f. Total	6,927,484	6,842,161
2. Inactive Members		
a. Service Retirees & Beneficiaries	22,427,825	22,573,175
b. MetLife Annuitants Receiving COLA	21,562	22,294
c. Disability Retirees	-	-
d. Terminated Vested Members	-	-
e. Total	22,449,387	22,595,469
3. Total for All Members	29,376,871	29,437,630
C. Actuarial Accrued (Past Service) Liability under Entry Age Normal	28,731,398	28,735,061
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	28,032,048	27,984,053
E. Plan Assets		
1. Market Value	29,322,871	25,271,091
2. Actuarial Value	27,236,028	25,708,505
F. Actuarial Present Value of Projected Covered Payroll*	2,662,484	2,888,357
G. Actuarial Present Value of Projected Member Contributions*	525,574	570,162

\* Excludes picked-up member contributions.



**CALCULATION OF EMPLOYER NORMAL COST  
ENTRY AGE NORMAL METHOD**

A. Valuation Date	October 1, 2021	October 1, 2020
B. Normal Cost for		
1. Service Retirement Benefits	\$ 119,569	\$ 126,376
2. Vesting Benefits	29,378	28,235
3. Disability Benefits	12,498	14,234
4. Preretirement Death Benefits	1,256	1,226
5. Return of Member Contributions	<u>27,757</u>	<u>30,211</u>
6. Total for Future Benefits	190,458	200,282
7. Assumed Amount for Administrative Expenses	<u>86,608</u>	<u>84,326</u>
8. Total Normal Cost	277,066	284,608
9. Total as % of Covered Payroll	35.91 %	35.39 %
C. Exected Member Contribution	152,312	158,738
D. Employer Normal Cost: B8-C	124,754	125,870
E. Employer Normal Cost as a % of Covered Payroll	16.17 %	15.65 %



**LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)**

<b>UAAL Amortization Period and Payments</b>					
<b>Original UAAL</b>			<b>Current UAAL</b>		
<b>Date Established</b>	<b>Source</b>	<b>Amount</b>	<b>Years Remaining</b>	<b>Amount</b>	<b>Payment</b>
10/1/2018	Initial Unfunded	5,086,162	2	1,789,219	922,349
10/1/2019	Exp. (Gain)/Loss	279,853	8	218,828	33,646
10/1/2020	Exp. (Gain)/Loss	336,105	9	303,171	42,624
10/1/2020	Assumption Change	(226,987)	9	(204,745)	(28,786)
10/1/2021	Exp. (Gain)/Loss	(611,103)	10	(611,103)	(79,521)
		4,864,030		1,495,370	890,312

**Amortization Schedule**

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:

<b>Amortization Schedule</b>	
<b>Year</b>	<b>Expected UAAL</b>
2021	\$ 1,495,370
2022	643,782
2023	-



## ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long-term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

1. Last Year's UAAL	\$ 3,026,556
2. Last Year's Employer Normal Cost	125,870
3. Last Year's Employer Contributions*	1,209,601
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	201,755
b. 3 from dates paid	38,107
c. a - b	163,648
5. This Year's Expected UAAL (Before Changes) 1 + 2 - 3 + 4c	2,106,473
6. Change in UAAL Due to Assumption Change	0
7. This Year's Expected UAAL (After Change) 5 + 6	2,106,473
8. This Year's Actual UAAL	1,495,370
9. Net Actuarial Gain (Loss): 7 - 8	611,103
10. Gain (Loss) due to Investments	604,112
11. Gain (Loss) due to Other Causes	6,991

\* Excludes picked-up member contributions.

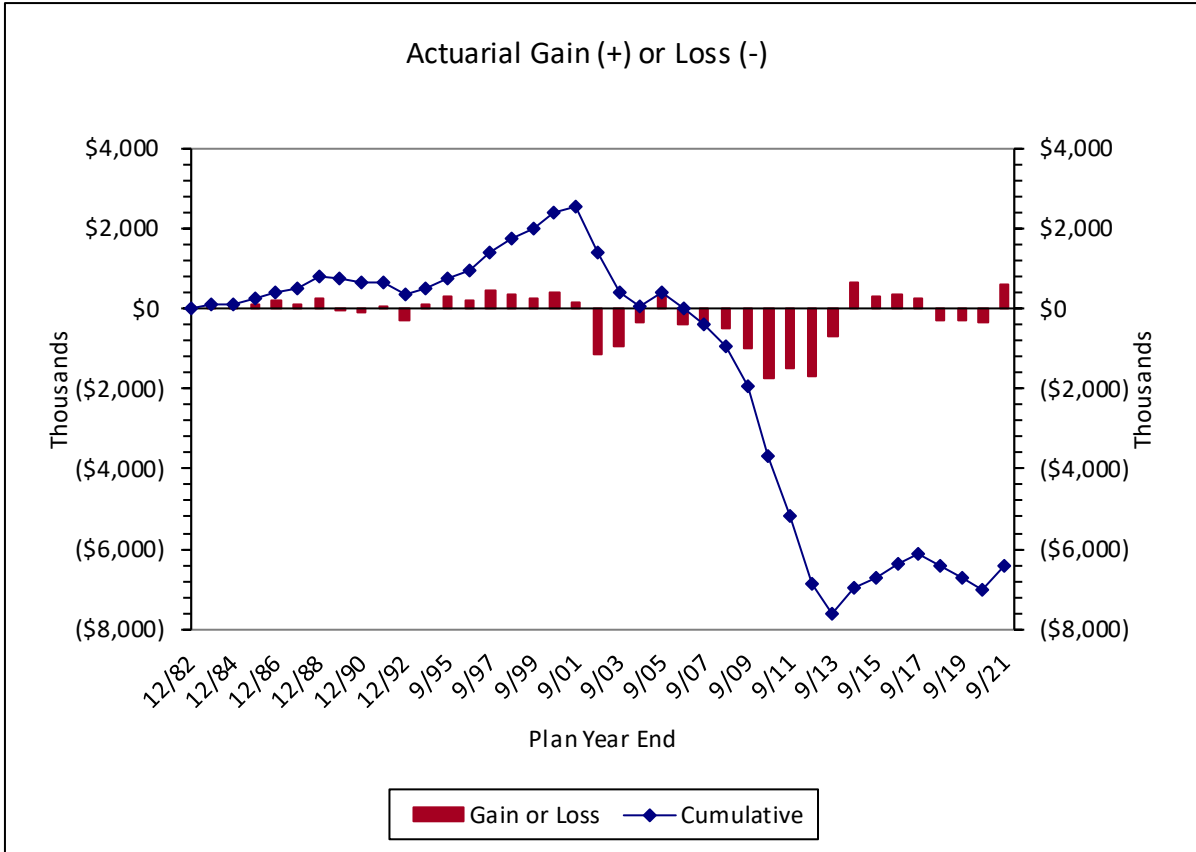


Net actuarial gains in previous years have been as follows:

<b>Year Ended</b>	<b>Gain (Loss)*</b>
12/31/1982	\$ 45,950
12/31/1983	82,583
12/31/1984	22,656
12/31/1985	105,944
12/31/1986	174,840
12/31/1987	104,647
12/31/1988	270,595
12/31/1989	(9,082)
12/31/1990	(117,293)
12/31/1991	5,995
12/31/1992	(300,891)
9/30/1993	120,509
9/30/1995	294,293
9/30/1996	178,684
9/30/1997	440,778
9/30/1998	358,844
9/30/1999	247,349
9/30/2000	381,047
9/30/2001	154,000
9/30/2002	(1,160,988)
9/30/2003	(964,604)
9/30/2004	(352,849)
9/30/2005	367,317
9/30/2006	(402,903)
9/30/2007	(435,322)
9/30/2008	(518,471)
9/30/2009	(982,710)
9/30/2010	(1,760,943)
9/30/2011	(1,496,495)
9/30/2012	(1,708,476)
9/30/2013	(713,717)
9/30/2014	624,007
9/30/2015	274,016
9/30/2016	333,974
9/30/2017	227,216
9/30/2018	(278,097)
9/30/2019	(279,853)
9/30/2020	(336,105)
9/30/2021	611,103

\* Based on the Unfunded Accrued Liability under the Entry Age Normal method beginning in FYE 2019.





The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for previous years:

Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
12/31/82	10.1 %	6.0 %	10.0 %	6.0 %
12/31/83	11.7	6.0	7.1	6.0
12/31/84	11.3	6.0	7.7	6.0
12/31/85	12.8	6.0	11.9	6.0
12/31/86	11.6	8.0	13.8 *	8.0
12/31/87	11.3	8.0	2.0	8.0
12/31/88	10.6	8.0	3.5	8.0
12/31/89	9.6	8.0	9.6	8.0
12/31/90	8.6	8.0	8.1	6.0
12/31/91	8.3	8.0	1.6	8.0
12/31/92	4.1 **	8.0	2.7	8.0
12/31/93	10.3	8.0	6.7	7.0
12/31/94	(3.2)	8.0	8.4	7.0
9/30/95 (9 mos.)	19.4	6.0	1.2	5.3
9/30/96	14.5	8.0	9.1	6.5
9/30/97	12.3	8.0	1.5	6.5
9/30/98	11.4	8.0	7.6	6.5
9/30/99	11.8	8.0	5.2	6.5
9/30/00	12.2	8.0	2.9	6.5
9/30/01	8.8	8.0	6.0 ***	6.5
9/30/02	4.2	8.0	10.3	6.5
9/30/03	5.0	8.0	12.6	6.5
9/30/04	5.0	8.0	11.0	6.5
9/30/05	5.0	8.0	6.7	6.5
9/30/06	6.8	8.0	8.0	6.5
9/30/07	9.8	8.0	4.9	6.5
9/30/08	4.0	7.75	3.7	6.5
9/30/09	3.3	7.75	4.5	6.5
9/30/10	3.4	7.75	2.0	6.5
9/30/11	1.8	7.50	2.1	4.0
9/30/12	2.5	7.50	3.9	4.0
9/30/13	6.5	7.50	3.6	4.0
9/30/14	7.2	7.25	4.0	4.0
9/30/15	5.1	7.00	6.2	4.0
9/30/16	6.1	6.75	4.7	4.0
9/30/17	5.7	6.50	5.2	4.0
9/30/18	5.6	6.50	5.7	4.0
9/30/19	5.0	6.50	4.8	4.0
9/30/20	6.3	6.50	4.8	4.0
9/30/21	8.8	6.40	4.0	4.0
Averages	7.8 %	---	6.0 %	---

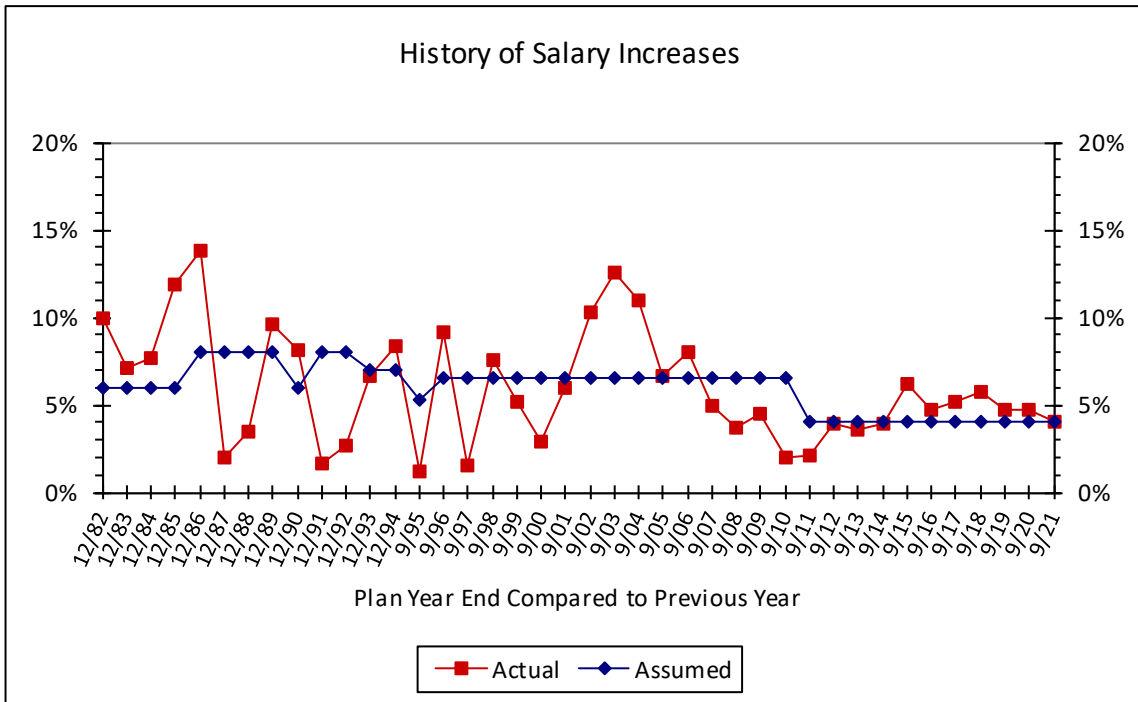
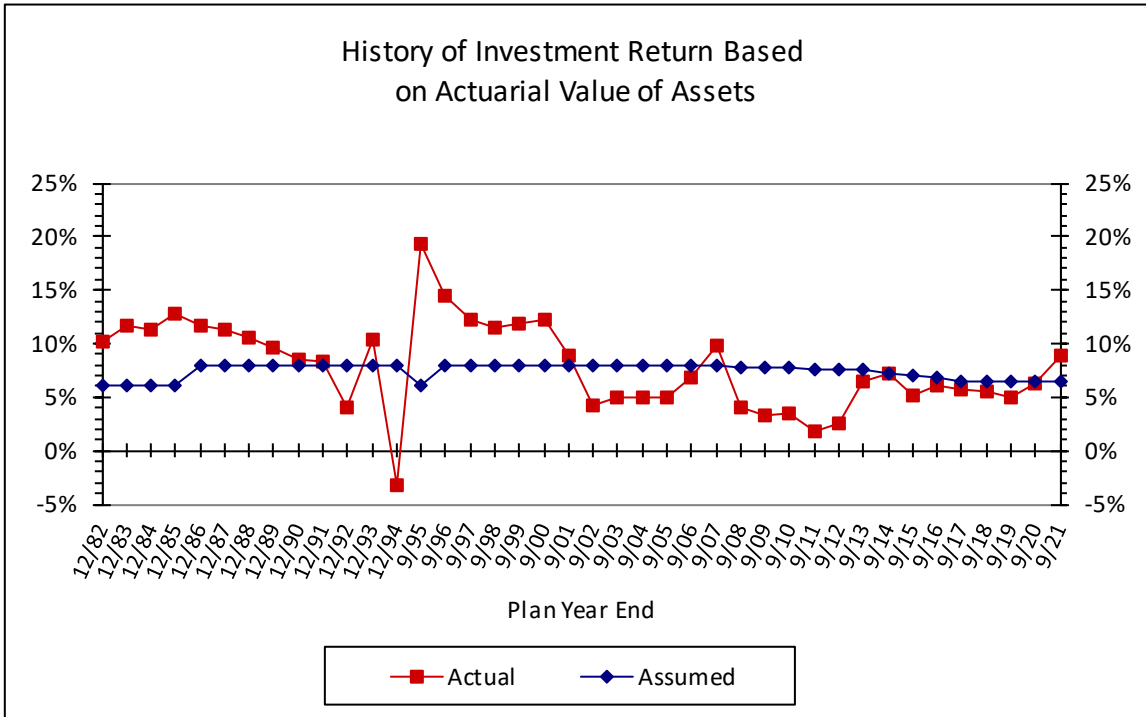
The actual rates of investment return are based on the actuarial value of assets. The actual rates of salary increase are the increases received by those active members who were included in the actuarial valuation both at the beginning and the end of each period.

\* Part of this increase is due to the change in the Plan which allows longevity pay to be included in the definition of compensation.

\*\* Investment return net of contract termination charge.

\*\*\* Before 16.08% adjustment to accommodate City pick-up of Employee Contribution.





**Actual (A) Compared to Expected (E) Decrements  
Among Active Employees**

Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2002	22	12	3	3	0	0	1	0	1	7	8	3	<b>88</b>
9/30/2003	14	11	4	5	0	0	0	0	0	7	7	4	<b>91</b>
9/30/2004	14	9	1	3	0	0	0	0	2	6	8	4	<b>96</b>
9/30/2005	14	16	3	3	0	0	0	0	1	12	13	4	<b>94</b>
9/30/2006	3	22	4	6	0	0	0	0	3	15	18	4	<b>75</b>
9/30/2007	0	0	8	5	0	0	0	0	1	9	10	3	<b>57</b>
9/30/2008	0	0	3	4	0	0	0	0	0	2	2	5	<b>52</b>
9/30/2009	1	0	3	6	0	0	0	0	2	2	4	3	<b>46</b>
9/30/2010	0	0	1	6	0	0	0	0	4	0	4	2	<b>41</b>
9/30/2011	0	0	4	6	0	0	0	0	1	1	2	2	<b>35</b>
9/30/2012	0	0	8	7	0	0	0	0	1	0	1	1	<b>26</b>
9/30/2013	0	0	6	3	0	0	0	0	0	0	0	1	<b>20</b>
9/30/2014	0	0	1	3	0	0	0	0	0	0	0	0	<b>19</b>
9/30/2015	0	0	0	4	0	0	0	0	0	0	0	0	<b>19</b>
9/30/2016	0	0	0	3	0	0	0	0	0	0	0	0	<b>19</b>
9/30/2017	0	0	0	4	0	0	0	0	0	0	0	0	<b>19</b>
9/30/2018	0	0	0	4	0	0	0	0	0	0	0	0	<b>19</b>
9/30/2019	0	0	8	6	0	0	0	0	0	0	0	0	<b>11</b>
9/30/2020	0	0	0	4	0	0	0	0	0	0	0	0	<b>11</b>
9/30/2021	0	0	1	5	0	0	0	0	0	0	0	0	<b>10</b>
9/30/2022				4		0		0				0	
20 Yr Totals *	68	70	58	90	0	0	1	0	16	61	77	36	

\* Totals are through current Plan Year only.



HISTORY OF VALUATION RESULTS							
	Number of		Covered Annual Payroll	Actuarial Value of Assets	UAAL	Employer Normal Cost	
	Active Members	Inactive Members				Amount	% of Payroll
7/1/1979	44	4	559,377	\$ 475,000	\$ 45,012	\$ 65,798	11.76 %
7/1/1980	42	7	622,630	579,459	32,158	85,733	13.77
1/1/1982	69	7	1,079,029	818,346	127,204	148,422	13.76
1/1/1983	76	10	1,209,664	1,098,812	121,506	166,813	13.79
1/1/1984	78	9	1,283,325	1,425,215	118,752	167,078	13.02
1/1/1985	81	9	1,420,021	1,804,386	108,370	175,871	12.39
1/1/1986	84	11	1,653,696	2,241,856	0	176,711	10.69
1/1/1987	73	13	1,545,522	2,869,714	0	129,527	8.38
1/1/1988	61	13	1,387,389	3,317,190	0	94,714	6.83
1/1/1989	65	17	1,492,103	3,741,592	0	75,619	5.07
1/1/1990	69	17	1,606,917	4,076,506	0	90,586	5.64
1/1/1991	69	20	1,768,297	4,460,675	0	107,306	6.07
1/1/1992	74	22	1,873,207	4,889,339	0	112,683	6.02
1/1/1993	73	9	1,861,258	3,777,092	0	135,781	7.30
1/1/1994	75	11	1,995,496	4,346,149	0	136,625	6.85
10/1/1995	67	16	1,836,957	5,222,544	0	109,063	5.94
10/1/1996	66	20	1,880,843	5,698,218	0	102,126	5.43
10/1/1997	68	23	1,918,586	6,457,079	0	51,397	2.68
10/1/1998	70	21	2,099,936	7,250,071	0	12,998	0.62
10/1/1999	69	21	2,203,724	8,060,310	0	(15,595)	(0.71)
10/1/2000	77	22	2,483,454	9,009,888	0	2,144	0.09
10/1/2001	78	41	2,910,444	9,951,128	0	141,589	4.89
10/1/2002	88	44	3,442,360	10,130,969	0	338,394	9.83
10/1/2003	91	48	3,857,031	10,761,644	0	509,853	13.22
10/1/2004	96	51	4,334,825	11,737,073	0	633,671	14.62
10/1/2005	94	54	4,484,529	12,848,618	0	631,684	14.09
10/1/2006	75	60	3,969,558	14,040,888	0	641,042	16.15
10/1/2007	57	69	3,083,065	16,273,401	0	598,940	19.43
10/1/2008	52	69	2,835,359	16,992,592	0	643,017	22.68
10/1/2009	46	72	2,544,861	17,229,412	0	741,006	29.12
10/1/2010	41	73	2,041,766	17,173,624	0	1,123,013	55.00
10/1/2011	35	74	1,683,322	17,019,273	0	1,254,746	74.54
10/1/2012	26	82	1,319,723	16,876,962	0	1,305,267	98.90
10/1/2013	20	87	1,082,405	17,541,357	0	1,298,471	119.96
10/1/2014	19	84	1,072,451	18,375,975	0	1,293,991	120.66
10/1/2015	19	82	1,139,329	19,144,997	0	1,438,459	126.25
10/1/2016	19	82	1,192,932	20,354,637	0	1,694,637	142.06
10/1/2017	19	81	1,254,910	21,588,416	0	1,723,716	137.36
10/1/2018	19	78	1,326,360	23,193,505	5,086,162	155,832	11.75
10/1/2019	11	83	767,615	24,767,971	3,926,795	127,325	16.59
10/1/2020	11	83	804,146	25,708,505	3,026,556	125,870	15.65
10/1/2021	10	83	771,592	27,236,028	1,495,370	124,754	16.17

Note: beginning with the 10/1/2018 Actuarial Valuation, the funding method was changed from the Aggregate Method to the Entry Age Normal Method.





**HISTORY OF UAAL AND FUNDED RATIO UNDER ENTRY AGE NORMAL METHOD**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL As % of Covered Payroll (b - a) / c</b>
1/1/1991	\$4,460,675	\$3,981,712	(\$478,963)	112.0 %	\$1,768,297	(27.1) %
1/1/1992	4,889,339	4,332,191	(557,148)	112.9	1,873,207	(29.7)
1/1/1993	3,766,088	3,459,808	(306,280)	108.9	1,861,258	(16.5)
1/1/1994	4,346,149	3,985,369	(360,780)	109.1	1,995,496	(18.1)
10/1/1995	5,222,544	4,560,848	(661,696)	114.5	1,836,957	(36.0)
10/1/1996	5,698,218	5,633,428	(64,790)	101.2	1,880,843	(3.4)
10/1/1997	6,457,079	5,947,154	(509,925)	108.6	1,918,586	(26.6)
10/1/1998	7,250,071	7,079,657	(170,414)	102.4	2,099,936	(8.1)
10/1/1999	8,060,310	7,559,210	(501,100)	106.6	2,203,724	(22.7)
10/1/2000	9,241,660	8,582,277	(659,383)	107.7	2,483,454	(26.6)
10/1/2001	9,921,128	10,481,568	530,440	94.9	2,910,444	18.2
10/1/2002	10,130,969	11,784,339	1,653,370	86.0	3,442,360	48.0
10/1/2003	10,761,644	13,516,327	2,754,683	79.6	3,857,031	71.4
10/1/2004	11,737,073	15,151,659	3,414,586	77.5	4,334,825	78.8
10/1/2005	12,848,618	15,859,601	3,010,983	81.0	4,484,529	67.1
10/1/2006	14,040,888	16,992,099	2,951,211	82.6	3,969,558	74.3
10/1/2007	16,273,401	19,090,013	2,816,612	85.2	3,083,065	91.4
10/1/2008	16,992,592	20,136,633	3,144,041	84.4	2,835,359	110.9
10/1/2009	17,229,412	21,042,019	3,812,607	81.9	2,544,861	149.8
10/1/2010	17,173,624	22,177,225	5,003,601	77.4	2,041,766	245.1
10/1/2011	17,019,273	22,610,265	5,590,992	75.3	1,683,322	332.1
10/1/2012	16,876,962	23,326,022	6,449,060	72.4	1,319,723	488.7
10/1/2013	17,541,357	24,293,793	6,752,436	72.2	1,082,405	623.8
10/1/2014	18,375,975	24,531,032	6,155,057	74.9	1,072,451	573.9
10/1/2015	19,144,997	25,581,603	6,436,606	74.8	1,139,329	564.9
10/1/2016	20,354,637	27,220,342	6,865,705	74.8	1,192,932	575.5
10/1/2017	21,588,416	27,814,741	6,226,325	77.6	1,254,910	496.2
10/1/2018	23,193,505	28,279,667	5,086,162	82.0	1,326,360	383.5
10/1/2019	24,767,971	28,694,766	3,926,795	86.3	767,615	511.6
10/1/2020	25,708,505	28,735,061	3,026,556	89.5	804,146	376.4
10/1/2021	27,236,028	28,731,398	1,495,370	94.8	771,592	193.8



HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS				
Valuation	Which Valuation Applies	Required Contributions		Actual Contribution*
		Amount	% of Payroll	
7/7/1979	9/30/1980	\$ 74,932	13.40 %	\$ 84,263
7/1/1980	9/30/1981	95,212	15.29	94,462
1/1/1982	12/31/1982	169,075	15.67	166,983
1/1/1983	12/31/1983	188,419	15.58	182,677
1/1/1984	9/30/1985	193,010	15.04	193,010
1/1/1985	9/30/1986	201,931	14.22	201,931
1/1/1986	9/30/1987	201,144	12.16	201,144
1/1/1987	9/30/1988	141,975	9.19	141,975
1/1/1988	9/30/1989	105,796	7.63	105,796
1/1/1989	9/30/1990	82,886	5.55	82,886
1/1/1990	9/30/1991	99,291	6.18	99,291
1/1/1991	9/30/1992	117,618	6.65	117,618
1/1/1992	9/30/1993	123,512	6.59	123,512
1/1/1993	9/30/1994	148,829	8.00	148,829
1/1/1994	9/30/1995	149,755	7.50	149,755
1/1/1994	9/30/1996	149,212	7.50	149,755
10/1/1995	9/30/1997	123,506	6.72	123,506
10/1/1996	9/30/1998	115,650	6.15	115,650
10/1/1997	9/30/1999	58,204	3.03	58,204
10/1/1998	9/30/2000	14,719	0.70	14,719
10/1/1999	9/30/2001	-	-	-
10/1/2000	9/30/2002	4,959	0.20	4,959
10/1/2001	9/30/2003	161,327	5.54	161,327
10/1/2002	9/30/2004	383,205	11.13	383,205
10/1/2003	9/30/2005	577,369	14.97	577,369
10/1/2004	9/30/2006	691,110	15.33	691,110
10/1/2005	9/30/2007	688,860	14.77	688,860
10/1/2006	9/30/2008	632,162	16.93	632,162
10/1/2007	9/30/2009	547,027	20.34	547,027
10/1/2008	9/30/2010	595,676	23.75	595,676
10/1/2009	9/30/2011	683,091	30.49	683,091
10/1/2010	9/30/2012	999,715	57.51	887,200
10/1/2011	9/30/2013	1,311,950	77.94	961,045
10/1/2012	9/30/2014	1,364,774	103.41	1,123,817
10/1/2013	9/30/2015	1,355,747	125.25	1,387,882
10/1/2014	9/30/2016	1,349,154	125.80	1,538,811
10/1/2015	9/30/2017	1,497,652	131.45	1,608,734
10/1/2016	9/30/2018	1,762,416	147.74	1,894,959
10/1/2017	9/30/2019	1,792,079	142.81	1,875,779
10/1/2018	9/30/2020	1,356,798	102.29	1,356,798
10/1/2019	9/30/2021	1,209,601	157.58	1,209,601
10/1/2020	9/30/2022	1,164,792	144.85	N/A
10/1/2021	9/30/2023	1,054,714	136.69	N/A

\* The City was contributing as a level percent of covered payroll in fiscal years ending September 30, 2012 through 2019. The Funding method was changed from Aggregate to Entry Age Normal as of the October 1, 2018 valuation.



# ACTUARIAL ASSUMPTIONS AND COST METHOD

## Valuation Methods

**Actuarial Cost Method** - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using the **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) The annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) Each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

**Financing of the Unfunded Actuarial Accrued Liabilities** – Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar amount contributions over a reasonable period of future years.

**Actuarial Value of Assets** - The Actuarial Value of Assets phase in the difference between the expected return on actuarial value and actual return on market value of assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

## Valuation Assumptions

The covered group is too small to provide statistically significant experience on which to base certain demographic assumptions. Mortality is based on a commonly used fully generational mortality table and projection scale which are prescribed by Florida Statutes. The investment return assumption was most recently updated effective in the October 1, 2020 actuarial valuation.

## Economic Assumptions

**The investment return rate** assumed in the valuation was 6.40% per year, compounded annually (net after investment expenses) per direction from the Board of Trustees.

The **Inflation Rate** assumed in this valuation was 2.40% per year.

The **assumed real rate of return** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 6.40% investment return rate translates to an assumed real rate of return over inflation of 4.00%.



**The rate of salary increase** used for individual members is 4% per year. The assumption reflects merit and/or seniority increases as well as inflation, productivity increases, and other macroeconomic forces. This assumption is used to project a member’s current salary to the salaries upon which benefits will be based.

## Demographic Assumptions

**The mortality tables used in the valuation** are based on the PUB-2010 Headcount Weighted Mortality Tables described below, with mortality improvements projected to all future years after 2010 using Scale MP-2018.

	Pre-Retirement PUB-2010 Table	Post-Retirement PUB-2010 Table
Female	Headcount Weighted General Below Median Employee Female Table	Headcount Weighted General Below Median Healthy Retiree Female Table
Male	Headcount Weighted General Below Median Employee Male Table, set back 1 year	Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year

These are the same rates as used by the Florida Retirement System (FRS) in their July 1, 2020 Actuarial Valuation Report for Regular (other than K-12 School Instructional Personnel) class members. Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables from either of the two most recently published actuarial valuation reports of FRS.

The following tables present post-retirement mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

### Healthy Post-Retirement Mortality

Sample Attained Ages (in 2021)	Probability of		Future Life	
	Dying Next Year		Expectancy (years)	
	Men	Women	Men	Women
50	0.19	0.58	33.14	36.95
55	0.96	0.58	28.77	32.50
60	1.14	0.60	24.68	27.96
65	1.29	0.69	20.63	23.39
70	1.80	1.09	16.62	18.91
75	2.86	1.89	12.91	14.73
80	4.83	3.41	9.63	10.98



The following tables present pre-retirement mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of active members dying prior to retirement.

**Healthy Pre-Retirement Mortality**

Sample Attained Ages (in 2021)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.19	% 0.11	% 37.72	40.26
55	0.30	0.17	32.71	35.14
60	0.46	0.26	27.85	30.11
65	0.65	0.37	23.17	25.19
70	0.90	0.56	18.62	20.37
75	1.35	0.93	14.19	15.68
80	2.13	1.58	9.89	11.17

For disabled retirees, the mortality table is the PUB-2010 Headcount Weighted General Disabled Retiree Table with ages set forward 3 years for males and females, with no provision being made for future mortality improvements. These are the same rates in use for Regular class members of FRS in the July 1, 2020 FRS Actuarial Valuation.

**Disabled Mortality**

Sample Attained Ages	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	2.02	% 1.64	% 20.99	23.92
55	2.53	1.91	18.18	20.88
60	3.08	2.27	15.50	17.88
65	3.93	2.83	12.94	14.91
70	5.08	3.79	10.53	12.07
75	6.98	5.46	8.29	9.45
80	10.12	8.31	6.33	7.19

**The rates of retirement** used to measure the probability of eligible members retiring during the next year were as follows:

Number of Years After First Eligibility for Normal Retirement	Probability of Normal Retirement
0	70 %
1	40 %
2	40 %
3	40 %
4	40 %
5+	100 %

The rate of retirement is 5% for each year of eligibility for early retirement.



**Rates of separation from active membership** were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability).

<b>Years of Service</b>	<b>% of Active Members Separating Within Next Year</b>
0	22.0%
1	20.0%
2	18.0%
3	16.0%
4	14.0%
5	12.0%
6	10.0%
7	9.0%
8	8.0%
9	7.0%
10+	2.0%

**Rates of disability** among active members (50% of future disabilities are assumed to be service-connected):

<b>Sample Ages</b>	<b>% Becoming Disabled within Next Year</b>
20	0.07 %
25	0.09 %
30	0.11 %
35	0.14 %
40	0.19 %
45	0.30 %
50	0.51 %
55	0.96 %
60	1.66 %

**Changes from the previous valuation:**

There have been no revisions in actuarial assumptions or methods since the prior valuation.



## Miscellaneous and Technical Assumptions

<b><i>Administrative &amp; Investment Expenses</i></b>	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the expenses over the previous two years. Assumed administrative expenses are added to the Normal Cost.
<b><i>Benefit Service</i></b>	Service based on completed months is used to determine the amount of benefit payable.
<b><i>Decrement Operation</i></b>	Disability and mortality decrements operate during retirement eligibility.
<b><i>Decrement Timing</i></b>	Decrement of all types are assumed to occur at the beginning of the year.
<b><i>Eligibility Testing</i></b>	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.
<b><i>Forfeitures</i></b>	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.
<b><i>Incidence of Contributions</i></b>	Employer contributions are assumed to be made in equal installments at the end of each quarter. 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.
<b><i>Marriage Assumption</i></b>	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.
<b><i>Assumed Form of Benefit</i></b>	The 10-year certain and life annuity normal form of benefit is the assumed form of benefit.
<b><i>Pay Increase Timing</i></b>	End of fiscal year. This is equivalent to assuming that reported pay represents the rate of pay for the fiscal year beginning on the valuation date.
<b><i>Service Credit Accruals</i></b>	It is assumed that members accrue one year of service credit per year.



## GLOSSARY

<b><i>Actuarial Accrued Liability (AAL)</i></b>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<b><i>Actuarial Assumptions</i></b>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<b><i>Actuarial Cost Method</i></b>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<b><i>Actuarial Equivalent</i></b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b><i>Actuarial Present Value (APV)</i></b>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<b><i>Actuarial Present Value of Future Benefits (APVFB)</i></b>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, 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.
<b><i>Actuarial Valuation</i></b>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB, such as the Funded Ratio and the Actuarially Determined Employer Contribution (ADEC).
<b><i>Actuarial Value of Assets</i></b>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuarially Determined Employer Contribution (ADEC).



<b><i>Actuarially Determined Employer Contribution (ADEC)</i></b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB. The ADEC consists of the Employer Normal Cost and Amortization Payment.
<b><i>Amortization Method</i></b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a 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.
<b><i>Amortization Payment</i></b>	That portion of the plan contribution or ADEC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<b><i>Amortization Period</i></b>	The period used in calculating the Amortization Payment.
<b><i>Closed Amortization Period</i></b>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example, if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<b><i>Employer Normal Cost</i></b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b><i>Equivalent Single Amortization Period</i></b>	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.
<b><i>Experience Gain/Loss</i></b>	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. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.



<b><i>Funded Ratio</i></b>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<b><i>GASB</i></b>	Governmental Accounting Standards Board.
<b><i>GASB No. 68 and GASB No. 67</i></b>	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
<b><i>Normal Cost</i></b>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<b><i>Open Amortization Period</i></b>	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.
<b><i>Unfunded Actuarial Accrued Liability</i></b>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<b><i>Valuation Date</i></b>	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 C

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### PENSION FUND INFORMATION

## Statement of Plan Assets at Market Value

Item	September 30	
	2021	2020
A. Cash and Cash Equivalents (Operating Cash)	\$ 10,157	\$ 4,118
B. Receivables:		
1. Member Contributions	\$ 39,783	\$ 45,996
2. Employer Contributions	302,911	332,292
3. Investment Income and Other Receivables	61,977	46,505
4. Total Receivables	\$ 404,671	\$ 424,793
C. Investments		
1. Short Term Investments	\$ -	\$ -
2. Domestic and International Equities	18,143,152	15,232,941
3. Domestic and International Fixed Income	5,092,251	4,952,965
4. Mutual Funds	3,426,336	2,394,266
5. Real Estate	-	-
6. Partnership/Joint Venture	2,628,272	2,475,958
7. Total Investments	\$ 29,290,011	\$ 25,056,130
D. Liabilities		
1. Benefits Payable	\$ -	\$ -
2. Accrued Expenses and Other Payables	-	-
3. Total Liabilities	\$ -	\$ -
E. Total Market Value of Assets Available for Benefits	\$ 29,704,839	\$ 25,485,041
F. Reserves		
1. DROP Account Balances	(378,642)	(210,624)
2. Benefit Reserve Fund	(3,326) *	(3,326) *
3. Total Reserves	\$ (381,968)	\$ (213,950)
G. Market Value Net of Reserves	\$ 29,322,871	\$ 25,271,091
H. Allocation of Investments		
1. Short Term Investments	0.0%	0.0%
2. Domestic and International Equities	61.9%	60.8%
3. Domestic and International Fixed Income	17.4%	19.8%
4. Mutual Funds	11.7%	9.6%
5. Real Estate	0.0%	0.0%
6. Partnership/Joint Venture	9.0%	9.8%
7. Total Investments	100.0%	100.0%

\* Before addition, if any, due to actuarial valuation results.



## Reconciliation of Plan Assets

Item	September 30	
	2021	2020
A. Market Value of Assets at End of Prior Year	\$ 25,485,041	\$ 24,605,422
Post Valuation Adjustment	-	-
Market Value of Assets as of Beginning of Year	\$ 25,485,041	\$ 24,605,422
B. Revenues and Expenditures		
1. Contributions		
a. Member Contributions	\$ 176,468	\$ 154,407
b. Employer Contributions	1,209,601	1,356,798
c. Purchased Service Credit	-	-
d. Total	\$ 1,386,069	\$ 1,511,205
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 554,019	\$ 521,419
b. Net Realized/Unrealized Gains/(Losses)*	4,374,170	961,825
c. Investment Expenses	(158,383)	(144,974)
d. Net Investment Income	\$ 4,769,806	\$ 1,338,270
3. Benefits and Refunds		
a. Regular Monthly Benefits & DROP Distributions	\$ (1,845,989)	\$ (1,886,729)
b. Refunds	-	-
c. Total	\$ (1,845,989)	\$ (1,886,729)
4. Administrative and Miscellaneous Expenses	\$ (90,088)	\$ (83,127)
5. Transfers	\$ -	\$ -
C. Market Value of Assets at End of Year	\$ 29,704,839	\$ 25,485,041
D. Reserves		
1. DROP Account Balances	\$ (378,642)	\$ (210,624)
2. Benefit Reserve Fund	(3,326) **	(3,326) **
3. Total Reserves	\$ (381,968)	\$ (213,950)
E. Market Value Net of Reserves	\$ 29,322,871	\$ 25,271,091

\* The breakdown between realized and unrealized gains/(losses) was not provided.

\*\* Before addition, if any, due to actuarial valuation results.



**Development of Actuarial Value of Assets**

<b>Valuation Date – September 30</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>A. Actuarial Value of Assets Beginning of Year</b>						
A1. Preliminary Valuation Assets Beginning of Year	\$ 24,840,412	\$ 25,922,455				
A2. Post Valuation Adjustment	-	-				
A3. Actuarial Value of Assets Beginning of Year	24,840,412	25,922,455				
<b>B. Market Value End of Year</b>	25,485,041	29,704,839				
<b>C. Market Value Beginning of Year</b>	24,605,422	25,485,041				
<b>D. Non-Investment/Administrative Net Cash Flow</b>	(458,651)	(550,008)				
<b>E. Investment Income</b>						
E1. Actual Market Total: B-C-D-A2	1,338,270	4,769,806				
E2. Assumed Rate of Return	6.50%	6.40%	6.40%	6.40%	6.40%	6.40%
E3. Assumed Amount of Return	1,599,721	1,641,437				
E4. Amount Subject to Phase-In: E1-E3	(261,451)	3,128,369				
<b>F. Phased-In Recognition of Investment Income</b>						
F1. Current Year: 0.2 x E4	(52,290)	625,674				
F2. First Prior Year	(159,240)	(52,290)	625,674			
F3. Second Prior Year	59,499	(159,240)	(52,290)	625,674		
F4. Third Prior Year	130,468	59,499	(159,240)	(52,290)	625,674	
F5. Fourth Prior Year	(37,464)	130,469	59,498	(159,239)	(52,291)	625,673
F6. Total Phase-Ins	(59,027)	604,112	473,642	414,145	573,383	625,673
<b>G. Actuarial Value of Assets End of Year</b>						
G1. Preliminary Actuarial Value of Assets End of Year: A3+D+E3+F6	\$ 25,922,455	\$ 27,617,996				
G2. Upper Corridor Limit: 120%*B	30,582,049	35,645,807				
G3. Lower Corridor Limit: 80%*B	20,388,033	23,763,871				
G4. Actuarial Value of Assets End of Year	25,922,455	27,617,996				
G5. DROP Account Balances	(210,624)	(378,642)				
G6. Benefit Reserve Fund	(3,326)	(3,326)				
G7. Final Actuarial Value of Assets End of Year	25,708,505	27,236,028				
<b>H. Difference between Market &amp; Actuarial Value of Assets</b>	(437,414)	2,086,843				
<b>I. Actuarial Rate of Return</b>	6.26%	8.76%				
<b>J. Market Value Rate of Return</b>	5.49%	18.92%				
<b>K. Ratio of Actuarial Value of Assets to Market Value</b>	101.72%	92.97%				



**Reconciliation of Deferred Retirement  
Option Plan (DROP) Accounts**

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Value at beginning of year	\$ 210,624
Beginnig of Year Adjustment	0
Payments credited to accounts	146,169
Investment Earnings credited	35,049
Withdrawals from accounts	<u>(13,200)</u>
Value at end of year	378,642

**Reconciliation of Medical Insurance Subsidy/Future  
Benefit Reserve Account**

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Value at beginning of year	\$ 3,326
Current year subsidy	0
Value at end of year	3,326



Year Ending	Investment Rate of Return		Year Ending	Investment Rate of Return	
	Market Value*	Actuarial Value		Market Value*	Actuarial Value
12/31/1981	9.5 %	9.5 %	9/30/2001	(3.0)	8.8
12/31/1982	10.1	10.1	9/30/2002	(4.8)	4.2
12/31/1983	11.7	11.7	9/30/2003	12.5	5.0
12/31/1984	11.3	11.3	9/30/2004	10.4	5.0
12/31/1985	12.8	12.8	9/30/2005	10.5	5.0
12/31/1986	11.6	11.6	9/30/2006	8.0	6.8
12/31/1987	11.3	11.3	9/30/2007	13.4	9.8
12/31/1988	10.6	10.6	9/30/2008	(11.1)	4.0
12/31/1989	9.6	9.6	9/30/2009	3.9	3.3
12/31/1990	8.6	8.6	9/30/2010	8.9	3.4
12/31/1991	8.3	8.3	9/30/2011	0.4	1.8
12/31/1992	4.1 **	4.1 **	9/30/2012	14.2	2.5
12/31/1993	10.3	10.3	9/30/2013	10.0	6.5
12/31/1994	(3.2)	(3.2)	9/30/2014	7.1	7.2
9/30/1995 ***	19.4	19.4	9/30/2015	(2.2)	5.1
9/30/1996	14.5	14.5	9/30/2016	6.2	6.1
9/30/1997	23.8	12.3	9/30/2017	10.1	5.7
9/30/1998	6.0	11.4	9/30/2018	7.9	5.6
9/30/1999	11.6	11.8	9/30/2019	3.1	5.0
9/30/2000	12.1	12.2	9/30/2020	5.5	6.3
			9/30/2021	18.9	8.8

Averages	Investment Rate of Return	
	Market	Actuarial
Last 5 years	9.0 %	6.3 %
Last 10 years	7.9 %	5.9 %
All Years	8.2 %	7.9 %

\* Net of investment expenses after 2005.

\*\* Investment return net of contract termination charge.

\*\*\* Nine (9) months

The above rates are based on financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.





## SECTION D

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### FINANCIAL ACCOUNTING INFORMATION

**FASB NO. 35 INFORMATION**

A. Valuation Date	October 1, 2021	October 1, 2020
<b>B. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 22,449,387	\$ 22,595,469
b. Terminated Vested Members	0	0
c. Other Members	5,582,661	5,388,584
d. Total	<u>28,032,048</u>	<u>27,984,053</u>
2. Non-Vested Benefits	0	0
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	28,032,048	27,984,053
4. Accumulated Contributions of Active Members	3,094,629	3,041,441
<b>C. Changes in the Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	27,984,053	27,847,452
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendments and Changes in Actuarial Assumptions	0	(215,478)
b. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	2,026,953	2,371,777
c. Benefits Paid (Net Basis)	<u>(1,978,958)</u>	<u>(2,019,698)</u>
d. Net Increase	47,995	136,601
3. Total Value at End of Period	28,032,048	27,984,053
<b>D. Market Value of Assets*</b>	29,322,871	25,271,091
<b>E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods</b>		

\* Less DROP accounts and Benefit Reserve.



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

## GASB Statement No. 67

Fiscal year ending September 30,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service Cost	\$ 198,897	\$ 189,819	\$ 329,480	\$ 311,154	\$ 295,811	\$ 272,229	\$ 245,645	\$ 237,731
Interest on the Total Pension Liability	1,830,861	1,826,148	1,828,705	1,813,975	1,798,696	1,761,138	1,796,159	1,788,524
Benefit Changes	-	-	-	-	-	-	-	-
Difference between expected and actual experience	303,326	(86,190)	32,010	260,354	185,259	225,302	(648,964)	(46,534)
Assumption Changes	(268,493)	-	-	-	-	1,148,450	604,864	593,408
Benefit Payments	(1,845,989)	(1,886,729)	(2,292,994)	(2,061,387)	(2,058,718)	(1,640,067)	(1,545,461)	(1,643,035)
Refunds	-	-	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>218,602</b>	<b>43,048</b>	<b>(102,799)</b>	<b>324,096</b>	<b>221,048</b>	<b>1,767,052</b>	<b>452,243</b>	<b>930,094</b>
<b>Total Pension Liability - Beginning</b>	<b>28,891,185</b>	<b>28,848,137</b>	<b>28,950,936</b>	<b>28,626,840</b>	<b>28,405,792</b>	<b>26,638,740</b>	<b>26,186,497</b>	<b>25,256,403</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 29,109,787</b>	<b>\$ 28,891,185</b>	<b>\$ 28,848,137</b>	<b>\$ 28,950,936</b>	<b>\$ 28,626,840</b>	<b>\$ 28,405,792</b>	<b>\$ 26,638,740</b>	<b>\$ 26,186,497</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer (From City)	\$ 1,209,601	\$ 1,356,798	\$ 1,875,779	\$ 1,894,959	\$ 1,608,734	\$ 1,538,811	\$ 1,387,882	\$ 1,123,817
Contributions - Employer (From State)	-	-	-	-	-	-	-	-
Contributions - Non-Employer Contributing Entity	-	-	-	-	-	-	-	-
Contributions - Employee (Including Picked-Up Member Contributions)	176,468	154,407	266,554	253,205	273,005	241,501	218,073	214,524
Net Investment Income	4,769,806	1,338,270	749,289	1,769,230	2,055,278	1,191,779	(425,789)	1,330,113
Benefit Payments	(1,845,989)	(1,886,729)	(2,292,994)	(2,061,387)	(2,058,718)	(1,640,067)	(1,545,461)	(1,643,035)
Refunds	-	-	-	-	-	-	-	-
Administrative Expense	(90,088)	(83,127)	(85,525)	(92,540)	(83,809)	(84,542)	(77,849)	(90,200)
Other	-	-	-	(12,219)	(29,967)	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>4,219,798</b>	<b>879,619</b>	<b>513,103</b>	<b>1,751,248</b>	<b>1,764,523</b>	<b>1,247,482</b>	<b>(443,144)</b>	<b>935,219</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>25,485,041</b>	<b>24,605,422</b>	<b>24,092,319</b>	<b>22,341,071</b>	<b>20,576,548</b>	<b>19,329,066</b>	<b>19,772,210</b>	<b>18,836,991</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 29,704,839</b>	<b>\$ 25,485,041</b>	<b>\$ 24,605,422</b>	<b>\$ 24,092,319</b>	<b>\$ 22,341,071</b>	<b>\$ 20,576,548</b>	<b>\$ 19,329,066</b>	<b>\$ 19,772,210</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>(595,052)</b>	<b>3,406,144</b>	<b>4,242,715</b>	<b>4,858,617</b>	<b>6,285,769</b>	<b>7,829,244</b>	<b>7,309,674</b>	<b>6,414,287</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>102.04 %</b>	<b>88.21 %</b>	<b>85.29 %</b>	<b>83.22 %</b>	<b>78.04 %</b>	<b>72.44 %</b>	<b>72.56 %</b>	<b>75.51 %</b>
<b>Covered Payroll</b>	<b>\$893,961</b>	<b>\$782,204</b>	<b>\$1,271,226</b>	<b>\$1,282,631</b>	<b>\$1,223,738</b>	<b>\$1,223,409</b>	<b>\$1,108,089</b>	<b>\$1,086,708</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>(66.56)%</b>	<b>435.45 %</b>	<b>333.75 %</b>	<b>378.80 %</b>	<b>513.65 %</b>	<b>639.95 %</b>	<b>659.66 %</b>	<b>590.25 %</b>

Note: Covered Payroll for 2020 and later fiscal years was based on actual member contributions divided by the employee contribution rate of 19.74%.



## 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	\$26,186,497	\$19,772,210	\$ 6,414,287	75.51%	\$ 1,086,708	590.25%
2015	26,638,740	19,329,066	7,309,674	72.56%	1,108,089	659.66%
2016	28,405,792	20,576,548	7,829,244	72.44%	1,223,409	639.95%
2017	28,626,840	22,341,071	6,285,769	78.04%	1,223,738	513.65%
2018	28,950,936	24,092,319	4,858,617	83.22%	1,282,631	378.80%
2019	28,848,137	24,605,422	4,242,715	85.29%	1,271,226	333.75%
2020	28,891,185	25,485,041	3,406,144	88.21%	782,204	435.45%
2021	29,109,787	29,704,839	(595,052)	102.04%	893,961	(66.56)%

Note: Covered Payroll for 2020 and later fiscal years was based on actual member contributions divided by the employee contribution rate of 19.74%.



# NOTES TO SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

## GASB Statement No. 67

Valuation Date: October 1, 2020  
Measurement Date: September 30, 2021

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.40%
Salary Increases	4.00%
Investment Rate of Return	6.40%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected for nondisabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

### Other Information:

Notes See Discussion of Valuation Results in the October 1, 2020 Actuarial Valuation Report dated April 30, 2021.

Effective as of October 1, 2020, the investment return assumption was lowered from 6.5% to 6.4% and the mortality assumption was updated to the tables used in the July 1, 2019 FRS actuarial valuation for Regular (other than Special Risk or K-12 School Instructional Personnel) Class members. These assumption changes are reflected in the Net Pension Liability as of the measurement date.



## SCHEDULE OF CONTRIBUTIONS

### GASB Statement No. 67

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 1,123,817	\$ 1,123,817	\$ -	\$1,086,708	103.41%
2015	1,387,882	1,387,882	-	1,108,089	125.25%
2016	1,538,811	1,538,811	-	1,223,409	125.78%
2017	1,608,604	1,608,734	(130)	1,223,738	131.46%
2018	1,894,959	1,894,959	-	1,282,631	147.74%
2019	1,815,438	1,875,779	(60,341)	1,271,226	147.56%
2020	1,356,798	1,356,798	-	782,204	173.46%
2021	1,209,601	1,209,601	-	893,961	135.31%

Note: Covered Payroll for 2020 and later fiscal years was based on actual member contributions divided by the employee contribution rate of 19.74%.



# NOTES TO SCHEDULE OF CONTRIBUTIONS

## GASB Statement No. 67

**Valuation Date:** October 1, 2019  
**Notes** Actuarially determined contributions are calculated as of October 1, which is two years 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	Fixed Dollar
Remaining Amortization Period	10 years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	4.00%
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement 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 retirees, the mortality table is the RP-2000 Mortality Table for Disabled Annuitants, setback 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates as used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2018 Actuarial Valuation. Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

**Other Information:**  
**Notes** See Discussion of Valuation Results in the October 1, 2019 Actuarial Valuation Report dated April 28, 2020.



## SINGLE DISCOUNT RATE

### GASB Statement No. 67

A single discount rate of 6.40% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.40% . The projection of cash flows used to determine this single discount rate assumed that 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 (6.40%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 6.40%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

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

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.40%	6.40%	7.40%
\$2,309,834	(\$595,052)	(\$3,057,701)





## SECTION E

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### MISCELLANEOUS INFORMATION

<b>RECONCILIATION OF MEMBERSHIP DATA</b>		
	10/1/2020 - 10/1/2021	10/1/2019 - 10/1/2020
<b>A. Active Members</b>		
1. Number Included in Last Valuation	11	11
2. New Members Included in Current Valuation	0	0
3. Non-Vested Employment Terminations	0	0
4. Vested Employment Terminations	0	0
5. DROP Participation	0	0
6. Service Retirements	(1)	0
7. Disability Retirements	0	0
8. Deaths	0	0
9. Other - Rehired Members	<u>0</u>	<u>0</u>
10. Number Included in This Valuation	10	11
<b>B. Terminated Vested Members</b>		
1. Number Included in Last Valuation	0	0
2. Additions from Active Members	0	0
3. Lump Sum Payments/Refund of Contributions	0	0
4. Payments Commenced	0	0
5. Deaths	0	0
6. Other - Data Adjustments	<u>0</u>	<u>0</u>
7. Number Included in This Valuation	0	0
<b>C. DROP Plan Members</b>		
1. Number Included in Last Valuation	4	4
2. Additions from Active Members	0	0
3. Retirements	0	0
4. Deaths Resulting in No Further Payments	0	0
5. Other	<u>0</u>	<u>0</u>
6. Number Included in This Valuation	4	4
<b>D. Service Retirees, Disability Retirees and Beneficiaries</b>		
1. Number Included in Last Valuation	79	79
2. Additions from Active Members	1	0
3. Additions from Terminated Vested Members	0	0
4. Additions from DROP Plan	0	0
5. Deaths Resulting in No Further Payments	(1)	0
6. Deaths Resulting in New Survivor Benefits	0	0
7. End of Certain Period/No Further Payments	0	0
8. Travelers Annuitants receiving COLA from Plan	0	0
9. Other - Rehired Members	<u>0</u>	<u>0</u>
10. Number Included in This Valuation	79	79



**ACTIVE PARTICIPANT SCATTER**

Age Group	Years of Service to Valuation Date											Totals
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30+	
25-29 No.	0	0	0	0	0	0	0	0	0	0	0	0
Total Pay	0	0	0	0	0	0	0	0	0	0	0	0
Avg Pay	0	0	0	0	0	0	0	0	0	0	0	0
30-34 No.	0	0	0	0	0	0	0	0	0	0	0	0
Total Pay	0	0	0	0	0	0	0	0	0	0	0	0
Avg Pay	0	0	0	0	0	0	0	0	0	0	0	0
35-39 No.	0	0	0	0	0	0	0	0	0	0	0	0
Total Pay	0	0	0	0	0	0	0	0	0	0	0	0
Avg Pay	0	0	0	0	0	0	0	0	0	0	0	0
40-44 No.	0	0	0	0	0	0	0	0	1	0	0	1
Total Pay	0	0	0	0	0	0	0	0	84,544	0	0	84,544
Avg Pay	0	0	0	0	0	0	0	0	84,544	0	0	84,544
45-49 No.	0	0	0	0	0	0	0	1	1	1	0	3
Total Pay	0	0	0	0	0	0	0	120,710	71,299	75,497	0	267,506
Avg Pay	0	0	0	0	0	0	0	120,710	71,299	75,497	0	89,169
50-54 No.	0	0	0	0	0	0	0	0	0	0	0	0
Total Pay	0	0	0	0	0	0	0	0	0	0	0	0
Avg Pay	0	0	0	0	0	0	0	0	0	0	0	0
55-59 No.	0	0	0	0	0	0	0	2	1	1	0	4
Total Pay	0	0	0	0	0	0	0	162,447	63,946	66,327	0	292,720
Avg Pay	0	0	0	0	0	0	0	81,223	63,946	66,327	0	73,180
60-64 No.	0	0	0	0	0	0	0	1	1	0	0	2
Total Pay	0	0	0	0	0	0	0	57,172	69,650	0	0	126,822
Avg Pay	0	0	0	0	0	0	0	57,172	69,650	0	0	63,411
65 & Up No	0	0	0	0	0	0	0	0	0	0	0	0
Total Pay	0	0	0	0	0	0	0	0	0	0	0	0
Avg Pay	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total No.</b>	0	0	0	0	0	0	0	4	4	2	0	10
<b>Total Pay</b>	0	0	0	0	0	0	0	\$340,329	\$289,439	141,824	0	\$771,592
<b>Avg Pay</b>	0	0	0	0	0	0	0	85,082	72,360	70,912	0	77,159



**INACTIVE PARTICIPANT SCATTER**

<b>Age Group</b>	<b>Terminated Vested</b>		<b>Disabled</b>		<b>Retired</b>		<b>Deceased with Beneficiary</b>	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-
50-54	-	-	-	-	1	58,814	-	-
55-59	-	-	-	-	7	349,760	-	-
60-64	-	-	-	-	14	438,123	-	-
65-69	-	-	-	-	18	561,137	1	9,185
70-74	-	-	-	-	17	310,661	1	1,082
75-79	-	-	-	-	7	96,686	2	24,125
80-84	-	-	-	-	7	84,099	1	19,355
85-89	-	-	-	-	3	21,166	2	30,804
90-94	-	-	-	-	2	5,848	-	-
95-99	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	76	1,926,294	7	84,551

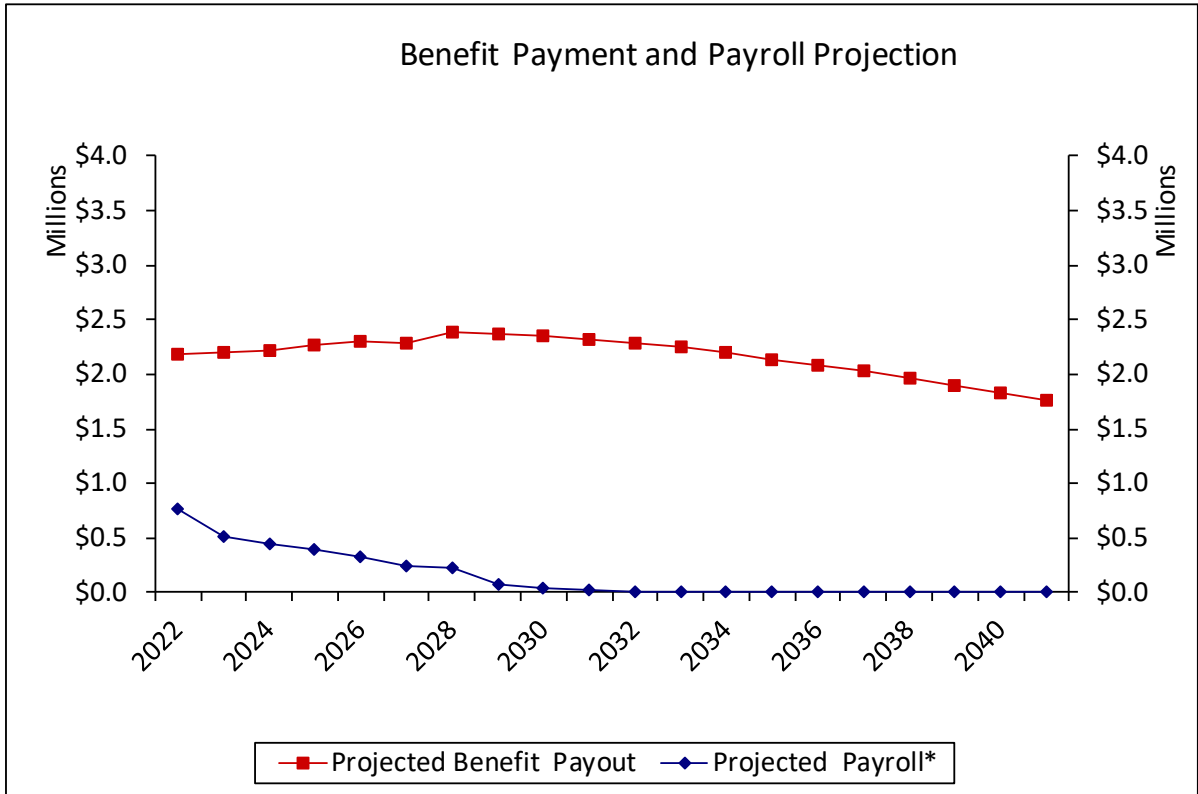
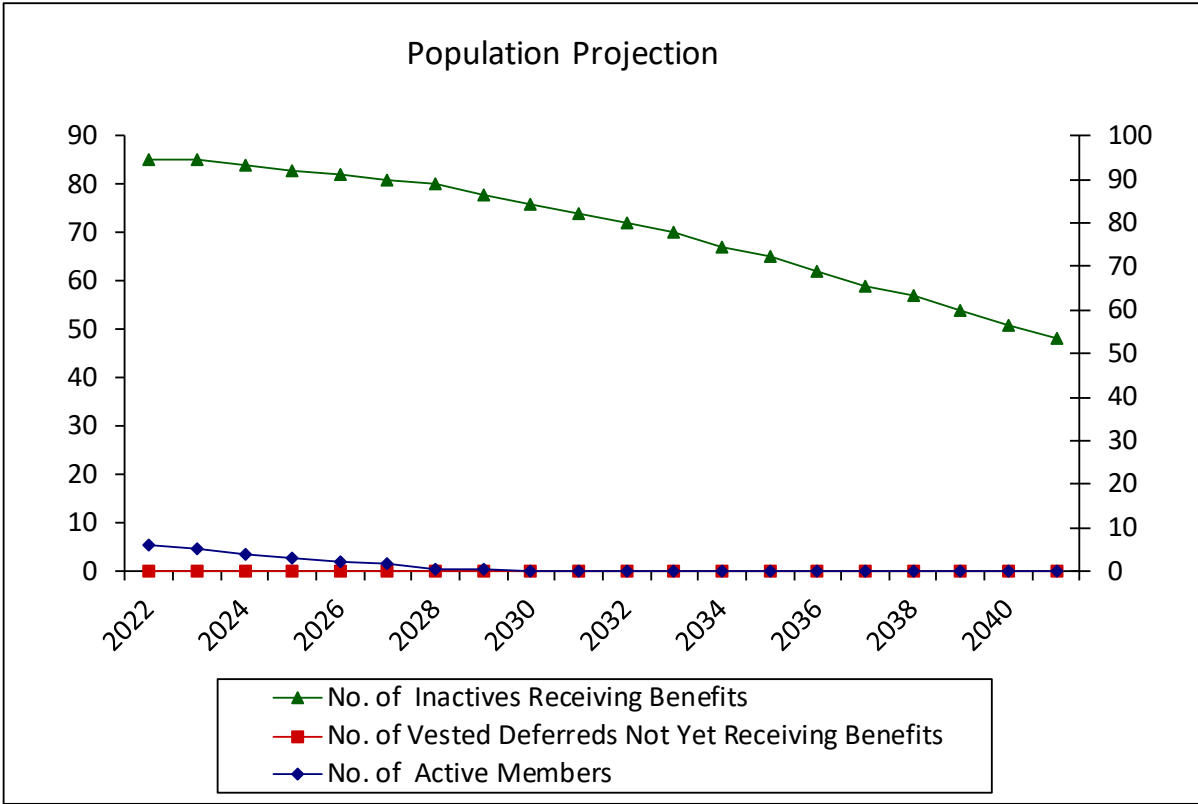


<b>PROJECTED PAYROLL AND RETIREMENT BENEFITS</b>					
<b>Fiscal Year End</b>	<b>No. of Active Members</b>	<b>Projected Payroll*</b>	<b>No. of Vested Deferreds Not Yet Receiving Benefits</b>	<b>No. of Inactives Receiving Benefits</b>	<b>Projected Benefit Payout</b>
2022	6	\$771,592	0	85	\$2,178,849
2023	5	507,681	0	85	2,201,622
2024	4	449,561	0	84	2,219,109
2025	3	395,725	0	83	2,264,644
2026	2	323,000	0	82	2,303,925
2027	2	243,374	0	81	2,290,999
2028	1	224,415	0	80	2,383,518
2029	0	74,718	0	78	2,373,483
2030	0	45,794	0	76	2,351,868
2031	0	25,926	0	74	2,319,982
2032	0	14,009	0	72	2,279,691
2033	0	8,533	0	70	2,246,002
2034	0	0	0	67	2,194,989
2035	0	0	0	65	2,141,298
2036	0	0	0	62	2,084,870
2037	0	0	0	59	2,025,676
2038	0	0	0	57	1,963,775
2039	0	0	0	54	1,899,161
2040	0	0	0	51	1,831,852
2041	0	0	0	48	1,762,052

\*Excludes picked-up member contributions.

These projections are based on assumptions involving all decrements. Actual payroll and benefit payouts may differ from the above estimates depending upon actual experience of the plan. However, since the projections are recomputed each valuation date, there is an automatic correction to the extent actual experience varies from expected experience.





## **SECTION F**

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### **SUMMARY OF PLAN PROVISIONS**

# SUMMARY OF PLAN PROVISIONS

## A. Ordinances

The Plan was established under the Code of Ordinances for the City of Dania Beach, Florida, Chapter 18, Article III, and was most recently amended under Ordinance No. 2020-014 passed and adopted on September 24, 2020. 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, 1969; amended plan Effective Date June 23, 1981.

## 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

Full-time general employees or elected officials hired or elected before March 1, 2006, excluding those who chose to join the Florida Retirement System. Each general employee or elected official hired or elected on or after March 1, 2006 will become members of the Florida Retirement System.

## F. Credited Service

Credited Service is measured as the total number of years and completed months from the date of employment to the date of termination or retirement. Vacations and other paid leaves of absence are included. Unpaid leaves of absence are not included.

## G. Earnings/Compensation

Basic pay including longevity pay, but excluding bonuses, overtime or any other non-regular payments such as unused sick leave and vacation time. Member contributions which are picked up by the Employer are added to each year's pensionable compensation.

## H. Average Monthly Earnings (AME)

The average of Earnings during the last year of employment and two other years as selected by the member (i.e., 3 year average) out of the last 10 years preceding termination or retirement.





## I. Normal Retirement

Eligibility: A member may retire on the first day of the month coincident with or next following the earlier of:  
(1) age 50 with 25 years of Credited Service, or  
(2) age 55 with 6 years of Credited Service.

Benefit: 3.0% of AME multiplied by years of Credited Service.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: On April 1 of each year, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.

## J. Early Retirement

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon attainment of age 50 with 10 years of Credited Service (8 years for elected officials).

Benefit: The Normal Retirement Benefit is reduced by 6.0% for each year by which the Early Retirement date precedes what would have been the member's Normal Retirement date.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: On April 1 of each year, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.

## 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 being incapacitated from rendering regular and continuous duties as an employee for a period of 6 months or more and who qualifies for Social Security disability benefits as a result from an act occurring in the performance of service for the City is immediately eligible for a disability benefit.
- Benefit:** 66 2/3% of current salary on the date of disability less the sum of Social Security and Worker's Compensation benefits received for the same disability.
- Normal Form of Benefit:** Benefits begin on the first day of the 7th month following the date of disability and are payable until death or recovery from disability.
- COLA:** On April 1 of each year, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.

## M. Non-Service Connected Disability

- Eligibility:** Any member who becomes totally and permanently disabled being incapacitated from rendering regular and continuous duties as an employee for a period of 6 months or more and who qualifies for Social Security disability benefits is immediately eligible for a disability benefit.
- Benefit:** The member's accrued Normal Retirement Benefit taking into account compensation earned and service credited until the date of disability.
- Normal Form of Benefit:** Benefits begin on the first day of the 7th month following the date of disability and are payable until death, recovery from disability, or the attainment of Normal Retirement age.
- COLA:** On April 1 of each year, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.

## N. Death in the Line of Duty

**Eligibility:** In the event of death prior to retirement, there shall be a death benefit payable for any member or former member who is eligible for an Early, Normal, or Delayed Retirement benefit.

**Benefit:** Benefit will be paid to the participant's beneficiary as though retirement occurred on the date of death and a Joint and Survivor annuity were chosen.

If the member had 8 years of Credited Service but was not eligible for retirement, their beneficiary can elect to leave the member's accumulated contributions in the fund and receive a survivor benefit. The benefit will be based on 100% Joint or Survivor annuity option starting at either the participant's Normal Retirement date or starting immediately with actuarial reduction.

**Normal Form of Benefit:** Payable for the life of the beneficiary.

**COLA:** On April 1 of each year, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.

## O. Other Pre-Retirement Death

**Eligibility:** In the event of death prior to retirement, there shall be a death benefit payable for any member or former member who is eligible for an Early, Normal, or Delayed Retirement benefit.

**Benefit:** Benefit will be paid to the participant's beneficiary as though retirement occurred on the date of death and a Joint and Survivor annuity were chosen.

If the member had 8 years of Credited Service but was not eligible for retirement, their beneficiary can elect to leave the member's accumulated contributions in the fund and receive a survivor benefit. The benefit will be based on 100% Joint or Survivor annuity option starting at either the participant's Normal Retirement date or starting immediately with actuarial reduction.

**Normal Form of Benefit:** Payable for the life of the beneficiary.

**COLA:** On April 1 of each year, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.



## P. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

## Q. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are a Single Life Annuity option or the 50%, 66 2/3, 75% or 100% Joint and Survivor options.

## R. Vested Termination

**Eligibility:** A member has earned a non-forfeitable right to Plan benefits after the completion of 6 years of Credited Service (See vesting table below).

Vesting is determined in accordance with the following table.

<b>YEARS OF CREDITED SERVICE</b>	<b>% OF NORMAL RETIREMENT BENEFITS</b>
Less Than 6	0%
6 or more	100%

**Benefit:** The member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins on the member's Normal Retirement date. Alternatively, members may elect to receive an actuarially reduced Early Retirement Benefit any time after age 50.

Plan members with less than 6 years of Credited Service will receive a refund of the member's accumulated contributions with interest.

**Normal Form of Benefit:** 10 Years Certain and Life thereafter; other options are also available.

**COLA:** On April 1 of each year following commencement of benefits, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.



## S. Refunds

- Eligibility:** All members terminating employment with less than 6 years of Credited Service are eligible. Optionally, vested members (those with 6 or more years of credited service) may elect a refund in lieu of the vested benefits otherwise due.
- Benefit:** Refund of the member's contributions with interest. Interest is currently credited at a rate of 5.0% per annum.

## T. Member Contributions

19.74% of Earnings. 16.08% of this amount is picked up by the Employer.

## 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

On April 1 of each year, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.

## W. Benefit Reserve and Health Insurance Subsidy

75% of each year's actuarial gain in excess of that used for the COLA would be used first to pay one-third of health insurance premiums for those whose benefits are in pay status. If any money remains after the first use, it would be used to pay the remaining two-thirds of health insurance premiums for those whose benefits are in pay status. If there is still money remaining, it will be accrued in a "future benefit reserve account" to be used to provide future benefits for retirees and survivors.

## X. Deferred Retirement Option Plan

- Eligibility:** Plan members are eligible for the DROP upon meeting the eligibility requirements for Early or Normal Retirement.
- Members who meet eligibility must submit a written election to participate in the DROP.
- Benefit:** The member's Credited Service and AME are frozen upon entry into the DROP. The monthly retirement benefit as described under Early or Normal Retirement is calculated based upon the frozen Credited Service and AME.



Maximum

DROP Period: The maximum DROP period is 5 years for those who enter the DROP on or after March 1, 2006.

Interest

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

Normal Form

of Benefit: Options include a lump sum, annual payments, or equal monthly installments.

COLA:

On April 1 of each year, a cost of living increase is given based on the actuarial gain realized in the prior fiscal year ending September 30 and upon the percentage of such gain attributable to retirees as a percentage of the total number of participants in the fund. If there is no actuarial gain in the prior fiscal year, then there is no cost of living adjustment the following April 1. The annual increase is limited to the annual increase in the Consumer Price Index for the preceding calendar year.

## Y. Other Ancillary Benefits

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