

CITY OF OAKLAND PARK  
GENERAL EMPLOYEES' PENSION PLAN

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2018

DETERMINES THE CONTRIBUTION  
FOR THE 2019/20 FISCAL YEAR



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December 2, 2018

### Introduction

This report presents the results of the October 1, 2018 actuarial valuation of the City of Oakland Park General Employees' Pension Plan. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2018 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2019/20 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the minimum required contribution rate.

### Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2019/20 plan year. The minimum required contribution is \$1,612,366, which represents a decrease of \$234,234 from the prior valuation.

Table I-C provides a breakdown of the sources of change in the minimum required contribution. Significantly, the minimum required contribution decreased by \$48,453 due to investment gains and decreased by another \$185,781 due to demographic experience. Although the market value of assets earned 9.01% during the 2017/18 plan year, the actuarial value of assets is based on a three-year phase-in of the market value gains and losses that occur after





September 30, 2016. On this basis, the actuarial value of assets earned 8.28% during the 2017/18 plan year, whereas a 7.50% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the employer must contribute an amount equal to the annual normal cost of the plan plus an adjustment to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the employer's 2019/20 minimum required contribution is equal to \$1,612,366.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$46,859,329. As illustrated in Table I-A, current assets are sufficient to cover \$37,009,247 of this amount, the employer's 2018/19 contribution will cover \$1,846,600 of this amount, and the employer's 2019/20 contribution will cover \$1,612,366 of this amount, leaving \$6,391,116 to be covered by future employer funding beyond the 2019/20 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

### BSO Employees

We have included four BSO employees who previously participated in the plan as vested employees of the City of Oakland Park. When their employment was transferred to the BSO, they were allowed to continue participating in the plan as active participants even though they receive no compensation from the City. It is our understanding that the BSO makes a contribution to the plan on behalf of these employees, where the BSO contribution is based on the contractual agreement between BSO and the City. The City should contribute the difference between the minimum required contribution and the amount of the BSO contribution.

### Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2018, the advance employer contribution is \$126,673, which reflects the advance employer contribution of zero as of October 1, 2017 plus \$126,673 of actual employer contributions in excess of the minimum required contribution for the 2017/18 plan year as shown in Table II-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2018/19 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the City may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2018 would reduce the minimum required contribution for the 2019/20 plan year to \$1,589,850.



Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Specifically, Table II-A shows the development of the actuarial value of assets, which is based on a three-year phase-in of the net investment appreciation in order to provide a more stable and predictable contribution rate for the employer. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2018, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



Charles T. Carr  
Consulting Actuary  
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 17-04927

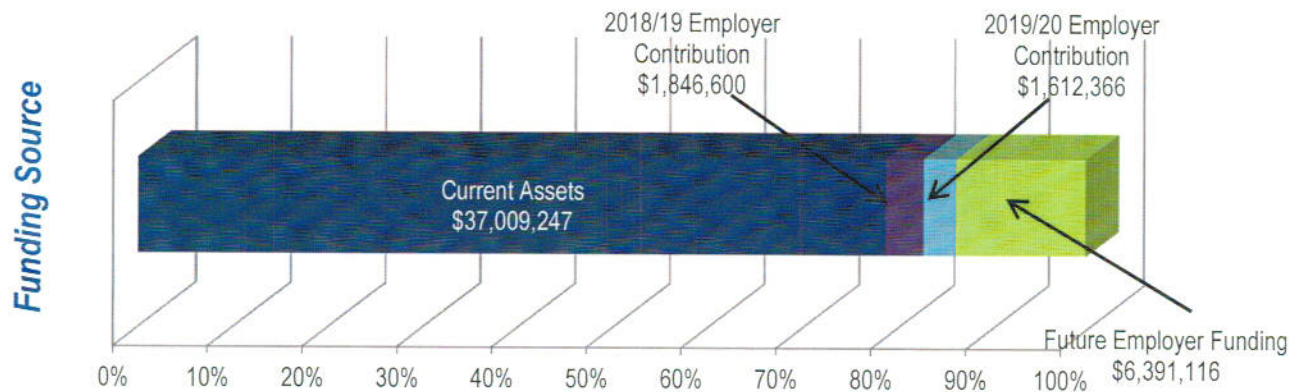
*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*





## Minimum Required Contribution

Table I-A



### For the 2019/20 Plan Year

Present Value of Future Benefits	\$46,633,522
Present Value of Future Administrative Expenses	\$225,807
Actuarial Value of Assets	(\$37,009,247)
Present Value of Future Employee Contributions	\$0

Present Value of Future Normal Costs	\$9,850,082
Present Value of Future Payroll	÷ \$18,064,599

Normal Cost Rate	= 54.527%
Expected Payroll	x \$2,877,185

Normal Cost	\$1,568,842
Adjustment to Reflect Semi-Monthly Employer Contributions	\$59,866
Expected Employer Contribution for the 2018/19 Plan Year	(\$1,846,600)
Remaining Contribution Due/(Credit) for the 2018/19 Plan Year	(\$217,892)
	x 0.075
One Year's Interest Charge/(Credit) on the Remaining Contribution	(\$16,342)

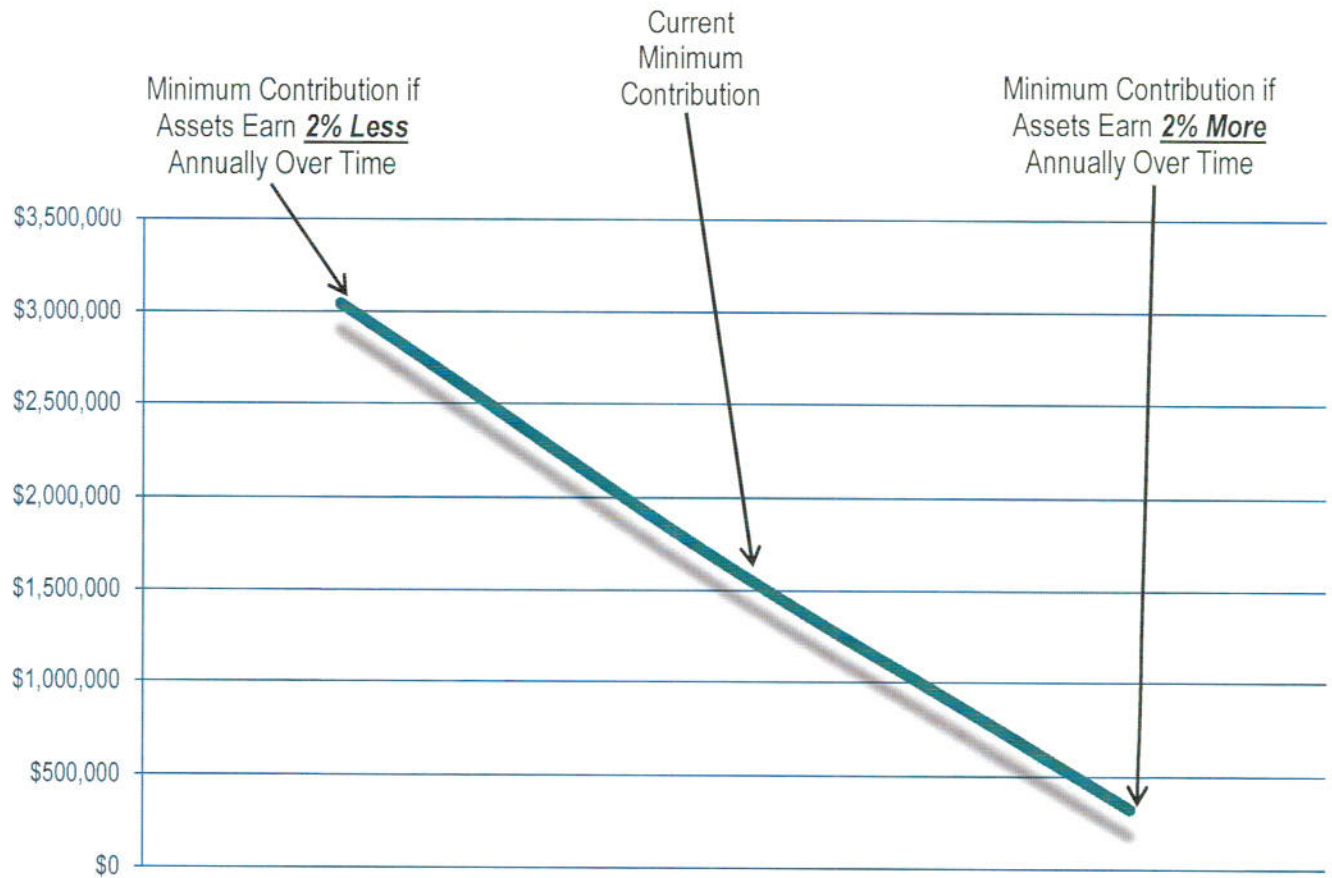
**Minimum Required Contribution for the 2019/20 Plan Year** **\$1,612,366**

City of Oakland Park	\$1,479,012
Broward Sheriff's Office	\$133,354



Sensitivity Analysis

Table I-B



*The line above illustrates the sensitivity of the minimum required contribution to changes in the long-term investment return.*



## Gain and Loss Analysis

Table I-C

Source of Change in the Minimum Required Contribution

Previous minimum required contribution	\$1,846,600
Increase (decrease) due to investment gains and losses	(\$48,453)
Increase (decrease) due to demographic experience	(\$185,781)
Increase (decrease) due to plan amendments	\$0
Increase (decrease) due to actuarial assumption changes	\$0
Increase (decrease) due to actuarial method changes	\$0
Current minimum required contribution	<u>\$1,612,366</u>

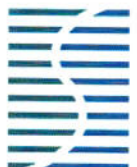




## Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$11,177,435	\$11,177,435	\$11,177,435
Termination benefits	\$121,666	\$121,666	\$121,666
Disability benefits	\$67,146	\$67,146	\$67,146
Death benefits	\$24,940	\$24,940	\$24,940
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$11,391,187</b>	<b>\$11,391,187</b>	<b>\$11,391,187</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$2,941,680	\$2,941,680	\$2,941,680
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$2,941,680</b>	<b>\$2,941,680</b>	<b>\$2,941,680</b>
<u>Due a Refund of Contributions</u>	<b>\$637</b>	<b>\$637</b>	<b>\$637</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$31,843,606	\$31,843,606	\$31,843,606
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$456,412	\$456,412	\$456,412
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$32,300,018</b>	<b>\$32,300,018</b>	<b>\$32,300,018</b>
<u>Grand Total</u>	<b><u>\$46,633,522</u></b>	<b><u>\$46,633,522</u></b>	<b><u>\$46,633,522</u></b>
Present Value of Future Payroll	\$18,064,599	\$18,064,599	\$18,064,599
Present Value of Future Employee Contribs.	\$0	\$0	\$0
Present Value of Future Employer Contribs.	\$9,850,082	\$9,850,082	\$9,850,082



## Present Value of Accrued Benefits

Table I-E

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$10,291,224	\$10,291,224	\$10,291,224
Termination benefits	\$115,874	\$115,874	\$115,874
Disability benefits	\$40,370	\$40,370	\$40,370
Death benefits	\$24,938	\$24,938	\$24,938
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$10,472,406</b>	<b>\$10,472,406</b>	<b>\$10,472,406</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$2,941,680	\$2,941,680	\$2,941,680
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$2,941,680</b>	<b>\$2,941,680</b>	<b>\$2,941,680</b>
<u>Due a Refund of Contributions</u>	<b>\$637</b>	<b>\$637</b>	<b>\$637</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$31,843,606	\$31,843,606	\$31,843,606
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$456,412	\$456,412	\$456,412
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$32,300,018</b>	<b>\$32,300,018</b>	<b>\$32,300,018</b>
<u>Grand Total</u>	<b><u>\$45,714,741</u></b>	<b><u>\$45,714,741</u></b>	<b><u>\$45,714,741</u></b>
<u>Funded Percentage</u>	90.08%	90.08%	90.08%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)





## Present Value of Vested Benefits

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$8,402,136	\$8,402,136	\$8,402,136
Termination benefits	\$70,505	\$70,505	\$70,505
Disability benefits	\$47,472	\$47,472	\$47,472
Death benefits	\$25,052	\$25,052	\$25,052
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$8,545,165</b>	<b>\$8,545,165</b>	<b>\$8,545,165</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$2,941,680	\$2,941,680	\$2,941,680
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$2,941,680</b>	<b>\$2,941,680</b>	<b>\$2,941,680</b>
<u>Due a Refund of Contributions</u>	<b>\$637</b>	<b>\$637</b>	<b>\$637</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$31,843,606	\$31,843,606	\$31,843,606
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$456,412	\$456,412	\$456,412
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$32,300,018</b>	<b>\$32,300,018</b>	<b>\$32,300,018</b>
<u>Grand Total</u>	<b><u>\$43,787,500</u></b>	<b><u>\$43,787,500</u></b>	<b><u>\$43,787,500</u></b>



## Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$10,211,032	\$10,211,032	\$10,211,032
Termination benefits	\$112,354	\$112,354	\$112,354
Disability benefits	\$55,579	\$55,579	\$55,579
Death benefits	\$20,811	\$20,811	\$20,811
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$10,399,776</b>	<b>\$10,399,776</b>	<b>\$10,399,776</b>
<u>Deferred Vested Participants</u>			
Retirement benefits	\$2,941,680	\$2,941,680	\$2,941,680
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$2,941,680</b>	<b>\$2,941,680</b>	<b>\$2,941,680</b>
<u>Due a Refund of Contributions</u>	<b>\$637</b>	<b>\$637</b>	<b>\$637</b>
<u>Deferred Beneficiaries</u>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>Retired Participants</u>			
Service retirements	\$31,843,606	\$31,843,606	\$31,843,606
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$456,412	\$456,412	\$456,412
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$32,300,018</b>	<b>\$32,300,018</b>	<b>\$32,300,018</b>
<u>Grand Total</u>	<b><u>\$45,642,111</u></b>	<b><u>\$45,642,111</u></b>	<b><u>\$45,642,111</u></b>





## Actuarial Value of Assets

Table II-A

<u>Net Investment Appreciation (Depreciation)</u>		<u>Unrecognized Gain (Loss)</u>	
For the 2016/17 plan year	\$5,207,181	x 1/3	\$1,735,727
For the 2017/18 plan year	\$3,464,404	x 2/3	\$2,309,603
			<u>\$4,045,330</u>

Market Value of Assets as of October 1, 2018 \$41,181,250

Minus advance employer contributions (\$126,673)

Adjustment for unrecognized gain or loss as shown above,  
but restricted to an amount that keeps the actuarial value  
of assets within an 80%-120% corridor of the market value (\$4,045,330)

**Actuarial Value of Assets as of October 1, 2018 \$37,009,247**

<u>Historical Actuarial Value of Assets</u>	
October 1, 2009	\$21,132,669
October 1, 2010	\$20,985,897
October 1, 2011	\$22,600,016
October 1, 2012	\$24,962,267
October 1, 2013	\$27,814,726
October 1, 2014	\$31,247,703
October 1, 2015	\$32,835,674
October 1, 2016	\$35,588,977
October 1, 2017	\$35,716,148
October 1, 2018	\$37,009,247

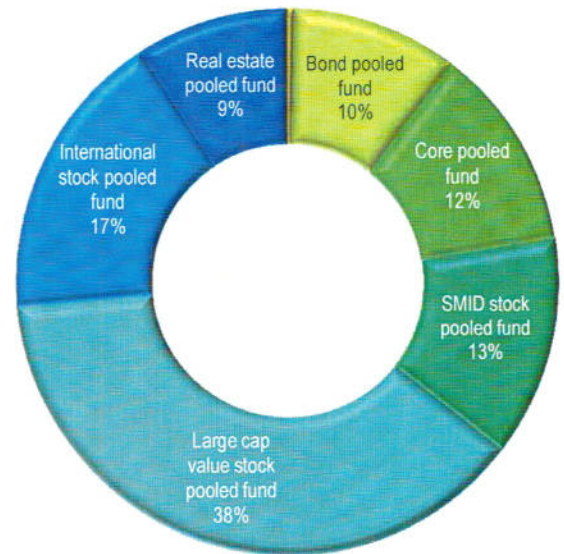


## Market Value of Assets

Table II-B

As of October 1, 2018

<b>Market Value of Assets</b>	<b><u>\$41,181,250</u></b>
Cash	\$164,725
Bond pooled fund	\$4,118,125
Core pooled fund	\$4,941,750
SMID stock pooled fund	\$5,435,925
Large cap value stock pooled fund	\$15,648,875
International stock pooled fund	\$7,124,356
Real estate pooled fund	\$3,747,494

**Historical Market Value of Assets**

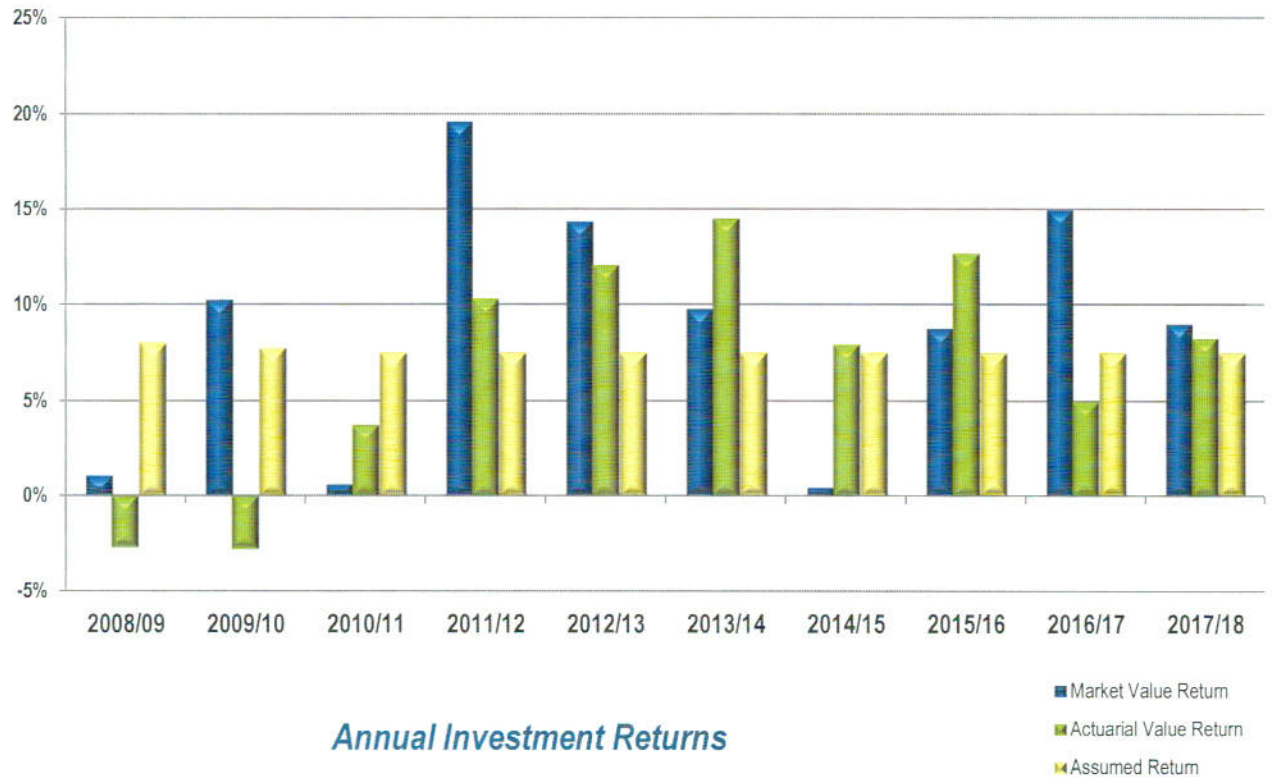
October 1, 2009	\$19,914,148
October 1, 2010	\$22,425,535
October 1, 2011	\$24,884,570
October 1, 2012	\$28,703,452
October 1, 2013	\$32,118,573
October 1, 2014	\$34,677,145
October 1, 2015	\$33,980,146
October 1, 2016	\$35,588,977
October 1, 2017	\$39,187,602
October 1, 2018	\$41,181,250





## Investment Return

Table II-C

*Annual Investment Returns*

Plan	Market Value	Actuarial Value	Assumed
<u>Year</u>	<u>Return</u>	<u>Return</u>	<u>Return</u>
2008/09	1.07%	-2.69%	8.00%
2009/10	10.25%	-2.78%	7.75%
2010/11	0.62%	3.74%	7.50%
2011/12	19.60%	10.30%	7.50%
2012/13	14.32%	12.04%	7.50%
2013/14	9.77%	14.48%	7.50%
2014/15	0.47%	7.94%	7.50%
2015/16	8.76%	12.63%	7.50%
2016/17	14.97%	4.99%	7.50%
2017/18	9.01%	8.28%	7.50%
10yr. Avg.	8.71%	6.74%	7.57%



## Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2017	\$39,187,602	\$35,716,148
<i>Increases Due To:</i>		
Employer Contributions	\$1,962,213	\$1,962,213
Employee Contributions	\$0	\$0
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$1,962,213</u>	<u>\$1,962,213</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$3,464,404	
Total Investment Income	<u>\$3,464,404</u>	\$2,890,528
Other Income	\$0	
Total Income	<u>\$5,426,617</u>	<u>\$4,852,741</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$3,350,003)	(\$3,350,003)
Refund of Employee Contributions	(\$1,608)	(\$1,608)
Total Benefit Payments	<u>(\$3,351,611)</u>	<u>(\$3,351,611)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$81,358)	(\$81,358)
Advance Employer Contribution		(\$126,673)
Total Expenses	<u>(\$3,432,969)</u>	<u>(\$3,559,642)</u>
As of October 1, 2018	<u>\$41,181,250</u>	<u>\$37,009,247</u>



## Historical Trust Fund Detail

Table II-E

Income

Plan Year	Employer Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2008/09	\$2,348,104	\$47,762	\$0	\$4,630	\$0	\$194,787	\$12,006
2009/10	\$2,556,393	\$238,540	\$0	\$0	\$0	\$2,062,063	\$2,889
2010/11	\$4,744,632	\$220,681	\$0	\$0	\$0	\$145,800	\$0
2011/12	\$1,871,345	\$0	\$0	\$0	\$0	\$4,783,635	\$0
2012/13	\$2,295,850	\$0	\$0	\$0	\$0	\$4,063,953	\$0
2013/14	\$2,519,977	\$0	\$0	\$0	\$0	\$3,112,186	\$0
2014/15	\$2,230,002	\$0	\$0	\$0	\$0	\$160,616	\$0
2015/16	\$1,863,600	\$0	\$0	\$0	\$0	\$2,919,202	\$0
2016/17	\$1,610,387	\$0	\$0	\$0	\$0	\$5,207,181	\$0
2017/18	\$1,962,213	\$0	\$0	\$0	\$0	\$3,464,404	\$0

Expenses

Plan Year	Monthly Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses	Other Actuarial Adjustments Advance Employer Contribs.
2008/09	\$2,142,093	\$0	\$78,996	\$864	\$0
2009/10	\$2,258,890	\$570	\$88,974	\$64	\$0
2010/11	\$2,562,380	\$0	\$89,698	\$0	\$1,500,000
2011/12	\$2,777,036	\$0	\$59,062	\$0	-\$996,505
2012/13	\$2,851,993	\$0	\$92,689	\$0	-\$503,495
2013/14	\$2,998,668	\$0	\$74,923	\$0	\$0
2014/15	\$3,010,328	\$0	\$77,289	\$0	\$0
2015/16	\$3,091,344	\$0	\$82,627	\$0	\$0
2016/17	\$3,134,446	\$4,357	\$80,140	\$0	\$0
2017/18	\$3,350,003	\$1,608	\$81,358	\$0	\$126,673

Note: Information was not available to separate the realized and unrealized gains and losses.





## Other Reconciliations

Table II-F

*Advance Employer Contribution*

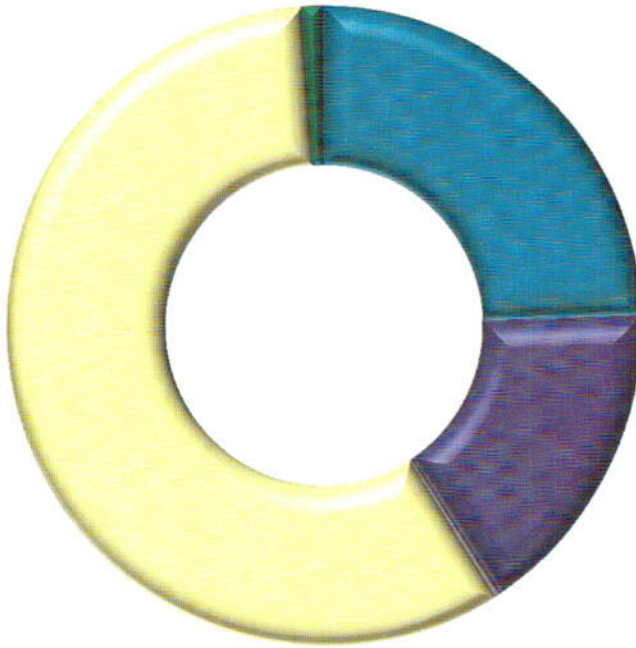
Advance Employer Contribution as of October 1, 2017	\$0
Additional Employer Contribution	\$1,962,213
Minimum Required Contribution	(\$1,835,540)
Net Increase in Advance Employer Contribution	\$126,673
Advance Employer Contribution as of October 1, 2018	\$126,673



## Summary of Participant Data

Table III-A

As of October 1, 2018

*Participant Distribution by Status*Actively Employed Participants

Active Participants	68
DROP Participants	0

Inactive Participants

Deferred Vested Participants	45
Due a Refund of Contributions	1
Deferred Beneficiaries	0

Participants Receiving a Benefit

Service Retirements	161
Disability Retirements	0
Beneficiaries Receiving	3

**Total Participants 278**Number of Participants Included in Prior Valuations

	Active	DROP	Inactive	Retired	Total
October 1, 2009	155	0	47	126	328
October 1, 2010	145	0	48	129	322
October 1, 2011	124	0	53	139	316
October 1, 2012	122	0	48	143	313
October 1, 2013	111	0	45	150	306
October 1, 2014	102	0	46	158	306
October 1, 2015	95	0	51	155	301
October 1, 2016	84	0	50	161	295
October 1, 2017	76	0	50	161	287
October 1, 2018	68	0	46	164	278



## Data Reconciliation

Table III-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2017</u>	76	0	48	2	0	158	1	2	287
<u>Change in Status</u>									
Re-employed	1		(1)						
Terminated	(1)		1						
Retired	(8)		(3)			12	(1)		
<u>Participation Ended</u>									
Transferred Out									
Cashed Out				(1)					(1)
Died						(9)			(9)
<u>Participation Began</u>									
Newly Hired									
Transferred In									
New Beneficiary								1	1
<u>Other Adjustment</u>									
<u>October 1, 2018</u>	68	0	45	1	0	161	0	3	278



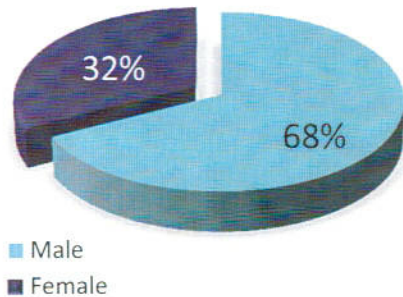


## Active Participant Data

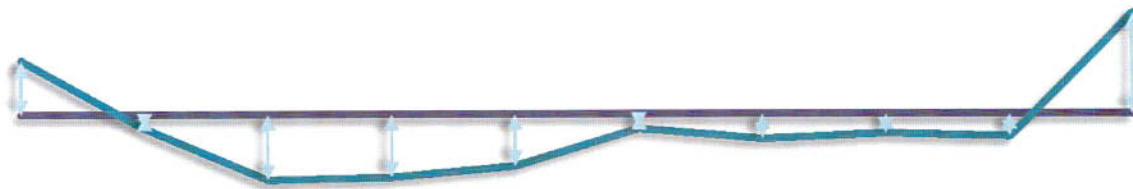
Table III-C

As of October 1, 2018

## Gender Mix



Average Age	53.1 years
Average Service	18.5 years
Total Annualized Compensation for the Prior Year	\$3,468,912
Total Expected Compensation for the Current Year	\$2,877,185
Average Increase in Compensation for the Prior Year	12.48%
Expected Increase in Compensation for the Current Year	5.00%
Accumulated Contributions for Active Employees	\$215,287



## Actual vs. Expected Salary Increases

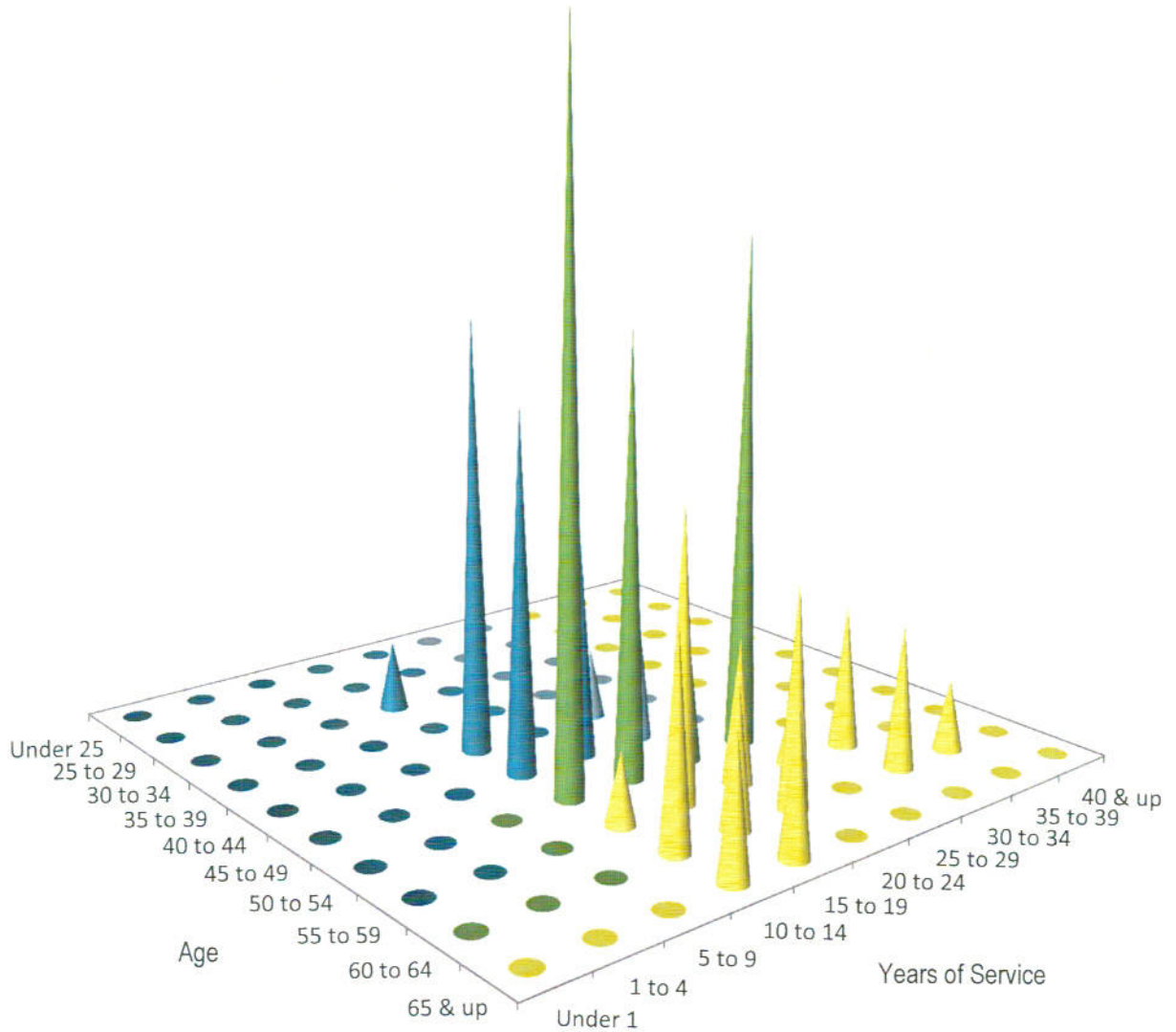
## Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2009	47.5	10.6	\$47,538	5.00%	9.09%
October 1, 2010	48.3	11.6	\$48,724	5.00%	3.96%
October 1, 2011	48.7	12.0	\$48,233	5.00%	0.07%
October 1, 2012	49.1	13.1	\$48,213	5.00%	0.28%
October 1, 2013	49.6	14.0	\$48,991	5.00%	1.10%
October 1, 2014	50.2	15.3	\$50,439	5.00%	3.91%
October 1, 2015	51.5	16.5	\$51,668	5.00%	3.12%
October 1, 2016	52.5	17.7	\$52,066	5.00%	3.53%
October 1, 2017	53.1	18.5	\$51,396	5.00%	3.29%
October 1, 2018	53.1	18.5	\$51,013	5.00%	12.48%



# Active Age-Service Distribution

Table III-D



Active Age-Service-Salary Table

Table III-E

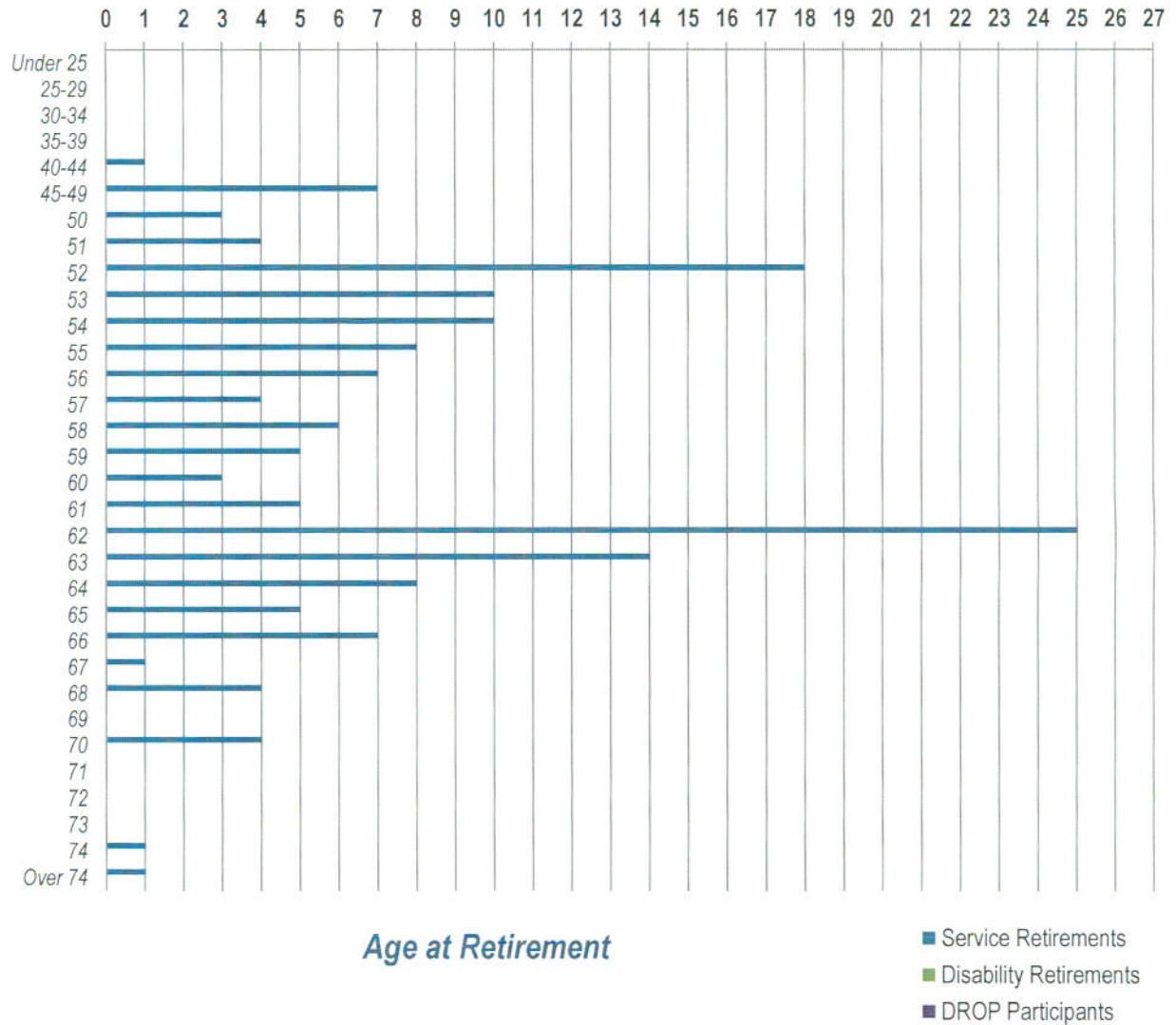
Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	1	0	0	0	0	0	0	1
Avg.Pay	0	0	0	40,947	0	0	0	0	0	0	40,947
35 to 39	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	6	0	1	0	0	0	0	7
Avg.Pay	0	0	0	34,778	0	62,790	0	0	0	0	38,780
45 to 49	0	0	0	5	3	2	0	0	0	0	10
Avg.Pay	0	0	0	45,199	46,310	51,808	0	0	0	0	46,854
50 to 54	0	0	0	10	6	2	7	0	0	0	25
Avg.Pay	0	0	0	42,922	55,641	65,404	58,148	0	0	0	52,036
55 to 59	0	0	0	1	4	2	1	2	0	0	10
Avg.Pay	0	0	0	39,525	65,816	52,364	51,167	63,499	0	0	58,568
60 to 64	0	0	0	3	2	3	0	2	1	0	11
Avg.Pay	0	0	0	42,440	48,479	58,046	0	70,721	66,721	0	55,144
65 & up	0	0	0	2	2	0	0	0	0	0	4
Avg.Pay	0	0	0	56,649	40,752	0	0	0	0	0	48,701
Total	0	0	0	28	17	10	8	4	1	0	68
Avg.Pay	0	0	0	42,320	53,794	57,608	57,275	67,110	66,721	0	51,013





## Inactive Participant Data

Table III-F

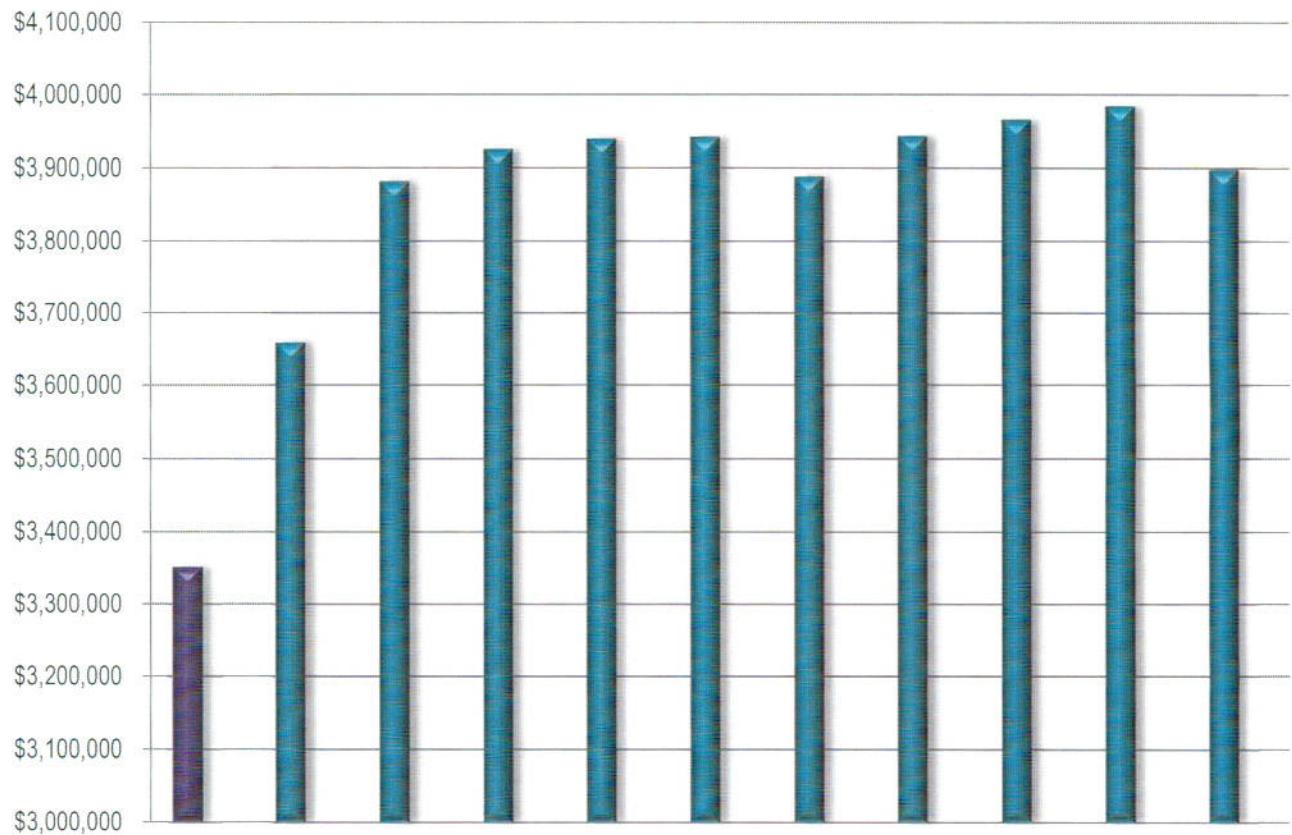
Average Monthly Benefit

Service Retirements	\$1,712.33
Disability Retirements	Not applicable
Beneficiaries Receiving	\$1,115.53
DROP Participants	Not applicable
Deferred Vested Participants	\$851.93
Deferred Beneficiaries	Not applicable



## Projected Benefit Payments

Table III-G

Actual

For the period October 1, 2017 through September 30, 2018

\$3,351,611

Projected

For the period October 1, 2018 through September 30, 2019

\$3,659,732

For the period October 1, 2019 through September 30, 2020

\$3,882,663

For the period October 1, 2020 through September 30, 2021

\$3,926,317

For the period October 1, 2021 through September 30, 2022

\$3,940,557

For the period October 1, 2022 through September 30, 2023

\$3,943,497

For the period October 1, 2023 through September 30, 2024

\$3,889,341

For the period October 1, 2024 through September 30, 2025

\$3,944,161

For the period October 1, 2025 through September 30, 2026

\$3,966,500

For the period October 1, 2026 through September 30, 2027

\$3,984,412

For the period October 1, 2027 through September 30, 2028

\$3,898,426



## Summary of Actuarial Methods and Assumptions

## Table IV-A

*NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law.*

1. **Actuarial Cost Method**

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. **Asset Method**

The actuarial value of assets is equal to the market value of assets, adjusted to reflect a three-year phase-in of the net investment appreciation (both realized and unrealized) that occurs after September 30, 2016.

3. **Interest (or Discount) Rate**

7.50% per annum

4. **Salary Increases**

Plan compensation is assumed to increase at the rate of 5.00% per annum, unless actual plan compensation is known for a prior plan year.

5. **Decrements**

- Pre-retirement mortality: Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB
- Disability: Sex-distinct rates set forth in the Wyatt 1985 Disability Study (Class 1)
- Termination: Sex-distinct rates set forth in the Scale 255 Table





## Summary of Actuarial Methods and Assumptions

## Table IV-A

(continued)

- Retirement: Retirement is assumed to occur upon the earlier of the attainment of age 62 or 30 years of service.

**6. Form of Payment**

Future retirees have been assumed to select the five-year certain and life annuity.

**7. Expenses**

Administrative expenses are assumed to be 1.25% of covered payroll. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.

**8. Active Payroll for BSO Employees**

With respect to the BSO employees who are actively participating in the plan, actual historical covered payroll was not provided prior to October 1, 2009. Instead, the plan administrator provided us with an annual rate of pay as of that date. We have applied the 5.00% salary increase assumption to this rate of pay in order to estimate historical plan compensation for these individuals.



## Changes in Actuarial Methods and Assumptions

Table IV-B

No assumptions or methods were changed since the completion of the previous valuation.

*The following additional assumption and method changes were made during the past 10 years:*

- (1) Effective October 1, 2016, the mortality basis was changed from a 2007 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*
- (2) Effective October 1, 2016, the method used to determine the actuarial value of assets was changed from the market value adjusted to reflect a three-year phase-in of the net investment gains and losses to the market value adjusted to reflect a three-year phase-in of the net investment gains and losses that occur after September 30, 2016.*
- (3) Effective October 1, 2011, the cost method was changed from the individual entry age normal cost method to the aggregate cost method.*
- (4) Effective October 1, 2010, the assumed interest rate was decreased from 7.75% per annum to 7.50% per annum.*
- (5) Effective October 1, 2009, the assumed interest rate was decreased from 8.00% per annum to 7.75% per annum.*
- (6) Effective October 1, 2009, the administrative expense assumption was changed from the actual prior year's expense to 1.25% of covered payroll.*
- (7) Effective October 1, 2008, the annual payment towards the unfunded accrued liability was amortized as a level dollar amount rather than as a level percentage of payroll since payroll was no longer increasing at the rate previously expected.*



## Summary of Plan Provisions

## Table V-A

### 1. Monthly Accrued Benefit

3.50% of Final Average Monthly Earnings multiplied by up to 20 years of service plus 0.50% of Final Average Monthly Earnings multiplied by up to 10 years of service in excess of 20 years **(Note: Benefits cease to accrue as of September 30, 2011.)**

### 2. Normal Retirement Age and Benefit

- **Age**  
Age 62
- **Amount**  
Monthly Accrued Benefit
- **Form of Payment**  
Five-year certain and life annuity (normal form of payment);  
Actuarially equivalent five-year certain and joint and contingent annuity (optional);  
Actuarially equivalent temporary life annuity (optional);  
A combination of the certain and life or certain and joint and contingent annuity with a temporary life annuity as described above (optional); or  
Actuarially equivalent lump sum distribution (automatic if the participant's monthly annuity is less than \$5.00)

### 3. Early Retirement Age and Benefit

- **Age**  
Age 52 with at least seven years of service; or  
Any age with at least 30 years of service
- **Amount**  
Monthly Accrued Benefit (payable at age 62); or  
Monthly Accrued Benefit, reduced by 3.1% for each year by which the participant's Early Retirement Age precedes age 62 for those participants who have earned less than 30 years of service (payable at Early Retirement Age).
- **Form of Payment**  
Same as for Normal Retirement

### 4. Deferred Retirement Age and Benefit

- **Age**  
After Normal Retirement Age
- **Amount**  
Monthly Accrued Benefit
- **Form of Payment**  
Same as for Normal Retirement





## Summary of Plan Provisions

## Table V-A

(continued)

### 5. Disability Eligibility and Benefit

- **Eligibility**

All participants are eligible.

- **Condition**

The participant must be eligible for a federal Social Security disability benefit and must have become disabled during his period of employment with the City.

- **Amount Payable Until Normal Retirement Age**

Temporary life annuity equal to 66⅔% of the participant's base salary at the time of his disability, offset by any Social Security and workmen's compensation benefits that are payable to the participant

- **Amount Payable Upon Attainment of Normal Retirement Age**

Monthly Accrued Benefit determined as of the original date of disability

### 6. Deferred Vested Benefit

- **Amount**

Monthly Accrued Benefit (payable at age 62);

Monthly Accrued Benefit, reduced by 3.1% for each year by which the participant's Early Retirement Age precedes age 62 (payable at Early Retirement Age).

- **Form of Payment**

Same as for Normal Retirement

### 7. Vested Percentage

For those participants who terminated their employment prior to September 30, 2011, 35% upon the attainment of seven years of service plus an additional 5% for each whole year of service earned in excess of seven years, to a maximum of 100% upon the attainment of 20 years of service; for all other participants, 100%.

### 8. Pre-Retirement Death Benefits

Upon the death prior to retirement of a fully or partially vested participant, the participant's beneficiary receives a single lump sum payment equal to 100% of the basic annual rate of pay (for those participants who have earned less than 15 years of service at the time of their death) or 150% of the basic annual rate of pay (for all other participants). The maximum lump sum payment is \$30,000.



## Summary of Plan Provisions

## Table V-A

(continued)

### 9. Final Average Monthly Earnings

Average monthly earnings for the highest-paid three years of service out of the last five years of service prior to the determination, where monthly compensation is based on  $4\frac{1}{2}$  times basic weekly salary or  $173\frac{1}{2}$  times basic hourly rate, as applicable, and where compensation excludes overtime pay, bonuses, or other extra compensation; final average monthly earnings does not reflect compensation earned after September 30, 2011.

### 10. Years of Service

The uninterrupted service, calculated in elapsed time, from the participant's date of hire until his date of termination, retirement, or death; for purposes of determining the amount of the Monthly Accrued Benefit, service does not reflect periods after September 30, 2007 for those individuals who opt to participate in the FRS as of October 1, 2007 and does not reflect periods after September 30, 2011 for all other individuals.

### 11. Employee Contribution

Effective during the period June, 2009, through September 30, 2011, the plan requires that all active employees other than BSO employees must contribute 4% of their pensionable earnings. All forms of payment guarantee at least the return of accumulated employee contributions.

### 12. Participation Requirement

General employees of the City of Oakland Park, Florida automatically become a participant in the plan on their date of hire except for the following individuals:

- (a) *Employees hired after September 30, 2007;*
- (b) *The mayor and City Commission members; and*
- (c) *Non-classified employees who do not opt to continue participation in the plan.*

In addition, certain former employees of the City of Oakland Park who are now employed by the Broward Sheriff's Office (BSO) have been allowed to continue actively participating in the plan.



## Summary of Plan Provisions

## Table V-A

(continued)

### 13. Definition of Actuarially Equivalent

- **Interest Rate**  
7.50% per annum
- **Mortality Table**  
1994 Group Annuity Reserving Table, projected to 2002 by Scale AA

### 14. Plan Effective Date

The initial plan effective date is May 1, 1963; the most recent plan restatement effective date is August 13, 1977.





## Summary of Plan Amendments

Table V-B

No significant plan changes were adopted since the completion of the previous valuation.

*The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:*

- (1) *Effective September 30, 2011, all benefit accruals ceased, all active employees were fully vested, and the employee contribution requirement was eliminated. (Ordinance 2011-021)*
- (2) *Effective June, 2009, the plan was amended to include a mandatory 4% employee contribution for individuals other than the BSO employees.*

