

Retirement Plan for the Police Officers
Of the City of Williston

Actuarial Valuation
As of October 1, 2021

Determines the Contribution
For the 2022/23 Fiscal Year



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June 14, 2022

Introduction

This report presents the results of the October 1, 2021 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, 2021 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2022/23 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 2022/23 plan year. The minimum required contribution rate is 1.70% of covered payroll, which represents a decrease of 17.27% of payroll from the prior valuation.

The normal cost rate is 2.80%, which is 16.46% lower 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 decreased by 9.99% of payroll due to investment gains, decreased by 3.41% of payroll due to demographic experience, and decreased by another 3.06% of payroll due to the plan amendment that is described below. The market value of assets earned 19.32% during the 2020/21 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 2022/23 minimum required contribution will be equal to 1.70% multiplied by the total pensionable earnings for the 2022/23 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 \$3,319,899. As illustrated in Table I-A, current assets are sufficient to cover \$3,067,916 of this amount, the employer's 2021/22 expected contribution will cover \$83,568 of this amount, and the employer's 2022/23 expected contribution will cover \$7,826 of this amount, leaving the remainder to be covered by future employee funding. 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, 2021, the advance employer contribution is \$18,947, which reflects the advance employer contribution as of October 1, 2020 minus \$21,566 to cover the shortfall between the minimum required contribution and the actual employer contribution for the 2020/21 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 2021/22 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, 2021 would reduce the normal cost rate to 2.21% of payroll and would reduce the minimum required contribution for the 2022/23 plan year to 1.08% of payroll.

Plan Amendment

Since the completion of the previous valuation, the plan was amended to reduce the vesting requirement from 10 years to six years and to reduce the prior 10-year service requirement for retirement to six years. The impact of this plan change was to decrease the normal cost rate by 3.06% of payroll. Keep in mind that the reduction in cost is due to the fact that the current group of employees is assumed to retire earlier under the new plan provisions, which means that more employees in the future overall will be provided with a pension. Therefore, even though the plan amendment resulted in a reduced cost for the current group of employees, the plan amendment is expected to increase City costs over time as the plan provides more pensions to more individuals.



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. 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, 2021, 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. 20-04927

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 2022/23 Plan Year

Present Value of Future Benefits	\$3,231,045
Present Value of Future Administrative Expenses	\$88,854
Actuarial Value of Assets	(\$3,067,916)
Present Value of Future Employee Contributions	(\$161,585)
Present Value of Future Normal Costs	\$90,398
Present Value of Future Payroll	÷ \$3,231,692
Normal Cost Rate	= 2.7972%
Expected Payroll	x \$440,525
Normal Cost	\$12,323
Adjustment to Reflect Monthly Employer Contributions	\$458
Expected Employer Contribution for the 2021/22 Plan Year	(\$83,568)
Remaining Contribution Due/(Credit) for the 2021/22 Plan Year	(\$70,787)
	x 0.07
One Year's Interest Charge/(Credit) on the Remaining Contribution	(\$4,955)
Preliminary Employer Contribution for the 2022/23 Plan Year	\$7,826
Expected Payroll for the 2022/23 Plan Year	÷ \$460,349

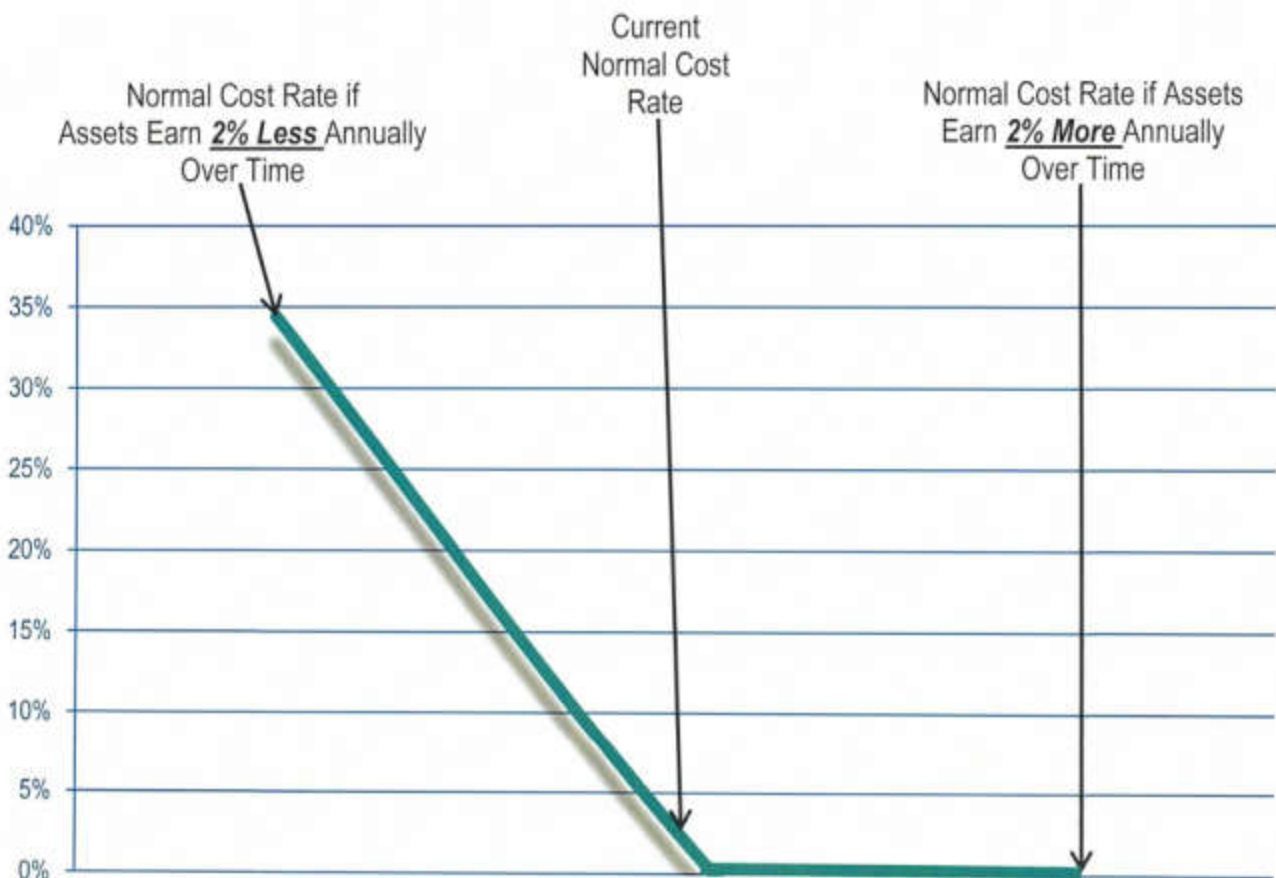
Minimum Required Contribution Rate 1.70%

(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	19.26%
Increase (decrease) due to investment gains and losses	-9.99%
Increase (decrease) due to demographic experience	-3.41%
Increase (decrease) due to plan amendments	-3.06%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>2.80%</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	\$2,164,373	\$1,965,899	\$1,965,899
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$2,164,373	\$1,965,899	\$1,965,899
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$100,540	\$100,540	\$100,540
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$100,540	\$100,540	\$100,540
<i><u>Due a Refund of Contributions</u></i>	\$4,256	\$4,256	\$4,256
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$1,160,350	\$1,160,350	\$1,160,350
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$1,160,350	\$1,160,350	\$1,160,350
<i><u>Grand Total</u></i>	<u>\$3,429,519</u>	<u>\$3,231,045</u>	<u>\$3,231,045</u>
Present Value of Future Payroll	\$4,197,399	\$3,231,692	\$3,231,692
Present Value of Future Employee Contribs.	\$209,871	\$161,585	\$161,585
Present Value of Future Employer Contribs.	\$246,044	\$90,398	\$90,398



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	\$913,993	\$961,179	\$961,179
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$913,993	\$961,179	\$961,179
<u>Deferred Vested Participants</u>			
Retirement benefits	\$100,540	\$100,540	\$100,540
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$100,540	\$100,540	\$100,540
<u>Due a Refund of Contributions</u>	\$4,256	\$4,256	\$4,256
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$1,160,350	\$1,160,350	\$1,160,350
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$1,160,350	\$1,160,350	\$1,160,350
<u>Grand Total</u>	<u>\$2,179,139</u>	<u>\$2,226,325</u>	<u>\$2,226,325</u>
<u>Funded Percentage</u>	141.66%	138.65%	138.65%

(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 <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$733,951	\$842,350	\$842,350
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$733,951	\$842,350	\$842,350
<u>Deferred Vested Participants</u>			
Retirement benefits	\$100,540	\$100,540	\$100,540
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$100,540	\$100,540	\$100,540
<u>Due a Refund of Contributions</u>	\$4,256	\$4,256	\$4,256
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$1,160,350	\$1,160,350	\$1,160,350
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$1,160,350	\$1,160,350	\$1,160,350
<u>Grand Total</u>	<u>\$1,999,097</u>	<u>\$2,107,496</u>	<u>\$2,107,496</u>



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	\$1,072,181	\$1,091,343	\$1,091,343
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$1,072,181	\$1,091,343	\$1,091,343
<u>Deferred Vested Participants</u>			
Retirement benefits	\$100,540	\$100,540	\$100,540
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$100,540	\$100,540	\$100,540
<u>Due a Refund of Contributions</u>	\$4,256	\$4,256	\$4,256
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$1,160,350	\$1,160,350	\$1,160,350
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$1,160,350	\$1,160,350	\$1,160,350
<u>Grand Total</u>	<u>\$2,337,327</u>	<u>\$2,356,489</u>	<u>\$2,356,489</u>



Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2021	\$3,086,863
Minus DROP account balances	\$0
Minus advance employer contributions	(\$18,947)
Actuarial Value of Assets as of October 1, 2021	<u>\$3,067,916</u>

Historical Actuarial Value of Assets

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
October 1, 2020	\$2,584,162
October 1, 2021	\$3,067,916

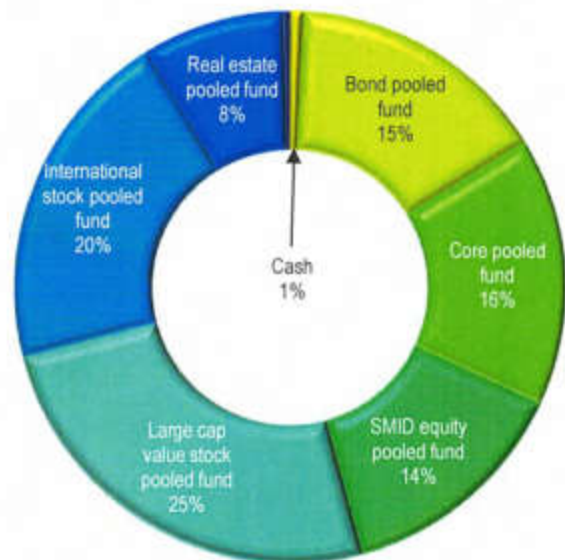


Market Value of Assets

Table II-B

As of October 1, 2021

Market Value of Assets	<u>\$3,086,863</u>
Cash	\$21,518
Bond pooled fund	\$476,459
Core pooled fund	\$485,680
SMID equity pooled fund	\$427,276
Large cap value stock pooled fund	\$777,703
International stock pooled fund	\$627,081
Real estate pooled fund	\$258,210
Employer contribution receivable	\$8,648
Employee contribution receivable	\$4,288

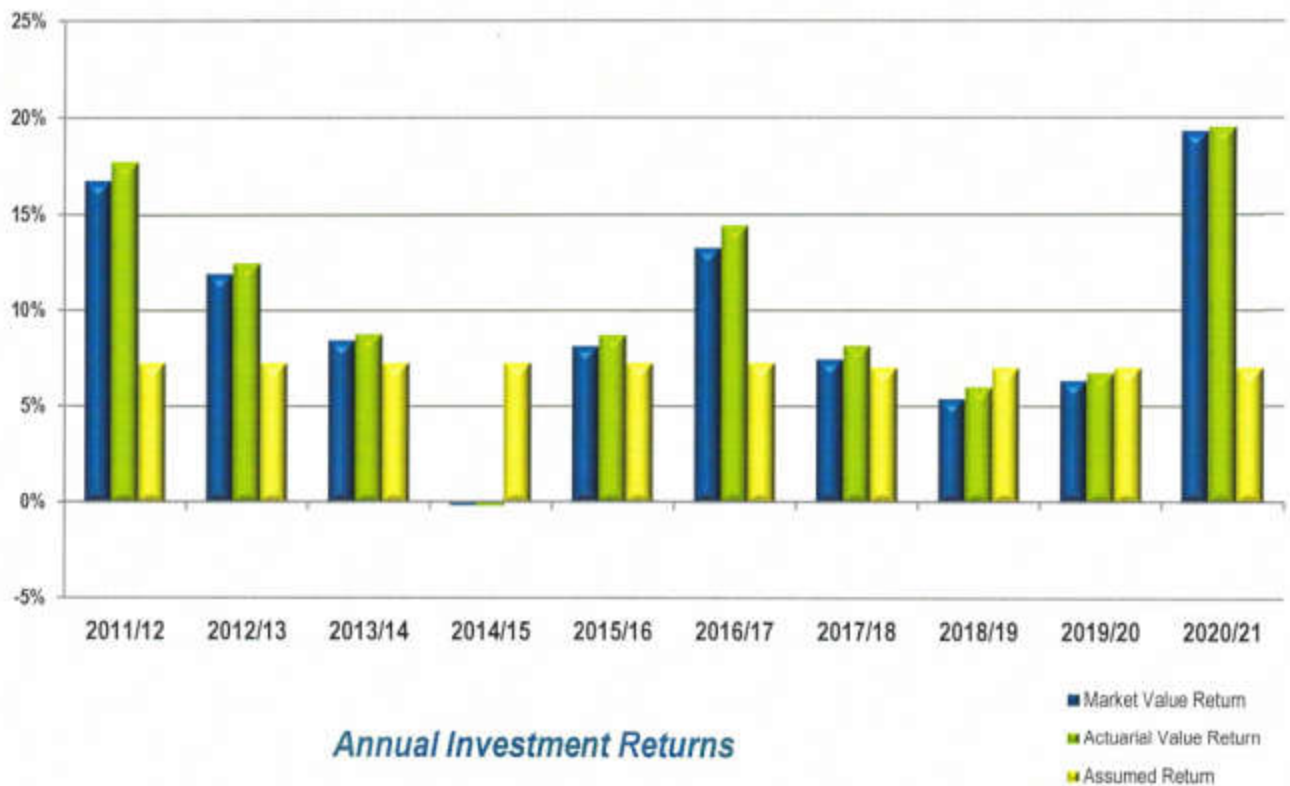
**Historical Market Value of Assets**

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
October 1, 2020	\$2,624,675
October 1, 2021	\$3,086,863



Investment Return

Table II-C



Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
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%
2019/20	6.36%	6.77%	7.00%
2020/21	19.32%	19.54%	7.00%
10yr. Avg.	9.57%	10.10%	7.15%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2020	\$2,624,675	\$2,584,162
<i>Increases Due To:</i>		
Employer Contributions	\$98,038	\$98,038
Employee Contributions	\$26,986	\$26,986
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$125,024</u>	<u>\$125,024</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	<u>\$503,060</u>	
Total Investment Income	\$503,060	\$503,060
Other Income	\$0	
Total Income	<u>\$628,084</u>	<u>\$628,084</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$109,037)	(\$109,037)
Refund of Employee Contributions	(\$44,625)	(\$44,625)
DROP Credits		\$0
Total Benefit Payments	<u>(\$153,662)</u>	<u>(\$153,662)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$12,234)	(\$12,234)
Advance Employer Contribution		\$21,566
Total Expenses	<u>(\$165,896)</u>	<u>(\$144,330)</u>
As of October 1, 2021	<u><u>\$3,086,863</u></u>	<u><u>\$3,067,916</u></u>



Historical Trust Fund Detail

Table II-E

Income

Plan	Employer	Employee	Service	Interest /	Realized	Unrealized	Other
<u>Year</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Purchase</u>	<u>Dividends</u>	<u>Gains /</u>	<u>Gains /</u>	<u>Income</u>
			<u>Contribs.</u>		<u>Losses</u>	<u>Losses</u>	
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
2019/20	\$109,578	\$26,958	\$0	\$0	\$0	\$163,769	\$0
2020/21	\$98,038	\$26,986	\$0	\$0	\$0	\$503,060	\$0

Expenses

Plan	Monthly	Contrib.	Admin.	Invest.
<u>Year</u>	<u>Benefit</u>	<u>Refunds</u>	<u>Expenses</u>	<u>Expenses</u>
	<u>Payments</u>			
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
2019/20	\$340,441	\$17,281	\$10,160	\$0
2020/21	\$109,037	\$44,625	\$12,234	\$0

Other Actuarial Adjustments

DROP	Advance
<u>Credits</u>	<u>Employer</u>
	<u>Contribs.</u>
\$0	\$3,136
\$0	\$0
\$0	\$1,793
\$40,661	-\$169
\$43,016	-\$1,172
\$46,087	-\$8,557
\$49,173	-\$4,237
\$52,467	-\$3,264
-\$231,404	-\$1,058
\$0	-\$21,566

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, 2020	\$0
DROP Benefit Credits	\$0
DROP Investment Credits	\$0
DROP Benefits Paid Out	\$0
Net DROP Credit	\$0
DROP Balance as of October 1, 2021	\$0

Advance Employer Contribution

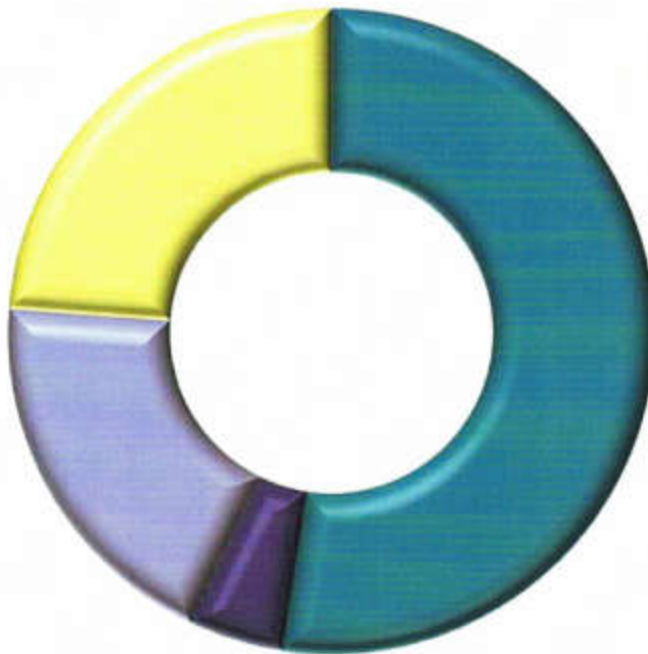
Advance Employer Contribution as of October 1, 2020	\$40,513
Additional Employer Contribution	\$98,038
Minimum Required Contribution	(\$119,604)
Net Increase in Advance Employer Contribution	(\$21,566)
Advance Employer Contribution as of October 1, 2021	\$18,947



Summary of Participant Data

Table III-A

As of October 1, 2021

*Participant Distribution by Status*Actively Employed Participants

Active Participants	11
DROP Participants	0

Inactive Participants

Deferred Vested Participants	1
Due a Refund of Contributions	4
Deferred Beneficiaries	0

Participants Receiving a Benefit

Service Retirements	5
Disability Retirements	0
Beneficiaries Receiving	0

Total Participants 21Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
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
October 1, 2020	11	0	5	5	21
October 1, 2021	11	0	5	5	21



Data Reconciliation

Table III-B

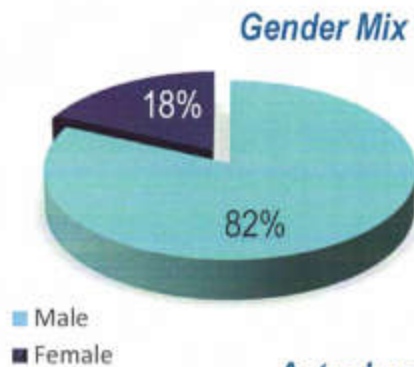
	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2020</u>	11	0	1	4	0	5	0	0	21
<u>Change in Status</u>									
Re-employed									
Terminated	(4)			4					
Retired									
<u>Participation Ended</u>									
Transferred Out									
Cashed Out				(4)					(4)
Died									
<u>Participation Began</u>									
Newly Hired	4								4
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2021</u>	11	0	1	4	0	5	0	0	21



Active Participant Data

Table III-C

As of October 1, 2021



Average Age	49.1 years
Average Service	5.1 years
Total Annualized Compensation for the Prior Year	\$520,915
Total Expected Compensation for the Current Year	\$440,525
Average Increase in Compensation for the Prior Year	1.59%
Expected Increase in Compensation for the Current Year	4.50%

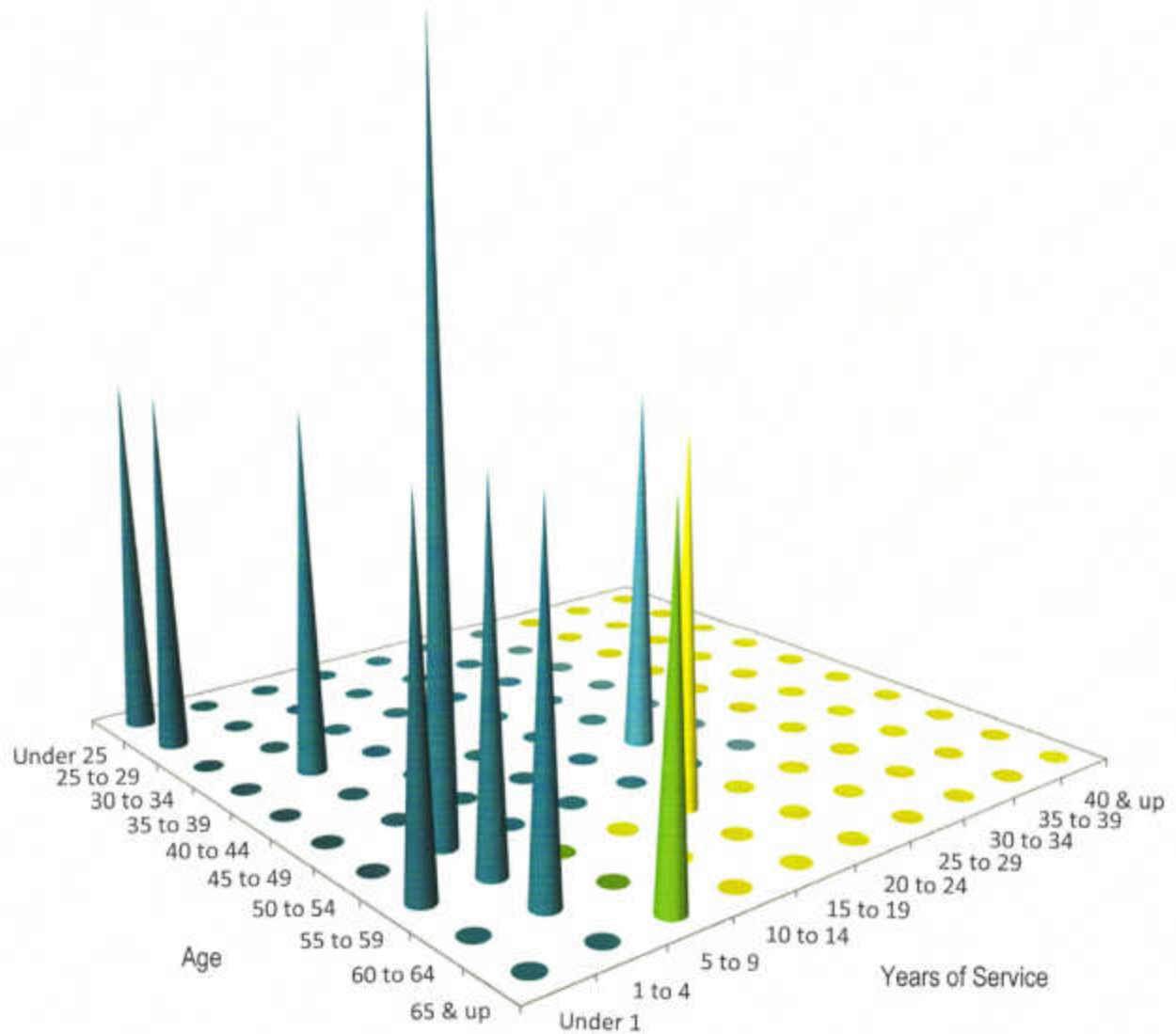
**Active Participant Statistics From Prior Valuations**

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 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%
October 1, 2020	50.4	5.7	\$49,244	4.50%	0.76%
October 1, 2021	49.1	5.1	\$47,356	4.50%	1.59%



Active Age-Service Distribution

Table III-D



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



Active Age-Service-Salary Table

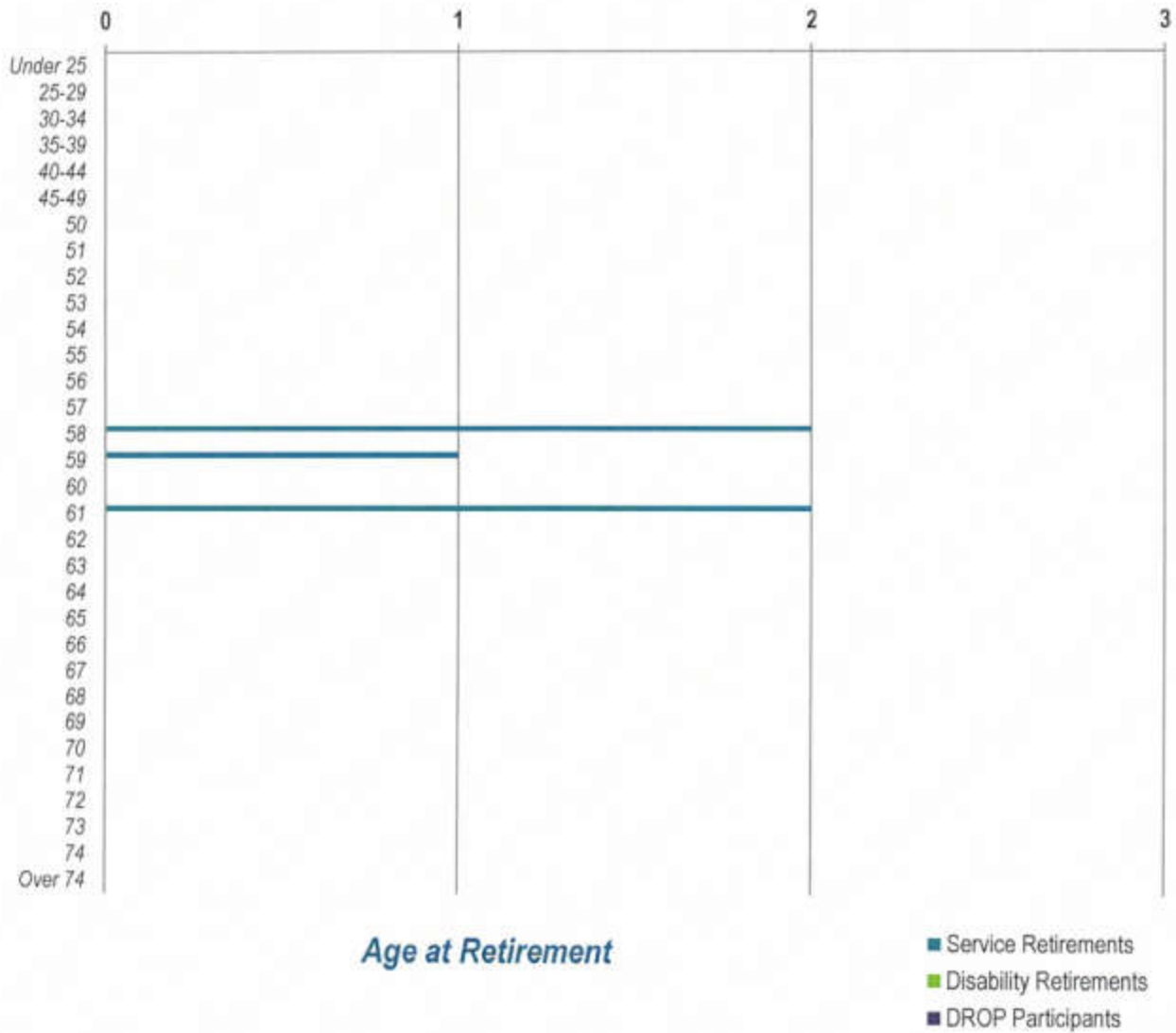
Table III-E

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	0	0	0	0	0	0	0	0	0	1
Avg. Pay	27,522	0	0	0	0	0	0	0	0	0	27,522
25 to 29	1	0	0	0	0	0	0	0	0	0	1
Avg. Pay	32,204	0	0	0	0	0	0	0	0	0	32,204
30 to 34	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	1	0	0	0	0	0	0	0	0	1
Avg. Pay	0	40,910	0	0	0	0	0	0	0	0	40,910
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	0	0	0	0	1	0	0	0	0	1
Avg. Pay	0	0	0	0	0	74,198	0	0	0	0	74,198
50 to 54	0	2	0	0	0	0	0	0	0	0	2
Avg. Pay	0	45,259	0	0	0	0	0	0	0	0	45,259
55 to 59	1	1	0	0	1	0	0	0	0	0	3
Avg. Pay	40,886	46,638	0	0	48,579	0	0	0	0	0	45,368
60 to 64	0	1	0	0	0	0	0	0	0	0	1
Avg. Pay	0	68,682	0	0	0	0	0	0	0	0	68,682
65 & up	0	0	1	0	0	0	0	0	0	0	1
Avg. Pay	0	0	50,779	0	0	0	0	0	0	0	50,779
Total	3	5	1	0	1	1	0	0	0	0	11
Avg. Pay	33,537	49,349	50,779	0	48,579	74,198	0	0	0	0	47,356



Inactive Participant Data

Table III-F

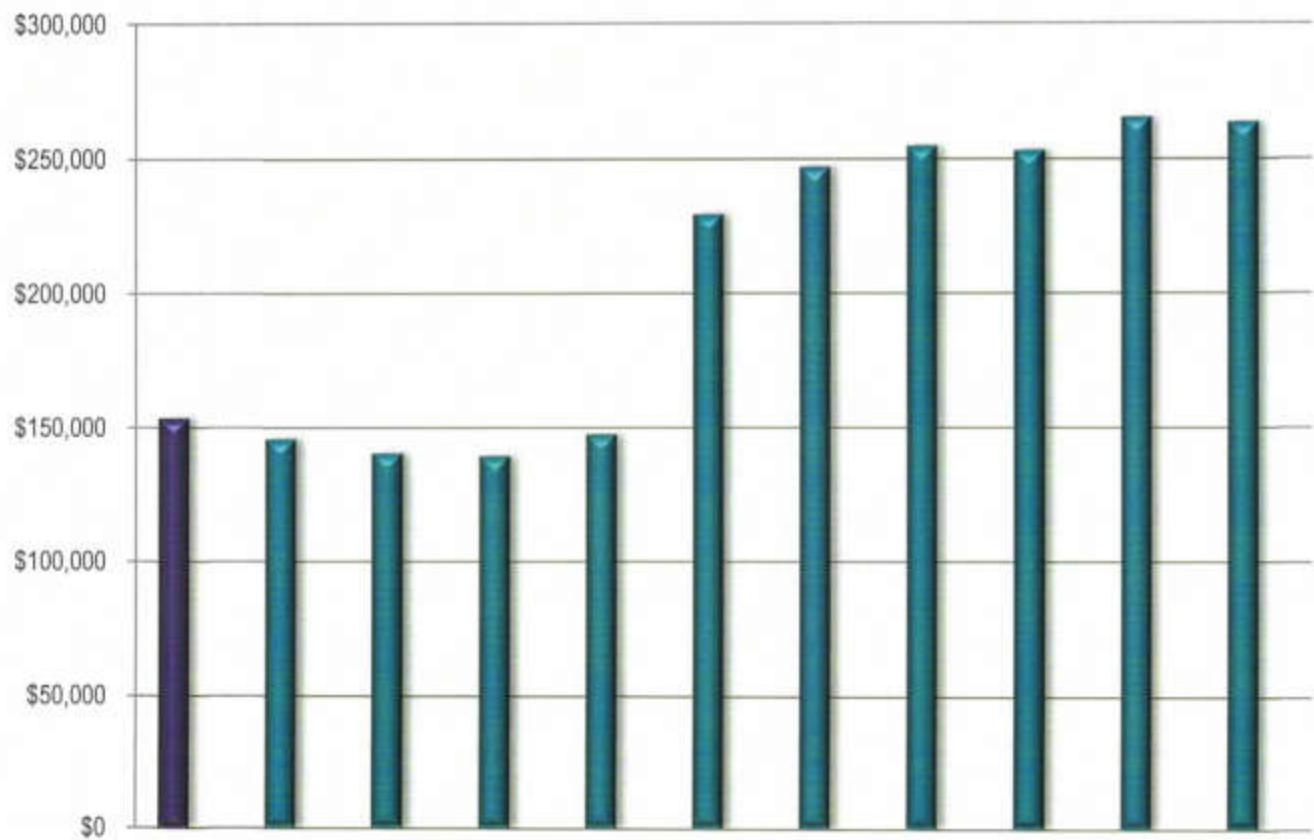
Average Monthly Benefit

Service Retirements	\$1,817.28
Disability Retirements	Not applicable
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	\$1,183.16
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G

Actual

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

\$153,662

Projected

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

\$145,651

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

\$140,329

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

\$139,234

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

\$147,406

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

\$229,378

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

\$246,917

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

\$254,754

For the period October 1, 2028 through September 30, 2029

\$253,125

For the period October 1, 2029 through September 30, 2030

\$265,552

For the period October 1, 2030 through September 30, 2031

\$263,629



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: For non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018
- Disability: None is assumed.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

- Termination: None is assumed.
- Retirement: Retirement is assumed to occur at normal retirement age.

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, 2020, the mortality basis was changed from the RP-2000 Blue Collar Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (2) *Effective October 1, 2017, the interest rate was decreased from 7.25% per annum to 7.00% per annum.*
- (3) *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.*
- (4) *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.*
- (5) *Effective October 1, 2011, the assumed increase in future salaries was lowered from 5.50% per year to 4.50% per year.*



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 six 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 six 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 six 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

Since the completion of the previous valuation, Ordinance 2022-693 was adopted. This ordinance reduced the service requirement for vesting from 10 years to six years and also reduced the service requirement for retirement from 10 years to six years.

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.*

