

RETIREMENT PLAN FOR THE GENERAL EMPLOYEES
OF THE CITY OF WILLISTON

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2019

DETERMINES THE CONTRIBUTION
FOR THE 2019/20 FISCAL YEAR



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March 15, 2020

Introduction

This report presents the results of the October 1, 2019 actuarial valuation for the Retirement Plan for the General Employees of the City of Williston. 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, 2019 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 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 rate is 6.95% of covered payroll, which represents an increase of 0.74% of payroll from the prior valuation.

The normal cost rate as of October 1, 2019 is 6.70%, as compared to a rate of 5.99% determined in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate increased by 0.46% of payroll due to investment shortfalls and increased by another 0.25% of payroll due to demographic experience. The market value of assets only earned 5.29% during the 2018/19 plan year, whereas a 7.00% 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 City must contribute an amount equal to the annual normal cost of the plan, adjusted as necessary for administrative expenses and to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2019/20 minimum required contribution will be equal to 6.95% multiplied by the total pensionable earnings for the 2019/20 fiscal year for the active employees who are covered by the plan.

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 \$5,683,879. As illustrated in Table I-A, current assets are sufficient to cover \$4,391,175 of this amount, the employer's 2019/20 expected contribution will cover \$81,136 of this amount, and future employee contributions will cover \$536,651, leaving \$674,917 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.

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, 2019, the advance employer contribution is \$331,369, which reflects the advance employer contribution of \$376,724 as of October 1, 2018 less \$45,355 to cover the shortfall between actual employer contributions and the minimum required contribution for the 2018/19 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 2019/20 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, 2019 would reduce the minimum required contribution for the 2019/20 plan year to 3.91% of payroll.

Identification and Assessment of Risk

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, there is always a risk that, should these assumptions not be realized, the liabilities



of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liabilities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the aggregate funding method for this plan, which is expected to result in a contribution rate that is level as a percentage of payroll over the working life of the plan's active participants. A brief description of the actuarial funding method is provided in Table IV-A.



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, including a development of the actuarial value of assets. 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, 2019, 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

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

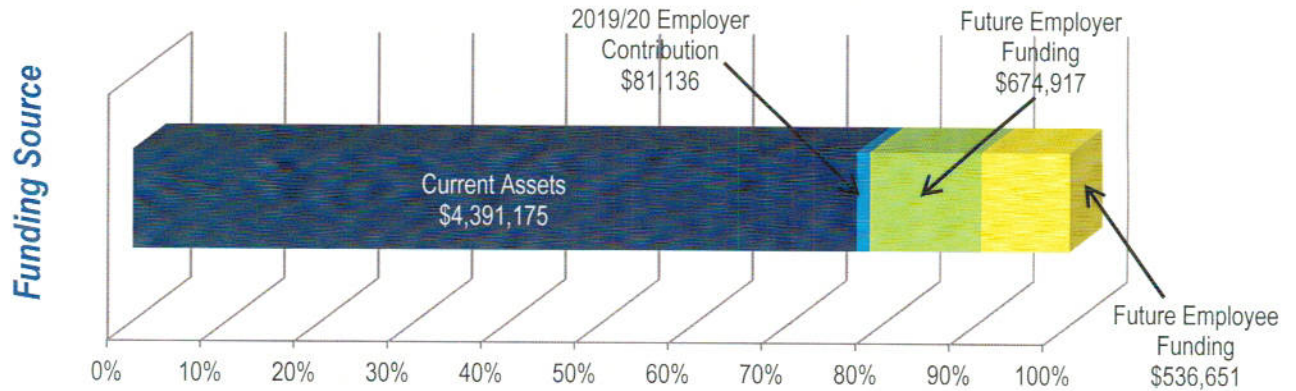
Enrolled Actuary No. 17-04927

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	\$5,558,806
Present Value of Future Administrative Expenses	\$125,073
Actuarial Value of Assets	(\$4,391,175)
Present Value of Future Employee Contributions	(\$536,651)
Present Value of Future Normal Costs	\$756,053
<hr/>	
Present Value of Future Payroll	÷ \$11,276,086
Normal Cost Rate	= 6.7049%
Expected Payroll	x \$1,166,771
<hr/>	
Normal Cost	\$78,231
Adjustment to Reflect Monthly Employer Contributions	\$2,905
Preliminary Employer Contribution for the 2019/20 Plan Year	\$81,136
<hr/>	
Expected Payroll for the 2019/20 Plan Year	÷ \$1,166,771

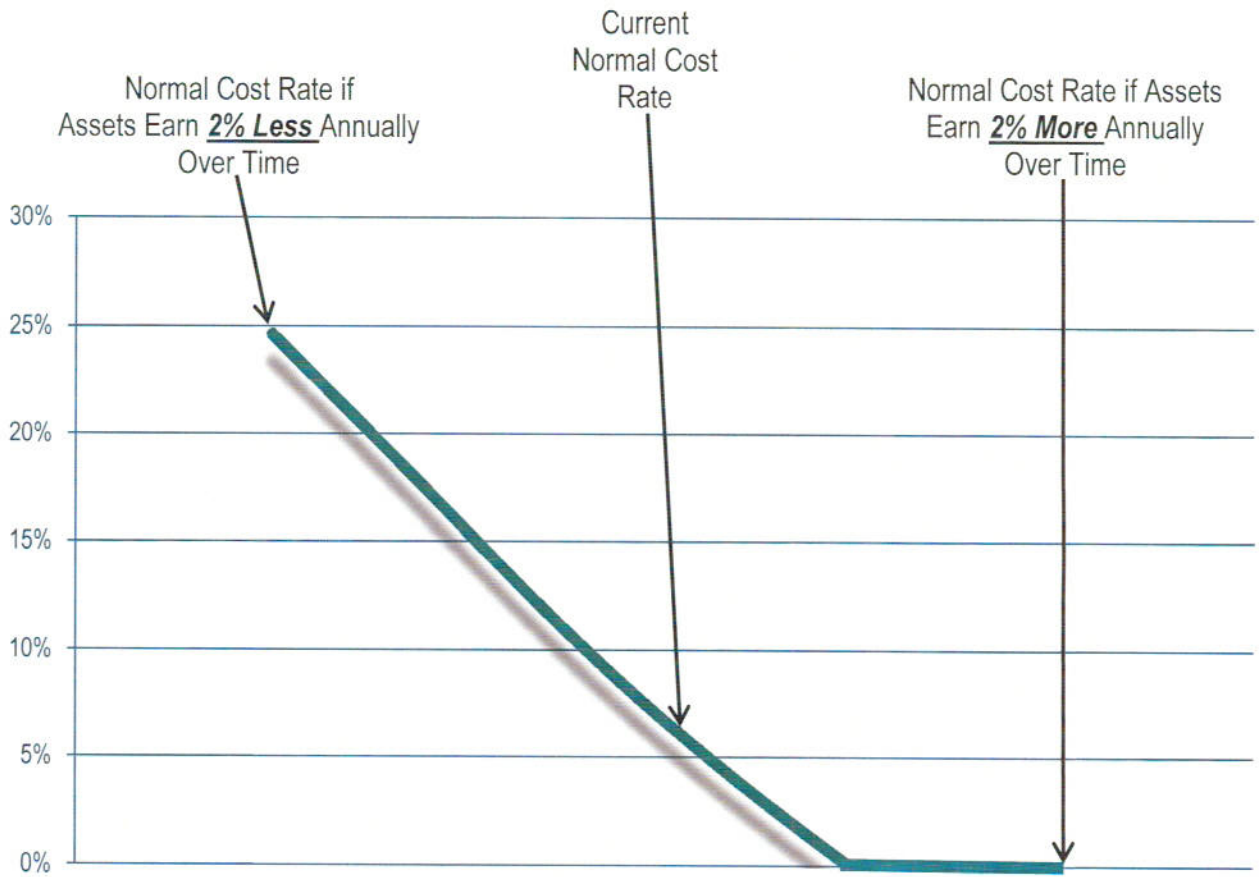
Minimum Required Contribution Rate 6.95%

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

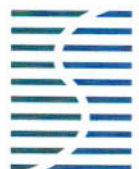
Previous normal cost rate	5.99%
Increase (decrease) due to investment gains and losses	0.46%
Increase (decrease) due to demographic experience	0.25%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>6.70%</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$2,578,282	\$2,578,282	\$2,578,282
Termination benefits	\$148,915	\$148,915	\$148,915
Disability benefits	\$67,139	\$67,139	\$67,139
Death benefits	\$60,794	\$60,794	\$60,794
Refund of employee contributions	\$13,548	\$13,548	\$13,548
Sub-total	\$2,868,678	\$2,868,678	\$2,868,678
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$527,919	\$527,919	\$527,919
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$527,919	\$527,919	\$527,919
<i><u>Due a Refund of Contributions</u></i>	\$39,593	\$39,593	\$39,593
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$1,975,786	\$1,975,786	\$1,975,786
Disability retirements	\$47,561	\$47,561	\$47,561
Beneficiaries receiving	\$99,269	\$99,269	\$99,269
DROP participants	\$0	\$0	\$0
Sub-total	\$2,122,616	\$2,122,616	\$2,122,616
<i><u>Grand Total</u></i>	<u>\$5,558,806</u>	<u>\$5,558,806</u>	<u>\$5,558,806</u>
Present Value of Future Payroll	\$11,276,086	\$11,276,086	\$11,276,086
Present Value of Future Employee Contribs.	\$536,651	\$536,651	\$536,651
Present Value of Future Employer Contribs.	\$756,053	\$756,053	\$756,053



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>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$577,942	\$577,942	\$577,942
Termination benefits	\$45,486	\$45,486	\$45,486
Disability benefits	\$19,783	\$19,783	\$19,783
Death benefits	\$16,156	\$16,156	\$16,156
Refund of employee contributions	\$7,882	\$7,882	\$7,882
Sub-total	\$667,249	\$667,249	\$667,249
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$527,919	\$527,919	\$527,919
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$527,919	\$527,919	\$527,919
<i><u>Due a Refund of Contributions</u></i>	\$39,593	\$39,593	\$39,593
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$1,975,786	\$1,975,786	\$1,975,786
Disability retirements	\$47,561	\$47,561	\$47,561
Beneficiaries receiving	\$99,269	\$99,269	\$99,269
DROP participants	\$0	\$0	\$0
Sub-total	\$2,122,616	\$2,122,616	\$2,122,616
<i><u>Grand Total</u></i>	<u>\$3,357,377</u>	<u>\$3,357,377</u>	<u>\$3,357,377</u>
<i><u>Funded Percentage</u></i>	140.66%	140.66%	140.66%

(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

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$563,313	\$563,313	\$563,313
Termination benefits	\$32,386	\$32,386	\$32,386
Disability benefits	\$19,761	\$19,761	\$19,761
Death benefits	\$14,522	\$14,522	\$14,522
Refund of employee contributions	\$25,102	\$25,102	\$25,102
Sub-total	\$655,084	\$655,084	\$655,084
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$527,919	\$527,919	\$527,919
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$527,919	\$527,919	\$527,919
<i><u>Due a Refund of Contributions</u></i>	\$39,593	\$39,593	\$39,593
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$1,975,786	\$1,975,786	\$1,975,786
Disability retirements	\$47,561	\$47,561	\$47,561
Beneficiaries receiving	\$99,269	\$99,269	\$99,269
DROP participants	\$0	\$0	\$0
Sub-total	\$2,122,616	\$2,122,616	\$2,122,616
<i><u>Grand Total</u></i>	<u>\$3,345,212</u>	<u>\$3,345,212</u>	<u>\$3,345,212</u>



Entry Age Normal Accrued Liability

Table I-G

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$1,057,022	\$1,057,022	\$1,057,022
Termination benefits	\$63,551	\$63,551	\$63,551
Disability benefits	\$30,839	\$30,839	\$30,839
Death benefits	\$27,062	\$27,062	\$27,062
Refund of employee contributions	\$7,693	\$7,693	\$7,693
Sub-total	\$1,186,167	\$1,186,167	\$1,186,167
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$527,919	\$527,919	\$527,919
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$527,919	\$527,919	\$527,919
<i><u>Due a Refund of Contributions</u></i>	\$39,593	\$39,593	\$39,593
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$1,975,786	\$1,975,786	\$1,975,786
Disability retirements	\$47,561	\$47,561	\$47,561
Beneficiaries receiving	\$99,269	\$99,269	\$99,269
DROP participants	\$0	\$0	\$0
Sub-total	\$2,122,616	\$2,122,616	\$2,122,616
<i><u>Grand Total</u></i>	<u>\$3,876,295</u>	<u>\$3,876,295</u>	<u>\$3,876,295</u>



Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2019	\$4,722,544
Minus DROP account balances	\$0
Minus advance employer contributions	(\$331,369)
Actuarial Value of Assets as of October 1, 2019	<u>\$4,391,175</u>

<u>Historical Actuarial Value of Assets</u>	
October 1, 2010	\$3,412,327
October 1, 2011	\$3,205,991
October 1, 2012	\$3,625,066
October 1, 2013	\$4,004,606
October 1, 2014	\$4,069,316
October 1, 2015	\$3,934,671
October 1, 2016	\$4,027,420
October 1, 2017	\$4,283,339
October 1, 2018	\$4,276,067
October 1, 2019	\$4,391,175

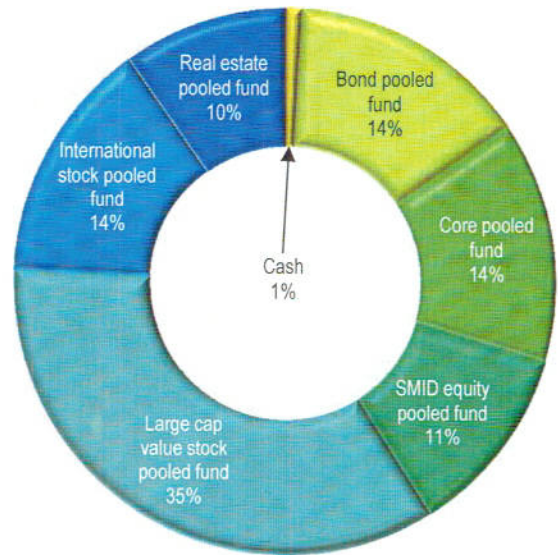


Market Value of Assets

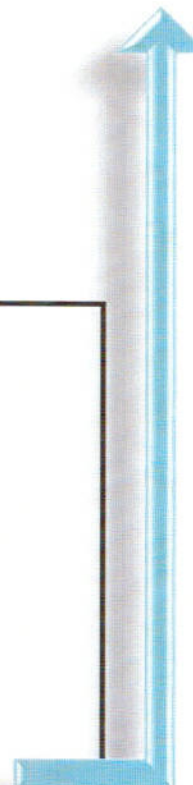
Table II-B

As of October 1, 2019

Market Value of Assets	<u>\$4,722,544</u>
Cash	\$42,444
Bond pooled fund	\$679,108
Core pooled fund	\$674,392
SMID equity pooled fund	\$542,344
Large cap value stock pooled fund	\$1,636,463
International stock pooled fund	\$683,824
Real estate pooled fund	\$457,455
Employer contribution receivable	\$1,861
Employee contribution receivable	\$4,653

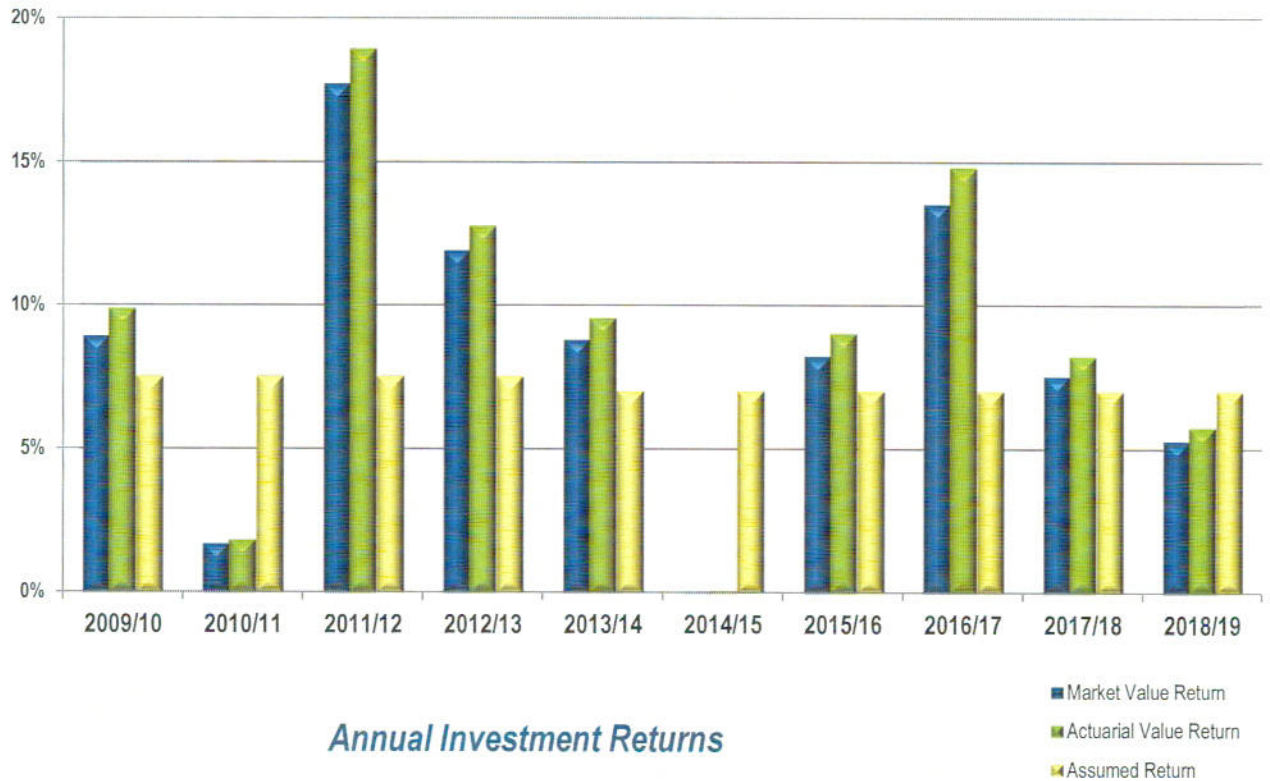


Historical Market Value of Assets	
October 1, 2010	\$3,676,791
October 1, 2011	\$3,422,178
October 1, 2012	\$3,838,335
October 1, 2013	\$4,306,753
October 1, 2014	\$4,433,099
October 1, 2015	\$4,314,930
October 1, 2016	\$4,393,242
October 1, 2017	\$4,630,505
October 1, 2018	\$4,686,232
October 1, 2019	\$4,722,544



Investment Return

Table II-C



Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2009/10	8.93%	9.90%	7.50%
2010/11	1.73%	1.86%	7.50%
2011/12	17.70%	18.92%	7.50%
2012/13	11.95%	12.81%	7.50%
2013/14	8.80%	9.56%	7.00%
2014/15	0.07%	0.08%	7.00%
2015/16	8.21%	9.02%	7.00%
2016/17	13.57%	14.82%	7.00%
2017/18	7.53%	8.23%	7.00%
2018/19	5.29%	5.76%	7.00%
10yr. Avg.	8.26%	8.96%	7.20%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2018	\$4,686,232	\$4,276,067
<i>Increases Due To:</i>		
Employer Contributions	\$30,143	\$30,143
Employee Contributions	\$60,484	\$60,484
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$90,627</u>	<u>\$90,627</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$242,575	
Total Investment Income	<u>\$242,575</u>	\$242,575
Other Income	\$0	
Total Income	<u>\$333,202</u>	<u>\$333,202</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$256,973)	(\$256,973)
Refund of Employee Contributions	(\$19,696)	(\$19,696)
DROP Credits		\$33,441
Total Benefit Payments	<u>(\$276,669)</u>	<u>(\$243,228)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$20,221)	(\$20,221)
Advance Employer Contribution		\$45,355
Total Expenses	<u>(\$296,890)</u>	<u>(\$218,094)</u>
As of October 1, 2019	<u><u>\$4,722,544</u></u>	<u><u>\$4,391,175</u></u>



Historical Trust Fund Detail

Table II-E

Income

<u>Plan</u> <u>Year</u>	<u>Employer</u> <u>Contribs.</u>	<u>Employee</u> <u>Contribs.</u>	<u>Service</u> <u>Purchase</u> <u>Contribs.</u>	<u>Interest /</u> <u>Dividends</u>	<u>Realized</u> <u>Gains /</u> <u>Losses</u>	<u>Unrealized</u> <u>Gains /</u> <u>Losses</u>	<u>Other</u> <u>Income</u>
2009/10	\$165,594	\$57,897	\$0	\$0	\$0	\$304,825	\$0
2010/11	\$151,009	\$52,833	\$0	\$0	\$0	\$60,911	\$0
2011/12	\$205,173	\$46,783	\$0	\$0	\$0	\$590,270	\$0
2012/13	\$205,969	\$51,856	\$0	\$0	\$0	\$459,230	\$0
2013/14	\$112,114	\$48,537	\$0	\$0	\$0	\$368,167	\$0
2014/15	\$50,643	\$48,533	\$0	\$0	\$0	\$3,205	\$0
2015/16	\$32,832	\$41,937	\$0	\$0	\$0	\$343,551	\$0
2016/17	\$76,582	\$53,684	\$0	\$0	\$0	\$573,325	\$0
2017/18	\$107,990	\$53,296	\$0	\$0	\$0	\$338,157	\$0
2018/19	\$30,143	\$60,484	\$0	\$0	\$0	\$242,575	\$0

Expenses

<u>Plan</u> <u>Year</u>	<u>Monthly</u>				<u>Other Actuarial Adjustments</u>	
	<u>Benefit</u> <u>Payments</u>	<u>Contrib.</u> <u>Refunds</u>	<u>Admin.</u> <u>Expenses</u>	<u>Invest.</u> <u>Expenses</u>	<u>DROP</u> <u>Credits</u>	<u>Advance</u> <u>Employer</u> <u>Contribs.</u>
2009/10	\$282,698	\$10,726	\$14,629	\$0	-\$61,161	-\$82,088
2010/11	\$474,060	\$30,619	\$14,687	\$0	\$0	-\$48,277
2011/12	\$410,230	\$1,149	\$14,690	\$0	\$0	-\$2,918
2012/13	\$206,331	\$25,084	\$17,222	\$0	\$0	\$88,878
2013/14	\$359,791	\$24,540	\$18,141	\$0	\$0	\$61,636
2014/15	\$196,866	\$4,712	\$18,972	\$0	\$0	\$16,476
2015/16	\$321,442	\$814	\$17,752	\$0	\$10,436	-\$24,873
2016/17	\$443,345	\$3,072	\$19,911	\$0	\$11,162	-\$29,818
2017/18	\$421,630	\$1,599	\$20,487	\$0	\$11,843	\$51,156
2018/19	\$256,973	\$19,696	\$20,221	\$0	-\$33,441	-\$45,355

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



Other Reconciliations

Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2018	\$376,724
Additional Employer Contribution	\$30,143
Minimum Required Contribution	(\$75,498)
Net Increase in Advance Employer Contribution	(\$45,355)
Advance Employer Contribution as of October 1, 2019	<u>\$331,369</u>

DROP Account Reconciliation

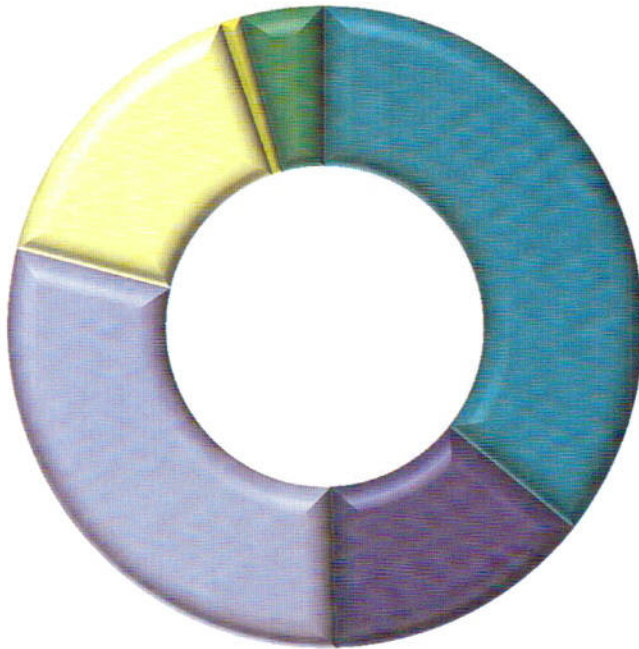
DROP Balance as of October 1, 2018	\$33,441
DROP Benefit Credits	\$3,359
DROP Investment Credits	\$768
DROP Benefits Paid Out	(\$37,568)
Net DROP Credit	(\$33,441)
DROP Balance as of October 1, 2019	<u>\$0</u>



Summary of Participant Data

Table III-A

As of October 1, 2019



Participant Distribution by Status

<u>Actively Employed Participants</u>		
◆	Active Participants	34
◆	DROP Participants	0
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	13
◆	Due a Refund of Contributions	28
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	15
◆	Disability Retirements	1
◆	Beneficiaries Receiving	4
Total Participants		95

<u>Number of Participants Included in Prior Valuations</u>					
	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2010	37	0	4	18	59
October 1, 2011	29	0	7	18	54
October 1, 2012	29	0	9	20	58
October 1, 2013	32	0	14	19	65
October 1, 2014	31	0	16	21	68
October 1, 2015	34	1	16	21	72
October 1, 2016	31	1	24	21	77
October 1, 2017	31	1	32	19	83
October 1, 2018	34	1	32	18	85
October 1, 2019	34	0	41	20	95



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, 2018</u>	34	1	11	21	0	14	1	3	85
<u>Change in Status</u>									
Re-employed									
Terminated	(13)		3	10					
Retired		(1)	(1)			2			
<u>Participation Ended</u>									
Transferred Out									
Cashed Out				(3)					(3)
Died						(1)			(1)
<u>Participation Began</u>									
Newly Hired	13								13
Transferred In									
New Beneficiary								1	1
<u>Other Adjustment</u>									
<u>October 1, 2019</u>	34	0	13	28	0	15	1	4	95

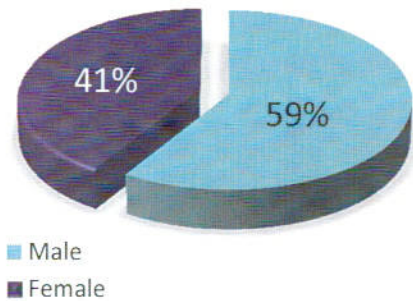


Active Participant Data

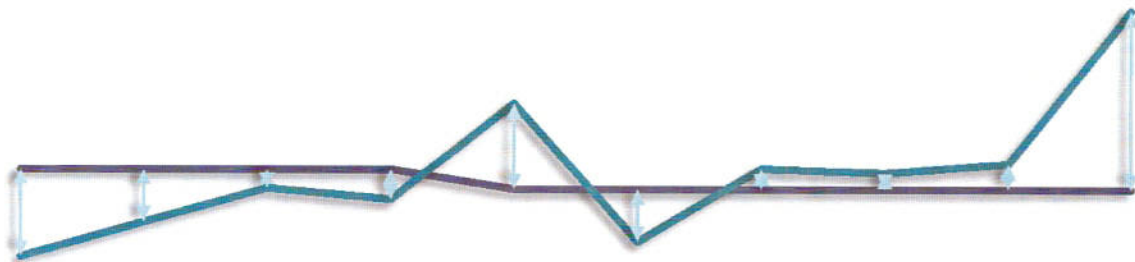
Table III-C

As of October 1, 2019

Gender Mix



Average Age	42.6 years
Average Service	4.4 years
Total Annualized Compensation for the Prior Year	\$1,201,380
Total Expected Compensation for the Current Year	\$1,166,771
Average Increase in Compensation for the Prior Year	17.34%
Expected Increase in Compensation for the Current Year	4.00%



Actual vs. Expected Salary Increases

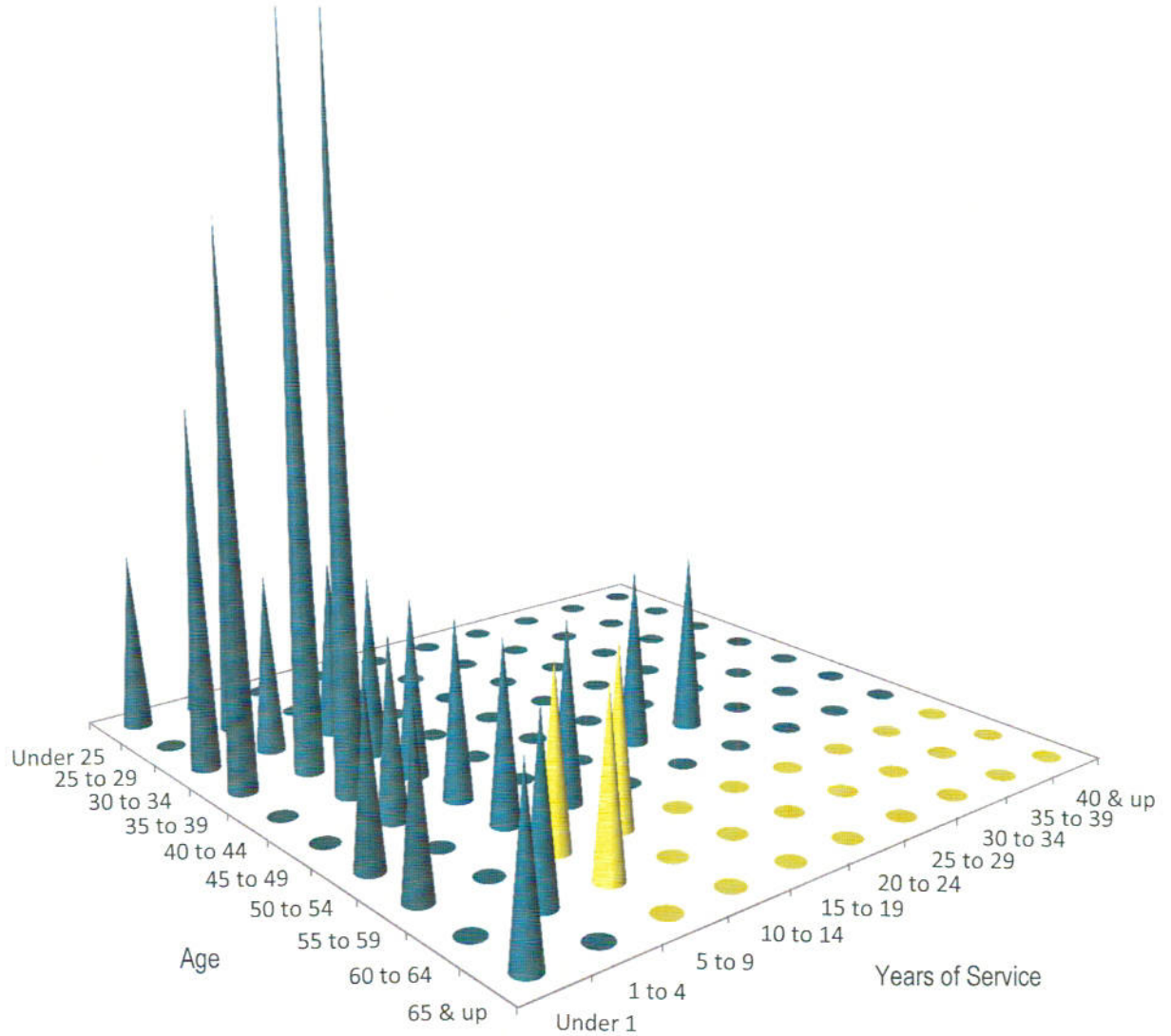
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2010	50.4	9.3	\$31,698	5.50%	-1.01%
October 1, 2011	51.1	10.6	\$30,357	5.50%	1.56%
October 1, 2012	49.5	8.1	\$27,619	5.50%	4.06%
October 1, 2013	48.8	7.9	\$27,428	5.50%	3.23%
October 1, 2014	46.0	6.7	\$30,209	4.00%	10.46%
October 1, 2015	43.9	6.2	\$27,737	4.00%	0.10%
October 1, 2016	42.1	5.7	\$28,545	4.00%	5.54%
October 1, 2017	42.4	4.5	\$29,773	4.00%	5.24%
October 1, 2018	42.0	4.4	\$31,806	4.00%	5.95%
October 1, 2019	42.6	4.4	\$35,335	4.00%	17.34%



Active Age-Service Distribution

Table III-D



- ▲ Eligible to retire
- ▲ May be eligible to retire
- ▲ Not eligible to retire



Active Age-Service-Salary Table

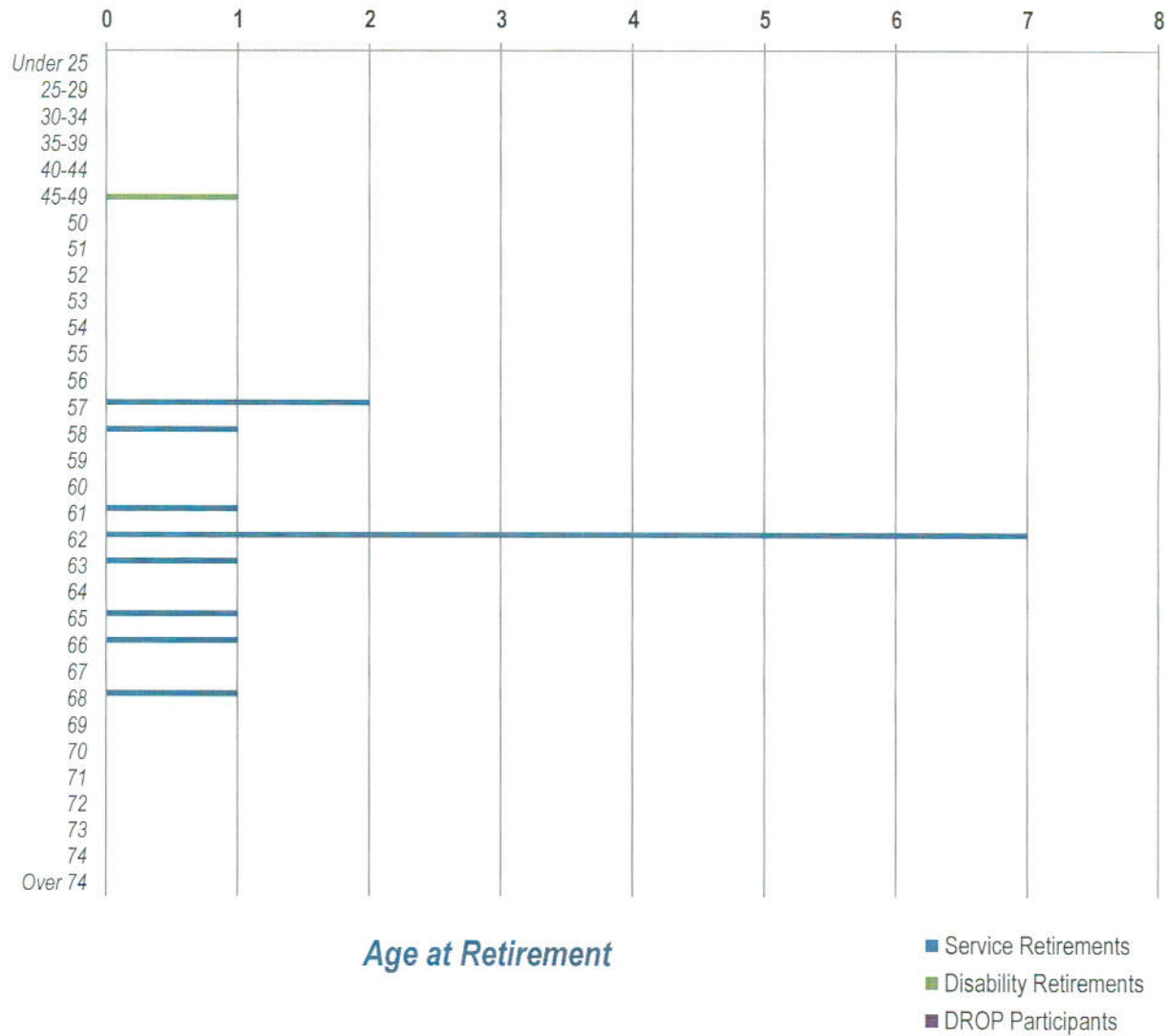
Table III-E

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	1	1	0	0	0	0	0	0	0	0	2
Avg.Pay	19,606	26,403	0	0	0	0	0	0	0	0	23,005
25 to 29	0	2	0	0	0	0	0	0	0	0	2
Avg.Pay	0	34,876	0	0	0	0	0	0	0	0	34,876
30 to 34	2	1	1	0	0	0	0	0	0	0	4
Avg.Pay	42,070	24,993	37,685	0	0	0	0	0	0	0	36,704
35 to 39	3	4	1	0	0	0	0	0	0	0	8
Avg.Pay	25,337	32,034	33,454	0	0	0	0	0	0	0	29,700
40 to 44	0	4	1	0	0	0	0	0	0	0	5
Avg.Pay	0	31,608	28,001	0	0	0	0	0	0	0	30,887
45 to 49	0	1	1	0	0	1	1	0	0	0	4
Avg.Pay	0	40,504	64,039	0	0	44,574	71,386	0	0	0	55,126
50 to 54	1	0	1	1	0	0	0	0	0	0	3
Avg.Pay	20,390	0	32,070	31,816	0	0	0	0	0	0	28,092
55 to 59	1	0	1	1	0	0	0	0	0	0	3
Avg.Pay	32,707	0	39,475	33,911	0	0	0	0	0	0	35,364
60 to 64	0	1	1	0	0	0	0	0	0	0	2
Avg.Pay	0	38,230	31,746	0	0	0	0	0	0	0	34,988
65 & up	1	0	0	0	0	0	0	0	0	0	1
Avg.Pay	65,919	0	0	0	0	0	0	0	0	0	65,919
Total	9	14	7	2	0	1	1	0	0	0	34
Avg.Pay	33,197	32,461	38,067	32,864	0	44,574	71,386	0	0	0	35,335



Inactive Participant Data

Table III-F



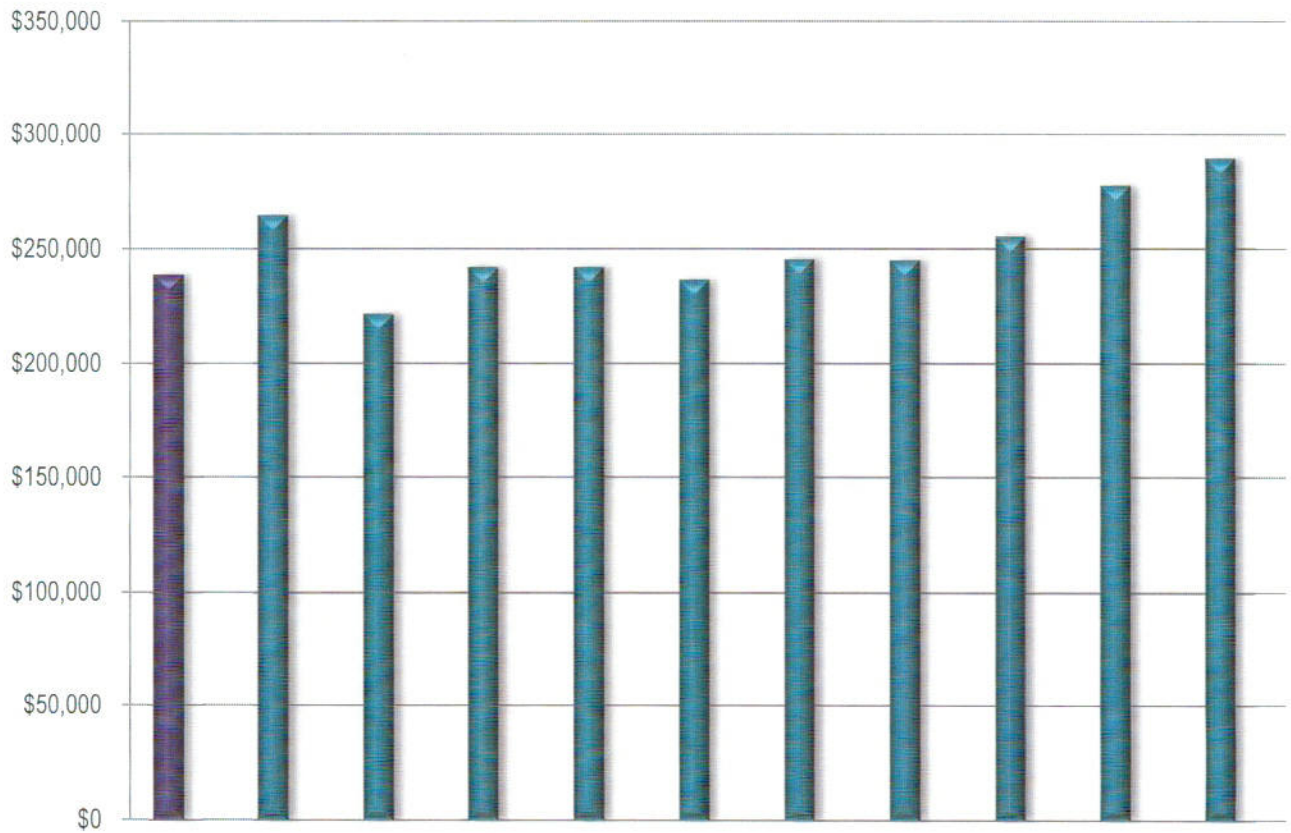
Average Monthly Benefit

Service Retirements	\$1,114.18
Disability Retirements	\$278.19
Beneficiaries Receiving	\$335.80
DROP Participants	Not applicable
Deferred Vested Participants	\$530.66
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G



Actual

For the period October 1, 2018 through September 30, 2019 \$239,101

Projected

For the period October 1, 2019 through September 30, 2020 \$264,748
 For the period October 1, 2020 through September 30, 2021 \$221,928
 For the period October 1, 2021 through September 30, 2022 \$242,165
 For the period October 1, 2022 through September 30, 2023 \$242,300
 For the period October 1, 2023 through September 30, 2024 \$236,851
 For the period October 1, 2024 through September 30, 2025 \$245,910
 For the period October 1, 2025 through September 30, 2026 \$245,357
 For the period October 1, 2026 through September 30, 2027 \$255,665
 For the period October 1, 2027 through September 30, 2028 \$277,766
 For the period October 1, 2028 through September 30, 2029 \$289,303



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.

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

7.00% per annum

4. **Salary Increases**

Plan compensation is assumed to increase at the rate of 4.00% 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; no pre-retirement deaths are assumed to be service-related.
- 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: Age-based rates of disability were assumed, ranging from 0.03% at age 25, 0.05% at age 35, and 0.12% at age 45, to 0.54% at age 55.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

- Termination: Age-based rates of termination were assumed, ranging from 7.94% at age 25, 6.09% at age 35, and 3.54% at age 45, to 0.00% at age 55.
- Retirement: Retirement is assumed to occur upon the attainment of normal retirement age.

6. Form of Payment

Future retirees have been assumed to select the single life annuity.

7. Expenses

The total projected benefit liability has been loaded by 2.25% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table IV-B

No methods or assumptions have been 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 2015 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, 2013, the assumed interest rate was decreased from 7.50% per annum to 7.00% per annum.*
- (3) *Effective October 1, 2013, the assumed increase in future salaries was decreased from 5.50% per year to 4.00% per year.*
- (4) *Effective October 1, 2013, the mortality basis was changed from the RP-2000 Mortality Table, projected to 2007 by Scale AA, to the RP-2000 Mortality Table, projected to 2015 by Scale AA, both as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430.*
- (5) *Effective October 1, 2009, the administrative expense assumption was changed from a flat \$11,000 per year to a 2.25% loading of the total projected benefit liability.*



Summary of Plan Provisions

Table V-A

1. **Monthly Accrued Benefit**

2.25% of Average Monthly Earnings multiplied by Credited Service

2. **Normal Retirement Age and Benefit**

- **Age**

Age 62 with at least five years of Credited Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Single life annuity (normal form of payment);
 Actuarially reduced 10-year certain and life annuity (optional);
 Actuarially reduced 50% joint and contingent annuity (optional);
 Actuarially reduced 66⅔% joint and contingent annuity (optional);
 Actuarially reduced 75% joint and contingent annuity (optional);
 Actuarially reduced 100% joint and contingent annuity (optional);
 Actuarially equivalent single lump sum payment (optional); or
 Any other actuarially equivalent form of payment approved by the Board of Trustees (optional)

(Note: All forms of payment guarantee at least the return of the member's Accumulated Contributions.)

3. **Early Retirement Age and Benefit**

- **Age**

Age 55 with at least five years of Credited Service

- **Amount**

Monthly Accrued Benefit (payable at Normal Retirement Age); or
 Monthly Accrued Benefit adjusted on an actuarially equivalent basis to reflect the payments made prior to Normal Retirement Age (payable at Early Retirement Age)

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

4. **Delayed Retirement Age and Benefit**

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

5. **Disability Eligibility and Benefit**

- **Eligibility**
The member is eligible if he becomes totally and permanently disabled from bodily injury, disease, or a mental disorder such that he is incapable of employment.
- **Amount Payable**
Monthly Accrued Benefit adjusted on an actuarially equivalent basis to reflect the payments made prior to Normal Retirement Age
- **Form of Payment**
Same as for Normal Retirement

6. **Deferred Vested Benefit**

- **Age**
Any age with at least five years of Credited Service
- **Amount**
Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit adjusted on an actuarially equivalent basis to reflect the payments made prior to Normal Retirement Age (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

7. **Pre-Retirement Death Benefits**

- **Vested Member**

Upon the death prior to retirement of a vested member, the member's beneficiary receives the actuarial equivalent to the member's Monthly Accrued Benefit valued as of the member's employment termination date and increased with interest at the valuation rate(s) from such date until the member's date of death. The beneficiary may elect to receive his benefit either as a single life annuity or as an actuarially equivalent single lump sum payment. In any event, the pre-retirement death benefit guarantees at least the return of the member's Accumulated Contributions.

- **Non-Vested Member**

In the case of the death of a non-vested member prior to retirement, his beneficiary will receive the member's Accumulated Contributions.

8. **Average Monthly Earnings**

Average monthly earnings during the highest five years out of the 10 years immediately preceding the determination (or career average, if higher); for this purpose, earnings include total compensation other than bonuses, lump sum payments, overtime pay, and extraordinary compensation.

9. **Credited Service**

The elapsed time from the member's date of hire until his date of termination, retirement, or death, excluding periods during which the member does not make the required contribution

10. **Membership Requirement**

All full-time employees of the City of Williston, Florida, other than police officers and the City Manager, automatically become a member of the plan on their date of hire.

11. **Accumulated Contributions**

Member Contributions accumulated with interest at the rate of 5.00% per annum; if the member terminates his employment with less than five years of Credited Service, then he receives a refund of his Accumulated Contributions.

12. **Member Contributions**

5.00% of earnings on a pre-tax basis



Summary of Plan Provisions

Table V-A

(continued)

13. **Definition of Actuarially Equivalent**

- **Interest Rate**
7.00% per annum
- **Mortality Table**
1983 Group Annuity Mortality Table, blended 50%/50% for males and females and set back two years

14. **Plan Effective Date**

The plan was originally effective on October 1, 1983.

15. **Deferred Retirement Option Program (DROP)**

A participant who is otherwise eligible for Early or Normal Retirement may elect to enter the DROP for a period of up to 60 months. DROP accounts are credited with interest at the rate of 6.50% per annum.



Summary of Plan Amendments

Table V-B

No plan amendments were adopted since the completion of the previous valuation.

