

TOWN OF LONGBOAT KEY  
CONSOLIDATED RETIREMENT SYSTEM

ACTUARIAL VALUATION AND REPORT  
AS OF OCTOBER 1, 2017

CONTRIBUTIONS APPLICABLE TO THE PLAN/  
FISCAL YEAR ENDED SEPTEMBER 30, 2019

February 22, 2018

Board of Trustees  
Town of Longboat Key  
Consolidated Retirement System  
501 Bay Isles Road  
Longboat Key, FL 34228

Re: Town of Longboat Key  
Consolidated Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Town of Longboat Key Consolidated Retirement System. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Please note that these valuations may not be applicable for any other purposes.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Board of Trustees, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2016. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2017 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

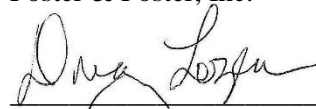
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Town of Longboat Key, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Town of Longboat Key Consolidated Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By:



Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778

DHL/lke

Enclosures

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## SUMMARY OF REPORT

The regular annual actuarial valuation of the Town of Longboat Key Consolidated Retirement System, performed as of October 1, 2017, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2019.

The contribution requirements, compared with those set forth in the October 1, 2016, Actuarial Valuation Report, are as follows:

Valuation Date	10/1/2017	10/1/2016
Applicable Fiscal Year	<u>9/30/2019</u>	<u>9/30/2018</u>
Police Officers	\$654,726	\$664,376
Firefighters	\$1,980,448	\$1,876,726
General Employees	<u>\$758,168</u>	<u>\$742,489</u>
Town Required Contribution <sup>1</sup>	\$3,393,342	\$3,283,591

<sup>1</sup> The Town has access to prepaid contributions (available for the current fiscal year) as follows:

Police - \$8,247

Fire - \$45,315

General - \$33,322

Aggregate experience since the prior valuation was less favorable than expected, based on the actuarial assumptions. In addition to an actuarial investment return (four-year smoothed average, net of investment-related expenses) that fell short of the 7.0% assumption, specific liability gains/losses related to the legacy Police, Fire, and General membership are as follows:

<u>Group</u>	<u>Gain Source</u>	<u>Loss Source</u>	<u>Total (Gain)/Loss <sup>2</sup></u>
Police	Inactive Mortality	1 Disability Retirement	1,266
Fire	None	Inactive Mortality	397,877
General	Nothing material	Inactive Mortality	69,054

<sup>2</sup> Net losses disclosed include applicable losses attributable to a lower than expected investment return.

The above losses include adoption of the state-mandated mortality assumption pursuant to Chapter 2015-157, Laws of Florida.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
\_\_\_\_\_  
Douglas H. Lozen, EA, MAAA

By:   
\_\_\_\_\_  
Christine M. O'Neal, FSA, EA, MAAA

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

There were no changes in benefits since the prior valuation.

### Actuarial Assumption/Method Changes

In conjunction with this valuation of the Plan, the mortality assumption was changed to that mandated by the provisions of Chapter 2015-157, Laws of Florida.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
POLICE OFFICERS

	<u>10/1/2017</u>	<u>10/1/2016</u>
A. Participant Data		
Actives	6	6
Service Retirees	15	16
DROP Retirees	0	0
Beneficiaries	3	3
Disability Retirees	2	1
Terminated Vested	<u>1</u>	<u>2</u>
 Total	 27	 28
 Total Annual Payroll	 N/A	 N/A
Payroll Under Assumed Ret. Age	N/A	N/A
 Annual Rate of Payments to:		
Service Retirees	675,979	692,802
DROP Retirees	0	0
Beneficiaries	91,356	89,851
Disability Retirees	59,412	19,609
Terminated Vested	7,863	50,975
 B. Assets		
Actuarial Value (AVA) <sup>1</sup>	7,076,693	6,919,849
Market Value (MVA) <sup>1</sup>	7,084,977	6,636,441
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	799,863	719,696
Disability Benefits	75,046	89,471
Death Benefits	6,204	14,238
Vested Benefits	20,817	26,616
Refund of Contributions	0	0
Service Retirees	9,730,574	9,910,310
DROP Retirees <sup>1</sup>	0	0
Beneficiaries	849,831	862,648
Disability Retirees	683,080	137,659
Terminated Vested	66,430	506,362
Excess State Monies Reserve	<u>3,601</u>	<u>3,601</u>
 Total	 12,235,446	 12,270,601



POLICE OFFICERS

C. Liabilities - (Continued)	<u>10/1/2017</u>	<u>10/1/2016</u>
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Normal Cost (Retirement)	0	0
Normal Cost (Disability)	15,942	16,003
Normal Cost (Death)	904	1,961
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	16,846	17,964
Present Value of Future Normal Costs	47,900	64,660
Accrued Liability (Retirement)	799,863	719,696
Accrued Liability (Disability)	30,069	32,589
Accrued Liability (Death)	3,281	6,460
Accrued Liability (Vesting)	20,817	26,616
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives) <sup>1</sup>	11,329,915	11,416,979
Excess State Monies Reserve	<u>3,601</u>	<u>3,601</u>
Total Actuarial Accrued Liability (EAN AL)	12,187,546	12,205,941
Unfunded Actuarial Accrued Liability (UAAL)	5,110,853	5,286,092
Funded Ratio (AVA / EAN AL)	58.1%	56.7%

POLICE OFFICERS

D. Actuarial Present Value of Accrued Benefits	<u>10/1/2017</u>	<u>10/1/2016</u>
Vested Accrued Benefits		
Inactives <sup>1</sup>	11,329,915	11,416,979
Actives	517,143	460,711
Member Contributions	<u>379,050</u>	<u>379,050</u>
Total	12,226,108	12,256,740
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	12,226,108	12,256,740
Funded Ratio (MVA / PVAB)	57.9%	54.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	(34,453)	
Benefits Paid	(825,266)	
Interest	829,087	
Other	<u>0</u>	
Total	(30,632)	

POLICE OFFICERS

Valuation Date	10/1/2017	10/1/2016
Applicable to Fiscal Year Ending	<u>9/30/2019</u>	<u>9/30/2018</u>
E. Pension Cost		
Normal Cost <sup>2</sup>	\$18,615	\$19,850
Administrative Expenses <sup>2</sup>	30,553	43,368
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2017) <sup>2</sup>	605,558	601,158
Total Required Contribution	654,726	664,376
Expected Member Contributions <sup>2</sup>	0	0
Expected Town Contribution	654,726	664,376
F. Past Contributions		
Plan Years Ending:	<u>9/30/2017</u>	
Town Requirement	585,869	
Actual Contributions Made:		
Town	<u>585,869</u>	
Total	585,869	
G. Net Actuarial (Gain)/Loss	1,266	

<sup>1</sup> The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2017 and 9/30/2016.

<sup>2</sup> Funding rates include a 1.5 year interest load.

POLICE OFFICERS

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2017	5,110,853
2018	4,882,235
2019	4,629,815
2025	3,098,098
2031	960,408
2042	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	N/A	N/A
Year Ended	9/30/2016	N/A	N/A
Year Ended	9/30/2015	N/A	N/A

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	6.25%	7.00%
Year Ended	9/30/2016	6.73%	7.00%
Year Ended	9/30/2015	8.46%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2017	N/A
	10/1/2017	N/A
(b) Total Increase		N/A
(c) Number of Years		0.00
(d) Average Annual Rate		N/A

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
FIREFIGHTERS

	<u>10/1/2017</u>	<u>10/1/2016</u>
A. Participant Data		
Actives	7	7
Service Retirees	32	32
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	3	3
Terminated Vested	<u>4</u>	<u>4</u>
 Total	 46	 46
 Total Annual Payroll	 N/A	 N/A
Payroll Under Assumed Ret. Age	N/A	N/A
 Annual Rate of Payments to:		
Service Retirees	1,882,817	1,848,307
DROP Retirees	0	0
Beneficiaries	0	0
Disability Retirees	67,055	67,055
Terminated Vested	43,809	43,809
 B. Assets		
Actuarial Value (AVA) <sup>1</sup>	17,196,756	16,493,651
Market Value (MVA) <sup>1</sup>	17,251,626	15,852,517
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	2,875,734	2,574,850
Disability Benefits	112,444	126,515
Death Benefits	14,734	30,716
Vested Benefits	137,354	168,591
Refund of Contributions	0	0
Service Retirees	27,705,564	27,499,853
DROP Retirees <sup>1</sup>	0	0
Beneficiaries	0	0
Disability Retirees	573,979	586,599
Terminated Vested	<u>227,601</u>	<u>212,809</u>
 Total	 31,647,410	 31,199,933

## FIREFIGHTERS

C. Liabilities - (Continued)	<u>10/1/2017</u>	<u>10/1/2016</u>
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Normal Cost (Retirement)	0	0
Normal Cost (Disability)	10,435	10,404
Normal Cost (Death)	947	1,980
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	11,382	12,384
Present Value of Future Normal Costs	41,877	53,001
Accrued Liability (Retirement)	2,875,734	2,574,850
Accrued Liability (Disability)	73,954	81,835
Accrued Liability (Death)	11,347	22,395
Accrued Liability (Vesting)	137,354	168,591
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives) <sup>1</sup>	<u>28,507,144</u>	<u>28,299,261</u>
Total Actuarial Accrued Liability (EAN AL)	31,605,533	31,146,932
Unfunded Actuarial Accrued Liability (UAAL)	14,408,777	14,653,281
Funded Ratio (AVA / EAN AL)	54.4%	53.0%

## FIREFIGHTERS

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2017</u>	<u>10/1/2016</u>
Vested Accrued Benefits		
Inactives <sup>1</sup>	28,507,144	28,299,261
Actives	2,572,763	2,329,835
Member Contributions	<u>557,306</u>	<u>557,306</u>
Total	31,637,213	31,186,402
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	31,637,213	31,186,402
Funded Ratio (MVA / PVAB)	54.5%	50.8%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	250,163	
Benefits Paid	(1,915,362)	
Interest	2,116,010	
Other	<u>0</u>	
Total	450,811	

## FIREFIGHTERS

Valuation Date	10/1/2017	10/1/2016
Applicable to Fiscal Year Ending	<u>9/30/2019</u>	<u>9/30/2018</u>
<b>E. Pension Cost</b>		
Normal Cost <sup>2</sup>	\$12,577	\$13,684
Administrative Expenses <sup>2</sup>	72,963	39,444
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2017) <sup>2</sup>	1,894,908	1,823,598
Total Required Contribution	1,980,448	1,876,726
Expected Member Contributions <sup>2</sup>	0	0
Expected Town Contribution	1,980,448	1,876,726
<b>F. Past Contributions</b>		
Plan Years Ending:	<u>9/30/2017</u>	
Town Requirement	1,660,200	
Actual Contributions Made:		
Town	<u>1,660,200</u>	
Total	1,660,200	
G. Net Actuarial (Gain)/Loss	397,877	

<sup>1</sup> The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2017 and 9/30/2016.

<sup>2</sup> Funding rates include a 1.5 year interest load.



## FIREFIGHTERS

### H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2017	14,408,777
2018	13,582,504
2019	12,591,723
2025	6,723,464
2031	1,357,350
2042	0

### I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	N/A	N/A
Year Ended	9/30/2016	N/A	N/A
Year Ended	9/30/2015	N/A	N/A

### (ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	6.27%	7.00%
Year Ended	9/30/2016	6.14%	7.00%
Year Ended	9/30/2015	7.12%	7.50%

### (iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2017	N/A
	10/1/2007	N/A
(b) Total Increase		N/A
(c) Number of Years		10.00
(d) Average Annual Rate		N/A

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
GENERAL EMPLOYEES

	<u>10/1/2017</u>	<u>10/1/2016</u>
A. Participant Data		
Actives	19	19
Service Retirees	43	41
DROP Retirees	3	4
Beneficiaries	0	0
Terminated Vested	<u>11</u>	<u>12</u>
Total	76	76
Total Annual Payroll	N/A	N/A
Payroll Under Assumed Ret. Age	N/A	N/A
Annual Rate of Payments to:		
Service Retirees	915,155	848,782
DROP Retirees	90,071	135,817
Beneficiaries	0	0
Terminated Vested	135,614	183,025
B. Assets		
Actuarial Value (AVA) <sup>1</sup>	10,831,104	10,566,941
Market Value (MVA) <sup>1</sup>	10,909,386	10,241,394
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	3,067,126	2,835,572
Death Benefits	36,352	58,807
Vested Benefits	71,659	83,029
Refund of Contributions	0	0
Service Retirees	9,835,201	9,104,018
DROP Retirees <sup>1</sup>	1,559,443	2,143,247
Beneficiaries	0	0
Terminated Vested	<u>789,039</u>	<u>1,136,298</u>
Total	15,358,820	15,360,971

GENERAL EMPLOYEES

C. Liabilities - (Continued)	<u>10/1/2017</u>	<u>10/1/2016</u>
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Normal Cost (Retirement)	0	0
Normal Cost (Death)	2,272	4,174
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	2,272	4,174
Present Value of Future Normal Costs	9,054	19,411
Accrued Liability (Retirement)	3,067,126	2,835,572
Accrued Liability (Death)	27,298	39,396
Accrued Liability (Vesting)	71,659	83,029
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives) <sup>1</sup>	<u>12,183,683</u>	<u>12,383,563</u>
Total Actuarial Accrued Liability (EAN AL)	15,349,766	15,341,560
Unfunded Actuarial Accrued Liability (UAAL)	4,518,662	4,774,619
Funded Ratio (AVA / EAN AL)	70.6%	68.9%

GENERAL EMPLOYEES

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2017</u>	<u>10/1/2016</u>
Vested Accrued Benefits		
Inactives <sup>1</sup>	12,183,683	12,383,563
Actives	2,586,890	2,356,703
Member Contributions	<u>588,247</u>	<u>620,705</u>
Total	15,358,820	15,360,971
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	15,358,820	15,360,971
Funded Ratio (MVA / PVAB)	71.0%	66.7%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	43,627	
Benefits Paid	(1,083,136)	
Interest	1,037,358	
Other	<u>0</u>	
Total	(2,151)	

GENERAL EMPLOYEES

Valuation Date	10/1/2017	10/1/2016
Applicable to Fiscal Year Ending	<u>9/30/2019</u>	<u>9/30/2018</u>
E. Pension Cost		
Normal Cost <sup>2</sup>	\$2,511	\$4,612
Administrative Expenses <sup>2</sup>	47,140	41,828
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/2017) <sup>2</sup>	708,517	696,049
Total Required Contribution	758,168	742,489
Expected Member Contributions <sup>2</sup>	0	0
Expected Town Contribution	758,168	742,489
F. Past Contributions		
Plan Years Ending:	<u>9/30/2017</u>	
Town Requirement	679,109	
Actual Contributions Made:		
Town	<u>679,109</u>	
Total	679,109	
G. Net Actuarial (Gain)/Loss	69,054	

<sup>1</sup> The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2017 and 9/30/2016.

<sup>2</sup> Funding rates include a 1.5 year interest load.

GENERAL EMPLOYEES

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2017	4,518,662
2018	4,148,894
2019	3,795,782
2025	2,081,381
2031	170,837
2042	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	N/A	N/A
Year Ended	9/30/2016	N/A	N/A
Year Ended	9/30/2015	N/A	N/A

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2017	6.87%	7.00%
Year Ended	9/30/2016	6.67%	7.00%
Year Ended	9/30/2015	8.05%	7.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2017	N/A
	10/1/2007	N/A
(b) Total Increase		N/A
(c) Number of Years		10.00
(d) Average Annual Rate		N/A

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed 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 Part VII, 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 increase in plan costs or required contribution rates have been taken into account in the valuation.



Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #17-7778

Please let us know when the report is approved by the Board and unless otherwise directed we will provide a copy of the report to the following office to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman  
Bureau of Local  
Retirement Systems  
Post Office Box 9000  
Tallahassee, FL 32315-9000

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
POLICE OFFICERS

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2016	\$5,286,092
(2)	Sponsor Normal Cost developed as of October 1, 2016	17,964
(3)	Expected administrative expenses for the year ended September 30, 2017	39,247
(4)	Expected interest on (1), (2) and (3)	372,658
(5)	Sponsor contributions to the System during the year ended September 30, 2017	585,869
(6)	Expected interest on (5)	20,505
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2017 (1)+(2)+(3)+(4)-(5)-(6)	5,109,587
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	1,266
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2017	5,110,853

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2017 Amount</u>	<u>Amortization Amount</u>
	10/1/1991	4	157,883	43,562
	10/1/1996	9	(76,678)	(10,999)
	10/1/1999	12	(144,487)	(17,001)
method change	10/1/2002	15	1,122,192	115,150
prior losses	10/1/2002	11	1,000,556	124,702
actuarial gain	10/1/2003	11	(513,433)	(63,991)
actuarial loss	10/1/2004	11	249,787	31,132
actuarial loss	10/1/2005	11	313,764	39,105
actuarial gain	10/1/2006	11	(19,953)	(2,487)
benefit change	10/1/2006	19	874,843	79,106
actuarial loss	10/1/2007	11	591,110	73,672
assum. change	10/1/2007	20	79,946	7,053
benefit change	10/1/2007	20	400,582	35,338
actuarial gain	10/1/2008	1	(7,288)	(7,288)
method change	10/1/2008	11	194,810	24,280
actuarial loss	10/1/2009	2	136,256	70,432
actuarial gain	10/1/2010	3	(92,954)	(33,103)
actuarial gain	10/1/2011	4	(31,278)	(8,630)
actuarial gain	10/1/2012	5	(47,522)	(10,832)



Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2017 <u>Amount</u>	Amortization <u>Amount</u>
assum. change	10/1/2012	15	461,342	47,339
benefit change	10/1/2012	25	(335,615)	(26,915)
actuarial gain	10/1/2013	6	(86,411)	(16,943)
actuarial gain	10/1/2014	7	(141,493)	(24,537)
assum. change	10/1/2015	18	530,570	49,295
actuarial gain	10/1/2015	8	(309,100)	(48,378)
benefit change	10/1/2015	18	(12,259)	(1,139)
assum. change	10/1/2016	19	695,918	62,927
actuarial loss	10/1/2016	9	118,499	16,998
actuarial loss	10/1/2017	10	<u>1,266</u>	<u>168</u>
			5,110,853	548,016

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
FIREFIGHTERS

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2016	\$14,653,281
(2)	Sponsor Normal Cost developed as of October 1, 2016	12,384
(3)	Expected administrative expenses for the year ended September 30, 2017	35,696
(4)	Expected interest on (1), (2) and (3)	1,027,846
(5)	Sponsor contributions to the System during the year ended September 30, 2017	1,660,200
(6)	Expected interest on (5)	58,107
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2017 (1)+(2)+(3)+(4)-(5)-(6)	14,010,900
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	397,877
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2017	14,408,777

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2017</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
	10/1/1997	10	666,472	88,683
	10/1/1998	11	(184,315)	(22,972)
	10/1/1999	12	(363,327)	(42,751)
	10/1/2001	14	1,204,733	128,743
method change	10/1/2002	15	1,919,697	196,984
prior losses	10/1/2002	11	1,706,293	212,660
actuarial loss	10/1/2003	11	152,699	19,031
actuarial loss	10/1/2004	11	1,108,750	138,186
benefit change	10/1/2005	18	1,298,088	120,604
actuarial loss	10/1/2005	11	582,342	72,579
actuarial loss	10/1/2006	11	(186,099)	(23,194)
actuarial loss	10/1/2007	11	1,524,762	190,035
assum. change	10/1/2007	20	719,509	63,473
benefit change	10/1/2007	20	(153,373)	(13,530)
actuarial gain	10/1/2008	1	(99,690)	(99,690)
method change	10/1/2008	11	186,628	23,260
actuarial loss	10/1/2009	2	338,724	175,089
actuarial loss	10/1/2010	3	41,309	14,711
actuarial loss	10/1/2011	4	325,051	89,686

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2017 <u>Amount</u>	Amortization <u>Amount</u>
actuarial gain	10/1/2012	5	(270,726)	(61,708)
benefit change	10/1/2012	25	(1,445,747)	(115,944)
actuarial loss	10/1/2013	6	132,928	26,063
actuarial loss	10/1/2014	7	70,125	12,161
assum. change	10/1/2014	17	1,198,689	114,744
actuarial loss	10/1/2015	8	104,329	16,329
assum. change	10/1/2015	18	1,492,757	138,691
benefit change	10/1/2015	20	(331,284)	(29,225)
assum. change	10/1/2016	19	1,822,624	164,808
actuarial loss	10/1/2016	9	448,952	64,400
actuarial loss	10/1/2017	10	<u>397,877</u>	<u>52,943</u>
			14,408,777	1,714,849

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
GENERAL EMPLOYEES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2016	\$4,774,619
(2)	Sponsor Normal Cost developed as of October 1, 2016	4,174
(3)	Expected administrative expenses for the year ended September 30, 2017	37,853
(4)	Expected interest on (1), (2) and (3)	335,840
(5)	Sponsor contributions to the System during the year ended September 30, 2017	679,109
(6)	Expected interest on (5)	23,769
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2017 (1)+(2)+(3)+(4)-(5)-(6)	4,449,608
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	69,054
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2017	4,518,662

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2017 Amount</u>	<u>Amortization Amount</u>
	10/1/1991	4	126,083	34,788
	10/1/1996	9	(122,092)	(17,514)
	10/1/1997	10	82,238	10,943
	10/1/2001	14	211,821	22,636
method change	10/1/2002	15	1,465,914	150,420
prior losses	10/1/2002	11	1,303,939	162,513
actuarial gain	10/1/2003	11	(396,600)	(49,429)
actuarial loss	10/1/2004	11	267,856	33,384
actuarial loss	10/1/2005	11	150,348	18,738
actuarial gain	10/1/2006	11	(24,349)	(3,035)
benefit change	10/1/2006	19	(184,777)	(16,708)
actuarial loss	10/1/2007	11	253,975	31,654
assum. change	10/1/2007	20	241,797	21,331
benefit change	10/1/2007	20	262,738	23,178
actuarial loss	10/1/2008	1	39,759	39,759
method change	10/1/2008	11	103,694	12,924
actuarial loss	10/1/2009	2	314,476	162,555
actuarial gain	10/1/2010	3	(126,881)	(45,185)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2017 <u>Amount</u>	Amortization <u>Amount</u>
actuarial loss	10/1/2011	4	88,832	24,510
actuarial gain	10/1/2012	5	(433,045)	(98,706)
assum. change	10/1/2012	15	11,435	1,173
benefit change	10/1/2012	25	(676,691)	(54,268)
actuarial loss	10/1/2013	6	191,375	37,523
assum. change	10/1/2013	16	932,207	92,225
actuarial gain	10/1/2014	7	(16,778)	(2,910)
actuarial gain	10/1/2015	8	(49,016)	(7,672)
benefit change	10/1/2015	18	(304,066)	(28,250)
assum. change	10/1/2016	19	567,035	51,273
actuarial loss	10/1/2016	9	168,381	24,153
actuarial loss	10/1/2017	10	<u>69,054</u>	<u>9,189</u>
			4,518,662	641,192

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
POLICE OFFICERS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2016	\$5,286,092
(2) Expected UAAL as of October 1, 2017	5,109,587
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	50,867
Active Decrements	(12,393)
Inactive Mortality	(138,228)
Disability Retirement for Prior Vested Terminated Member	73,852
Other	<u>27,168</u>
Increase in UAAL due to (Gain)/Loss	1,266
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2017	\$5,110,853

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
FIREFIGHTERS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2016	\$14,653,281
(2) Expected UAAL as of October 1, 2017	14,010,900
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	119,256
Active Decrements	27,974
Inactive Mortality	206,877
Other	<u>43,770</u>
Increase in UAAL due to (Gain)/Loss	397,877
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2017	\$14,408,777

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
GENERAL EMPLOYEES

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2016	\$4,774,619
(2) Expected UAAL as of October 1, 2017	4,449,608
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	13,451
Active Decrements	(14,230)
Inactive Mortality	92,325
Other	<u>(22,492)</u>
Increase in UAAL due to (Gain)/Loss	69,054
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2017	\$4,518,662



ACTUARIAL ASSUMPTIONS AND METHODS  
POLICE OFFICERS

Mortality Rates

*Healthy Inactive Lives:*

**Female:** RP 2000 Generational, 100% Annuitant White Collar, Scale BB

**Male:** RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

*Healthy Active Lives:*

**Female:** RP2000 Generational, 100% Combined Healthy (previously Annuitant) White Collar, Scale BB

**Male:** RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar / 90% Combined Healthy (previously Annuitant) Blue Collar, Scale BB

*Disabled Lives:*

**Female:** 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

**Male:** 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2016 FRS valuation report for special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates

See Table below (1304A). This assumption is consistent with historical Plan experience.

Disability Rates

See Table below (1205). 75% of Disability Retirements are assumed to service-related. These rates are similar to those utilized by other Florida special risk retirement programs.

Retirement Age

The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable for the associated Plan provisions.

<u>Interest Rate</u>	7.0% per year, compounded annually, net of investment-related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.
<u>Salary Increases</u>	None.
<u>Early Retirement</u>	None.
<u>Cost of Living Adjustment</u>	3.0% per year, beginning 5 years after retirement.
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$27,650 annually, based on the actual Administrative Expenses incurred during the prior fiscal year (pro-rated for the Police portion of total assets).

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	9.2%	0.14%
30	7.3	0.18
40	3.5	0.30
50	0.8	1.00

Funding Method Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Asset Valuation Method The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

ACTUARIAL ASSUMPTIONS AND METHODS  
FIREFIGHTERS

Mortality Rates

*Healthy Inactive Lives:*

**Female:** RP 2000 Generational, 100% Annuitant White Collar, Scale BB

**Male:** RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

*Healthy Active Lives:*

**Female:** RP2000 Generational, 100% Combined Healthy (previously Annuitant) White Collar, Scale BB

**Male:** RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar / 90% Combined Healthy (previously Annuitant) Blue Collar, Scale BB

*Disabled Lives:*

**Female:** 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

**Male:** 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2016 FRS valuation report for special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates

See Table on the following page (1304). This is based on the results of an experience study for the period 2002 to 2007.

Disability Rates

See Table on the following page (1205). 75% of Disability Retirements are assumed to service-related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.

Retirement Age

The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. We feel this assumption is reasonable based on the plan provisions.

<u>Interest Rate</u>	7.0% per year, compounded annually, net of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
<u>Salary Increases</u>	None.
<u>Early Retirement</u>	None.
<u>Cost of Living Adjustment</u>	3.0% per year, beginning 5 years after retirement.
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$66,030 annually, based on the actual Administrative Expenses incurred during the prior fiscal year (pro-rated for the Firefighters portion of total assets).
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.
<u>Asset Valuation Method</u>	The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.4%	0.14%
30	10.5	0.18
40	5.7	0.30
50	1.5	1.00

ACTUARIAL ASSUMPTIONS AND METHODS  
GENERAL EMPLOYEES

Mortality Rates

*Healthy Active Lives:*

**Female:** RP2000 Generational, 100% White Collar, Scale BB

**Male:** RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB

*Healthy Inactive Lives:*

**Female:** RP2000 Generational, 100% Annuitant White Collar, Scale BB

**Male:** RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

*Disabled Lives:*

**Female:** 100% RP2000 Disabled Female set forward two years

**Male:** 100% RP2000 Disabled Male setback four years

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates

Table 1305, see sample rates below.

<u>Age</u>	<u>% Terminating During the Year</u>
20	17.2%
30	15.0
40	8.2
50	1.7

Retirement Age

Earlier of age 62 or age 55 and completion of 30 years of Credited Service. Also, any Member who has reached normal Retirement is assumed to continue employment for one additional year. We believe this assumption is reasonable based on the plan provisions.

Early Retirement

5% per year, for each your of eligibility, beginning at Age 50 with 15 years of Credited Service. We believe this assumption is reasonable based on the plan provisions.

Interest Rate

7.0% per year, compounded annually, net of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Salary Increases

None.

Payroll Growth

None.

Administrative Expenses

\$42,661 annually, based on the actual Administrative Expenses incurred during the prior fiscal year (pro-rated for the General Employees portion of total assets).

Funding Method

Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Asset Valuation Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

## VALUATION NOTES

Total Annual Payroll – Not applicable.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Dollar) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS  
POLICE OFFICERS

(Historical information only - No State Monies received after fiscal 2014)

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	30,943.80	_____%
1999	34,500.65	11.5%
2000	35,338.03	2.4%
2001	38,821.79	9.9%
2002	47,239.79	21.7%
2003	51,163.55	8.3%
2004	55,090.41	7.7%
2005	59,461.95	7.9%
2006	62,317.27	4.8%
2007	71,050.22	14.0%
2008	-	-100.0%
2009	137,801.41	N/A
2010	70,446.46	-48.9%
2011	70,893.30	0.6%
2012	77,700.11	9.6%
2013	77,298.10	-0.5%
2014	81,017.31	4.8%



PARTIAL HISTORY OF PREMIUM TAX REFUNDS  
FIREFIGHTERS

(Historical information only - No State Monies received after fiscal 2013)

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	84,957.68	_____%
1999	83,629.64	-1.6%
2000	109,664.52	31.1%
2001	92,878.93	-15.3%
2002	106,726.80	14.9%
2003	138,730.84	30.0%
2004	140,408.22	1.2%
2005	177,792.61	26.6%
2006	225,258.22	26.7%
2007	295,948.69	31.4%
2008	-	-100.0%
2009	513,555.97	N/A
2010	241,221.17	-53.0%
2011	239,800.33	-0.6%
2012	274,615.73	14.5%
2013	269,818.47	-1.7%

## POLICE OFFICERS

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2017

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	68,026.13	68,026.13
Money Market	284,845.82	284,845.82
Cash	3,372.21	3,372.21
Total Cash and Equivalents	356,244.16	356,244.16
Receivables:		
From Broker for Investments Sold	3,487.11	3,487.11
Investment Income	17,388.54	17,388.54
Total Receivable	20,875.65	20,875.65
Investments:		
U. S. Bonds and Bills	694,949.83	687,810.05
Federal Agency Guaranteed Securities	346,567.72	344,298.84
Corporate Bonds	891,855.80	882,895.02
Stocks	2,020,132.81	2,404,549.33
Mutual Funds:		
Equity	1,633,281.04	2,296,337.02
Pooled/Common/Commingled Funds:		
Real Estate	128,704.00	129,196.77
Total Investments	5,715,491.20	6,745,087.03
Total Assets	6,092,611.01	7,122,206.84
<u>LIABILITIES</u>		
Payables:		
Benefit Payments	23,004.24	23,004.24
Administrative Expenses	1,398.90	1,398.90
To Broker for Investments Purchased	4,579.51	4,579.51
Prepaid Town Contribution	8,247.00	8,247.00
Total Liabilities	37,229.65	37,229.65
NET POSITION RESTRICTED FOR PENSIONS	6,055,381.36	7,084,977.19

POLICE OFFICERS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
Market Value Basis

ADDITIONS

Contributions:

Town 585,869.00

Total Contributions 585,869.00

Investment Income:

Net Realized Gain (Loss) 142,727.29

Unrealized Gain (Loss) 449,872.55

Net Increase in Fair Value of Investments 592,599.84

Interest & Dividends 154,789.24

Less Investment Expense<sup>1</sup> (31,805.42)

Net Investment Income 715,583.66

Total Additions 1,301,452.66

DEDUCTIONS

Distributions to Members:

Benefit Payments 825,266.16

Lump Sum DROP Distributions 0.00

Total Distributions 825,266.16

Administrative Expense 27,650.05

Total Deductions 852,916.21

Net Increase in Net Position 448,536.45

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 6,636,440.74

End of the Year 7,084,977.19

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

POLICE OFFICERS

ACTUARIAL ASSET VALUATION  
SEPTEMBER 30, 2017

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return <sup>1</sup>	
09/30/2014	9.94%	
09/30/2015	-3.67%	
09/30/2016	8.25%	
09/30/2017	11.15%	
Annualized Rate of Return for prior four (4) years:		6.25%
(A) 10/01/2016 Actuarial Assets:		\$6,919,848.71
(I) Net Investment Income:		
1. Interest and Dividends		154,789.24
2. Realized Gains (Losses)		142,727.29
3. Change in Actuarial Value		158,180.65
4. Investment Related Expenses		(31,805.42)
Total		423,891.7600
(B) 10/01/2017 Actuarial Assets:		\$7,076,693.26
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.25%
10/01/2017 Limited Actuarial Assets:		\$7,076,693.26
10/01/2017 Market Value of Assets:		\$7,084,977.19
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$50,867.01)

<sup>1</sup>Market Value Basis, net of investment related expenses.

POLICE OFFICERS

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2017  
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	585,869.00	
Total Contributions		585,869.00
Earnings from Investments:		
Interest & Dividends	154,789.24	
Net Realized Gain (Loss)	142,727.29	
Change in Actuarial Value	158,180.65	
Total Earnings and Investment Gains		455,697.18

EXPENDITURES

Distributions to Members:		
Benefit Payments	825,266.16	
Lump Sum DROP Distributions	0.00	
Total Distributions		825,266.16
Expenses:		
Investment related <sup>1</sup>	31,805.42	
Administrative	27,650.05	
Total Expenses		59,455.47
Change in Net Assets for the Year		156,844.55
Net Assets Beginning of the Year		6,919,848.71
Net Assets End of the Year <sup>2</sup>		7,076,693.26

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY

October 1, 2016 to September 30, 2017

POLICE OFFICERS

Beginning of the Year Balance	0.00
Plus Additions	0.00
Investment Return Earned	0.00
Less Distributions	0.00
End of the Year Balance	0.00

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2017

POLICE OFFICERS

(1) Required Town Contribution for Fiscal 2017	585,869.00
(2) Less 2016 Prepaid Contribution	0.00
(3) Less Actual Town Contributions	<u>(594,116.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2017	(\$8,247.00)

FIREFIGHTERS

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2017

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	162,494.84	162,494.84
Money Market	692,468.54	692,468.54
Cash	8,197.94	8,197.94
 Total Cash and Equivalents	 863,161.32	 863,161.32
Receivables:		
From Broker for Investments Sold	8,477.26	8,477.26
Investment Income	42,272.05	42,272.05
 Total Receivable	 50,749.31	 50,749.31
Investments:		
U. S. Bonds and Bills	1,689,443.43	1,672,086.40
Federal Agency Guaranteed Securities	842,516.29	837,000.58
Corporate Bonds	2,168,127.61	2,146,343.70
Stocks	4,911,002.13	5,845,529.96
Mutual Funds:		
Equity	3,970,554.13	5,582,462.66
Pooled/Common/Commingled Funds:		
Real Estate	312,883.20	314,081.13
 Total Investments	 13,894,526.79	 16,397,504.43
 Total Assets	 14,808,437.42	 17,311,415.06
 <u>LIABILITIES</u>		
Payables:		
Administrative Expenses	3,340.66	3,340.66
To Broker for Investments Purchased	11,132.93	11,132.93
Prepaid Town Contribution	45,315.00	45,315.00
 Total Liabilities	 59,788.59	 59,788.59
 NET POSITION RESTRICTED FOR PENSIONS	 14,748,648.83	 17,251,626.47



## FIREFIGHTERS

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2017 Market Value Basis

#### ADDITIONS

##### Contributions:

Town	1,660,200.00	
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Total Contributions		1,660,200.00
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##### Investment Income:

Net Realized Gain (Loss)	340,842.33	
Unrealized Gain (Loss)	1,084,996.58	
Net Increase in Fair Value of Investments	1,425,838.91	
Interest & Dividends	370,416.55	
Less Investment Expense <sup>1</sup>	(75,953.48)	

Net Investment Income		1,720,301.98
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Total Additions		3,380,501.98
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#### DEDUCTIONS

##### Distributions to Members:

Benefit Payments	1,915,361.88	
Lump Sum DROP Distributions	0.00	

Total Distributions		1,915,361.88
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Administrative Expense		66,030.22
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Total Deductions		1,981,392.10
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Net Increase in Net Position		1,399,109.88
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#### NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		15,852,516.59
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End of the Year		17,251,626.47
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<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

## FIREFIGHTERS

### ACTUARIAL ASSET VALUATION SEPTEMBER 30, 2017

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return <sup>1</sup>	
09/30/2014	9.60%	
09/30/2015	-3.28%	
09/30/2016	8.25%	
09/30/2017	11.15%	
Annualized Rate of Return for prior four (4) years:		6.27%
(A) 10/01/2016 Actuarial Assets:		\$16,493,651.29
(I) Net Investment Income:		
1. Interest and Dividends	370,416.55	
2. Realized Gains (Losses)	340,842.33	
3. Change in Actuarial Value	388,991.90	
4. Investment Related Expenses	(75,953.48)	
Total		1,024,297.30
(B) 10/01/2017 Actuarial Assets:		\$17,196,756.49
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.27%
10/01/2017 Limited Actuarial Assets:		\$17,196,756.49
10/01/2017 Market Value of Assets:		\$17,251,626.47
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$119,256.30)

<sup>1</sup>Market Value Basis, net of investment related expenses.

FIREFIGHTERS

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
SEPTEMBER 30, 2017  
Actuarial Asset Basis

REVENUES

Contributions:		
Town	1,660,200.00	
Total Contributions		1,660,200.00
Earnings from Investments:		
Interest & Dividends	370,416.55	
Net Realized Gain (Loss)	340,842.33	
Change in Actuarial Value	388,991.90	
Total Earnings and Investment Gains		1,100,250.78

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,915,361.88	
Lump Sum DROP Distributions	0.00	
Total Distributions		1,915,361.88
Expenses:		
Investment related <sup>1</sup>	75,953.48	
Administrative	66,030.22	
Total Expenses		141,983.70
Change in Net Assets for the Year		703,105.20
Net Assets Beginning of the Year		16,493,651.29
Net Assets End of the Year <sup>2</sup>		17,196,756.49

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2016 to September 30, 2017

FIREFIGHTERS

Beginning of the Year Balance	0.00
Plus Additions	0.00
Investment Return Earned	0.00
Less Distributions	0.00
End of the Year Balance	0.00

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2017

FIREFIGHTERS

(1) Required Town Contribution for Fiscal 2017	1,660,200.00
(2) Less 2016 Prepaid Contribution	0.00
(3) Less Actual Town Contributions	<u>(1,705,515.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2017	(\$45,315.00)

GENERAL EMPLOYEES

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2017

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	77,052.29	77,052.29
Money Market	439,124.32	439,124.32
Cash	5,198.66	5,198.66
Total Cash and Equivalents	521,375.27	521,375.27
Receivables:		
From Broker for Investments Sold	5,375.80	5,375.80
Investment Income	26,806.53	26,806.53
Total Receivable	32,182.33	32,182.33
Investments:		
U. S. Bonds and Bills	1,071,349.31	1,060,342.47
Federal Agency Guaranteed Securities	534,276.09	530,778.35
Corporate Bonds	1,374,903.69	1,361,089.59
Stocks	3,114,279.34	3,706,903.93
Mutual Funds:		
Equity	2,517,900.50	3,540,081.55
Pooled/Common/Commingled Funds:		
Real Estate	198,412.80	199,172.45
Total Investments	8,811,121.73	10,398,368.34
Total Assets	9,364,679.33	10,951,925.94
<u>LIABILITIES</u>		
Payables:		
Administrative Expenses	2,158.34	2,158.34
To Broker for Investments Purchased	7,059.87	7,059.87
Prepaid Town Contribution	33,322.00	33,322.00
Total Liabilities	42,540.21	42,540.21
NET POSITION RESTRICTED FOR PENSIONS	9,322,139.12	10,909,385.73

GENERAL EMPLOYEES

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2017  
Market Value Basis

ADDITIONS

Contributions:

Town 679,109.00

Total Contributions 679,109.00

Investment Income:

Net Realized Gain (Loss) 220,213.84

Unrealized Gain (Loss) 704,789.79

Net Increase in Fair Value of Investments 925,003.63

Interest & Dividends 238,748.98

Less Investment Expense<sup>1</sup> (49,072.57)

Net Investment Income 1,114,680.04

Total Additions 1,793,789.04

DEDUCTIONS

Distributions to Members:

Benefit Payments 863,931.16

Lump Sum DROP Distributions 219,204.40

Total Distributions 1,083,135.56

Administrative Expense 42,661.25

Total Deductions 1,125,796.81

Net Increase in Net Position 667,992.23

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 10,241,393.50

End of the Year 10,909,385.73

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

GENERAL EMPLOYEES

ACTUARIAL ASSET VALUATION  
SEPTEMBER 30, 2017

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return <sup>1</sup>	
09/30/2014	9.53%	
09/30/2015	-1.01%	
09/30/2016	8.25%	
09/30/2017	11.15%	
Annualized Rate of Return for prior four (4) years:		6.87%
(A) 10/01/2016 Actuarial Assets:		\$10,566,941.38
(I) Net Investment Income:		
1. Interest and Dividends		238,748.98
2. Realized Gains (Losses)		220,213.84
3. Change in Actuarial Value		300,960.18
4. Investment Related Expenses		(49,072.57)
Total		710,850.43
(B) 10/01/2017 Actuarial Assets:		\$10,831,104.00
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.87%
10/01/2017 Limited Actuarial Assets:		\$10,831,104.00
10/01/2017 Market Value of Assets:		\$10,909,385.73
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$13,451.32)

<sup>1</sup>Market Value Basis, net of investment related expenses.



GENERAL EMPLOYEES

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2017  
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	679,109.00	
Total Contributions		679,109.00
Earnings from Investments:		
Interest & Dividends	238,748.98	
Net Realized Gain (Loss)	220,213.84	
Change in Actuarial Value	300,960.18	
Total Earnings and Investment Gains		759,923.00

EXPENDITURES

Distributions to Members:		
Benefit Payments	863,931.16	
Lump Sum DROP Distributions	219,204.40	
Total Distributions		1,083,135.56
Expenses:		
Investment related <sup>1</sup>	49,072.57	
Administrative	42,661.25	
Total Expenses		91,733.82
Change in Net Assets for the Year		264,162.62
Net Assets Beginning of the Year		10,566,941.38
Net Assets End of the Year <sup>2</sup>		10,831,104.00

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY

October 1, 2016 to September 30, 2017

GENERAL EMPLOYEES

Beginning of the Year Balance	478,009.29
Plus Additions	128,192.72
Investment Return Earned	32,267.79
Less Distributions	(219,204.40)
End of the Year Balance	419,265.40

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2017  
GENERAL EMPLOYEES

(1) Required Town Contribution for Fiscal 2017	679,109.00
(2) Less 2016 Prepaid Contribution	0.00
(3) Less Actual Town Contributions	<u>(712,431.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2017	(\$33,322.00)

VALUATION PARTICIPANT RECONCILIATION  
POLICE OFFICERS

1. Active lives

a. Number in prior valuation 10/1/2016	6
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	6
h. New entrants	<u>0</u>
i. Total active life participants in valuation	6

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	16	0	3	1	2	22
Retired	0	0	0	0	0	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	(1)	0	0	0	0	(1)
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	1	(1)	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	15	0	3	2	1	21

VALUATION PARTICIPANT RECONCILIATION  
FIREFIGHTERS

1. Active lives

a. Number in prior valuation 10/1/2016	7
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	7
h. New entrants	<u>0</u>
i. Total active life participants in valuation	7

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	32	0	0	3	4	39
Retired	0	0	0	0	0	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	32	0	0	3	4	39

VALUATION PARTICIPANT RECONCILIATION  
GENERAL EMPLOYEES

1. Active lives

a. Number in prior valuation 10/1/2016	19
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	19
h. New entrants	<u>0</u>
i. Total active life participants in valuation	19

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	41	4	0	0	12	57
Retired	2	(1)	0	0	(1)	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	43	3	0	0	11	57

SUMMARY OF PLAN PROVISIONS  
POLICE OFFICERS  
(Through Ordinance 2016-22)

**The below information is for historical reference only. Benefits are frozen as of February 1, 2014**

<u>Eligibility</u>	Full-time Police Officers participate as a condition of employment. Members hired after January 31, 2014 do not participate in this System.
<u>Credited Service</u>	Total years and fractional parts of years of service as a Police Officer with the Town. Credited Service is frozen as of January 31, 2014.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax-sheltered, and tax-exempt income. Salary earned after January 31, 2014 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination. Average Final Compensation is not applicable for the determination of the accrued benefit after January 31, 2014.
<u>Member Contributions</u>	None (previously 10%).
<u>Town Contributions</u>	Amount necessary to maintain actuarial soundness and meet State requirements.
<u>Normal Retirement</u>	
Eligibility	Attainment of 1) age 60, 2) age 55 and the completion of 10 years of Credited Service or 3) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.5% of Average Final Compensation times Years of Credited Service. The accrued benefit is frozen as of January 31, 2014.
Form of Benefit	10 Year Certain and Life Annuity (options are available).

Early Retirement (removed with Ordinance 2013-13)

Eligibility	Age 45 and the completion of 15 years of Credited Service or Age 50 and the completion of 10 years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.
<u>Supplemental Benefit</u>	\$10.00 per month for each year of Credited Service, payable to age 65. Credited Service is frozen as of January 31, 2014 for determination of the Supplemental Benefit.
<u>Cost of Living Adjustment</u>	Service Retirees receive a 3% annual increase in benefits commencing on the October 1 following the receipt of 5 years of benefit payments.
<u>Vesting (Termination)</u>	Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) of Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage <sup>1</sup></u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

<sup>1</sup> Members are 100% vested in their frozen accrued benefit as of January 31, 2014.

Death Benefit

Vested or Eligible for Retirement	Monthly accrued benefit payable to designated beneficiary. The accrued benefit is frozen as of January 31, 2014.
Non-Vested	Refund of Member Contributions.



Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Benefit

3.5% of Average Final Compensation times Credited Service (but not less than 42% of Average Final Compensation for Service Incurred). Average Final Compensation and Credited Service for purposes of determining the applicable minimum Disability Benefit are frozen as of January 31, 2014.

Form of Benefit

Ten year Certain and Life Annuity (options are available).

Board of Trustees

a. Five Commission appointees, and

b. Two Town Manager appointees

Deferred Retirement Option Plan (DROP)

Eligibility

Satisfaction of Normal Retirement requirements.

Participation

Not to exceed 36 months.

Rate of Return

At the Member's election:

a. Actual net rate of investment return credited each fiscal quarter, or

b. A fixed rate money market account.

Form of Distribution

Cash lump sum (options available) at termination of employment.

SUMMARY OF PLAN PROVISIONS  
FIREFIGHTERS  
(Through Ordinance 2016-22)

**The below information is for historical reference only. Benefits are frozen as of September 30, 2013.**

<u>Eligibility</u>	Full-time certified Firefighters participate as a condition of employment. Members hired after September 30, 2013 do not participate in this System
<u>Credited Service</u>	Total years and fractional parts of years of service as a Firefighter with the Town. Credited Service is frozen as of September 30, 2013.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax-sheltered, and tax-exempt income. Salary earned after September 30, 2013 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination. Average Final Compensation is not applicable for the determination of the accrued benefit after September 30, 2013.
<u>Member Contributions</u>	None.
<u>Town Contributions</u>	Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, Florida Statutes).
<u>Normal Retirement</u>	
Eligibility	Attainment of 1) age 60, 2) age 55 and the completion of 10 years of Credited Service or 3) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.5% of Average Final Compensation times Years of Credited Service. The accrued benefit is frozen as of September 30, 2013.
Form of Benefit	10 Year Certain and Life Annuity (options are available).

Early Retirement (removed with Ordinance 2013-13)

Eligibility Age 45 and the completion of 15 years of Credited Service or Age 50 and the completion of 10 years of Credited Service.

Benefit Accrued benefit, reduced 3% per year.

Supplemental Benefit \$10.00 per month for each year of Credited Service, payable to age 65. Credited Service is frozen as of September 30, 2013 for determination of the Supplemental Benefit.

Vesting (Termination) Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) of Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage <sup>1</sup></u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

<sup>1</sup> Members are 100% vested in their frozen accrued benefit as of September 30, 2013.

Disability

Eligibility

Service Incurred Covered from Date of Employment.

Non-Service Incurred 10 years of Credited Service.

Benefit 3.5% of Average Final Compensation times Credited Service (but not less than 42% of Average Final Compensation for Service Incurred). Average Final Compensation and Credited Service for purposes of determining the applicable minimum Disability Benefit are frozen as of September 30, 2013.

Form of Benefit Ten year Certain and Life Annuity (options are available)

Cost of Living Adjustment

Service Retirees receive a 3% annual increase in benefits commencing on the October 1 following the receipt of 5 years of benefit payments.

Death Benefit

Vested or Eligible  
for Retirement

Monthly accrued benefit payable to designated beneficiary. The accrued benefit is frozen as of September 30, 2013.

Non-Vested

Refund of Member Contributions.

Board of Trustees

- a. Five Commission appointees, and
- b. Two Town Manager appointees

Deferred Retirement Option Plan (DROP)

Eligibility

Satisfaction of Normal Retirement requirements. New DROP participants are not permitted after September 30, 2013.

Participation

Not to exceed 36 months.

Rate of Return

At the Member's election:

- a. Actual net rate of investment return credited each fiscal quarter, or
- b. A fixed rate money market account.

Form of Distribution

Cash lump sum (options available) at termination of employment.

SUMMARY OF PLAN PROVISIONS  
GENERAL EMPLOYEES  
(Through Ordinance No. 2016-22)

**The information below is for historical reference only. Benefits are frozen as of September 30, 2013.**

<u>Effective Date</u>	April 1, 1992
<u>Latest Amendment</u>	August 14, 2013
<u>Eligibility</u>	Full-time employees hired before September 30, 2013 become Members as a condition of employment.
<u>Compensation</u>	W-2 earnings, plus tax-deferred, tax-sheltered, and tax-exempt income. Salary earned after September 30, 2013 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Compensation paid an employee during the best 5 years within the last 10 years preceding September 30, 2013.
<u>Credited Service</u>	Years and fractional parts of years of service with the Town as a General Employee through September 30, 2013.
<u>Normal Retirement</u>	
Eligibility	Earlier of 1) Age 62 or 2) Age 55 and the completion of 30 years of Credited Service.
Benefit	2.75% of Average Final Compensation times Years of Credited Service. The benefit is frozen as of September 30, 2013.
Form of Benefit	Life Annuity with 120 months certain (options available).
<u>Early Retirement</u>	
Date	Attainment of age 50 and the completion of 15 years of Credited Service.
Benefit	Accrued benefit reduced 3.0% for each year preceding the Normal Retirement Date.

Contributions

Employee

None.

Town

Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, F.S.).