City of Miami Beach Employees' Retirement Plan

Actuarial Valuation Report as of October 1, 2017

Annual Employer Contribution for the Fiscal Year Ending September 30, 2019

GRS Retirement Consulting

GRS Retirement Consulting

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April 9, 2018

Board of Trustees
City of Miami Beach Employees'
Retirement Plan
Miami Beach, Florida

Dear Board Members:

The results of the October 1, 2017 Actuarial Valuation of the City of Miami Beach Employees' Retirement Plan are presented in this report.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

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 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 purpose of the valuation is to measure the System's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2019, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) No. 67 for fiscal year ending September 30, 2017. This report also includes estimated GASB No. 67 information for the fiscal year ending September 30, 2018. This report should not be relied on for any purpose other than the purpose described above. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The findings in this report are based on data or other information through September 30, 2017. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the range of such future measurements.

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

In addition, this report was prepared using certain assumptions prescribed by the Board and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Cost Method. The prescribed assumptions are the assumed mortality rates detailed in the Actuarial Assumptions and Cost Method section in accordance with Florida Statutes, Chapter 112.63.

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 Miami Beach Employees' 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.

Melissa R. Moskovitz and Trisha Amrose 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 taken into account in the valuation.

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

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SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

A comparison of the required employer contribution developed in this and the last actuarial valuation is shown below.

	Required City Contribution				
	Amount	% of Non-DROP Payroll	% of Total Payroll	Non-DROP Covered Payroll	Total Covered Payroll
For FYE 9/30/19 Based on 10/1/17 Valuation	$ 31,864,304	39.93 %	36.42 %	$ 79,797,583	$ 87,482,249
For FYE 9/30/18 Based on 10/1/16 Valuation	$ 31,892,485	41.41 %	37.35 %	$ 77,013,213	$ 85,395,344
Increase (Decrease)	(28,181)	(1.48)	(0.93)	2,784,370	2,086,905

The contribution has been adjusted for interest on the basis that the employer contribution is made in a single payment on the first day of the fiscal year. The actual employer contribution for the year ending September 30, 2017 was $29,358,098. The minimum required contribution was $29,358,098.

Revisions in Benefits

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

Revisions in Actuarial Assumptions and Methods

The investment return assumption was lowered from 7.65% to 7.60% effective October 1, 2017. This rate will be lowered to 7.50% effective October 1, 2018 and to 7.40% effective October 1, 2019.

This change has increased the required employer contribution by approximately $492,000, or 0.61% of non-DROP payroll.

Actuarial Experience

There was a net actuarial gain of $6,212,497 for the year which means actual experience was more favorable than expected. The actuarial gains were primarily due to a recognized investment return (on the smoothed actuarial value of assets) above the assumed rate of 7.65%. The return on the Actuarial Value of Assets was 9.0%, and the return on the Market Value of Assets was 12.5%. The investment gains were partially offset by net liability-related experience losses. There were demographic experience gains resulting from more employment terminations than expected and lower than expected salary increases, but these gains were more than offset by experience losses due to more retirements than expected and fewer retiree deaths than expected during the year. The net actuarial gain translates into a decrease in the employer contribution equal to approximately $531,000, or 0.67% of non-DROP payroll.

Funded Ratio

The funded ratio this year is 70.9% compared to 68.8% last year. The funded ratio was 71.3% before the changes in assumptions. 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 employer contribution as a percent of non-DROP payroll are as follows:

Contribution rate last year	41.41 %
Change in assumptions/methods	0.61
Payment on unfunded liability	(1.16)
Change in employer normal cost rate	(0.23)
Experience gain/loss	(0.67)
Change in administrative expense	(0.03)
Contribution rate this year	39.93 %

Variability of Future Contribution Rates

It is important to keep in mind that under the asset smoothing method, the difference between actual and expected return is recognized over five years. As of September 30, 2017 the market value of assets exceeded the actuarial value by $17,111,585. Once all the gains and losses through September 30, 2017 are fully recognized in the actuarial asset values, the contribution will decrease by roughly $1,463,000 or 1.8% of non-DROP payroll (before reflecting further phase-in of the investment return assumption change) unless there are further gains or losses.

If we were not using an asset smoothing method, the City contribution rate would have been 38.10% and the funded ratio would have been 73.0%.

Projections of Required Contributions and Funded Ratio

The following three pages show the estimated City contributions and funded ratios over the next ten years, and a projection of the unfunded accrued liability and amortization payments over the next thirty years. The projections are based on these assumptions:

- A 7.60% return for 2018, a 7.50% return for 2019, and 7.40% for each year thereafter
- Use of the same Mortality Tables from the most recent actuarial valuation for regular class employees of the Florida Retirement System
- Cash flow remains constant
- No future gains or losses other than the recognition of prior investment experience
- 3% payroll growth

The projections reflect the expiration of amortization bases. For example, for the 2032 valuation, the amortization payments will decrease by approximately $1.9 million.

Conclusion

It is important to note that system assets are barely sufficient to cover the liabilities for inactive members. As of October 1, 2017, the assets are $600.3 million and the liability for current inactive members is $598.6 million. Additionally, the funded ratio has dropped from over 100% in 2000 to the current level of 70.9%. Some steps have been taken to address these issues, such as strengthening the actuarial assumptions and lowering the investment return rate. Given the low funded ratio, it is advisable to consider further steps, such as a shortening of the amortization period and further strengthening of the actuarial assumptions. Any of these steps would result in higher contributions in the short-term for the City. For each additional $5 million contributed, the funded ratio will increase by 0.61%.

The most recent experience study was performed in the Experience Study Report dated May 2, 2011 covering the ten-year period from October 1, 2000 through September 30, 2010. We recommend that an updated experience study be performed.

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

10-Year Projection of Actuarially Determined Contribution (ADC)

Total ADC
Current Assumptions

Fiscal Year Ending 9/30	Dollar Amount (thousands)	% of Payroll
2019	$ 31,864	39.93 %
2020	32,642	39.71
2021	33,680	39.78
2022	32,954	37.79
2023	32,455	36.14
2024	32,402	35.03
2025	32,364	33.97
2026	32,400	33.01
2027	32,436	32.09
2028	32,481	31.20
2029	32,485	30.29

Assumptions

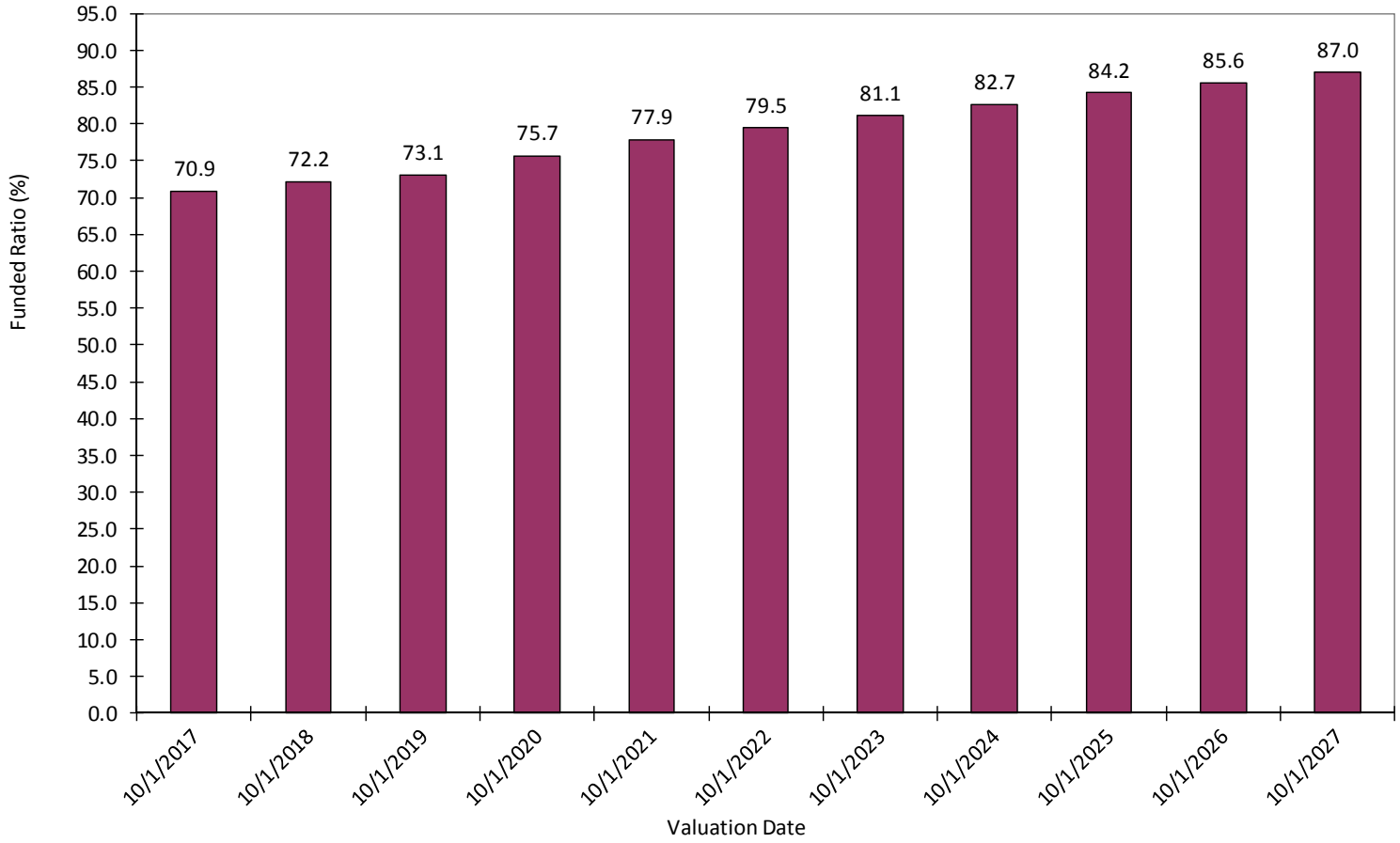
7.60% investment return assumption as of 10/1/2017; further lowered to 7.50% effective 10/1/2018 and 7.40% effective 10/1/2018

No gains or losses other than recognition of prior investment experience

Constant cash flow

3.0% payroll growth

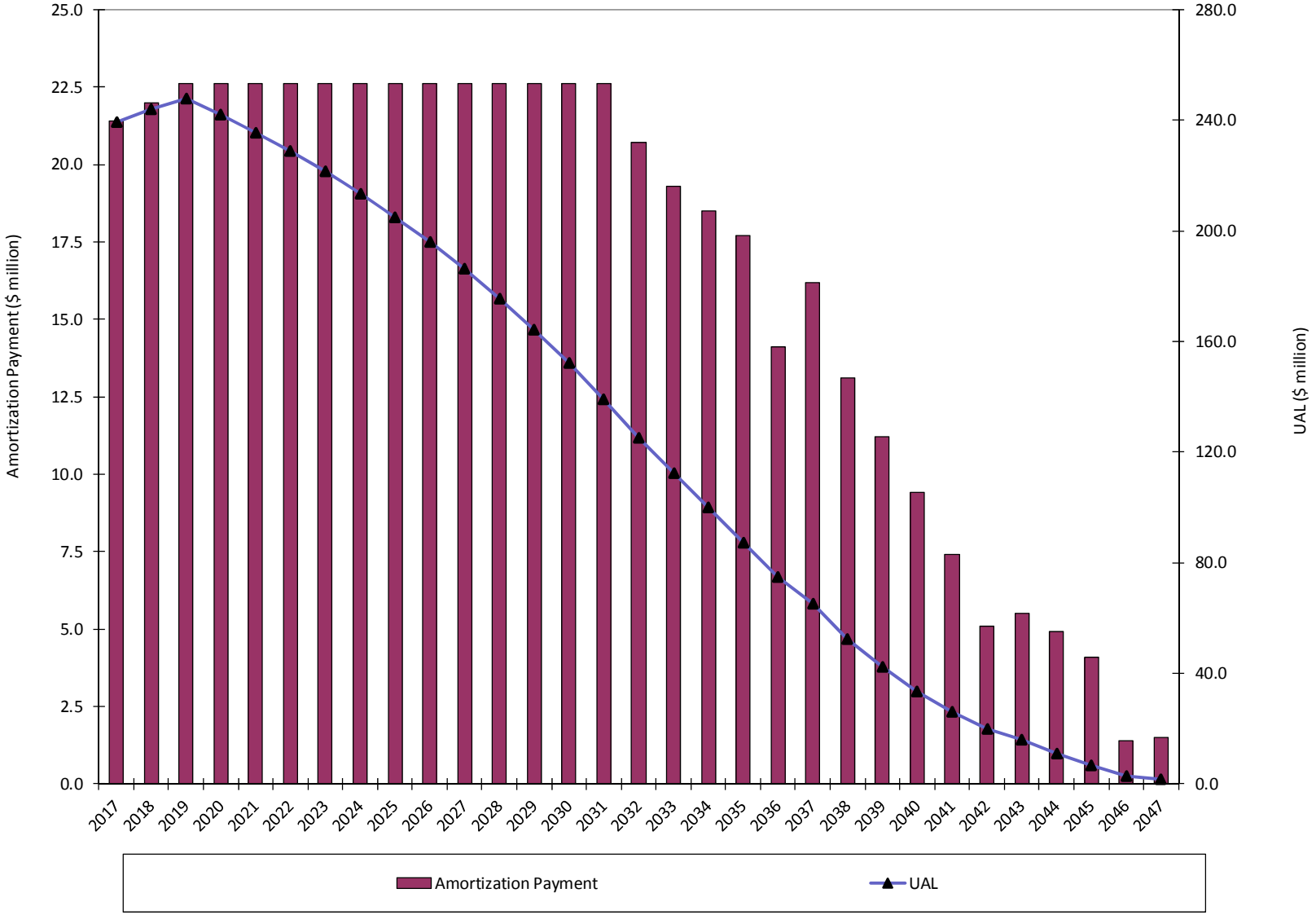
City of Miami Beach Employees' Retirement Plan
10-Year Projection of Funded Ratio



Assumptions

7.60% investment return assumption as of 10/1/2017; further lowered to 7.50% effective as of 10/1/2018 and 7.40% effective as of 10/1/2019
Use of the same mortality tables from the most recent actuarial valuation for regular class employees of the Florida Retirement System
No gains or losses other than recognition of prior investment experience
Constant cash flow
3.0% payroll growth

30-Year Projection of Unfunded Actuarial Accrued Liability (UAL) and Amortization Payments
Reflecting only Current UAL Bases



SECTION B

VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2017	October 1, 2016
ACTIVE MEMBERS		
Number (Non-DROP)	1,175	1,166
Covered Annual Non-DROP Payroll	$ 79,797,583	$ 77,013,213
Average Annual Non-DROP Pay	$ 67,913	$ 66,049
Total Covered Annual Payroll	$ 87,482,249	$ 85,395,344
Average Total Annual Pay	$ 68,346	$ 66,767
Average Age (Non-DROP)	44.1	44.1
Average Past Service (Non-DROP)	8.9	8.8
Average Age at Hire (Non-DROP)	35.2	35.3
DROP PARTICIPANTS		
Number	105	113
Annual Benefits	$ 4,506,147	$ 5,039,059
Average Annual Benefit	$ 42,916	$ 44,593
Average Age	60.8	60.5
RETIREES & BENEFICIARIES		
Number	1,033	1,002
Annual Benefits	$ 41,706,733	$ 39,163,308
Average Annual Benefit	$ 40,374	$ 39,085
Average Age	71.1	71.1
DISABILITY RETIREES		
Number	32	35
Annual Benefits	$ 1,009,318	$ 1,062,697
Average Annual Benefit	$ 31,541	$ 30,363
Average Age	65.5	65.0
TERMINATED VESTED MEMBERS		
Number	90	94
Annual Benefits	$ 2,270,970	$ 2,230,273
Average Annual Benefit	$ 25,233	$ 23,726
Average Age	46.0	46.1

ACTUARIALLY DETERMINED CONTRIBUTION (ADC)			
A. Valuation Date	October 1, 2017 *After Assumption Change*	October 1, 2017 *Before Assumption Change*	October 1, 2016
B. ADC to Be Paid During Fiscal Year Ending	9/30/2019	9/30/2019	9/30/2018
C. Assumed Date of Employer Contrib.	10/1/2018	10/1/2018	10/1/2017
D. Annual Payment to Amortize Unfunded Actuarial Liability	$ 21,409,838	$ 21,114,673	$ 21,689,894
E. Employer Normal Cost	8,203,827	8,028,472	7,936,195
F. ADC if Paid on the Valuation Date: D+E	29,613,665	29,143,145	29,626,089
G. ADC Adjusted for Frequency of Payments	31,864,304	31,372,596	31,892,485
H. ADC as % of Covered Payroll			
- Non-DROP Payroll	39.93 %	39.32 %	41.41 %
- Total Payroll	36.42 %	35.86 %	37.35 %
I. Expected Covered Payroll			
- Non-DROP Payroll	79,797,583	79,797,583	77,013,213
- Total Payroll	87,482,249	87,482,249	85,395,344

ACTUARIAL VALUE OF BENEFITS AND ASSETS			
A. Valuation Date	October 1, 2017 *After Assumption Change*	October 1, 2017 *Before Assumption Change*	October 1, 2016
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	$ 306,262,302	$ 303,158,650	$ 294,484,206
b. Vesting Benefits	35,840,771	35,394,773	34,460,868
c. Disability Benefits	7,797,901	7,733,901	7,458,979
d. Preretirement Death Benefits	4,374,843	4,333,721	4,278,278
e. Return of Member Contributions	1,443,549	1,441,369	1,412,196
f. Total	355,719,366	352,062,414	342,094,527
2. Inactive Members			
a. Service Retirees & Beneficiaries	565,207,803	562,539,355	540,366,386
b. Disability Retirees	10,878,834	10,831,197	11,436,386
c. Terminated Vested Members	22,502,887	22,316,137	22,429,055
d. Total	598,589,524	595,686,689	574,231,827
3. Total for All Members	954,308,890	947,749,103	916,326,354
C. Actuarial Accrued (Past Service) Liability (under Entry Age Normal)	822,363,516	817,721,440	789,615,932
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	786,431,862	781,972,132	753,725,131
E. Plan Assets			
1. Market Value	600,280,589	600,280,589	540,876,019
2. Actuarial Value	583,169,004	583,169,004	543,448,708
F. Unfunded Actuarial Accrued Liability: C-E2	239,194,512	234,552,436	246,167,224
G. Actuarial Present Value of Projected Covered Payroll	735,219,585	732,907,995	700,324,351
H. Actuarial Present Value of Projected Member Contributions	68,124,916	67,928,443	65,194,917
I. Accumulated Contributions of Active Members	67,476,363	67,476,363	65,031,761

CALCULATION OF EMPLOYER NORMAL COST			
A. Valuation Date	October 1, 2017 *After Assumption Change*	October 1, 2017 *Before Assumption Change*	October 1, 2016
B. Normal Cost for			
1. Service Retirement Benefits	$ 11,778,565	$ 11,640,163	$ 11,422,669
2. Vesting Benefits	2,482,843	2,451,727	2,368,049
3. Disability Benefits	585,005	581,063	560,382
4. Preretirement Death Benefits	284,178	281,682	280,045
5. Return of Member Contributions	277,136	277,737	269,697
6. Total for Future Benefits	15,407,727	15,232,372	14,900,842
7. Assumed Amount for Administrative Expenses	690,524	690,524	691,896
8. Total Normal Cost	16,098,251	15,922,896	15,592,738
% of Covered Payroll			
- Non-DROP Payroll	20.17 %	19.95 %	20.25 %
- Total Payroll	18.40 %	18.20 %	18.26 %
C. Expected Member Contribution	7,894,424	7,894,424	7,656,543
% of Covered Payroll			
- Non-DROP Payroll	9.89 %	9.89 %	9.94 %
- Total Payroll	9.02 %	9.02 %	8.97 %
D. Employer Normal Cost: B8-C	8,203,827	8,028,472	7,936,195
% of Covered Payroll			
- Non-DROP Payroll	10.28 %	10.06 %	10.30 %
- Total Payroll	9.38 %	9.18 %	9.29 %

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

A. Derivation of the Current UAAL	
1. Last Year's UAAL	$ 246,167,224
2. Employer Normal Cost for Contribution Year	6,846,176
3. Last Year's Contributions	29,358,098
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	19,355,525
b. 3 from dates paid	2,245,894
c. a - b	17,109,631
5. This Year's Expected UAAL Prior to Revision: 1 + 2 - 3 + 4c	240,764,933
6. Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	4,642,076
7. This Year's Expected UAAL After Revisions: 5 + 6	245,407,009
8. This Year's Actual UAAL After Revisions	239,194,512
9. This Year's Gain (Loss): 7 - 8	6,212,497
10. Gain (Loss) Due to Investments	7,459,267
11. Gain (Loss) Due to Other Causes	(1,246,770)

B. UAAL Amortization Period and Payments

Original UAAL				Current UAAL			
						Payment	
Date Established	Source	Amortization Period (Years)	Amount	Years Remaining	Amount	*After Assumption Change*	*Before Assumption Change*
10/1/02	(Gain) Loss	30	$ 24,017,296	15	$ 17,997,760	$ 1,906,688	$ 1,911,704
10/1/03	(Gain) Loss	30	16,972,622	16	14,359,555	1,469,374	1,473,458
10/1/04	(Gain) Loss	30	9,682,048	17	8,119,590	805,330	807,684
10/1/05	(Gain) Loss and Assum. Change*	30	9,377,578	18	7,735,790	745,965	748,248
10/1/06	(Gain) Loss	30	11,796,972	19	9,850,034	925,954	928,912
10/1/06	(Gain) Loss	30	34,747,408	19	29,012,807	2,727,355	2,736,066
10/1/07	(Gain) Loss	30	(14,036,710)	20	(11,965,093)	(1,099,092)	(1,102,744)
10/1/07	Assum. and Method Change**	30	(12,143,754)	20	(10,351,512)	(950,871)	(954,031)
10/1/08	(Gain) Loss	30	29,844,325	21	27,156,622	2,442,708	2,451,129
10/1/08	Assum. Change	30	8,228,994	21	7,487,911	673,529	675,851
10/1/09	(Gain) Loss	30	28,291,986	22	25,823,442	2,278,771	2,286,899
10/1/09	Assum. Change	30	8,975,372	22	8,192,249	722,919	725,498
10/1/09	Assum. Change	30	(7,968,884)	22	(7,273,580)	(641,852)	(644,141)
10/1/09	Plan Change	30	(6,161,412)	22	(5,623,816)	(496,270)	(498,040)
10/1/10	(Gain) Loss	30	15,123,488	23	14,290,880	1,239,262	1,243,825
10/1/10	Assum. Change	30	8,061,915	23	7,618,073	660,616	663,049
10/1/11	(Gain) Loss	30	22,163,141	24	21,049,729	1,796,473	1,803,287
10/1/11	Assum. Change	30	1,658,668	24	1,575,341	134,446	134,956
10/1/12	***	29	869,791	24	816,527	69,686	69,950
10/1/12	(Gain) Loss	30	23,859,099	25	22,509,587	1,893,210	1,900,594
10/1/12	Assum. Change	30	10,160,600	25	9,585,898	806,240	809,384
10/1/12	Plan Change	30	(5,160,035)	25	(4,868,175)	(409,447)	(411,044)
10/1/13	(Gain) Loss	30	(3,358,961)	26	(3,169,230)	(263,010)	(264,063)
10/1/13	Plan Change	30	(1,053,975)	26	(994,444)	(82,527)	(82,858)
10/1/14	(Gain) Loss	30	(3,236,333)	27	(3,104,267)	(254,474)	(255,518)
10/1/14	Assum. Change	30	10,779,808	27	10,339,917	847,621	851,098
10/1/15	(Gain) Loss	30	(664,417)	28	(646,115)	(52,372)	(52,591)
10/1/15	Assum. Change	30	11,414,118	28	11,099,725	899,701	903,476
10/1/16	(Gain) Loss	30	(13,413,330)	29	(13,238,443)	(1,061,987)	(1,066,540)
10/1/16	Assum. Change	30	48,004,064	29	47,378,171	3,800,674	3,816,967
10/1/17	(Gain) Loss	30	(6,212,497)	30	(6,212,497)	(493,633)	(495,792)
10/1/17	Assum. Change	30	4,642,076	30	4,642,076	368,851	N/A
			265,261,061		239,194,512	21,409,838	21,114,673

* Loss of 7,060,041 plus assumption change of 2,317,537.

** Assumption change of 5,311,398 plus method change of (17,455,152).

*** Charge Base established to reflect excess contribution for fiscal year ending 9/30/11 that was included in assets. This base is established as of 10/1/12.

C. 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:

Amortization Schedule	
Year	**Expected UAAL**
2017	$ 239,194,512
2018	234,336,268
2019	229,108,839
2020	223,484,125
2021	217,431,933
2022	210,919,774
2027	170,138,634
2032	111,319,217
2037	53,904,938
2042	12,471,550
2047	-

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.

Net actuarial gains in previous years are as follows:

Year Ended	Gain (Loss)
9/30/1990	$ (9,106,524)
9/30/1991	2,727,904
9/30/1992	4,954,823
9/30/1993	5,370,894
9/30/1994	(1,696,061)
9/30/1995	6,661,918
9/30/1996	7,568,621
9/30/1997	13,539,264
9/30/1998	6,894,790
9/30/1999	16,168,137
9/30/2000	6,540,306
9/30/2001	(6,572,791)
9/30/2002	(32,586,068)
9/30/2003	(18,414,901)
9/30/2004	(9,682,048)
9/30/2005	(7,060,041)
9/30/2006	(11,796,971)
9/30/2007	14,036,710
9/30/2008	(29,844,325)
9/30/2009	(28,291,986)
9/30/2010	(15,123,488)
9/30/2011	(22,163,141)
9/30/2012	(23,859,099)
9/30/2013	3,358,961
9/30/2014	3,236,333
9/30/2015	664,417
9/30/2016	13,413,330
9/30/2017	6,212,497

HISTORY OF INVESTMENT RETURNS AND SALARY INCREASES

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

	General Plan				Unclassified Plan			
	Investment Return		Salary Increases		Investment Return		Salary Increases	
Year Ending	Actual	Assumed	Actual	Assumed	Actual	Assumed	Actual	Assumed
9/30/1989	11.6 %	8.0 %	1.9 %	6.0 %	14.6 %	8.0 %	3.2 %	6.0 %
9/30/1990	7.3	8.5	7.5	6.0	(2.3)	8.0	12.3	6.0
9/30/1991	8.1	8.5	3.0	6.0	21.6	8.5	3.4	6.0
9/30/1992	13.7	8.5	2.0 *	6.0	5.8	9.0	2.4	6.0
9/30/1993	11.4	8.5	3.1	6.0	14.1	9.0	6.3	6.0
9/30/1994	6.8	8.5	3.9	6.0	4.8	9.0	6.0	6.0
9/30/1995	11.4	8.5	8.8	6.0	24.1	9.0	7.6	6.0
9/30/1996	15.3	8.5	4.2	6.0	13.9	9.0	8.6	6.0
9/30/1997	13.8	8.5	6.0	6.0	19.1	9.0	7.4	6.0
9/30/1998	12.5	8.5	5.0	6.0	4.3	9.0	4.1	6.0
9/30/1999	14.4	8.5	7.3	6.0	18.8	9.0	7.1	6.0
9/30/2000	10.7	8.5	6.7	6.0	16.5	9.0	6.7	6.0
9/30/2001	7.2	8.5	9.3	6.0	9.7	9.0	7.0	6.0
9/30/2002	0.3	8.5	8.9	6.0	1.7	9.0	9.2	6.0
9/30/2003	4.3	8.5	8.1	6.0	4.6	9.0	7.5	6.0
9/30/2004	4.1	8.5	3.1	6.0	9.7	9.0	5.7	6.0
9/30/2005	4.4	8.5	4.7	6.0	10.7	9.0	6.8	6.0
9/30/2006	7.7	8.5	11.9	6.0	10.2	8.75	7.9	6.0
9/30/2007 **	12.0	8.75	(3.6)	6.0	NA	NA	NA	NA
9/30/2008 **	5.2	8.65	11.3	6.0	NA	NA	NA	NA
9/30/2009 **	1.1	8.50	4.8	6.0	NA	NA	NA	NA
9/30/2010 **	5.0	8.35	2.5	6.0	NA	NA	NA	NA
9/30/2011 **	1.1	8.25	0.8	6.8	NA	NA	NA	NA
9/30/2012 **	2.1	8.15	1.7	5.7	NA	NA	NA	NA
9/30/2013 **	7.4	8.00	2.3	5.6	NA	NA	NA	NA
9/30/2014 **	9.9	8.00	3.6	5.6	NA	NA	NA	NA
9/30/2015 **	7.7	7.85	6.0	5.7	NA	NA	NA	NA
9/30/2016 **	9.6	7.70	4.5	5.8	NA	NA	NA	NA
9/30/2017 **	9.0	7.65	5.1	5.8	NA	NA	NA	NA
Averages	8.0 %	---	4.9 %	---	11.0 %	---	6.6 %	---

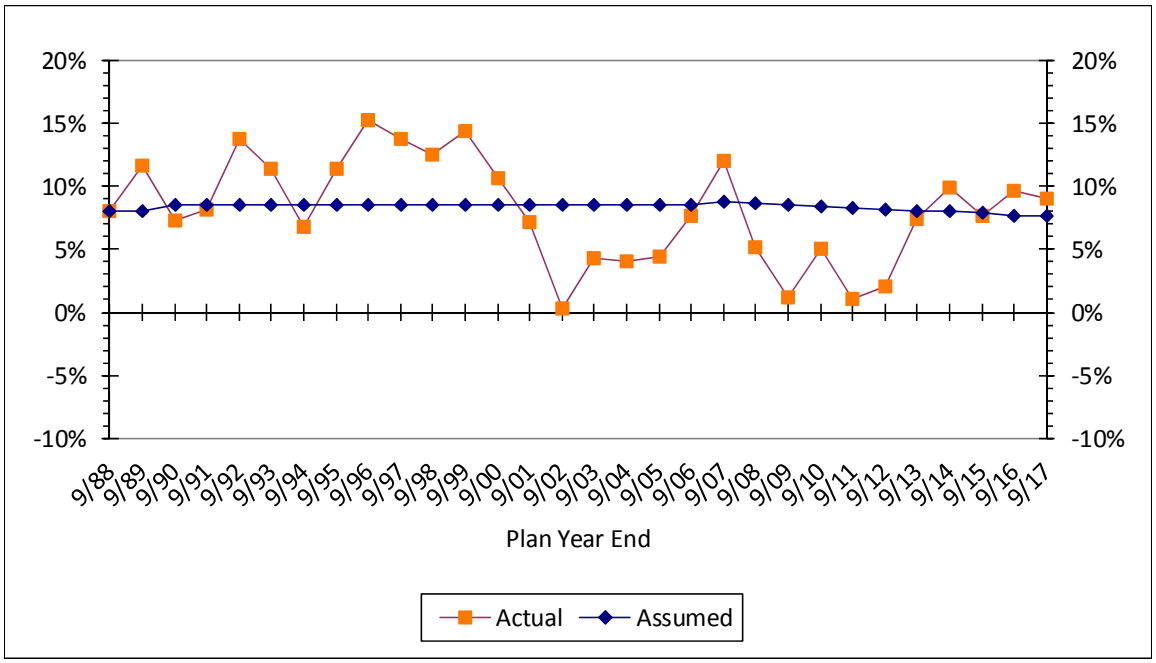
* Approximate rate
** Represents salary increases and investment return for the total group
Note: Figures before 1992 were taken from Reports of Buck Consultants.

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuation both at the beginning and the end of each period. The exhibits that follow illustrate the table above in graphic form.

History of Investment Return Based

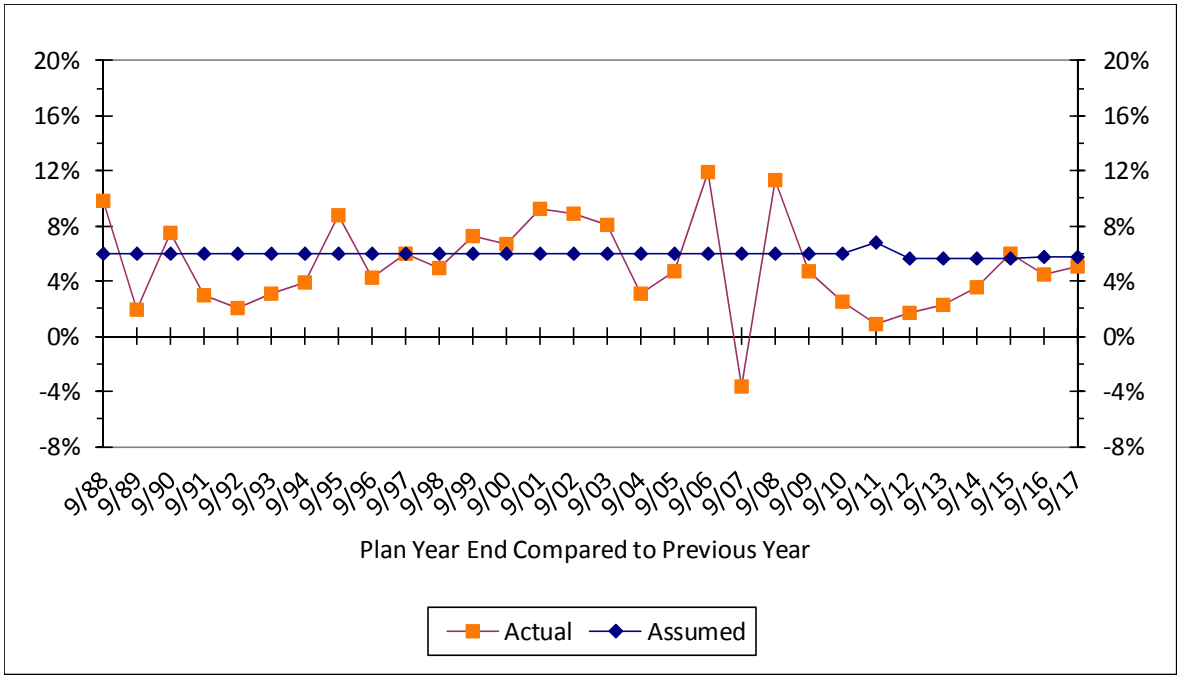
on Actuarial Value of Assets – General Plan

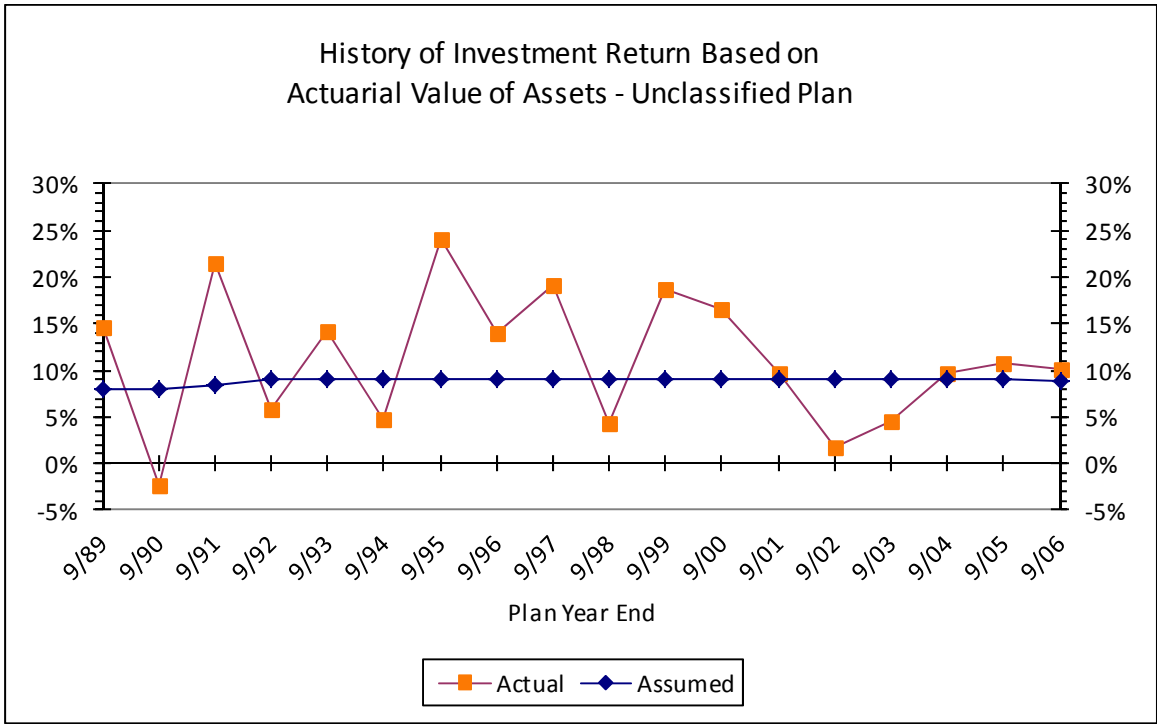
and Combined Plan after 2006

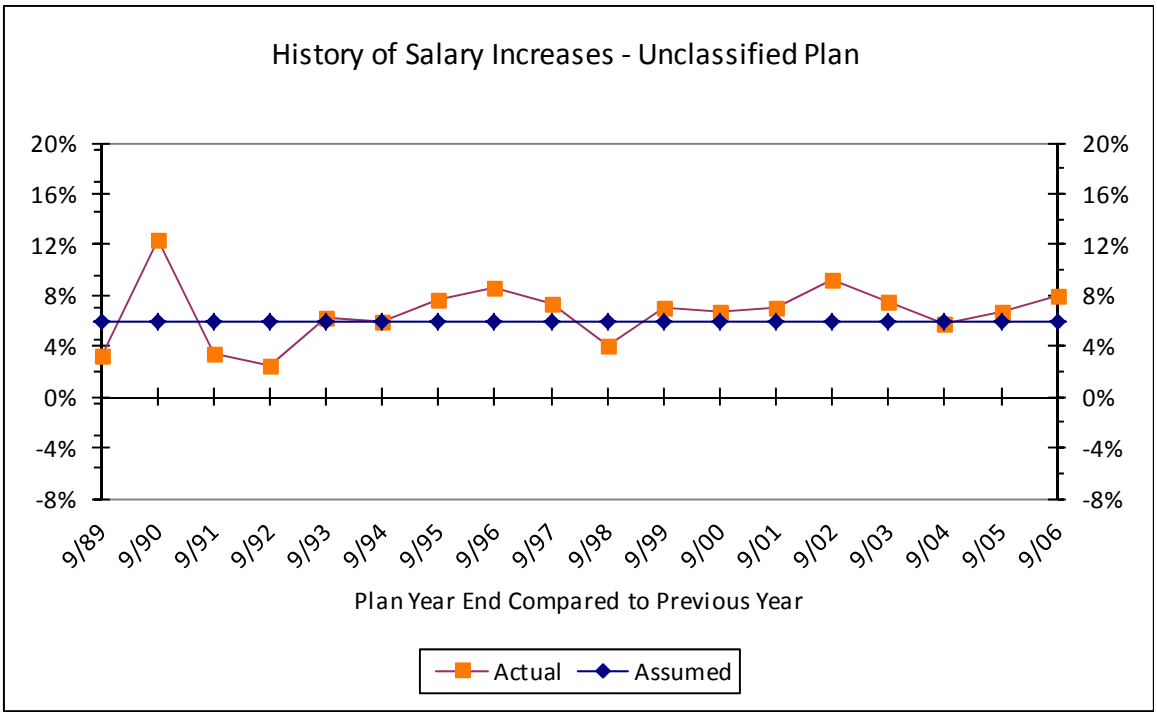


History of Salary Increases – General Plan

and Combined Plan after 2006




History of Investment Return Based on
Actuarial Value of Assets - Unclassified Plan
30%
25%
20%
15%
10%
5%
0%
-5%
9/89
9/90
9/91
9/92
9/93
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
Plan Year End
Actual
Assumed


History of Salary Increases - Unclassified Plan
20%
16%
12%
8%
4%
0%
-4%
-8%
9/89
9/90
9/91
9/92
9/93
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
Plan Year End Compared to Previous Year
Actual
Assumed

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
									Vested	Other	Totals		
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2003	109	46	20	40	0	3	2	1	15	9	24	33	**714**
9/30/2004	65	54	24	37	2	3	1	1	18	9	27	35	**725**
9/30/2005	73	62	16	43	2	3	2	1	23	19	42	37	**736**
9/30/2006 *	357	75	40	40	0	3	1	1	21	13	34	37	**1018**
9/30/2007	149	106	40	86	2	3	1	2	17	46	63	49	**1061**
9/30/2008	182	85	29	92	1	3	1	2	24	30	54	61	**1158**
9/30/2009	78	29	55	123	2	3	1	2	12	12	24	64	**1154**
9/30/2010	35	72	31	114	0	3	1	2	10	30	40	69	**1117**
9/30/2011	37	82	27	38	3	1	3	2	9	40	49	43	**1072**
9/30/2012	60	83	41	46	2	1	1	2	16	23	39	39	**1049**
9/30/2013	52	87	37	45	2	1	1	2	21	26	47	38	**1014**
9/30/2014	113	116	62	41	0	1	1	2	34	19	53	37	**1011**
9/30/2015	180	109	49	30	0	1	1	1	21	38	59	42	**1082**
9/30/2016	186	102	38	25	1	1	1	1	22	40	62	48	**1166**
9/30/2017	119	110	38	27	0	1	2	2	15	55	70	55	**1175**
9/30/2018				28		1		2				53	
15 Yr Totals **	1795	1218	547	827	17	31	20	24	278	409	687	687	

* Includes 401a transfers

** Totals are through current Plan Year only

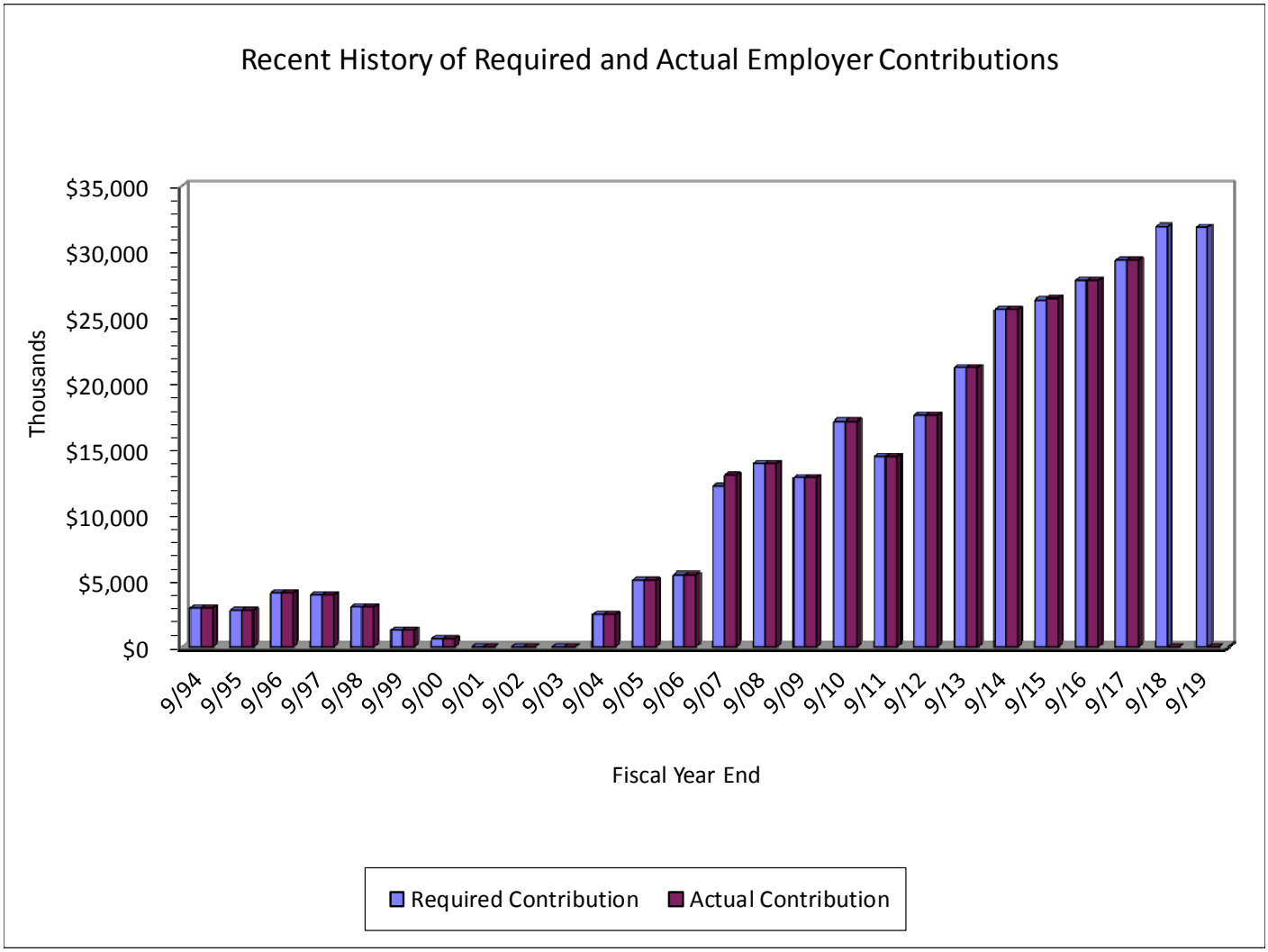
RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS									
Valuation Date	End of Year To Which Valuation Applies	Required Employer Contribution			Actual Employer Contribution		Expected Employee Contribution		
		Amount		% of Payroll [1]	Amount		Amount		% of Payroll
10/1/92	9/30/94	$ 3,004,556		13.59 %	$ 3,004,556		2,210,760		10.00 %
10/1/93	9/30/95	2,809,509		13.32	2,809,509		2,109,411		10.00
10/1/94	9/30/96	4,151,807		18.92	4,151,807		2,194,453		10.00
10/1/95	9/30/97	3,982,477		16.97	3,982,477		2,346,131		10.00
10/1/96	9/30/98	3,091,359		12.29	3,091,359		2,514,836		10.00
10/1/97	9/30/99	1,293,920		4.99	1,293,920		2,593,998		10.00
10/1/98	9/30/00	666,897		2.66	666,897		2,507,033		10.00
10/1/99	9/30/01	-		-	-		2,541,861		10.00
10/1/00	9/30/02	-		-	-		2,588,940		10.00
10/1/01	9/30/03	-		-	-		2,766,409		10.00
10/1/02	9/30/04	2,476,702		8.16	2,476,702		3,035,064		10.00
10/1/03	9/30/05	5,082,595		14.74	5,082,595		3,448,863		10.00
10/1/04	9/30/06	5,500,329		15.89	5,500,329		3,461,920		10.00
10/1/05	9/30/07	12,234,519	*	23.11	13,053,231		4,550,013	*	8.59
10/1/06	9/30/08	13,911,545		24.24	13,911,545		4,901,855		8.54
10/1/07	9/30/09	12,863,823		21.57	12,863,823		4,987,739		8.36
10/1/08	9/30/10	17,137,394		25.20	17,137,394		5,627,519		8.27
10/1/09	9/30/11	14,474,678		20.65	14,474,678		7,146,837		10.20
10/1/10	9/30/12	17,583,191		25.54	17,583,191	**	6,995,774		10.16
10/1/11	9/30/13	21,222,051		31.99	21,222,051		6,613,338		9.97
10/1/12	9/30/14	25,602,030	***	39.36	25,602,030		6,504,355	***	10.00
10/1/13	9/30/15	26,317,983		41.43	26,456,580		6,363,367		10.02
10/1/14	9/30/16	27,783,852		43.33	27,783,852		6,399,516		9.98
10/1/15	9/30/17	29,358,098		40.85	29,358,098		7,168,968		9.98
10/1/16	9/30/18	31,892,485		41.41	NA		7,656,543		9.94
10/1/17	9/30/19	31,864,304		39.93	NA		7,894,424		9.89
Average % of Payroll				20.77 %					9.77 %

* From February 28, 2006 Actuarial Impact Statement.

** Reflects use of $1,271,123 prepaid contribution

*** From September 6, 2013 Actuarial Impact Statement.

(1) Non-DROP Payroll


Recent History of Required and Actual Employer Contributions
Thousands
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
9/07
9/08
9/09
9/10
9/11
9/12
9/13
9/14
9/15
9/16
9/17
9/18
9/19
Fiscal Year End
Required Contribution
Actual Contribution

RECENT HISTORY OF UAAL AND FUNDED RATIO

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) - Entry Age (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c
10/1/1993	$ 185,721,855	$ 187,130,465	$ 1,408,610	99.2 %	$ 21,094,111	6.7 %
10/1/1994	188,997,087	202,078,377	13,081,290	93.5	21,944,531	59.6
10/1/1995	208,877,297	213,844,465	4,967,168	97.7	23,461,309	21.2
10/1/1996	226,633,680	222,221,064	(4,412,616)	102.0	25,148,361	(17.5)
10/1/1997	251,171,973	232,871,332	(18,300,641)	107.9	25,939,981	(70.5)
10/1/1998	266,716,007	240,760,472	(25,955,535)	110.8	25,070,334	(103.5)
10/1/1999	305,344,213	263,462,059	(41,882,154)	115.9	25,418,614	(164.8)
10/1/2000	326,816,322	277,933,325	(48,882,997)	117.6	25,889,403	(188.8)
10/1/2001	336,024,366	292,748,088	(43,276,278)	114.8	27,664,085	(156.4)
10/1/2002	322,181,146	319,831,292	(2,349,854)	100.7	30,350,644	(7.7)
10/1/2003	320,053,468	338,904,200	18,850,732	94.4	34,488,630	54.7
10/1/2004	320,735,755	352,105,058	31,369,303	91.1	34,619,199	90.6
10/1/2005	325,727,087	368,096,409	42,369,322	88.5	36,680,110	115.5
10/1/2006	358,458,949	448,933,278	90,474,329	79.8	57,390,894	157.6
10/1/2007	412,824,235	478,067,829	65,243,594	86.4	59,632,425	109.4
10/1/2008	425,714,565	526,481,586	100,767,021	80.9	68,009,550	148.2
10/1/2009	420,520,122	545,536,965	125,016,843	77.1	70,097,549	178.3
10/1/2010	431,479,305	580,246,165	148,766,860	74.4	68,844,264	216.1
10/1/2011	425,781,050	602,577,503	176,796,453	70.7	66,346,904	266.5
10/1/2012	421,376,041	632,203,739	210,827,698	66.7	65,053,945	324.1
10/1/2013	440,912,751	648,743,246	207,830,495	68.0	63,526,903	327.2
10/1/2014	475,203,581	687,011,560	211,807,979	69.2	64,115,083	330.4
10/1/2015	504,716,897	722,488,087	217,771,190	69.9	71,863,150	303.0
10/1/2016	543,448,708	789,615,932	246,167,224	68.8	77,013,213	319.6
10/1/2017 (b)	583,169,004	817,721,440	234,552,436	71.3	79,797,583	293.9
10/1/2017 (a)	583,169,004	822,363,516	239,194,512	70.9	79,797,583	299.8

(a) After Changes
(b) Before Changes

ACTUARIAL ASSUMPTIONS AND COST METHOD

Both the economic and decrement assumptions were established following the Experience Study Report as of October 1, 2010. The investment return and salary increase assumptions have been adjusted in accordance with subsequent analyses. The covered group is too small to provide statistically significant experience on which to base the mortality assumption. Mortality is based on a commonly used mortality table and projection scale.

We recommend an experience study be prepared, with particular attention to the assumed rates of withdrawal and retirement, as well as to the salary scale.

Valuation Methods

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **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 Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over a reasonable period of future years.

Actuarial Value of Assets - The Actuarial Value of Assets phase in the difference between the expected actuarial value and actual 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 actuarial assumptions used in the valuation are shown in this Section.

Economic Assumptions

The investment return rate assumed in the valuation is 7.60% per year, compounded annually (net after investment expenses). The reduction in the assumed investment return rate from 8.00% to 7.40% is being phased-in over a six-year period starting October 1, 2014.

The Wage Inflation Rate assumed in this valuation is 3% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

The ***Price Inflation Rate*** assumed this year is 3% per year. The Price Inflation Rate is defined to be the long-term rate of annual increases in goods and services.

The assumed ***real rate of return*** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 7.60% investment return rate translates to an assumed real rate of return over inflation of 4.60%.

Rates of salary increases used are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

	% Increase in Salary		
Years of Service	**Merit and Seniority**	**Wage Inflation**	**Total Increase**
1	4.0%	3.0%	7.0%
2	3.9%	3.0%	6.9%
3	3.8%	3.0%	6.8%
4	3.7%	3.0%	6.7%
5	3.6%	3.0%	6.6%
6	3.5%	3.0%	6.5%
7	3.0%	3.0%	6.0%
8	2.9%	3.0%	5.9%
9	2.8%	3.0%	5.8%
10	2.7%	3.0%	5.7%
11	2.6%	3.0%	5.6%
12	2.5%	3.0%	5.5%
13	2.4%	3.0%	5.4%
14	2.3%	3.0%	5.3%
15	2.2%	3.0%	5.2%
16	2.1%	3.0%	5.1%
17	2.0%	3.0%	5.0%
18	1.9%	3.0%	4.9%
19	1.8%	3.0%	4.8%
20	1.7%	3.0%	4.7%
21+	1.5%	3.0%	4.5%

Demographic Assumptions

The mortality table for healthy lives 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. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016, as mandated by Florida House Bill 1309.

FRS Healthy Post-Retirement Mortality for Regular Class Members

Sample Attained Ages (in 2017)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.55 %	0.23 %	34.66	38.31
55	0.60	0.32	30.03	33.29
60	0.76	0.47	25.36	28.39
65	1.15	0.74	20.84	23.65
70	1.78	1.24	16.59	19.19
75	2.97	2.09	12.73	15.11
80	5.03	3.51	9.40	11.49

This assumption is used to measure the probabilities of each benefit payment being made after retirement.

FRS Healthy Pre-Retirement Mortality for Regular Class Members

Sample Attained Ages (in 2017)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.21 %	0.15 %	35.58	38.66
55	0.36	0.24	30.46	33.51
60	0.61	0.39	25.53	28.49
65	1.08	0.70	20.88	23.67
70	1.78	1.24	16.59	19.19
75	2.97	2.09	12.73	15.11
80	5.03	3.51	9.40	11.49

This assumption is used to measure the probabilities of active members dying prior to retirement (25% of deaths are assumed to be service-connected).

For disabled lives, the RP-2000 Mortality Table for Disabled Annuitants was used, with a two year set forward for females and a four year setback for males, with no provision being made for future mortality improvements. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016, as mandated by Florida House Bill 1309.

FRS Disabled Mortality for Regular Class Members

Sample Attained Ages (in 2017)	Probability of Dying Next 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

The rates of retirement used to measure the probability of eligible members retiring during the next year are shown in the table below.

Normal Retirement Rates

Years of Service	Age	Assumed Rate of Retirement
5-9	50-54	5.0 %
	55-59	5.0
	60-64	10.0
	65-69	20.0
	70+	100.0
10-14	50-54	5.0
	55-59	5.0
	60-64	10.0
	65-69	10.0
	70+	100.0
15-19	50-54	15.0
	55-59	15.0
	60-64	20.0
	65-69	25.0
	70+	100.0
20-24	50-54	25.0
	55-59	25.0
	60-64	35.0
	65-69	50.0
	70+	100.0
25-29	50-54	70.0
	55-59	40.0
	60-64	50.0
	65-69	50.0
	70+	100.0
30+	50-54	100.0
	55-59	100.0
	60-64	100.0
	65-69	100.0
	70+	100.0

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

It is assumed that 80% of retirees will enter the DROP and those that do will remain in the DROP for 5 years. For this reason, we assume the COLA will be delayed 4 years from 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). This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	% of Active Members Separating Within Next Year
ALL	0	9.80 %
	1	7.70
	2	6.20
	3	5.00
	4	4.00
20	5 & Over	7.00
25		6.64
30		6.16
35		5.28
40		4.20
45		3.44
50		2.84
55		2.60

Rates of disability among active members are shown in the table below (50% of disabilities are assumed to be service connected).

Sample Ages	% Becoming Disabled Within Next Year
25	0.03 %
30	0.03
35	0.05
40	0.07
45	0.11
50	0.17
55	0.23
60	0.37
65	0.56

Changes Since Previous Valuation

The investment return assumption was lowered from 7.65% to 7.60%. This rate will be lowered to 7.50% effective October 1, 2018 and to 7.40% effective October 1, 2019.

Miscellaneous and Technical Assumptions

Administrative & Investment Expenses	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be the average of non-investment related expenses averaged over the last two years. Assumed administrative expenses are added to the Normal Cost.
Benefit Service	Service rounded to the nearest month is used to determine the amount of benefit payable.
Decrement Operation	Disability and mortality decrements operate during retirement eligibility.
Decrement Timing	Decrements of all types 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 in full on the first day of the fiscal year. 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	85% of males and 85% 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	50% joint and survivor annuity; life annuity for members hired after September 30, 2010.
Pay Increase Timing	Middle of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Cost of Living Increase	2.5% per year for Tier A and Tier B members; 1.5% per year for Tier C members. Increases are assumed to begin 4 years after retirement. This assumption reflects the COLA delay for DROP members.
Maximum Benefits	The maximum accrued benefit payable as a life annuity reflects the 415(b) limit ($215,000 for 2017 for ages 62 through 65). The limitation is projected to increase by 3% per year and is adjusted for other commencement ages based on IRS regulations.

GLOSSARY

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.
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 determined contribution (ADC).

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 ADC 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.
Actuarially Determined Contribution (ADC)	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADC consists of the Employer Normal Cost and 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.
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 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.

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.
Open Amortization Period	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.
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 C

PENSION FUND INFORMATION

STATEMENT OF PLAN ASSETS AT MARKET VALUE

Item	September 30 2017	September 30 2016
A. Cash and Cash Equivalents (Operating Cash)	$ -	$ -
B. Receivables		
1. Member Contributions	$ -	$ -
2. Employer Contributions	-	-
3. Investment Income and Other Receivables	3,225,407	3,133,151
4. Total Receivables	$ 3,225,407	$ 3,133,151
C. Investments		
1. Short Term Investments	$ 1,241,699	$ 1,416,967
2. Domestic Equities	267,301,671	224,113,565
3. International Equities	105,624,289	88,174,289
4. Domestic Fixed Income*	159,047,570	162,270,704
5. International Fixed Income	-	-
6. Real Estate	63,882,104	61,908,042
7. Private Equity	-	-
8. ICMA Account (for DROP)**	16,343,637	14,125,917
9. Total Investments	$ 613,440,970	$ 552,009,484
D. Liabilities		
1. Benefits	$ -	$ -
2. Prepaid Employer Contribution	-	-
3. Expenses	(42,151)	(140,699)
4. Other	-	-
5. Total Liabilities	$ (42,151)	$ (140,699)
E. Total Market Value of Assets Available for Benefits	$ 616,624,226	$ 555,001,936
F. Reserves		
1. DROP Accounts**	$ (16,343,637)	$ (14,125,917)
2. Total Reserves	$ (16,343,637)	$ (14,125,917)
G. Market Value Net of Reserves and Adjustments	$ 600,280,589	$ 540,876,019
H. Allocation of Investments		
1. Short Term Investments	0.20%	0.26%
2. Domestic Equities	43.58%	40.59%
3. International Equities	17.22%	15.97%
4. Domestic Fixed Income*	25.93%	29.40%
5. International Fixed Income	0.00%	0.00%
6. Real Estate	10.41%	11.22%
7. Private Equity	0.00%	0.00%
8. ICMA Account (for DROP)	2.66%	2.56%
9. Total Investments	100.00%	100.00%

* The breakdown of this amount between domestic and international fixed income was not provided.

** Includes outstanding loan balances.

RECONCILIATION OF PLAN ASSETS

Item	September 30 2017	September 30 2016
A. Market Value of Assets at Beginning of Year	$ 555,001,936	$ 507,584,533
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions (Including Buybacks)	$ 7,871,072	$ 7,341,533
b. Employer Contributions	29,358,098	27,783,852
c. Other	-	-
d. Total	$ 37,229,170	$ 35,125,385
2. Investment Income		
a. Interest, Dividends, and Other Income	$ 4,406,426	$ 5,489,593
b. Net Realized and Unrealized Gains/(Losses)*	68,116,374	51,589,093
c. Investment Expenses	(1,944,423)	(1,259,781)
d. Net Investment Income	$ 70,578,377	$ 55,818,905
3. Benefits and Refunds		
a. Refunds	$ (905,574)	$ (948,535)
b. Regular Monthly Benefits	(41,212,965)	(38,746,835)
c. DROP Disbursements	(3,363,179)	(3,154,008)
d. Total	$ (45,481,718)	$ (42,849,378)
4. Administrative and Miscellaneous Expenses	$ (703,539)	$ (677,509)
C. Market Value of Assets at End of Year	$ 616,624,226	$ 555,001,936
D. Reserves		
1. DROP Accounts**	$ (16,343,637)	$ (14,125,917)
2. Total Reserves	$ (16,343,637)	$ (14,125,917)
E. Market Value Net of Reserves and Adjustments	$ 600,280,589	$ 540,876,019

* We were not provided with the breakdown of this amount between realized gains/(losses) and unrealized gains/(losses).

** Includes outstanding loan balances.

Reconciliation of DROP Accounts

Value at Beginning of Year	$	14,125,917
Payments Credited to Accounts		4,624,615
Investment Earnings Credited to Accounts		956,284
Withdrawals from Accounts*		(3,363,179)
Value at End of Year		16,343,637

*Reflects change in outstanding loan balance.

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

Valuation Date – September 30	2016	2017	2018	2019	2020	2021
A. Actuarial Value of Assets Beginning of Year	$ 515,582,590	$ 557,574,625				
B. Market Value End of Year	555,001,936	616,624,226				
C. Market Value Beginning of Year	507,584,533	555,001,936				
D. Non-Investment/Administrative Net Cash Flow	(8,401,502)	(8,956,087)				
E. Investment Income						
E1. Actual Market Total: B-C-D	55,818,905	70,578,377				
E2. Assumed Rate of Return	7.70%	7.65%	7.60%	7.50%	7.40%	7.40%
E3. Assumed Amount of Return	40,446,080	43,434,836				
E4. Amount Subject to Phase-In: E1–E3	15,372,825	27,143,541				
F. Phase-In Recognition of Investment Income						
F1. Current Year: 0.20 x E4	3,074,565	5,428,708				
F2. First Prior Year	(8,555,317)	3,074,565	$ 5,428,708			
F3. Second Prior Year	3,283,692	(8,555,317)	3,074,565	$ 5,428,708		
F4. Third Prior Year	4,227,619	3,283,692	(8,555,317)	3,074,565	$ 5,428,708	
F5. Fourth Prior Year	7,916,898	4,227,619	3,283,692	(8,555,317)	3,074,565	$ 5,428,708
F6. Total Phase-Ins	9,947,457	7,459,267	3,231,648	(52,044)	8,503,273	5,428,708
G. Actuarial Value of Assets End of Year						
G1. Preliminary Actuarial Value of Assets	$ 557,574,625	$ 599,512,641				
G2. Upper Corridor Limit: 120%*B	666,002,323	739,949,071				
G3. Lower Corridor Limit: 80%*B	444,001,549	493,299,381				
G4. Funding Value End of Year	557,574,625	599,512,641				
G5. Less: DROP Account Balances	14,125,917	16,343,637				
G6. Final Funding Value End of Year	543,448,708	583,169,004				
H. Difference between Market & Actuarial Value	$ (2,572,689)	$ 17,111,585				
I. Actuarial Rate of Return	9.59%	8.96%				
J. Market Value Rate of Return	10.79%	12.49%				
K. Ratio of Actuarial Value to Market Value	100.46%	97.22%				

INVESTMENT RATE OF RETURN

Year Ended	General Plan **		Unclassified Plan	
	Market Value	Actuarial Value	Market Value	Actuarial Value
9/30/89	NA %	11.6 %	14.6 %	14.6 %
9/30/90	NA	7.3	(2.3)	(2.3)
9/30/91	NA	8.1	21.6	21.6
9/30/92	12.2	13.7	5.8	5.8
9/30/93	14.6	11.4	14.6	14.1
9/30/94	1.4	6.8	5.3	4.8
9/30/95	20.0	11.4	25.9	24.1
9/30/96	9.8	15.3	22.7	13.9
9/30/97	23.0	13.8	35.2	19.1
9/30/98	8.4	12.5	(0.3)	4.3
9/30/99	13.1	14.4	19.1	18.8
9/30/00	10.8	10.7	11.5	16.5
9/30/01	(7.4)	7.2	(8.1)	9.7
9/30/02	(5.9)	0.3	(9.8)	1.7
9/30/03	17.4	4.3	16.9	4.6
9/30/04	11.4	4.1	13.0	9.7
9/30/05	12.8	4.4	13.8	10.7
9/30/06	7.4 *	7.7	7.5 *	10.2 *
9/30/07	15.3	12.0	NA	NA
9/30/08	(13.6)	5.2	NA	NA
9/30/09	(0.8)	1.1	NA	NA
9/30/10	11.3	5.0	NA	NA
9/30/11	(0.9)	1.1	NA	NA
9/30/12	20.5	2.1	NA	NA
9/30/13	13.0	7.4	NA	NA
9/30/14	11.1	9.9	NA	NA
9/30/15	(1.0)	7.7	NA	NA
9/30/16	10.8	9.6	NA	NA
9/30/17	12.5	9.0	NA	NA
Average Returns:				
Last 5 Years	9.2 %	8.7 %	NA %	NA %
Last 10 Years	5.8 %	5.8 %	NA %	NA %
All Years	8.4 %	8.0 %	10.9 %	11.0 %

* Note: Effective 10/1/06, the former General and Unclassified Plans were merged and assets were combined. Investment returns after this date are for the total group.

** Combined Plan after 2006

SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION		
A. Valuation Date	October 1, 2017	October 1, 2016
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	$ 576,086,637	$ 551,802,772
b. Terminated Vested Members	22,502,887	22,429,055
c. Other Members	170,253,120	163,885,691
d. Total	768,842,644	738,117,518
2. Non-Vested Benefits	17,589,218	15,607,613
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	786,431,862	753,725,131
4. Accumulated Contributions of Active Members	67,476,363	65,031,761
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	753,725,131	687,192,884
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	0
b. Change in Actuarial Assumptions	4,459,730	44,555,395
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	74,990,155	67,595,443
d. Benefits Paid (Net Basis)	(46,743,154)	(45,618,591)
e. Net Increase	32,706,731	66,532,247
3. Total Value at End of Period	786,431,862	753,725,131
D. Market Value of Assets	600,280,589	540,876,019
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

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

Fiscal year ending September 30,	2018*	2017	2016	2015	2014
Total Pension Liability					
Service Cost	$ 15,232,372	$ 13,720,496	$ 12,906,811	$ 11,795,411	$ 12,306,795
Interest	63,109,921	57,800,541	56,164,518	53,832,182	51,809,378
Benefit Changes	-	-	-	(1,277,929)	-
Difference between actual & expected experience	18,961	(4,242,257)	(2,210,692)	5,603,144	(278,357)
Assumption Changes	4,771,064	52,573,659	11,676,037	11,026,357	-
Benefit Payments	(48,245,319)	(44,576,144)	(41,900,843)	(35,874,016)	(37,501,400)
Refunds	(381,784)	(905,574)	(948,535)	(941,310)	(1,143,866)
Other (Change in Receivable from Excess Benefit Plan)	-	-	-	311,076	311,077
Net Change in Total Pension Liability	34,505,215	74,370,721	35,687,296	44,474,915	25,503,627
Total Pension Liability - Beginning	834,047,463	759,676,742	723,989,446	679,514,531	654,010,904
Total Pension Liability - Ending (a)	$ 868,552,678	$ 834,047,463	$ 759,676,742	$ 723,989,446	$ 679,514,531
Plan Fiduciary Net Position					
Contributions - Employer	$ 31,892,485	$ 29,358,098	$ 27,783,852	$ 26,456,580	$ 25,602,030
Contributions - Non-Employer Contributing Entity	-	-	-	-	-
Contributions - Member (includes buybacks)	7,894,424	7,871,072	7,341,533	7,310,183	7,373,407
Net Investment Income	47,713,188	70,646,599	55,818,905	(5,048,406)	51,773,646
Benefit Payments	(48,245,319)	(44,576,144)	(41,900,843)	(35,874,016)	(37,501,400)
Refunds	(381,784)	(905,574)	(948,535)	(941,310)	(1,143,866)
Administrative Expense	(690,524)	(703,539)	(677,509)	(706,283)	(668,851)
Other (Adjustment)	-	(68,222)	-	-	-
Net Change in Plan Fiduciary Net Position	38,182,470	61,622,290	47,417,403	(8,803,252)	45,434,966
Plan Fiduciary Net Position - Beginning	616,624,226	555,001,936	507,584,533	516,387,785	470,952,819
Plan Fiduciary Net Position - Ending (b)	$ 654,806,696	$ 616,624,226	$ 555,001,936	$ 507,584,533	$ 516,387,785
Net Pension Liability - Ending (a) - (b)	213,745,982	217,423,237	204,674,806	216,404,913	163,126,746
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.39 %	73.93 %	73.06 %	70.11 %	75.99 %
Covered Payroll	$ 79,797,583	$ 77,013,213	$ 71,863,150	$ 82,359,302	$ 76,362,960
Net Pension Liability as a Percentage of Covered Payroll	267.86 %	282.32 %	284.81 %	262.76 %	213.62 %

Note: Covered Payroll for the fiscal years ending September 30, 2017 and September 30, 2016 was estimated using the expected pensionable payroll from the October 1, 2016 Actuarial Valuation.

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

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	$ 679,514,531	$ 516,387,785	$ 163,126,746	75.99%	$ 76,362,960	213.62%
2015	723,989,446	507,584,533	216,404,913	70.11%	82,359,302	262.76%
2016	759,676,742	555,001,936	204,674,806	73.06%	71,863,150	284.81%
2017	834,047,463	616,624,226	217,423,237	73.93%	77,013,213	282.32%
2018*	868,552,678	654,806,696	213,745,982	75.39%	79,797,583	267.86%

Note: Covered Payroll for the fiscal years ending September 30, 2017 and September 30, 2016 was estimated using the expected pensionable payroll from the October 1, 2016 Actuarial Valuation.

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

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

Valuation Date:	October 1, 2017
Measurement Date:	September 30, 2018

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Salary Increases	4.5% to 7.0% depending on service, including inflation
Investment Rate of Return	7.60%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy post-retirement mortality table is the RP-2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. The pre-retirement mortality table is the RP-2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP-2000 Mortality Table for disabled annuitants, set-back 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016.

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
2014	$ 25,602,030	$ 25,602,030	$ -	$ 76,362,960	33.53%
2015	26,317,983	26,456,580	(138,597)	82,359,302	32.12%
2016	27,783,852	27,783,852	-	71,863,150	38.66%
2017	29,358,098	29,358,098	-	77,013,213	38.12%
2018*	31,892,485	31,892,485	-	79,797,583	39.97%

Note: Covered Payroll for the fiscal years ending September 30, 2017 and September 30, 2016 was estimated using the expected pensionable payroll from the October 1, 2016 Actuarial Valuation.

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

NOTES TO SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 67

Valuation Date:	October 1, 2016
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	Level Dollar, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	4.5% to 7.0% depending on service, including inflation
Investment Rate of Return	7.65%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy post-retirement mortality table is the RP-2000 Mortality Table for annuitants with future improvements in mortality projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. The pre-retirement mortality table is the RP-2000 Combined Healthy Participant Mortality Table with the same white and blue collar adjustments and the same mortality improvement projection scales. For disabled retirees, the mortality table is the RP-2000 Mortality Table for disabled annuitants, set-back 4 years for males and set-forward 2 years for females, with no provision made for future mortality improvements. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their Actuarial Valuation as of July 1, 2016.

Other Information:

Notes	See Discussion of Valuation Results in the October 1, 2016 and the October 1, 2017 Actuarial Valuation Reports; effective as of October 1, 2017 the investment return assumption was lowered from 7.65% to 7.60%.

SINGLE DISCOUNT RATE
GASB Statement No. 67

A single discount rate of 7.6% 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 7.6%. 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 (7.6%) 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 7.6%, 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 6.60%	Current Single Discount Rate Assumption 7.60%	1% Increase 8.60%
$319,429,664	$213,745,982	$126,248,868

*** These figures are estimates projected to September 30, 2018. Actual figures will be provided after the end of the fiscal year.**

SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/1/16 To 10/1/17	From 10/1/15 To 10/1/16
A. Active Members		
1. Number Included in Last Valuation	1,166	1,082
2. New Members Included in Current Valuation	118	186
3. Employment Terminations	(70)	(62)
4. Service Retirements	(15)	(13)
5. DROP Retirements	(23)	(25)
6. Disability Retirements	0	(1)
7. Deaths	(2)	(1)
8. Other - Data Adjustments	1	0
9. Number Included in This Valuation	1,175	1,166
B. Terminated Vested Members		
1. Number Included in Last Valuation	94	93
2. Additions from Active Members	15	22
3. Lump Sum Payments/Refund of Contributions	(5)	(10)
4. Payments Commenced	(12)	(10)
5. Deaths	0	0
6. Other - Data Adjustments	(2)	(1)
7. Number Included in This Valuation	90	94
C. DROP Plan Members		
1. Number Included in Last Valuation	113	114
2. Additions from Active Members	23	25
3. Retirements	(31)	(24)
4. Deaths	0	(2)
5. Other	0	0
6. Number Included in This Valuation	105	113
D. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	1,037	1,046
2. Additions from Active Members	15	14
3. Additions from Terminated Vested Members	12	10
4. Additions from DROP Plan	31	26
5. Deaths Resulting in No Further Payments	(29)	(58)
6. Deaths Resulting in New Survivor Benefits	0	0
7. End of Certain Period - No Further Payments	0	0
8. Other - Data Adjustments	(1)	(1)
9. Number Included in This Valuation	1,065	1,037

ACTIVE MEMBERS ON OCTOBER 1, 2017

Age Group	Years of Service 0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Totals
15-19								
Total Pay								
Avg Pay								
20-24	15							15
Total Pay	728,319							728,319
Avg Pay	48,555							48,555
25-29	103	6						109
Total Pay	5,365,681	293,165						5,658,846
Avg Pay	52,094	48,861						51,916
30-34	104	33	20					157
Total Pay	5,789,301	1,793,576	1,041,889					8,624,766
Avg Pay	55,666	54,351	52,094					54,935
35-39	55	24	49	10				138
Total Pay	3,122,496	1,343,812	2,942,472	681,718				8,090,498
Avg Pay	56,773	55,992	60,050	68,172				58,627
40-44	59	16	46	21	6			148
Total Pay	3,711,962	839,338	2,895,175	1,406,276	364,110			9,216,861
Avg Pay	62,915	52,459	62,939	66,966	60,685			62,276
45-49	70	28	43	42	22	4		209
Total Pay	4,712,531	2,023,508	2,814,163	3,131,935	1,778,854	358,988		14,819,979
Avg Pay	67,322	72,268	65,446	74,570	80,857	89,747		70,909
50-54	45	21	37	40	37	8		188
Total Pay	3,259,306	1,918,610	2,530,074	3,198,901	2,936,162	932,665		14,775,718
Avg Pay	72,429	91,362	68,380	79,973	79,356	116,583		78,594
55-59	36	10	31	28	21	2		128
Total Pay	3,229,316	679,942	2,048,926	1,883,364	1,612,559	211,406		9,665,513
Avg Pay	89,703	67,994	66,094	67,263	76,789	105,703		75,512
60-64	21	4	9	9	6	1		50
Total Pay	1,573,569	276,216	541,304	617,666	459,020	89,292		3,557,067
Avg Pay	74,932	69,054	60,145	68,630	76,503	89,292		71,141
65-99	16	1	8	3	4		1	33
Total Pay	1,100,278	33,904	678,380	239,187	275,763		66,819	2,394,331
Avg Pay	68,767	33,904	84,798	79,729	68,941		66,819	72,555
Total No.	524	143	243	153	96	15	1	1,175
Total Pay	32,592,759	9,202,071	15,492,383	11,159,047	7,426,468	1,592,351	66,819	77,531,898
Avg Pay	62,200	64,350	63,755	72,935	77,359	106,157	66,819	65,985

INACTIVE MEMBERS ON OCTOBER 1, 2017

	Terminated Vested		Disabled		Retirees, Beneficiaries & DROP		Grand Total	
Age	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 45	39	$ 687,474	0	$ -	4	20,898	43	$ 708,372
45-49	21	562,248	2	47,865	4	96,476	27	706,589
50-54	29	997,576	4	104,563	50	2,552,608	83	3,654,747
55-59	1	23,672	8	289,475	176	8,396,099	185	8,709,246
60-64	0	-	4	118,110	164	7,310,660	168	7,428,770
65-69	0	-	4	109,387	221	10,330,205	225	10,439,592
70-74	0	-	5	238,504	170	7,143,175	175	7,381,679
75-79	0	-	0	-	107	3,705,327	107	3,705,327
80-84	0	-	2	57,842	107	3,199,317	109	3,257,159
85-89	0	-	1	14,891	80	2,262,540	81	2,277,431
90 & Up	0	-	2	28,681	55	1,195,575	57	1,224,256
Total	**90**	**$ 2,270,970**	**32**	**$ 1,009,318**	**1,138**	**$ 46,212,880**	**1,260**	**$ 49,493,168**

SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

Effective Date

September 30, 2010 under Ordinance No. 2010-3693 and Ordinance No. 2010-3706. Most recent amendments were Ordinance No. 2015-3946 effective June 10, 2015 and Ordinance No. 2014-3864 effective May 21, 2014.

Eligibility

Each general employee who works more than 30 hours per week is eligible for membership on his date of employment

Creditable Service

Service credited under the predecessor system plus service after such date with respect to which member contributions are made.

Tiers of Employees

Tier C – All members hired on or after September 30, 2010 (October 27, 2010 for members of CWA)
Tier B – Members of AFSCME hired on or after April 30, 1993; members classified as GSA or "Other" hired on or after August 1, 1993; members of CWA hired on or after February 21, 1994; and Unclassified members hired on or after October 18, 1992.
Tier A – All other members

Earnings

For Tier B and C members, base pay including longevity, but excluding overtime, shift differential or extra compensation allowances. For Tier A members, actual salary or wages received. Earnings do not include lump sum payments of unused sick or vacation time. Overtime pay for Classified Tier A members is limited to 10% of regular pay.

Final Average Monthly Earnings (FAME)

One-twelfth of average annual Earnings during the two highest paid years of Creditable Service, not less than the average monthly earnings for the 12 months as of March 8, 2006 for Unclassified Tier A members

Effective September 30, 2010 averaging period is five years except for members who are less than five years away from normal retirement eligibility. Members who are eligible for normal retirement within two years or less as of September 30, 2010 will have average earnings of two years. Members who are eligible for normal retirement in within three years as of September 30, 2010 will have average earnings of three years. Members who are eligible for normal retirement within four years as of September 30, 2010 will have average earnings of four years.

Normal Retirement

Eligibility	Age 50 and five years of Creditable Service for those in Tier A Age 55 and five years of Creditable Service for those in Tier B Age 55 with 30 years of service or age 62 with 5 years of service for those in Tier C
Benefit	3% of FAME multiplied years of Creditable Service with the total not to exceed 80% of FAME. There is a 90% cap for certain Tier A members. 2.5% of FAME multiplied years of Creditable Service with the total not to exceed 80% of FAME for Tier C members.
Form of Benefit	50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage. Life annuity for Tier C members
COLA	2.5% for Tier A and Tier B members; 1.5% for Tier C members

Early Retirement

Eligibility	Tier B members of the General Plan whose total of age plus service is 75, not earlier than age 50 Tier C members whose total of age plus service is 75, not earlier than age 55
Benefit	Accrued pension actuarially reduced for number of years by which Early Retirement Date precedes Normal Retirement Date.
Form of Benefit	50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage. Life annuity for Tier C members
COLA	2.5% for Tier A and Tier B members; 1.5% for Tier C members

Delayed Retirement

Eligibility	Any time after the Normal Retirement Date.
Benefit	Calculated in the same manner as the Normal Retirement Benefit but using the FAME and Creditable Service as of the actual retirement date.

Form of Benefit	50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage. Life annuity for Tier C members
COLA	2.5% for Tier A and Tier B members; 1.5% for Tier C members

Disability Benefits

Eligibility	A total and permanent disability which renders a member incapacitated for the further performance of duty. Five years of Creditable Service is also required unless the disability is service-connected.
Benefit	Ordinary Disability: Accrued retirement benefit, without reduction, with a minimum of 35% of FAME. Service-Connected Disability: Accrued retirement benefit without reduction, with a minimum of 65% of FAME; 75% of FAME minimum for General Tier A members. Such amounts are reduced by workers' compensation benefits and, in certain cases, earned income will be considered in offsetting the benefit. The period of disability shall be included in Creditable Service for purposes of computing normal retirement benefits when a disability retiree reaches normal retirement age.
Form of Benefit	50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage. Life annuity for Tier C members
COLA	2.5% for Tier A and Tier B members; 1.5% for Tier C members

Preretirement Death Benefits

For a member who has at least three years of Creditable Service but who dies before commencement of retirement benefits, a monthly benefit is payable to the spouse or, if no spouse, to the children until age 21. The benefit is equal to 50% of the accrued normal retirement benefit without reduction with the result being a minimum of 30% of FAME and a maximum of 40% of FAME for General members.

Termination Benefits

Any member who terminates employment and does not request a refund of his own contributions and has completed at least five years of Creditable Service will be eligible to receive his accrued benefit upon reaching his normal retirement age.

Contributions

Tier A Members	12% of Earnings.
Tier B and Tier C Members	10% of Earnings. Employees who have reached the applicable benefit accrual cap (90% for General Tier A employees and 80% for all others) but have not yet reached retirement age will continue to contribute to the pension Plan, but only on the amount by which pay increases after reaching the cap
From the City	The amount necessary to fund the Plan properly according to the Plan's actuary.

Deferred Retirement Option Plan (DROP)

Eligibility	Members who are eligible for Normal Retirement
Benefit	The member's Credited Service and AFC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AFC.
Maximum DROP Period	60 months
Interest Credited	The investment return is determined by the self-directed investments.
Normal Form of Benefit	Lump Sum
COLA	None

Changes Since Last Valuation

There have been no changes since the last valuation.