# Retirement Plan for the Police Officers Of the City of Williston

## Actuarial Valuation
## As of October 1, 2019

## Determines the Contribution
## For the 2020/21 Fiscal Year

Southern Actuarial Services

March 17, 2020

Introduction

This report presents the results of the October 1, 2019 actuarial valuation for the Retirement Plan for the Police Officers 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 2020/21 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 normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2020/21 plan year. The minimum required contribution rate is 22.16% of covered payroll, which represents an increase of 1.64% of payroll from the prior valuation.

The normal cost rate is 22.16%, which is 1.53% greater than the normal cost rate that was developed 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 0.49% of payroll due to investment shortfalls and increased by another 1.04% of payroll due to demographic experience. The market value of assets only earned 5.42% 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 plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2020/21 minimum required contribution will be equal to 22.16% multiplied by the total pensionable earnings for the 2020/21 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 $3,668,232. As illustrated in Table I-A, current assets are sufficient to cover $2,419,277 of this amount, the employer's 2019/20 expected contribution will cover $109,576 of this amount, the employer's 2020/21 expected contribution will cover $123,643 of this amount, and future employee contributions are expected to cover $229,932 of this amount, leaving $785,804 to be covered by future employer funding beyond the 2020/21 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 $41,571, which reflects the advance employer contribution as of October 1, 2018 minus $3,264 to cover the shortfall between the minimum required contribution and the actual employer 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 normal cost rate to 21.26% of payroll and would reduce the minimum required contribution for the 2020/21 plan year to 21.20% 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 liablities 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. 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

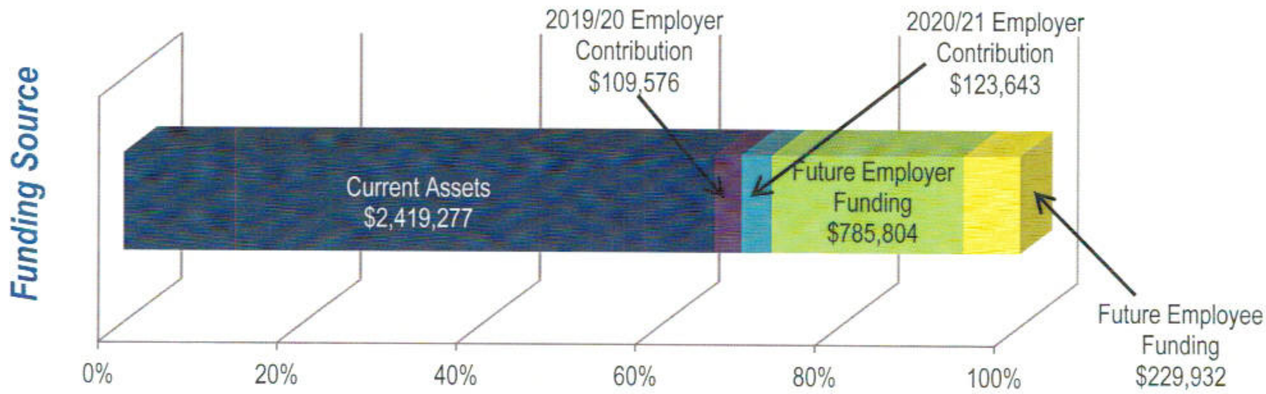
Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

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

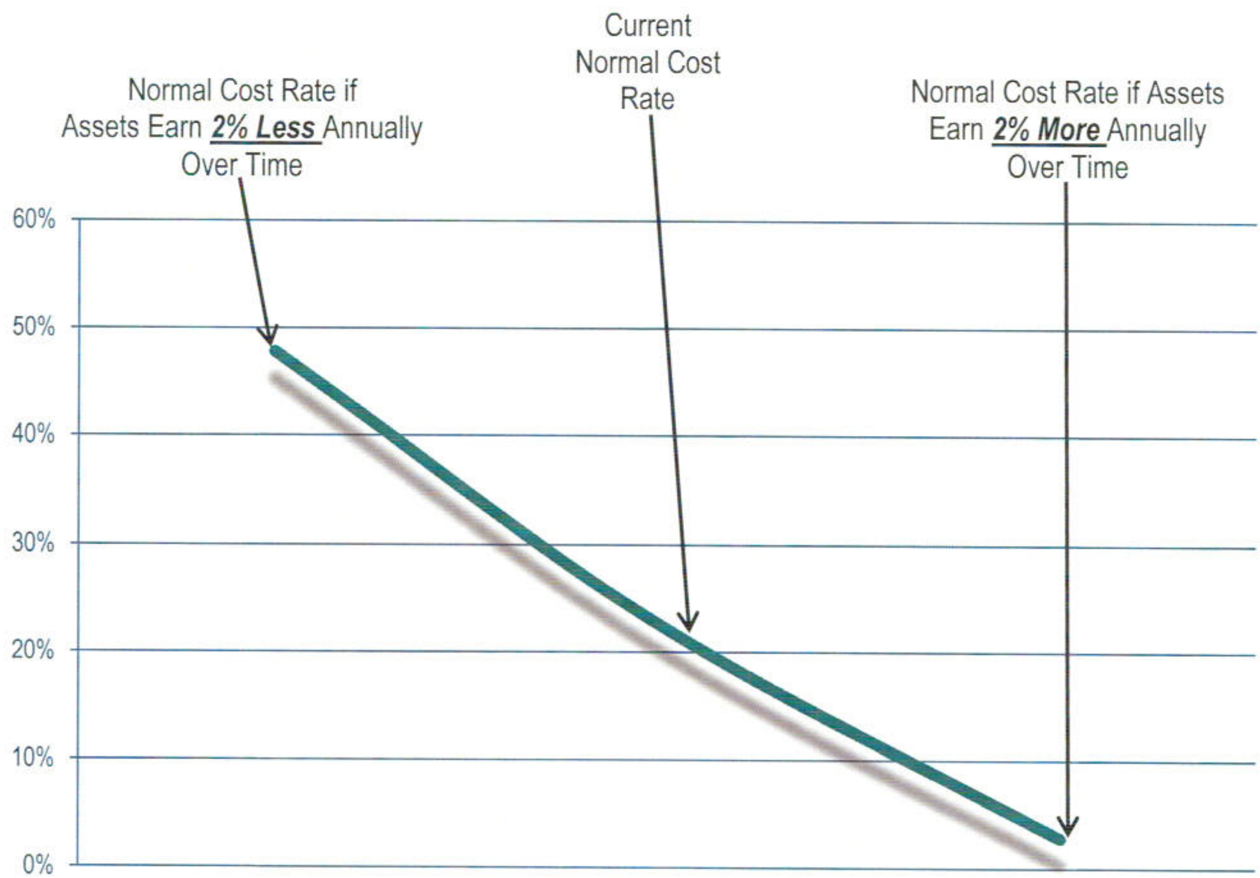



| | For the 2020/21 Plan Year |
|---|---|
| Present Value of Future Benefits | $3,570,055 |
| Present Value of Future Administrative Expenses | $98,177 |
| Actuarial Value of Assets | ($2,419,277) |
| Present Value of Future Employee Contributions | ($229,932) |
| Present Value of Future Normal Costs | $1,019,023 |
| | |
| Present Value of Future Payroll | *÷ $4,598,654* |
| Normal Cost Rate | *= 22.1592%* |
| Expected Payroll | *x $533,995* |
| | |
| Normal Cost | $118,329 |
| Adjustment to Reflect Monthly Employer Contributions | $4,394 |
| Expected Employer Contribution for the 2019/20 Plan Year | ($109,576) |
| Remaining Contribution Due/(Credit) for the 2019/20 Plan Year | $13,147 |
| | *x 0.07* |
| One Year's Interest Charge/(Credit) on the Remaining Contribution | $920 |
| | |
| Preliminary Employer Contribution for the 2020/21 Plan Year | $123,643 |
| Expected Payroll for the 2020/21 Plan Year | *÷ $558,025* |
| | |
| ***Minimum Required Contribution Rate*** | **22.16%** |

*(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 | 20.63% |
| Increase (decrease) due to investment gains and losses | 0.49% |
| Increase (decrease) due to demographic experience | 1.04% |
| 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 | 22.16% |

## Present Value of Future Benefits

### Table I-D

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---|---|---|---|
| *Actively Employed Participants* | | | |
| Retirement benefits | $2,239,145 | $2,239,145 | $2,239,145 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$2,239,145** | **$2,239,145** | **$2,239,145** |
| *Deferred Vested Participants* | | | |
| Retirement benefits | $89,659 | $89,659 | $89,659 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$89,659** | **$89,659** | **$89,659** |
| *Due a Refund of Contributions* | **$13,140** | **$13,140** | **$13,140** |
| *Deferred Beneficiaries* | **$0** | **$0** | **$0** |
| *Retired Participants* | | | |
| Service retirements | $741,688 | $741,688 | $741,688 |
| Disability retirements | $0 | $0 | $0 |
| Beneficiaries receiving | $0 | $0 | $0 |
| DROP participants | $486,423 | $486,423 | $486,423 |
| Sub-total | **$1,228,111** | **$1,228,111** | **$1,228,111** |
| *Grand Total* | **$3,570,055** | **$3,570,055** | **$3,570,055** |
| Present Value of Future Payroll | $4,598,654 | $4,598,654 | $4,598,654 |
| Present Value of Future Employee Contribs. | $229,932 | $229,932 | $229,932 |
| Present Value of Future Employer Contribs. | $1,019,023 | $1,019,023 | $1,019,023 |

## Present Value of Accrued Benefits

## Table I-E

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---|---|---|---|
| *Actively Employed Participants* | | | |
| Retirement benefits | $743,092 | $743,092 | $743,092 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$743,092** | **$743,092** | **$743,092** |
| *Deferred Vested Participants* | | | |
| Retirement benefits | $89,659 | $89,659 | $89,659 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$89,659** | **$89,659** | **$89,659** |
| *Due a Refund of Contributions* | **$13,140** | **$13,140** | **$13,140** |
| *Deferred Beneficiaries* | **$0** | **$0** | **$0** |
| *Retired Participants* | | | |
| Service retirements | $741,688 | $741,688 | $741,688 |
| Disability retirements | $0 | $0 | $0 |
| Beneficiaries receiving | $0 | $0 | $0 |
| DROP participants | $486,423 | $486,423 | $486,423 |
| Sub-total | **$1,228,111** | **$1,228,111** | **$1,228,111** |
| *Grand Total* | **$2,074,002** | **$2,074,002** | **$2,074,002** |
| *Funded Percentage* | 118.65% | 118.65% | 118.65% |

*(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 |
|---|---|---|---|
| *Actively Employed Participants* | | | |
| Retirement benefits | $548,343 | $548,343 | $548,343 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$548,343** | **$548,343** | **$548,343** |
| *Deferred Vested Participants* | | | |
| Retirement benefits | $89,659 | $89,659 | $89,659 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$89,659** | **$89,659** | **$89,659** |
| *Due a Refund of Contributions* | **$13,140** | **$13,140** | **$13,140** |
| *Deferred Beneficiaries* | **$0** | **$0** | **$0** |
| *Retired Participants* | | | |
| Service retirements | $741,688 | $741,688 | $741,688 |
| Disability retirements | $0 | $0 | $0 |
| Beneficiaries receiving | $0 | $0 | $0 |
| DROP participants | $486,423 | $486,423 | $486,423 |
| Sub-total | **$1,228,111** | **$1,228,111** | **$1,228,111** |
| *Grand Total* | **$1,879,253** | **$1,879,253** | **$1,879,253** |

## Entry Age Normal Accrued Liability

## Table I-G

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|---|---|---|---|
| *Actively Employed Participants* | | | |
| Retirement benefits | $1,015,325 | $1,015,325 | $1,015,325 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$1,015,325** | **$1,015,325** | **$1,015,325** |
| *Deferred Vested Participants* | | | |
| Retirement benefits | $89,659 | $89,659 | $89,659 |
| Termination benefits | $0 | $0 | $0 |
| Disability benefits | $0 | $0 | $0 |
| Death benefits | $0 | $0 | $0 |
| Refund of employee contributions | $0 | $0 | $0 |
| Sub-total | **$89,659** | **$89,659** | **$89,659** |
| *Due a Refund of Contributions* | **$13,140** | **$13,140** | **$13,140** |
| *Deferred Beneficiaries* | **$0** | **$0** | **$0** |
| *Retired Participants* | | | |
| Service retirements | $741,688 | $741,688 | $741,688 |
| Disability retirements | $0 | $0 | $0 |
| Beneficiaries receiving | $0 | $0 | $0 |
| DROP participants | $486,423 | $486,423 | $486,423 |
| Sub-total | **$1,228,111** | **$1,228,111** | **$1,228,111** |
| *Grand Total* | **$2,346,235** | **$2,346,235** | **$2,346,235** |

# Actuarial Value of Assets

Table II-A

| | |
|---|---|
| Market Value of Assets as of October 1, 2019 | $2,692,252 |
| Minus DROP account balances | ($231,404) |
| Minus advance employer contributions | ($41,571) |
| **Actuarial Value of Assets as of October 1, 2019** | **$2,419,277** |

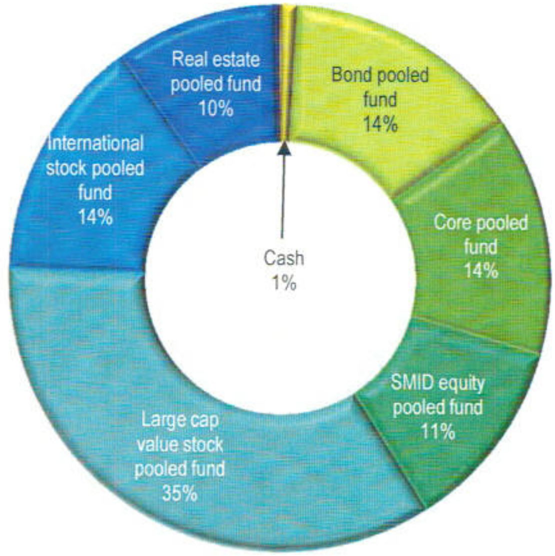
**Historical Actuarial Value of Assets**

| | |
|---|---|
| October 1, 2010 | $828,713 |
| October 1, 2011 | $939,672 |
| October 1, 2012 | $1,231,153 |
| October 1, 2013 | $1,487,358 |
| October 1, 2014 | $1,708,206 |
| October 1, 2015 | $1,710,916 |
| October 1, 2016 | $1,871,242 |
| October 1, 2017 | $2,131,812 |
| October 1, 2018 | $2,290,386 |
| October 1, 2019 | $2,419,277 |

## Market Value of Assets

Table II-B

| | As of October 1, 2019 |
|---|---|
| **Market Value of Assets** | **$2,692,252** |
| Cash | $24,132 |
| Bond pooled fund | $386,116 |
| Core pooled fund | $383,435 |
| SMID equity pooled fund | $308,356 |
| Large cap value stock pooled fund | $930,432 |
| International stock pooled fund | $388,797 |
| Real estate pooled fund | $260,092 |
| Employer contribution receivable | $8,778 |
| Employee contribution receivable | $2,114 |

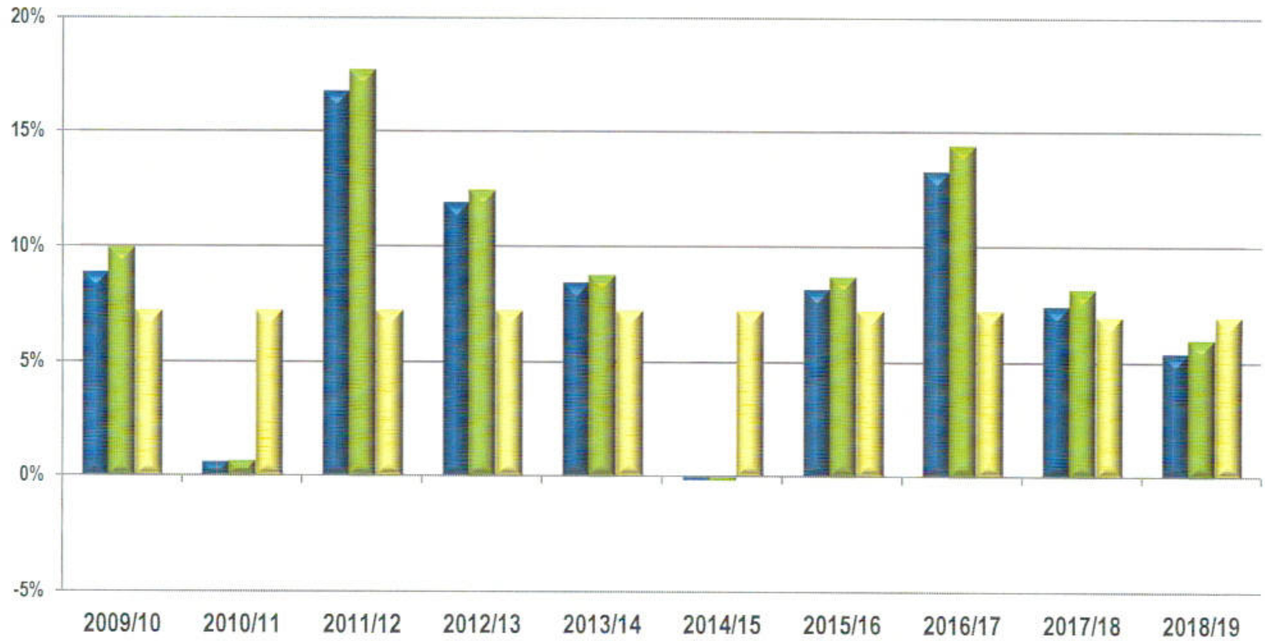



**Historical Market Value of Assets**

| | |
|---|---|
| October 1, 2010 | $901,803 |
| October 1, 2011 | $993,713 |
| October 1, 2012 | $1,288,330 |
| October 1, 2013 | $1,544,535 |
| October 1, 2014 | $1,767,176 |
| October 1, 2015 | $1,810,378 |
| October 1, 2016 | $2,012,548 |
| October 1, 2017 | $2,310,648 |
| October 1, 2018 | $2,514,158 |
| October 1, 2019 | $2,692,252 |

## Investment Return

Table II-C




***Annual Investment Returns***

| Plan Year | Market Value Return | Actuarial Value Return | Assumed Return |
|---|---|---|---|
| 2009/10 | 8.91% | 9.97% | 7.25% |
| 2010/11 | 0.63% | 0.67% | 7.25% |
| 2011/12 | 16.78% | 17.72% | 7.25% |
| 2012/13 | 11.92% | 12.46% | 7.25% |
| 2013/14 | 8.46% | 8.78% | 7.25% |
| 2014/15 | -0.14% | -0.15% | 7.25% |
| 2015/16 | 8.16% | 8.73% | 7.25% |
| 2016/17 | 13.28% | 14.42% | 7.25% |
| 2017/18 | 7.46% | 8.17% | 7.00% |
| 2018/19 | 5.42% | 6.01% | 7.00% |
| 10yr. Avg. | 7.97% | 8.55% | 7.20% |

## Asset Reconciliation

Table II-D

| | Market Value | Actuarial Value |
|---|---|---|
| **As of October 1, 2018** | **$2,514,158** | **$2,290,386** |
| ***Increases Due To:*** | | |
| Employer Contributions | $97,045 | $97,045 |
| Employee Contributions | $24,421 | $24,421 |
| Service Purchase Contributions | $0 | $0 |
| Total Contributions | $121,466 | $121,466 |
| Interest and Dividends | $0 | |
| Realized Gains (Losses) | $0 | |
| Unrealized Gains (Losses) | $137,328 | |
| Total Investment Income | $137,328 | $137,328 |
| Other Income | $0 | |
| **Total Income** | **$258,794** | **$258,794** |
| ***Decreases Due To:*** | | |
| Monthly Benefit Payments | ($69,746) | ($69,746) |
| Refund of Employee Contributions | $0 | $0 |
| DROP Credits | | ($52,467) |
| Total Benefit Payments | ($69,746) | ($122,213) |
| Investment Expenses | $0 | |
| Administrative Expenses | ($10,954) | ($10,954) |
| Advance Employer Contribution | | $3,264 |
| **Total Expenses** | **($80,700)** | **($129,903)** |
| **As of October 1, 2019** | **$2,692,252** | **$2,419,277** |

# 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 |
|---|---|---|---|---|---|---|---|
| 2009/10 | $106,736 | $19,863 | $0 | $0 | $0 | $69,990 | $0 |
| 2010/11 | $104,109 | $19,280 | $0 | $0 | $0 | $5,942 | $0 |
| 2011/12 | $131,713 | $19,535 | $0 | $0 | $0 | $176,675 | $0 |
| 2012/13 | $119,385 | $19,177 | $0 | $0 | $0 | $159,392 | $0 |
| 2013/14 | $119,278 | $21,100 | $0 | $0 | $0 | $134,338 | $0 |
| 2014/15 | $75,005 | $18,053 | $0 | $0 | $0 | -$2,555 | $0 |
| 2015/16 | $79,553 | $18,330 | $0 | $0 | $0 | $149,872 | $0 |
| 2016/17 | $74,311 | $18,698 | $0 | $0 | $0 | $269,173 | $0 |
| 2017/18 | $90,446 | $21,005 | $0 | $0 | $0 | $173,485 | $0 |
| 2018/19 | $97,045 | $24,421 | $0 | $0 | $0 | $137,328 | $0 |

### *Expenses*

| Plan Year | Monthly Benefit Payments | Contrib. Refunds | Admin. Expenses | Invest. Expenses |
|---|---|---|---|---|
| 2009/10 | $25,241 | $2,845 | $5,302 | $0 |
| 2010/11 | $25,241 | $6,845 | $5,335 | $0 |
| 2011/12 | $25,241 | $1,049 | $7,016 | $0 |
| 2012/13 | $25,241 | $10,427 | $6,091 | $0 |
| 2013/14 | $36,226 | $8,164 | $7,685 | $0 |
| 2014/15 | $37,236 | $0 | $10,065 | $0 |
| 2015/16 | $37,231 | $0 | $8,354 | $0 |
| 2016/17 | $41,286 | $13,085 | $9,711 | $0 |
| 2017/18 | $68,050 | $3,051 | $10,325 | $0 |
| 2018/19 | $69,746 | $0 | $10,954 | $0 |

### *Other Actuarial Adjustments*

| Plan Year | DROP Credits | Advance Employer Contribs. |
|---|---|---|
| 2009/10 | $0 | -$19,754 |
| 2010/11 | $0 | -$19,049 |
| 2011/12 | $0 | $3,136 |
| 2012/13 | $0 | $0 |
| 2013/14 | $0 | $1,793 |
| 2014/15 | $40,661 | -$169 |
| 2015/16 | $43,016 | -$1,172 |
| 2016/17 | $46,087 | -$8,557 |
| 2017/18 | $49,173 | -$4,237 |
| 2018/19 | $52,467 | -$3,264 |

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

### DROP Account Reconciliation

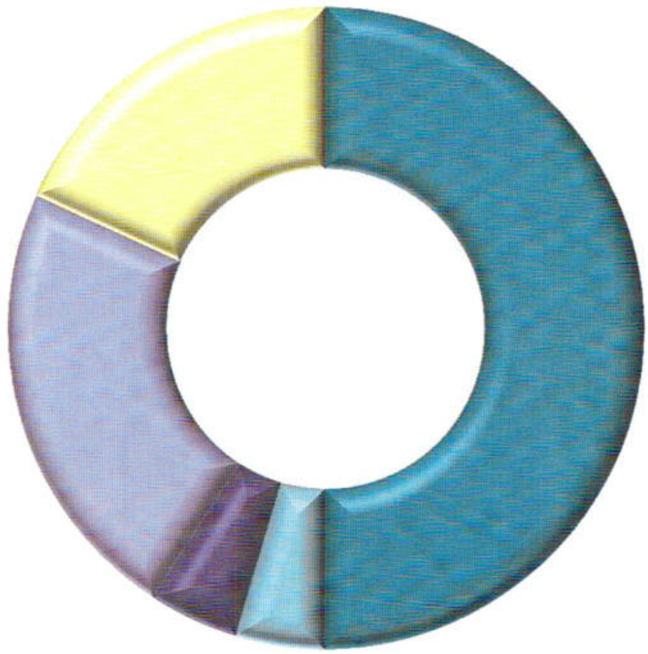
| | |
|---|---|
| DROP Balance as of October 1, 2018 | $178,937 |
| DROP Benefit Credits | $39,291 |
| DROP Investment Credits | $13,176 |
| DROP Benefits Paid Out | $0 |
| Net DROP Credit | $52,467 |
| DROP Balance as of October 1, 2019 | $231,404 |

### Advance Employer Contribution

| | |
|---|---|
| Advance Employer Contribution as of October 1, 2018 | $44,835 |
| Additional Employer Contribution | $97,045 |
| Minimum Required Contribution | ($100,309) |
| Net Increase in Advance Employer Contribution | ($3,264) |
| Advance Employer Contribution as of October 1, 2019 | $41,571 |

## Summary of Participant Data

Table III-A



Participant Distribution by Status

**As of October 1, 2019**

| | |
|---|---|
| *Actively Employed Participants* | |
| Active Participants | 11 |
| DROP Participants | 1 |
| *Inactive Participants* | |
| Deferred Vested Participants | 1 |
| Due a Refund of Contributions | 5 |
| Deferred Beneficiaries | 0 |
| *Participants Receiving a Benefit* | |
| Service Retirements | 4 |
| Disability Retirements | 0 |
| Beneficiaries Receiving | 0 |
| **Total Participants** | **22** |

**Number of Participants Included in Prior Valuations**

| | Active | DROP | Inactive | Retired | Total |
|---|---|---|---|---|---|
| October 1, 2010 | 10 | 0 | 1 | 1 | 12 |
| October 1, 2011 | 11 | 0 | 1 | 1 | 13 |
| October 1, 2012 | 10 | 0 | 3 | 1 | 14 |
| October 1, 2013 | 10 | 0 | 3 | 1 | 14 |
| October 1, 2014 | 9 | 1 | 2 | 2 | 14 |
| October 1, 2015 | 9 | 1 | 3 | 2 | 15 |
| October 1, 2016 | 10 | 1 | 3 | 2 | 16 |
| October 1, 2017 | 11 | 1 | 3 | 3 | 18 |
| October 1, 2018 | 10 | 1 | 4 | 4 | 19 |
| October 1, 2019 | 11 | 1 | 6 | 4 | 22 |

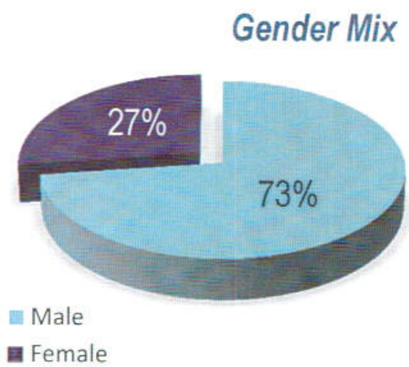
## Data Reconciliation

Table III-B

| | Active | DROP | Deferred Vested | Due a Refund | Def. Benef. | Service Retiree | Disabled Retiree | Benef. Rec'v. | Total |
|---|---|---|---|---|---|---|---|---|---|
| *October 1, 2018* | 10 | 1 | 1 | 3 | 0 | 4 | 0 | 0 | **19** |
| *Change in Status* | | | | | | | | | |
| *Re-employed* | | | | | | | | | |
| *Terminated* | (2) | | | 2 | | | | | |
| *Retired* | | | | | | | | | |
| *Participation Ended* | | | | | | | | | |
| *Transferred Out* | | | | | | | | | |
| *Cashed Out* | | | | | | | | | |
| *Died* | | | | | | | | | |
| *Participation Began* | | | | | | | | | |
| *Newly Hired* | 3 | | | | | | | | **3** |
| *Transferred In* | | | | | | | | | |
| *New Beneficiary* | | | | | | | | | |
| *Other Adjustment* | | | | | | | | | |
| *October 1, 2019* | 11 | 1 | 1 | 5 | 0 | 4 | 0 | 0 | **22** |

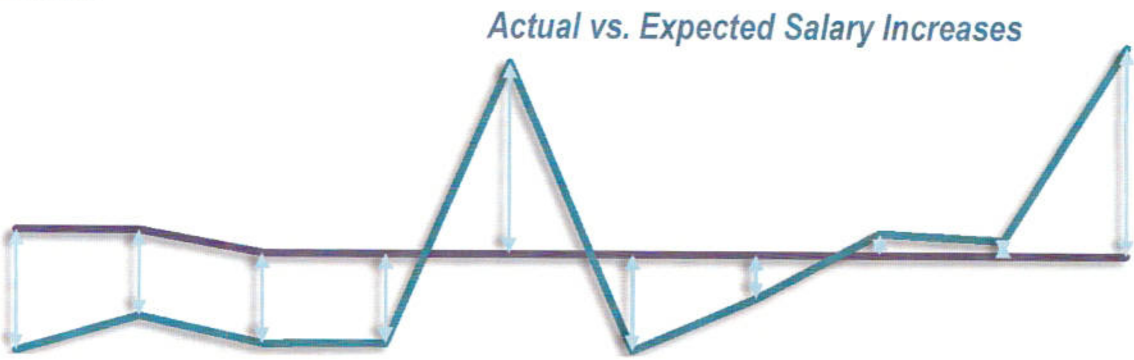
## Active Participant Data

Table III-C




**As of October 1, 2019**

| | |
|---|---|
| *Average Age* | 47.3 years |
| *Average Service* | 5.1 years |
| *Total Annualized Compensation for the Prior Year* | $511,003 |
| *Total Expected Compensation for the Current Year* | $533,995 |
| *Average Increase in Compensation for the Prior Year* | 13.78% |
| *Expected Increase in Compensation for the Current Year* | 4.50% |

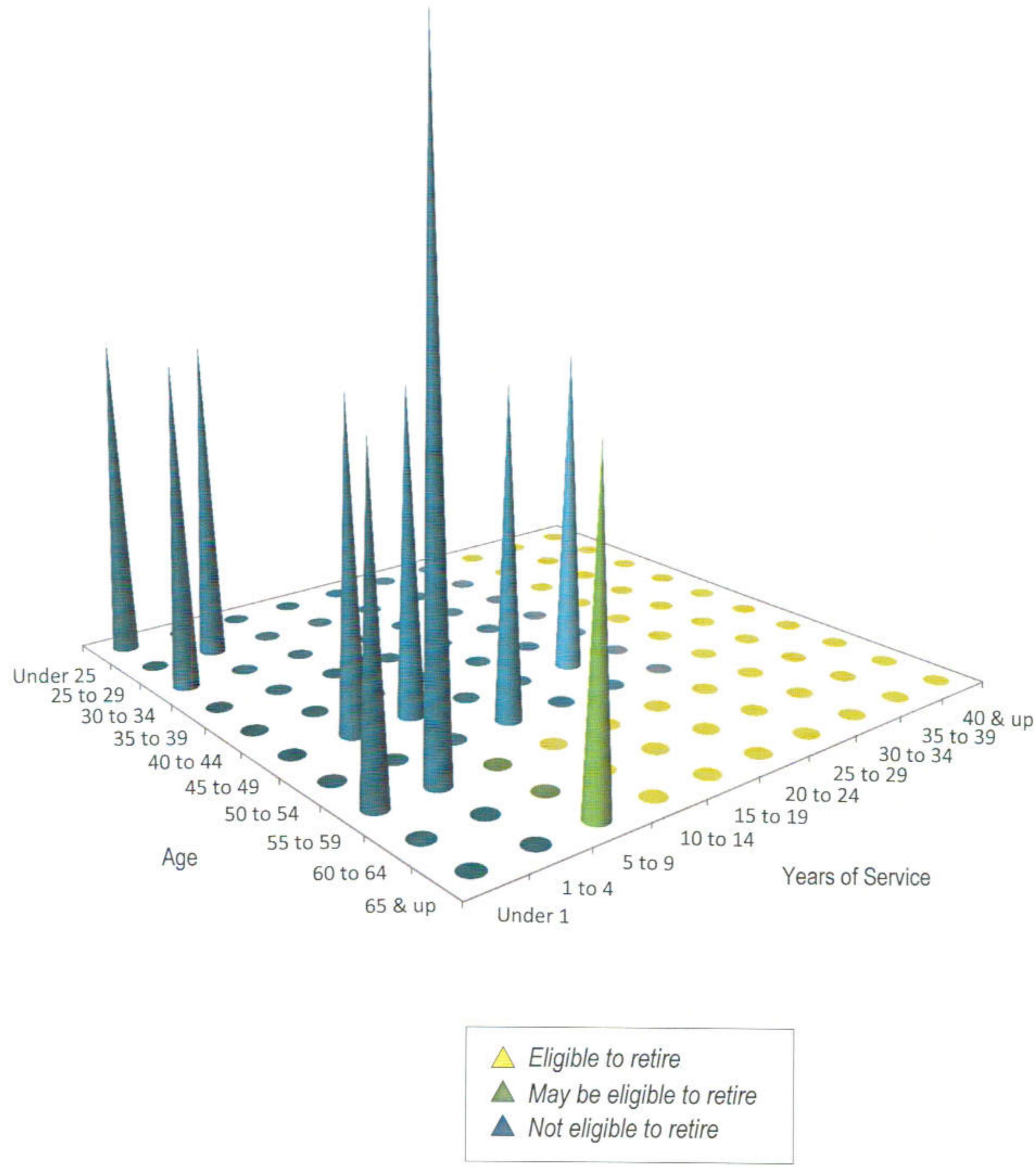



**Active Participant Statistics From Prior Valuations**

| | *Average Age* | *Average Service* | *Average Salary* | *Average Expected Salary Increase* | *Average Actual Salary Increase* |
|---|---|---|---|---|---|
| October 1, 2010 | 44.4 | 7.5 | $37,932 | 5.50% | 0.11% |
| October 1, 2011 | 41.8 | 7.4 | $34,177 | 5.50% | 1.68% |
| October 1, 2012 | 48.4 | 8.6 | $35,340 | 4.50% | 0.46% |
| October 1, 2013 | 52.1 | 9.0 | $37,089 | 4.50% | 0.49% |
| October 1, 2014 | 50.3 | 7.0 | $40,469 | 4.50% | 13.01% |
| October 1, 2015 | 49.0 | 6.6 | $39,897 | 4.50% | 0.17% |
| October 1, 2016 | 47.5 | 6.8 | $38,917 | 4.50% | 2.53% |
| October 1, 2017 | 43.7 | 5.6 | $39,133 | 4.50% | 5.44% |
| October 1, 2018 | 51.3 | 5.2 | $42,517 | 4.50% | 5.14% |
| October 1, 2019 | 47.3 | 5.1 | $46,455 | 4.50% | 13.78% |

## Active Age-Service Distribution

Table III-D



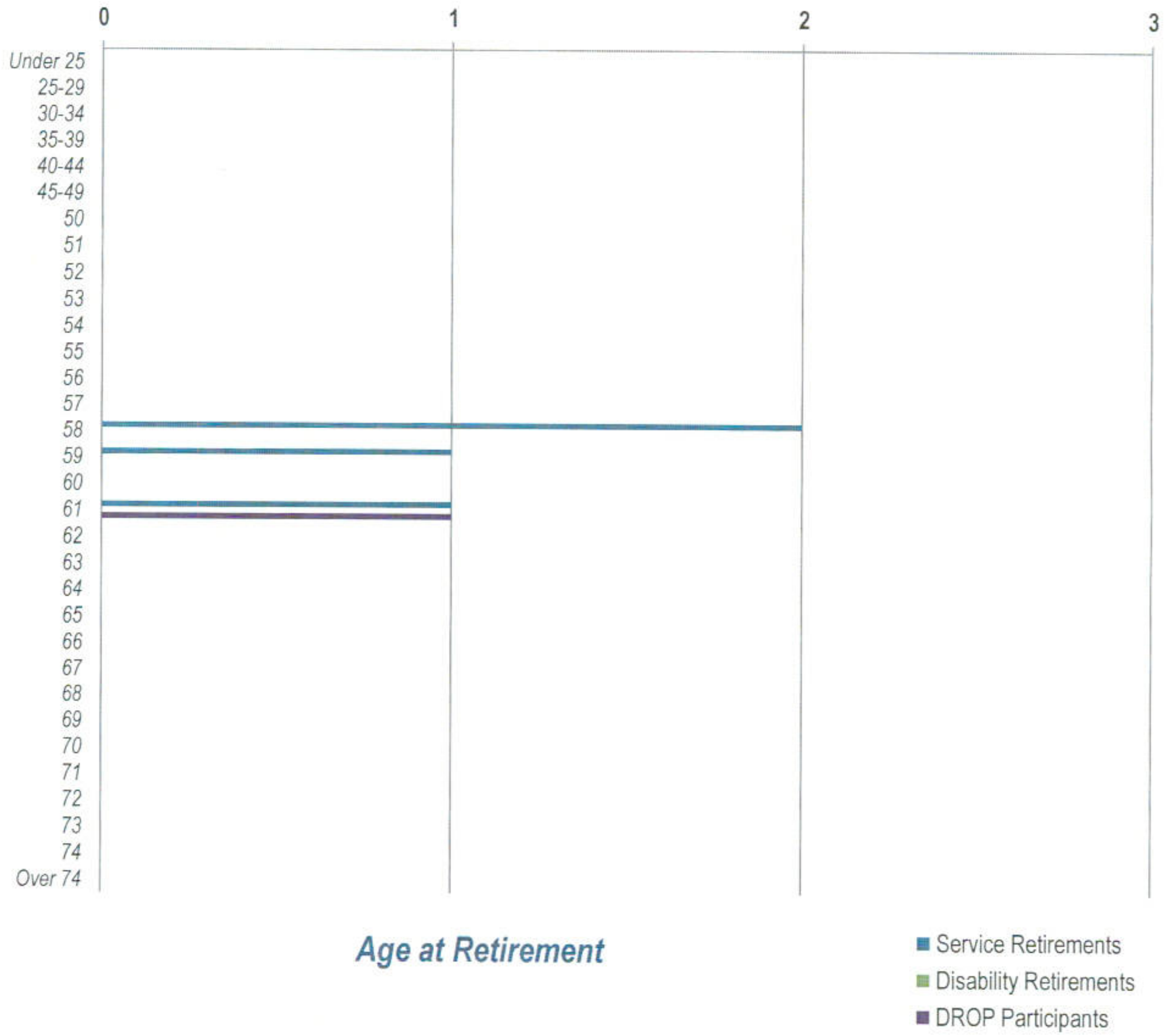
# Active Age-Service-Salary Table

Table III-E

| Attained Age | Completed Years of Service: 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 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Under 25** | **1** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **1** |
| Avg.Pay | 37,344 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 37,344 |
| **25 to 29** | **0** | **1** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **1** |
| Avg.Pay | 0 | 45,194 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 45,194 |
| **30 to 34** | **1** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **1** |
| Avg.Pay | 35,612 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35,612 |
| **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** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Avg.Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **45 to 49** | **0** | **1** | **1** | **0** | **0** | **1** | **0** | **0** | **0** | **0** | **3** |
| Avg.Pay | 0 | 44,290 | 48,443 | 0 | 0 | 72,076 | 0 | 0 | 0 | 0 | 54,936 |
| **50 to 54** | **0** | **0** | **0** | **1** | **0** | **0** | **0** | **0** | **0** | **0** | **1** |
| Avg.Pay | 0 | 0 | 0 | 48,794 | 0 | 0 | 0 | 0 | 0 | 0 | 48,794 |
| **55 to 59** | **1** | **2** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **3** |
| Avg.Pay | 40,312 | 44,694 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 43,233 |
| **60 to 64** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| Avg.Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **65 & up** | **0** | **0** | **1** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **1** |
| Avg.Pay | 0 | 0 | 49,550 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 49,550 |
| Total | **3** | **4** | **2** | **1** | **0** | **1** | **0** | **0** | **0** | **0** | **11** |
| Avg.Pay | 37,756 | 44,718 | 48,997 | 48,794 | 0 | 72,076 | 0 | 0 | 0 | 0 | 46,455 |

## Inactive Participant Data

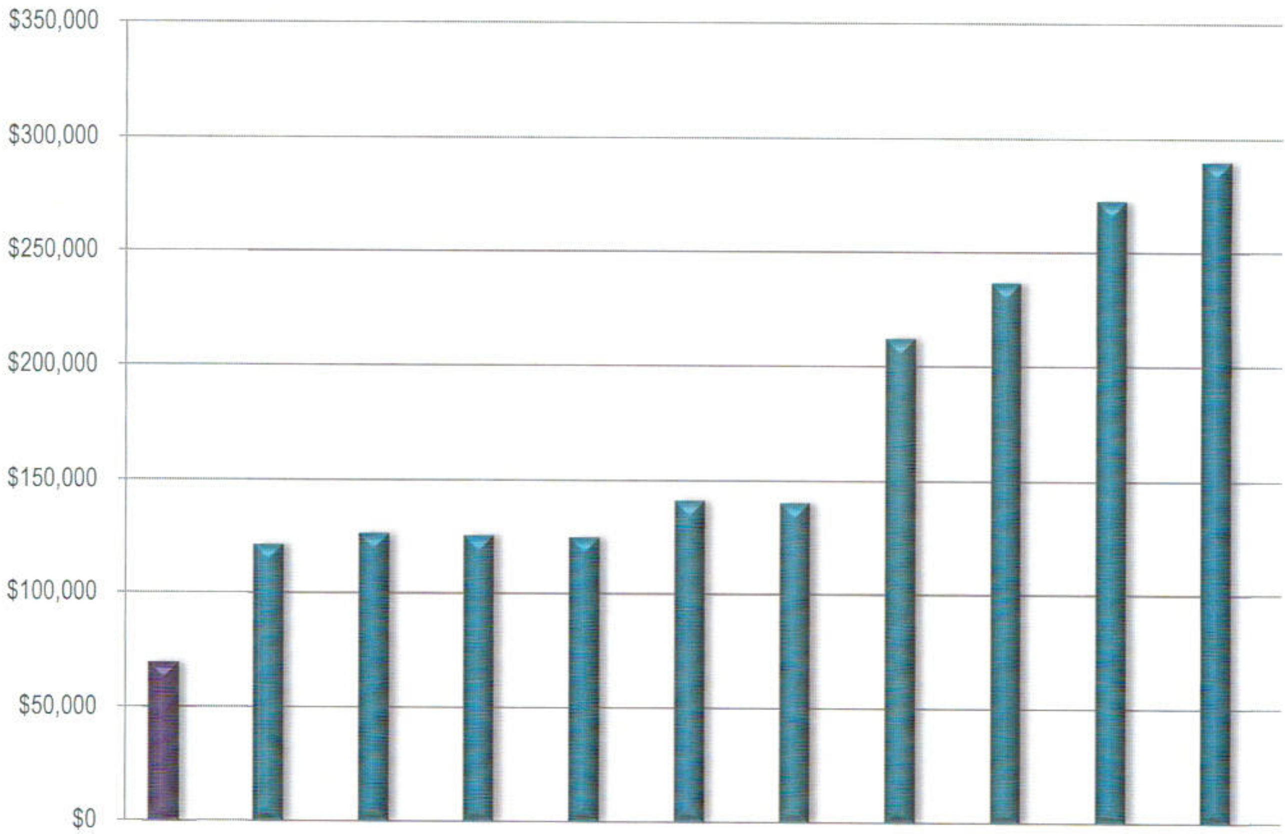
Table III-F




| | *Average Monthly Benefit* |
|---|---|
| Service Retirements | *$1,453.04* |
| Disability Retirements | *Not applicable* |
| Beneficiaries Receiving | *Not applicable* |
| DROP Participants | *$3,274.25* |
| Deferred Vested Participants | *$1,183.16* |
| Deferred Beneficiaries | *Not applicable* |

## Projected Benefit Payments

Table III-G




| | |
|---|---|
| *Actual* | |
| For the period October 1, 2018 through September 30, 2019 | $69,746 |
| *Projected* | |
| For the period October 1, 2019 through September 30, 2020 | $121,570 |
| For the period October 1, 2020 through September 30, 2021 | $126,584 |
| For the period October 1, 2021 through September 30, 2022 | $125,803 |
| For the period October 1, 2022 through September 30, 2023 | $124,952 |
| For the period October 1, 2023 through September 30, 2024 | $141,353 |
| For the period October 1, 2024 through September 30, 2025 | $140,339 |
| For the period October 1, 2025 through September 30, 2026 | $212,272 |
| For the period October 1, 2026 through September 30, 2027 | $236,586 |
| For the period October 1, 2027 through September 30, 2028 | $272,721 |
| For the period October 1, 2028 through September 30, 2029 | $289,901 |

# 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 4.50% per annum, unless actual plan compensation is known for a prior plan year.

5. **Decrements**

   - Pre-retirement mortality: None is assumed.
   - Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB
   - Disability: None is assumed.
   - Termination: None is assumed.
   - Retirement: Retirement is assumed to occur at normal retirement age.

## Summary of Actuarial Methods and Assumptions — Table IV-A

(continued)

6. **Form of Payment**

Future retirees have been assumed to select the 10-year certain and life annuity.

7. **Expenses**

The total projected benefit liability has been loaded by 2.75% 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 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, 2017, the interest rate was decreased from 7.25% per annum to 7.00% per annum.*

(2) *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 Blue Collar Mortality Table as required by State law.*

(3) *Effective October 1, 2014, the mortality basis was updated from the 1994 Group Annuity Reserving Table, projected to 2002 by Scale AA, to the RP-2000 Mortality Table, projected to 2015 by Scale AA.*

(4) *Effective October 1, 2011, the assumed increase in future salaries was lowered from 5.50% per year to 4.50% per year.*

(5) *Effective October 1, 2009, the administrative expense assumption was changed from a flat $5,000 per year to a 2.75% loading of the total projected benefit liability.*

# Summary of Plan Provisions

Table V-A

1. **Benefit Formula**

3.00% of Average Monthly Earnings multiplied by Credited Service

2. **Service Retirement**

| | |
|---|---|
| Normal retirement: | Age 55 with at least 10 years of credited service (five years for those members who were fully vested at the time of their transfer into this plan from the general employees' plan prior to June 1, 2008); or |
| | Age 52 with at least 25 years of credited service; or |
| | Any age with at least 30 years of credited service |
| Early retirement: | Age 50 with at least 10 years of credited service |

*Note: The early retirement benefit is reduced by 3% for each year (prorated for portions of a year) by which the participant's early retirement date precedes his normal retirement date.*

3. **Disability Retirement**

The disability benefit is a monthly 10-year certain and life annuity equal to the accrued normal retirement benefit, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-financed disability or salary continuation benefit from exceeding his average monthly earnings. The disability benefit is not reduced to an amount less than either 42% of average monthly earnings (for service-based disability) or 25% of average monthly earnings (for non-service disability). The participant may convert his disability benefit into any of the optional forms of payment that are otherwise available under the plan.

*(A participant is disabled if he is found to have a mental or physical condition resulting from bodily injury, disease, or a mental disorder that renders him incapable of employment as a police officer. However, a participant will not be eligible for a disability benefit if his disability is caused by excessive and habitual use of drugs, intoxicants, or narcotics; by injury or disease sustained while serving in the armed forces; by injury or disease sustained while willfully and illegally participating in fights, riots, or civil insurrections, or while committing a crime; by injury or disease sustained after termination of employment; or by an injury or disease sustained while working for another employer and arising from such employment.)*

4. **Deferred Vested Retirement**

A vested participant who terminates employment before becoming eligible for retirement receives a deferred vested retirement benefit payable at the participant's early or normal retirement age.

A non-vested participant who terminates employment receives his accumulated contributions.

# Summary of Plan Provisions

Table V-A

(continued)

5. **Vesting**

An employee becomes 100% vested upon the attainment of 10 years of credited service (five years for those members who were fully vested at the time of their transfer into this plan from the general employees' plan prior to June 1, 2008)

6. **Pre-Retirement Death Benefit**

If a vested participant dies prior to retirement, the participant's beneficiary receives a 10-year certain and life annuity equal to the participant's accrued normal retirement benefit and payable at the participant's early or normal retirement date.

If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

7. **Form of Payment**

Actuarially increased single life annuity *(optional)*;

10-year certain and life annuity *(normal form of payment)*;

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)*;

Any other actuarially equivalent form of payment that is approved by the Trustees *(optional)*; or

Actuarially equivalent single lump sum distribution *(automatic if the single sum value of the participant's benefit is less than or equal to $5,000 or the monthly annuity is less than $100; optional otherwise)*

*(Note: All forms of payment guarantee at least the return of the participant's accumulated contributions. Furthermore, a participant may change his joint annuitant up to two times after retirement subject to an actuarially equivalent adjustment.)*

# Summary of Plan Provisions

Table V-A

(continued)

8. **Average Monthly Earnings**

Average monthly earnings during the highest five years of compensation out of the 10 years immediately preceding the determination date. Earnings include fixed monthly compensation, overtime (limited to 300 hours per year after June 30, 2011), vacation pay, sick pay, and holiday pay, but exclude bonuses, lump sum payments, and all other extraordinary compensation. Earnings cannot exceed the maximum amount allowed under Internal Revenue Code (IRC) section 401(a)(17).

9. **Credited Service**

The elapsed time from the participant's date of hire until his date of termination, retirement, or death.

10. **Employee Contribution**

Employees must contribute 5.00% of basic salary. Employee contributions are accumulated with interest at the rate of 5.00% per annum.

11. **City Contribution**

The City is required to make periodic contributions at least on a quarterly basis as determined under Chapter 112, Florida Statutes.

12. **Participant Requirement**

All full-time police officers of the City of Williston automatically become participants in the plan on their date of hire.

13. **Actuarial Equivalence**

Based on 7.25% interest per annum and a 50%/50% blend of the male and female mortality rates set forth in the 1983 Group Annuity Mortality Table set back two years

14. **Plan Effective Date**

The plan was originally effective on October 1, 2004.

## Summary of Plan Provisions

Table V-A

(continued)

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

A participant who reaches his Normal Retirement Age is eligible to participate in the DROP for a period of up to 60 months. The DROP accounts are credited with interest at the rate of 6.50% per annum.

## 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) During the 2013/14 fiscal year, Ordinances 638 and 641 were adopted. These ordinances added a Deferred Retirement Option Plan (DROP) as described in item 15. of Table VI-A.*

*(2) Effective October 1, 2009, accrued unused sick and annual leave and overtime in excess of 300 hours per year are not included in the calculation of the retirement benefit for service earned after June 30, 2011 (or the date of entry into the first collective bargaining agreement entered into on or after July 1, 2011 if later).*

*(3) Effective October 1, 2009, normal retirement was expanded to include the attainment of age 52 with at least 25 years of service.*

*(4) Effective October 1, 2009, early retirement is available upon the attainment of age 50 with at least 10 years of service, with an early retirement reduction equal to 3% for each year (or portion thereof) that the early retirement date precedes the normal retirement date.*

*(5) Effective October 1, 2009, the actuarially equivalent reduction no longer applies to the disability benefit.*

*(6) Effective October 1, 2009, the pre-retirement death benefit for vested participants was changed from an immediate life annuity or lump sum payment that is equal to the actuarial equivalent of the participant's vested benefit to a 10-year certain and life annuity equal to the participant's vested benefit and payable at the participant's early or normal retirement date.*

*(7) Effective October 1, 2009, to be eligible for a distribution under the share plan, a participant (or his beneficiary) must be eligible for retirement, disability, or death benefits under the retirement plan.*