City of Hollywood General Employees' Retirement System

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2016

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR
ENDING SEPTEMBER 30, 2018

GRS Retirement Consulting

GRS Retirement Consulting

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July 21, 2017

Board of Trustees
City of Hollywood General
Employees' Retirement System
Hollywood, Florida

Re: City of Hollywood General Employees' Retirement System
Actuarial Valuation as of October 1, 2016

Dear Board Members:

The results of the October 1, 2016 Annual Actuarial Valuation of the City of Hollywood General Employees' Retirement System are presented in this report.

The computed contribution rate shown on page 1 is best viewed as the minimum contribution rate that complies with the Board's funding policy. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Until the plan is fully funded, we encourage the plan sponsor to contribute in excess of the computed contribution rate.

We believe that the ideal circumstance is for a plan to be fully funded at relatively low levels of risk. Therefore we encourage a review of investment and other sources of risk as the plan approaches full funding.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the valuation is to measure the System's funding progress and to determine the employer contribution rate for the fiscal year ending September 30, 2018. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The findings in this report are based on data or other information through September 30, 2016. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The valuation was based upon information furnished by the Plan Administrator concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

In addition, this report was prepared using assumptions approved by the Board as described in the section of this report entitled Actuarial Assumptions and Methods.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By Jeff Amrose	By Trisha Amrose
Jeffrey Amrose, MAAA	Trisha Amrose, MAAA
Enrolled Actuary No. 17-6599	Enrolled Actuary No. 17-8010

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SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The following is a comparison of required contributions developed in this year's and last year's actuarial valuations.

Required Employer Contribution	For FYE 9/30/2018 Based on 10/1/2016 Valuation	For FYE 9/30/2017 Based on 10/1/2015 Valuation*	Increase (Decrease)
If paid on October 1			
Date of Payment	10/1/2017	10/1/2016	
Dollar Amount	$ 23,786,676	$ 22,554,943	$ 1,231,733
As % of Covered Payroll	60.77 %	63.83 %	(3.06) %
If paid Biweekly			
Date of Payment	Biweekly	Biweekly	
Dollar Amount	$ 24,702,602	$ 23,438,342	$ 1,264,260
As % of Covered Payroll	63.11 %	66.33 %	(3.22) %

* From April 19, 2016 Actuarial Impact Statement

Payment of Required Contribution

The required contribution if paid biweekly has been adjusted for interest on the basis that payment is made at the end of each pay period during the fiscal year. Also displayed above is the required contribution if the payment is made in full on the first day of the fiscal year.

The actual employer contribution for the fiscal year ending September 30, 2016 was $17,904,359 reflecting the use of the $8,126,077 remaining prepaid City contribution on October 1, 2015 (equal to the City's prepaid contribution of $10,400,000 reduced by the $2,273,923 receivable City contribution due to underpayment in the fiscal year ending September 30, 2015). The actuarially determined contribution was $22,367,687 reflecting an October 1, 2015 payment date. The $4,463,328 shortfall in the actual contribution is due to the City making the required contribution excluding the pre-funding of the Supplemental Pension Distribution for the fiscal years ending September 30, 2015 and September 30, 2016.

The pre-funding of the Supplemental Pension Distribution was done in accordance with the July 3, 2014 letter from the Division of Retirement which states if the benefit provision regarding the Supplemental Pension Distribution remains unchanged in the City Code, the actuary must estimate the frequency and amounts of future additional distributions and include a cost factor to pre-fund it. Additionally, Section 112.64(2) of the Florida Statutes states "total contributions to the retirement system or plan shall be sufficient to meet the normal cost of the retirement system or plan and to amortize the unfunded liability", i.e. the actuarially determined contribution which was $22,367,687 for the fiscal year ending September 30, 2016.

This report reflects a $4,811,883 receivable employer contribution which equals the underpayment amount plus interest through September 30, 2016. It is our understanding that the payment of the Supplemental Pension Distribution is currently in litigation. If there are any changes to the Supplemental Pension Distribution payment, this report will need to be revised.

Revisions in Benefits

Under Ordinance No. O-2016-06, one of the normal retirement eligibility provisions was changed. Members who had less than ten years of service as of the respective plan changes dates (October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members) had a normal retirement date of the earliest of age of age 65 with 7 years of credited service, age 62 with 25 years of credited service, or age 60 with 30 years of credited service. This normal retirement date is applicable to benefit accruals starting October 1, 2011 for general fund members and March 5, 2014 for non-general fund members. Under Ordinance No. O-2016-06, the age 60 with 30 years of credited service provision was changed to 30 years of credited service regardless of age. The applicable retirement rates were changed to reflect this Ordinance. Upon attaining 30 years of service, the retirement rates for the first and second years of eligibility are 30% and the rate for the third year is 100% (regardless of age). This change was measured in the Actuarial Impact Statement dated April 19, 2016. The October 1, 2015 results shown in this report reflect the April 19, 2016 Actuarial Impact Statement.

Revisions in Actuarial Assumptions or Methods

As approved by the Board in connection with the October 1, 2014 Experience Study Report, the investment return assumption was lowered from 7.80% to 7.70%, net of investment expenses. The assumed rate of investment return will continue to be lowered by 0.10% each year until reaching 7.50%.

In addition, effective October 1, 2016, the mortality table was changed from the RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected from the year 2000 to the year 2016 using Scale AA to the mortality assumption used by the Florida Retirement System (FRS) for Regular Class members in the FRS actuarial valuation report as of July 1, 2016. The current FRS mortality tables are the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. Please refer to the Actuarial Assumptions and Cost Method Section for details regarding the updated mortality tables for disabled retirees and active transfers. This change was made in compliance with Florida House Bill 1309, which requires all public pension plans in Florida to use the same mortality tables used in either of the last two actuarial valuation reports of FRS effective no later than October 1, 2016.

The assumption changes detailed above have increased the required employer contribution by 5.55% of covered payroll.

Actuarial Experience

There was a net actuarial gain of $11,069,062 for the year which means that actual experience was more favorable than anticipated. The gain is primarily due to recognized investment return above the assumed rate of 7.8%. The investment return was 10.5% based on market value of assets and 10.3% based on actuarial value of assets. The net gain has decreased the required employer contribution by 2.47% of covered payroll.

Supplemental Pension Distribution

Since the investment return for the fiscal year ending September 30, 2016 is below 12.3%, a Supplemental Pension Distribution is not payable for the fiscal year ending September 30, 2016.

Funded Ratio

The funded ratio this year is 59.6% compared to 58.0% last year. The funded ratio was 62.6% before the changes in actuarial assumptions. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

Analysis of Change in Employer Contributions

The components of change in the required employer contribution as a percent of payroll are as follows:

Contribution Rate Last Year	66.33	%
Changes in Benefits	0.00	
Changes in Actuarial Assumptions	5.55	
Actuarial Experience	(2.47)	
Amortization Payment on UAAL	(5.95)	
Normal Cost Rate	(0.30)	
Administrative Expenses	(0.05)	
Contribution Rate This Year	63.11	

Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year.

Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Market Value of Assets exceeds the Actuarial Value of Assets by $2,847,480 as of the valuation date (see Section C). This difference will be gradually recognized over the next several years. In turn, the computed employer contribution rate will decrease by approximately 0.6% of covered payroll over the same period in the absence of offsetting losses and before reflecting the increase associated with further phase-in of the lower investment return assumption.

Relationship to Market Value

If market value of assets had been used in the valuation instead of the smoothed value of assets, the City contribution rate would have been 62.48% and the funded ratio would have been 60.2%. In the absence of other gains and losses, the City contribution rate should decrease to that level over the next several years, before reflecting the increase associated with further phase-in of the lower investment return assumption.

Conclusion

It is important to note that system assets are not sufficient to cover the liabilities for current retirees. As of October 1, 2016, the assets are $291.2 million and the liability for current inactive members is $374.6 million. The funded ratio has dropped from 82.5% in 2000 to the current level of 59.6%. Some steps have been taken to improve funding, such as strengthening the actuarial assumptions including lowering the assumed investment return rate. Given the low funded ratio, it is advisable to consider shortening of the amortization period. For example the amortization period for new bases could be shortened one year with each valuation, with the goal of reaching a 20 year period. If the maximum amortization period were changed to 25 years, the actuarially determined contribution for the fiscal year ending September 30, 2018 would increase by approximately $157,000. This would result in higher contributions in the short-term for the City but would also have a positive effect on improving the funded ratio of the plan.

It is equally important to further strengthen the actuarial assumptions. This would also result in higher contributions in the short-term but would improve the plan's funded ratio over time.

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.

SECTION B

VALUATION RESULTS

PARTICIPANT DATA			
	October 1, 2016 *After Changes*	October 1, 2016 *Before Changes*	October 1, 2015*
ACTIVE MEMBERS			
Number	606	606	574
Covered Annual Payroll	$ 37,818,489	$ 37,818,489	$ 34,141,024
Average Annual Payroll	$ 62,407	$ 62,407	$ 59,479
Average Age	47.4	47.4	47.1
Average Past Service	10.7	10.7	10.7
Average Age at Hire	36.7	36.7	36.4
ACTIVE TRANSFERS			
Number	18	18	19
Covered Annual Payroll	$ 1,717,744	$ 1,717,744	$ 1,667,460
Average Annual Payroll	$ 95,430	$ 95,430	$ 87,761
Average Age	44.5	44.5	44.0
Average Past Service	2.8	2.8	2.7
RETIREES, BENEFICIARIES & DROP			
Number	974	974	978
Annual Benefits[1]	$ 26,651,110	$ 26,651,110	$ 26,343,570
Average Annual Benefit	$ 27,363	$ 27,363	$ 26,936
Average Age	67.5	67.5	66.9
DISABILITY RETIREES			
Number	49	49	49
Annual Benefits[1]	$ 1,315,938	$ 1,315,938	$ 1,317,777
Average Annual Benefit	$ 26,856	$ 26,856	$ 26,893
Average Age	63.8	63.8	63.7
TERMINATED VESTED MEMBERS			
Number	94	94	92
Annual Benefits	$ 1,507,294	$ 1,507,294	$ 1,411,996
Average Annual Benefit	$ 16,035	$ 16,035	$ 15,348
Average Age	48.9	48.9	48.3

[1] Does not include any Supplemental Pension Distribution

* From April 19, 2016 Actuarial Impact Statement

ACTUARIALLY DETERMINED CONTRIBUTION (ADC)			
A. Valuation Date	October 1, 2016 *After Changes*	October 1, 2016 *Before Changes*	October 1, 2015*
B. ADC to Be Paid During Fiscal Year Ending	9/30/2018	9/30/2018	9/30/2017
C. Assumed Date of Employer Contribution	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	$ 20,276,963	$ 18,527,378	$ 19,489,529
E. Employer Normal Cost	2,704,760	2,424,811	2,304,306
F. ADC if Paid on the Valuation Date: D+E	22,981,723	20,952,189	21,793,835
G. ADC Adjusted for Frequency of Payments	23,867,760	21,770,079	22,644,582
H. ADC as % of Covered Payroll	63.11 %	57.56 %	66.33 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.50 %	3.50 %	3.50 %
J. Covered Payroll for Contribution Year	39,142,136	39,142,136	35,335,959
K. ADC for Contribution Year: H x J	24,702,602	22,530,213	23,438,342
L. ADC as % of Covered Payroll in Contribution Year: K ÷ J	63.11 %	57.56 %	66.33 %

* From April 19, 2016 Actuarial Impact Statement

ALLOCATION OF REQUIRED EMPLOYER CONTRIBUTION BY EMPLOYEE GROUP						
					Allocated Required Employer Contribution for FYE 9/30/2018*	
Group	Employer Normal Cost (Before Expenses)	% of Total Employer Normal Cost	Active Actuarial Accrued Liability	% of Active Actuarial Accrued Liability	**Percentage**	**Dollar Amount**
Non-General Fund Members	$ 595,494	24.75%	$ 29,932,547	27.40%	27.09%	$ 6,691,769
Grandfathered Non-General Fund Members	203,455	8.46%	5,171,570	4.73%	5.17%	1,277,689
General Fund Members	1,412,086	58.69%	69,148,560	63.30%	62.76%	15,502,429
Grandfathered General Fund Members	194,995	8.10%	4,987,377	4.57%	4.98%	1,230,715
Total	$ 2,406,030	100.00%	$ 109,240,054	100.00%	100.00%	$ 24,702,602

* The Employer Normal Cost is allocated based on each group's percentage of the Employer Normal Cost for benefits and the annual payment to amortize the UAL is allocated based on each group's percentage of the Actuarial Accrued Liability for active members.

ACTUARIAL VALUE OF BENEFITS AND ASSETS			
A. Valuation Date	October 1, 2016 *After Changes*	October 1, 2016 *Before Changes*	October 1, 2015*
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	$ 124,848,053	$ 118,125,200	$ 108,807,715
b. Vesting Benefits	8,075,384	7,538,425	7,945,268
c. Disability Benefits	10,682,198	12,361,494	11,801,951
d. Preretirement Death Benefits	4,239,030	3,739,263	3,591,794
e. Return of Member Contributions	1,080,982	1,077,288	839,673
f. Total	148,925,647	142,841,670	132,986,401
2. Inactive Members			
a. Service Retirees & Beneficiaries	345,226,087	325,962,307	327,309,259
b. Disability Retirees	15,429,493	16,052,477	15,898,814
c. Terminated Vested Members	13,902,853	13,341,045	12,322,706
d. Total	374,558,433	355,355,829	355,530,779
3. Total for All Members	523,484,080	498,197,499	488,517,180
C. Actuarial Accrued (Past Service) Liability (Entry Age Normal)	483,798,487	460,733,673	452,766,023
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	469,095,250	446,279,774	439,349,989
E. Plan Assets			
1. Market Value	291,170,303	291,170,303	264,577,179
2. Actuarial Value	288,322,823	288,322,823	262,500,651
F. Unfunded Accrued Liability: C - E2	195,475,664	172,410,850	190,265,372
G. Actuarial Present Value of Projected Covered Payroll	296,493,174	295,303,785	274,859,599
H. Actuarial Present Value of Projected Member Contributions	23,719,455	23,624,303	21,988,768
I. Accumulated Contributions of Active Members	24,640,302	24,640,302	22,967,442

* From April 19, 2016 Actuarial Impact Statement

CALCULATION OF EMPLOYER NORMAL COST			
A. Valuation Date	October 1, 2016 *After* *Changes*	October 1, 2016 *Before* *Changes*	October 1, 2015*
B. Normal Cost for			
1. Service Retirement Benefits	$ 3,531,292	$ 3,216,446	$ 2,970,342
2. Vesting Benefits	752,364	695,343	660,571
3. Disability Benefits	667,392	774,690	701,441
4. Preretirement Death Benefits	202,496	186,543	172,295
5. Return of Member Contributions	277,965	278,538	243,887
6. Total for Future Benefits	5,431,509	5,151,560	4,748,536
7. Assumed Amount for Administrative Expenses	298,730	298,730	287,052
8. Total Normal Cost	5,730,239	5,450,290	5,035,588
C. Expected Member Contribution	3,025,479	3,025,479	2,731,282
D. Employer Normal Cost: B8-C	2,704,760	2,424,811	2,304,306
E. Employer Normal Cost as % of Covered Payroll	7.15 %	6.41 %	6.75 %

* From April 19, 2016 Actuarial Impact Statement

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

A. UAAL Amortization Period and Payments

Original UAAL			Current UAAL			
Date Established	Source	Amount	Years Remaining	Amount	Payment *After Changes*	Payment *Before Changes*
10/1/08	Combined Base	$ 120,402,171	12	$ 104,005,791	$ 12,615,872	$ 12,670,108
10/1/08	Assumption Change	6,133,233	22	6,603,377	586,869	591,036
10/1/09	Experience Loss	21,720,025	23	21,748,805	1,899,887	1,913,808
10/1/10	Experience Loss	5,090,043	24	5,014,154	431,177	434,431
10/1/10	Assumption Change	(11,684,981)	24	(11,510,767)	(989,834)	(997,304)
10/1/10	Plan Change	(17,448,058)	24	(17,187,923)	(1,478,024)	(1,489,178)
10/1/11	Experience Loss	26,493,199	25	26,010,047	2,204,694	2,221,798
10/1/12	Experience Loss	16,888,651	26	16,371,393	1,369,520	1,380,422
10/1/13	Experience Loss	934,513	27	910,319	75,236	75,850
10/1/13	Plan Change	5,490,249	27	5,348,103	442,012	445,617
10/1/13	Assumption Change	23,450,820	27	22,843,666	1,887,992	1,903,389
10/1/14	Experience Gain	(4,233,453)	28	(4,128,372)	(337,440)	(340,255)
10/1/14	Assumption Change	5,726,542	28	5,584,400	456,451	460,258
10/1/15	Experience Gain	(3,077,339)	29	(3,041,291)	(246,065)	(248,162)
10/1/15	Assumption Change	4,368,350	29	4,317,179	349,295	352,271
10/1/15	Plan Change	598,036	29	591,031	47,819	48,227
10/1/16	Experience Gain	(11,069,062)	30	(11,069,062)	(887,225)	(894,938)
10/1/16	Assumption Change	23,064,814	30	23,064,814	1,848,727	N/A
		$ 212,847,753		$ 195,475,664	$ 20,276,963	$ 18,527,378

B. Amortization Schedule

The UAAL is being liquidated as a level percent of payroll over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

Amortization Schedule	
Year	**Expected UAAL**
2016	$ 195,475,664
2017	188,688,991
2018	181,379,754
2019	173,507,706
2020	165,029,510
2021	155,898,493
2026	98,549,849
2031	59,430,831
2036	38,000,715
2041	11,050,087
2046	0

ACTUARIAL GAINS AND LOSSES

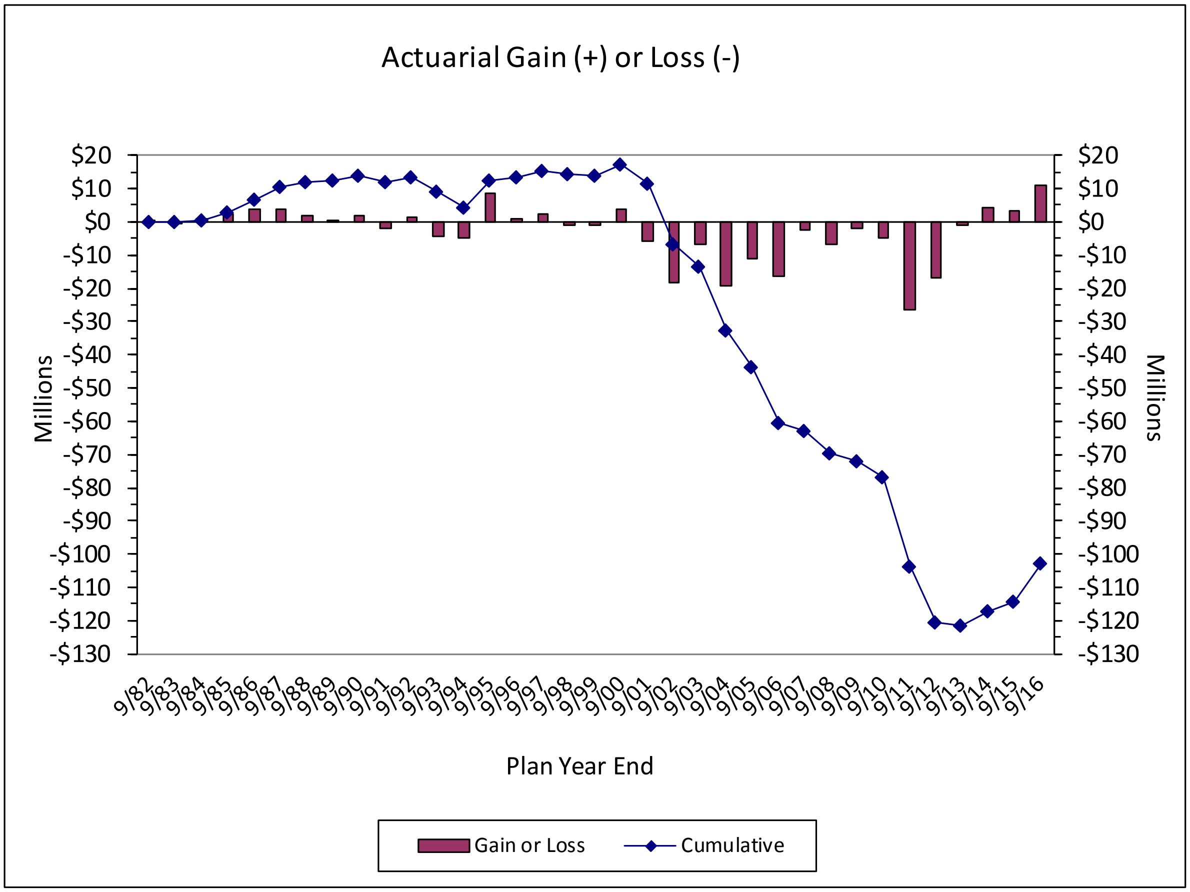
The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

1. Last Year's UAAL (After Changes in Benefits, Assumptions, or Methods)	$ 190,265,372
2. Last Year's Employer Normal Cost	2,304,306
3. Last Year's Employer Contributions	22,716,242
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	15,020,435
b. 3 from dates paid	1,393,959
c. a - b	13,626,476
5. This Year's Expected UAAL (Before any Changes in Assumptions or Benefits): 1 + 2 - 3 + 4c	183,479,912
6. Change in UAAL Due to Change in Assumptions/Methods	23,064,814
7. Change in UAAL Due to Change in Benefits	0
8. This Year's Expected UAAL (After Changes in Assumptions and Benefits): 5 + 6 + 7	206,544,726
9. This Year's Actual UAAL (After Changes in Assumptions and Benefits)	195,475,664
10. Net Actuarial Gain (Loss): 8 - 9	11,069,062
11. Gain (Loss) Due to Investments	6,906,729
12. Gain (Loss) From Other Sources	4,162,333

Net actuarial gains in previous years have been as follows:

	Net Gain (Loss)	
Year Ended	Prior*	Supplemental
9/30/1982	$ 357,574	$ (293,400)
9/30/1983	(53,055)	(47,952)
9/30/1984	655,952	13,007
9/30/1985	1,910,328	214,974
9/30/1986	3,522,953	387,117
9/30/1987	3,085,353	541,011
9/30/1988	1,673,391	(20,803)
9/30/1989	631,806	(395,640)
9/30/1990	2,021,350	(117,331)
9/30/1991	(2,112,517)	N/A
9/30/1992	1,394,549	N/A
9/30/1993	(4,345,862)	N/A
9/30/1994	(4,780,402)	N/A
9/30/1995	8,381,537	N/A
9/30/1996	694,600	N/A
9/30/1997	2,097,065	N/A
9/30/1998	(859,539)	N/A
9/30/1999	(828,976)	N/A
9/30/2000	3,710,238	N/A
9/30/2001	(6,021,041)	N/A
9/30/2002	(18,219,741)	N/A
9/30/2003	(6,740,689)	N/A
9/30/2004	(19,270,365)	N/A
9/30/2005	(11,135,131)	N/A
9/30/2006	(16,622,969)	N/A
9/30/2007	(2,621,034)	N/A
9/30/2008	(6,640,889)	N/A
9/30/2009	(2,172,025)	N/A
9/30/2010	(5,090,043)	N/A
9/30/2011	(26,493,199)	N/A
9/30/2012	(16,888,651)	N/A
9/30/2013	(934,513)	N/A
9/30/2014	4,233,453	N/A
9/30/2015	3,077,339	N/A
9/30/2016	11,069,062	N/A

* After 1990, these are the figures for the entire System.


Actuarial Gain (+) or Loss (-)
Millions
$20
$10
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-$80
-$90
-$100
-$110
-$120
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9/16
Plan Year End
Gain or Loss
Cumulative

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last several years:

	Investment Return		Salary Increases			
			Prior Members		Other Members[1]	
Year Ending	Actual	Assumed	Actual	Assumed	Actual	Assumed
9/30/1977	8.9 %	5.0 %	10.0 %	3.0 %	N/A %	N/A %
9/30/1978	9.5	6.5	8.3	5.0	7.1	5.0
9/30/1979	8.8	6.5	8.1	5.0	14.1	5.0
9/30/1980	8.4	6.5	18.5	5.0	24.8	5.0
9/30/1981	0.4	6.5	11.0	5.0	12.1	5.0
9/30/1982	9.2	8.0	4.2	8.0	7.6	8.0
9/30/1983	9.8	8.0	6.5	8.0	9.2	8.0
9/30/1984	10.3	8.0	5.1	8.0	8.4	8.0
9/30/1985	13.7	8.0	5.1	8.0	7.2	8.0
9/30/1986	16.1	8.0	2.8	8.0	4.7	8.0
9/30/1987	14.4	8.0	4.6	8.0	6.0	8.0
9/30/1988	11.2	7.5	8.3	7.0	10.0	8.0
9/30/1989	11.5	7.5	11.8	7.0	12.9	8.0
9/30/1990	10.6	7.5	3.5	7.0	5.8	8.0
9/30/1991	7.9	8.75	2.5	7.0	5.0	8.0
9/30/1992	10.8	8.75	2.9	7.0	5.9	8.0
9/30/1993	7.1	8.75	6.4	7.0	9.9	8.0
9/30/1994	0.9	8.3	N/A[2]	5.7	N/A[2]	5.7
9/30/1995	14.6	8.3	N/A	N/A	6.5	5.7
9/30/1996	12.3	8.3	N/A	N/A	7.3	5.7
9/30/1997	11.0	8.3	N/A	N/A	7.4	5.7
9/30/1998	10.2	8.3	N/A	N/A	5.0	5.7
9/30/1999	11.0	8.3	N/A	N/A	8.4	5.7
9/30/2000	12.7	8.3	N/A	N/A	5.3	5.7
9/30/2001	8.1	8.3	N/A	N/A	7.0	5.7
9/30/2002	0.5	8.3	N/A	N/A	7.9	5.7
9/30/2003	5.0	8.3	N/A	N/A	6.9	5.0
9/30/2004	4.4	8.3	N/A	N/A	8.2	6.0
9/30/2005	3.0	8.3	N/A	N/A	9.3	6.1
9/30/2006	6.0	8.3	N/A	N/A	7.0	5.7
9/30/2007	9.6	8.3	N/A	N/A	7.3	5.5
9/30/2008	4.3	8.3	N/A	N/A	5.8	5.7
9/30/2009	(1.0)	8.0	N/A	N/A	3.2	6.6
9/30/2010	5.4	8.0	N/A	N/A	1.9	6.2
9/30/2011	0.8	8.0	N/A	N/A	(0.6)	(1.5) [3]
9/30/2012	1.9	8.0	N/A	N/A	0.2	1.4 [4]
9/30/2013	7.2	8.0	N/A	N/A	1.9	5.8
9/30/2014	9.8	8.0	N/A	N/A	5.8	5.8
9/30/2015	8.5	7.9	N/A	N/A	5.2	4.9
9/30/2016	10.3	7.8	N/A	N/A	7.4	5.0
Averages	8.0 %	---	7.0 %	---	7.2 %	---

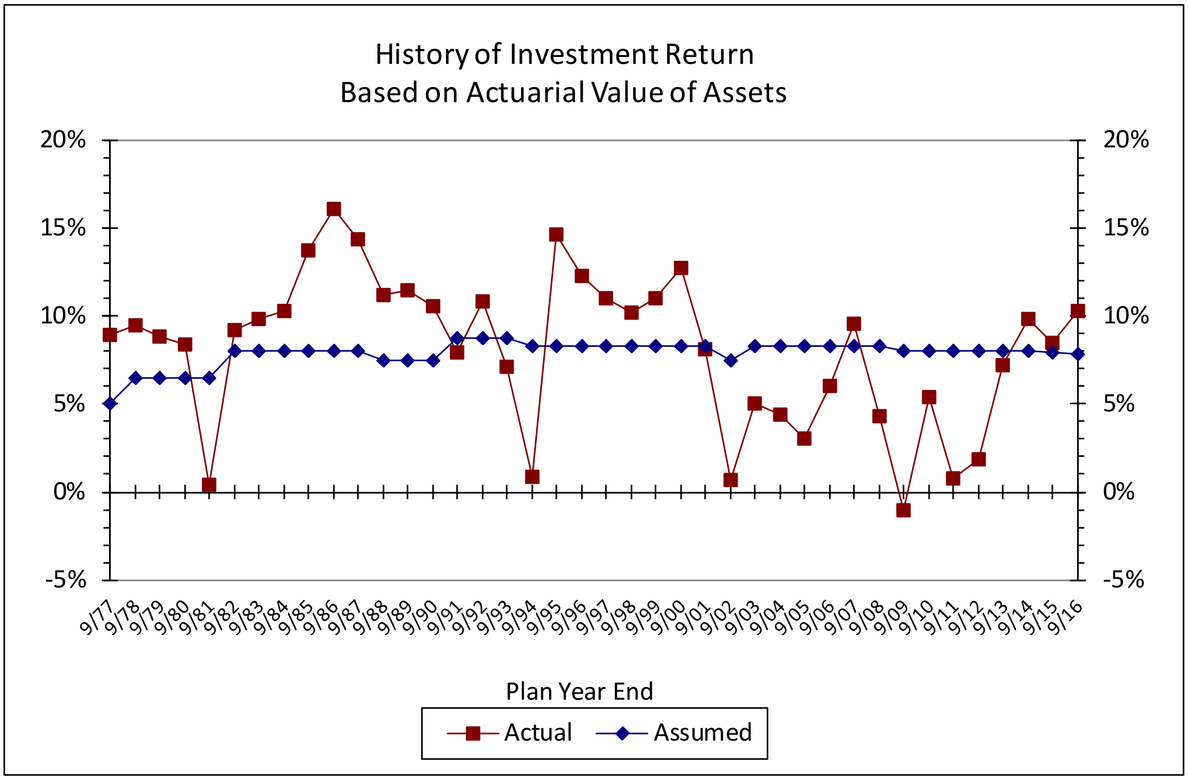
1 All members after 9/30/1994.

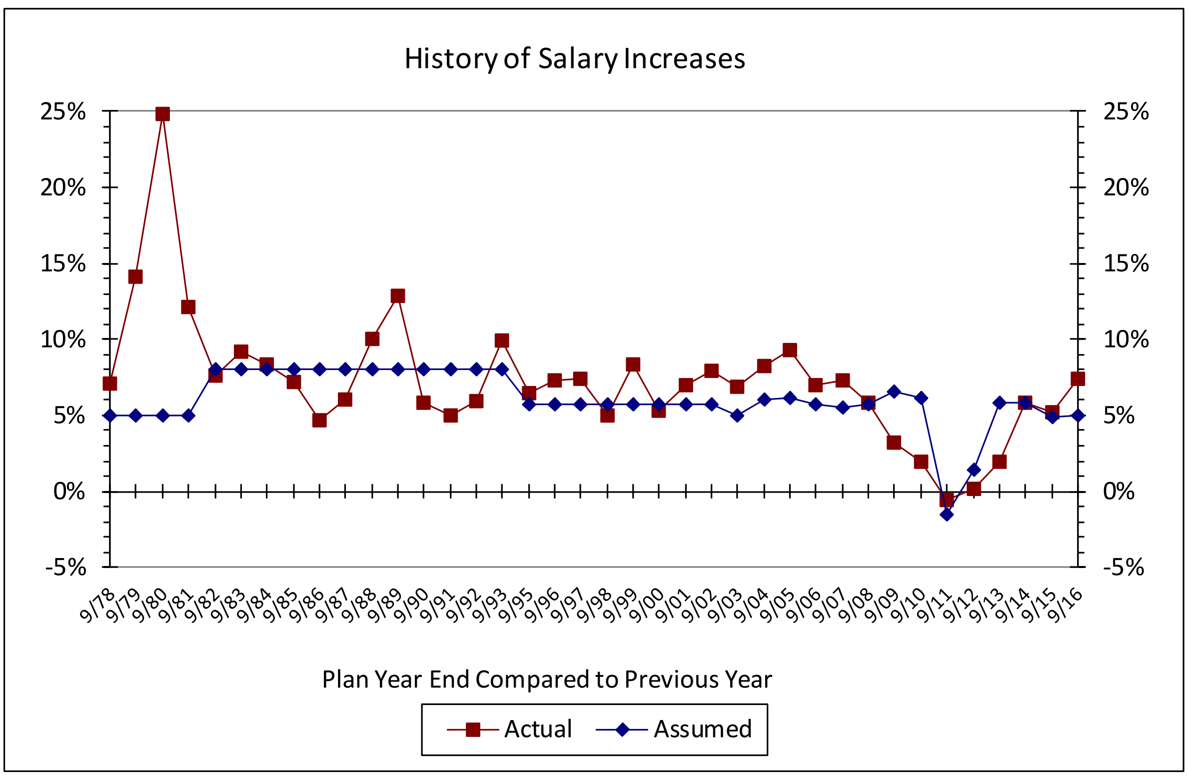
2 Because the salary basis reported to the actuaries changed from 10/1/1993 to 10/1/1994, a meaningful salary increase figure was not computed.

3 Reflects a one-time pay reduction for general fund members and no pay increases for non-general fund members.

4 Reflects no pay increases for general fund members.

The actual investment return rates shown on the previous page are based on the actuarial value of assets. The actual salary increase rates shown on the previous page are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.





Actual (A) Compared to Expected (E) Decrements
Among Active Employees

Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
									Vested	Other	Totals		
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2010	7	56	26	14	3	3	1	1	13	13	26	26	**668**
9/30/2011	12	146	114	16	2	3	1	1	15	14	29	22	**534**
9/30/2012	35	47	22	8	3	2	0	1	10	12	22	19	**522**
9/30/2013	41	47	19	7	1	2	0	1	12	15	27	18	**516**
9/30/2014	78	57	28	50	1	2	1	1	17	10	27	17	**537**
9/30/2015	86	49	17	9	1	2	0	1	6	25	31	26	**574**
9/30/2016	72	40	6	9	1	3	1	1	8	24	32	32	**606**
9/30/2017				11		3		1				36	
7 Yr Totals *	331	442	232	113	12	17	4	7	81	113	194	160	

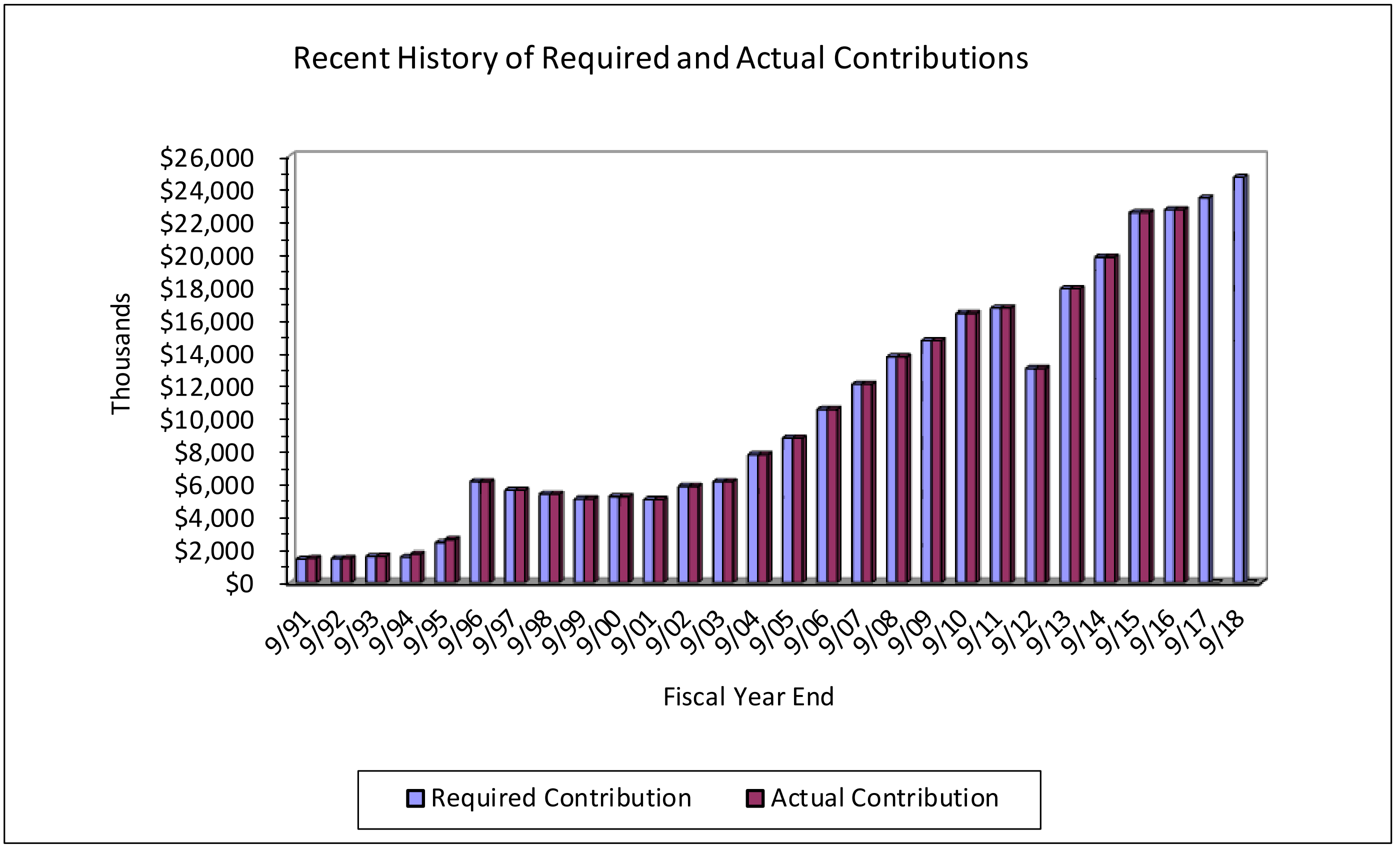
* Totals are through current Plan Year only.

RECENT HISTORY OF VALUATION RESULTS

Valuation Date	Number of Active Members*	Number of Inactive Members	Covered Annual Payroll	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Employer Normal Cost (NC)	NC as % of Payroll
10/1/1991	755	411	$ 20,630,207	$ 76,669,632	$ 79,506,348	$ 2,836,716	96.4 %	$ 1,043,805	5.06 %
10/1/1992	727	439	20,191,327	83,752,649	85,450,424	1,697,775	98.0	860,076	4.26
10/1/1993	736	469	22,147,889	88,296,336	95,668,897	7,372,561	92.3	1,520,178	6.86
10/1/1994	587	667	18,757,186	88,937,435	129,179,737	40,242,302	68.8	2,241,185	11.95
10/1/1995	659	662	21,560,893	100,881,259	135,034,342	34,153,083	74.7	1,507,437	6.99
10/1/1996	742	656	24,532,562	112,060,623	141,765,578	29,704,955	79.0	1,405,716	5.73
10/1/1997	739	656	25,596,439	121,232,151	146,459,241	25,227,090	82.8	1,210,712	4.73
10/1/1998	773	645	27,581,966	129,407,169	154,243,888	24,836,719	83.9	1,412,197	5.12
10/1/1999	776	648	28,950,262	141,673,440	172,564,633	30,891,193	82.1	1,809,391	6.25
10/1/2000	778	668	30,000,733	156,750,497	189,916,733	33,166,236	82.5	1,983,048	6.61
10/1/2002	878	722	36,664,439	164,597,832	213,758,531	49,160,699	77.0	3,810,183	10.39
10/1/2003	872	745	38,497,328	175,458,765	233,155,961	57,697,196	75.3	4,123,269	10.71
10/1/2004	879	770	40,421,513	180,192,031	257,632,743	77,440,712	69.9	4,451,446	11.01
10/1/2005	840	811	41,480,512	185,301,557	275,757,219	90,455,662	67.2	4,704,515	11.34
10/1/2006	825	851	41,755,261	195,193,325	303,778,626	108,585,301	64.3	4,949,811	11.85
10/1/2007	827	885	45,999,379	212,980,592	325,892,851	112,912,259	65.4	5,342,240	11.61
10/1/2008	792	900	45,848,717	222,098,827	348,634,231	126,535,404	63.7	6,445,410	14.05
10/1/2009	717	927	44,084,422	220,155,870	369,526,337	149,370,467	59.6	5,138,036	11.65
10/1/2010	668	947	38,748,664	223,942,457	351,118,031	127,175,574	63.8	2,971,772	7.67
10/1/2011	534	1,053	29,823,518	224,237,503	376,225,569	151,988,066	59.6	2,187,628	7.34
10/1/2012	522	1074	29,111,818	217,907,548	387,472,215	169,564,667	56.2	2,191,076	7.53
10/1/2013	516	1,091	28,007,058	227,700,385	424,004,184	196,303,799	53.7	2,324,011	8.30
10/1/2014	537	1,112	31,028,415	243,861,301	438,745,548	194,884,247	55.6	2,075,371	6.69
10/1/2015	574	1,119	34,141,024	262,500,651	452,766,023	190,265,372	58.0	2,304,306	6.75
10/1/2016	606	1,117	37,818,489	288,322,823	483,798,487	195,475,664	59.6	2,704,760	7.15

* Excludes transfers.

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS				
		Required City Contribution		
Valuation Date	For Fiscal Year Ended September 30	Amount	% of Payroll	Actual City Contribution
10/1/89	1991	$ 1,437,693	7.43 %	$ 1,484,132
10/1/90	1992	1,473,155	7.07	1,484,743
10/1/91	1993	1,617,462	7.84	1,623,342
10/1/92	1994	1,554,337	7.70	1,758,060
10/1/93	1995	2,458,234	11.10	2,648,667
10/1/94	1996	6,169,517	32.89	6,169,521
10/1/95	1997	5,647,078	26.19	5,647,180
10/1/96	1998	5,399,263	22.01	5,399,263
10/1/97	1999	5,101,822	19.93	5,101,822
10/1/98	2000	5,256,720	19.06	5,256,720
10/1/99	2001	5,071,643	17.52	5,071,643
10/1/00	2002	5,878,301	18.09	5,878,301
10/1/01	2003	6,164,953	18.09	6,164,953
10/1/02	2004	7,805,841	20.57	7,805,841
10/1/03	2005	8,817,640	22.13	8,817,640
10/1/04	2006	10,559,474	25.24	10,559,474
10/1/05	2007	12,087,074	28.15	12,087,074
10/1/06	2008	13,761,179	31.84	13,761,179
10/1/07	2009	14,743,450	30.97	14,743,450
10/1/08	2010	16,406,324	34.58	16,406,324
10/1/09	2011	16,734,454	36.68	16,734,454
10/1/10	2012	13,050,878	36.14	13,050,878
10/1/11	2013	17,913,508	59.43	17,913,508
10/1/12	2014	19,834,090	67.51	19,834,090
10/1/13	2015	22,547,585	80.30	22,547,585
10/1/14	2016	22,716,242	70.74	22,716,242
10/1/15	2017	23,438,342	66.33	---
10/1/16	2018	24,702,602	63.11	---


Recent History of Required and Actual Contributions
$26,000
$24,000
$22,000
$20,000
$18,000
$16,000
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
Thousands
9/91
9/92
9/93
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
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9/07
9/08
9/09
9/10
9/11
9/12
9/13
9/14
9/15
9/16
9/17
9/18
Fiscal Year End
Required Contribution
Actual Contribution

ACTUARIAL ASSUMPTIONS AND COST METHOD

Valuation Methods

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

(i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;

(ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) percent-of-payroll contributions over a reasonable period of future years.

Actuarial Value of Assets - The Actuarial Value of Assets phases in the difference between the actual return on market value and the expected return on Actuarial Value of Assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section. Both the economic and demographic assumptions were established following the Experience Study Report as of October 1, 2014 covering the five years ending September 30, 2014. The mortality table is based on the assumption used by the Florida Retirement System, as required by Florida House Bill 1309 (codified in Chapter 2015-157).

Economic Assumptions

The investment return rate assumed in the valuation is 7.7% per year, compounded annually (net after investment expenses). The investment return rate will continue to be lowered by 0.1% each year until 7.5% is reached.

The **Wage Inflation Rate** assumed in this valuation was 2.5% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macro economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

The assumed **real rate of return** over wage inflation is defined to be the portion of total investment return that is more than the assumed wage inflation rate. Considering other economic assumptions, the 7.7% investment return rate translates to an assumed real rate of return over wage inflation of 5.2%.

The active member population is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll is assumed to grow at 3.5% per year, but not greater than the actual ten-year average. The most recent ten-year average is below 0%.

Total payroll is projected to the contribution year by applying a 3.5% payroll increase assumption.

Pay increase assumptions for individual active members are shown below. Part of the assumption for each age is for merit and/or seniority increase, and the other 2.5% recognizes wage inflation, including price inflation, productivity increases, and other macro economic forces.

The rates of salary increase used for general employees are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefits will be based. The dollar balance of unused sick leave and unused vacation leave are added to Average Final Compensation to reflect the inclusion of unused leave in Average Final Compensation at retirement or termination. For general fund members who are not normal retirement eligible as of September 30, 2011 and for non-general fund members who are not normal retirement eligible as of March 5, 2014, adjustments are not made for unused vacation leave and unused sick leave for benefits accrued after September 30, 2011 and March 5, 2014, respectively.

	% Increase in Salary		
Years of Service	Merit and Seniority	Base (Economic)	Total Increase
1	5.00 %	2.50 %	7.50
2	4.25	2.50	6.75
3	4.25	2.50	6.75
4	4.25	2.50	6.75
5	4.25	2.50	6.75
6	4.25	2.50	6.75
7	4.25	2.50	6.75
8	4.25	2.50	6.75
9	4.25	2.50	6.75
10	5.50	2.50	8.00
11	0.50	2.50	3.00
12	0.50	2.50	3.00
13	0.50	2.50	3.00
14	0.50	2.50	3.00
15	4.50	2.50	7.00
16	0.50	2.50	3.00
17	0.50	2.50	3.00
18	0.50	2.50	3.00
19	0.50	2.50	3.00
20	2.50	2.50	5.00
21 or more	0.50	2.50	3.00

Demographic Assumptions

The mortality table for healthy lives is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation report, as mandated by Florida House Bill 1309.

FRS Healthy Post-Retirement Mortality for Regular Class Members

Sample Attained Ages (in 2016)	Probability of Dying Next Year Men	Probability of Dying Next Year Women	Future Life Expectancy (years) Men	Future Life Expectancy (years) Women
50	0.55 %	0.23 %	34.55	38.21
55	0.60	0.32	29.92	33.19
60	0.77	0.48	25.25	28.29
65	1.16	0.75	20.73	23.56
70	1.81	1.25	16.49	19.10
75	3.01	2.12	12.64	15.04
80	5.10	3.55	9.33	11.43

FRS Healthy Pre-Retirement Mortality for Regular Class Members

Sample Attained Ages (in 2016)	Probability of Dying Next Year Men	Probability of Dying Next Year Women	Future Life Expectancy (years) Men	Future Life Expectancy (years) Women
50	0.21 %	0.15 %	35.47	38.56
55	0.36	0.24	30.35	33.42
60	0.62	0.40	25.42	28.40
65	1.10	0.71	20.77	23.58
70	1.81	1.25	16.49	19.10
75	3.01	2.12	12.64	15.04
80	5.10	3.55	9.33	11.43

For active transfers, the RP-2000 Mortality Table for Annuitants (for post-retirement mortality) was used, with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation report, as mandated by Florida House Bill 1309.

FRS Healthy Post-Retirement Mortality for Special Risk Class Members

Sample Attained Ages (in 2016)	Probability of Dying Next Year Men	Probability of Dying Next Year Women	Future Life Expectancy (years) Men	Future Life Expectancy (years) Women
50	0.54 %	0.23 %	33.78	38.21
55	0.67	0.32	29.14	33.19
60	0.91	0.48	24.56	28.29
65	1.32	0.75	20.17	23.56
70	2.04	1.25	16.05	19.10
75	3.31	2.12	12.34	15.04
80	5.45	3.55	9.15	11.43

For disabled lives, the RP-2000 Mortality Table for Disabled Annuitants was used, with a two year set forward for females and a four year setback for males, with no provision being made for future mortality improvements. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation report, as mandated by Florida House Bill 1309.

Sample Attained Ages (in 2016)	Probability of Dying Next Year: Men	Probability of Dying Next Year: Women	Future Life Expectancy (years): Men	Future Life Expectancy (years): Women
50	2.38 %	1.35 %	20.25	23.74
55	3.03	1.87	17.78	20.46
60	3.67	2.41	15.55	17.43
65	4.35	3.13	13.44	14.58
70	5.22	4.29	11.39	11.96
75	6.58	5.95	9.43	9.65
80	8.70	8.23	7.65	7.66

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

General Fund Members Hired Before October 1, 2001 and Non-General Fund Members Hired Before March 5, 2004

	Years of Service				
Age	5-14	15 - 19	20 - 24	25 - 29	30 +
<=49	0.0 %	0.0 %	0.0 %	5.0 %	15.0 %
50 - 51	0.0	0.0	0.0	5.0	15.0
52 - 54	0.0	0.0	0.0	10.0	10.0
55	2.5	5.0	7.5	15.0	15.0
56	2.5	2.5	2.5	15.0	15.0
57 - 59	2.5	2.5	2.5	22.5	60.0
60 - 61	5.0	5.0	5.0	22.5	60.0
62	10.0	10.0	10.0	100.0	100.0
63 - 64	5.0	5.0	5.0	100.0	100.0
65 - 69	45.0	60.0	75.0	100.0	100.0
70 +	100.0	100.0	100.0	100.0	100.0

General Fund Members Hired After September 30, 2001 and Non-General Fund Members Hired After March 5, 2004

	Years of Service				
Age	**7 - 14**	**15 - 19**	**20 - 24**	**25 - 29**	**30+***
60	0.0 %	0.0 %	0.0 %	0.0 %	30.0 %
61	0.0	0.0	0.0	0.0	30.0
62	0.0	0.0	0.0	100.0	100.0
63	0.0	0.0	0.0	100.0	100.0
64	0.0	0.0	0.0	100.0	100.0
65	15.0	20.0	25.0	100.0	100.0
66	22.5	22.5	22.5	100.0	100.0
67	30.0	30.0	30.0	100.0	100.0
68	37.5	37.5	37.5	100.0	100.0
69	45.0	45.0	45.0	100.0	100.0
70	100.0	100.0	100.0	100.0	100.0

* Upon attaining 30 years of service, the retirement rates for the first and second years of eligibility are 30% and the rate for the third year is 100% (regardless of age).

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	% of Active Members Separating Within Next Year
ALL	0	13.0 %
	1	12.0
	2	12.0
	3	11.0
	4	10.0
20	5 & Over	12.0
25		12.0
30		12.0
35		8.0
40		3.8
45		2.0
50		2.0
55		2.0
60		2.0

Rates of disability among active members (25% of disabilities are assumed to be service-connected).

Sample Ages	% Becoming Disabled Within Next Year
20	0.06 %
25	0.08
30	0.10
35	0.13
40	0.17
45	0.27
50	0.46
55	0.86
60	1.49

Changes Since Previous Valuation

The investment return assumption was changed from 7.8% to 7.7% effective October 1, 2016. Additionally, the mortality tables were changed from the RP-2000 Combined Healthy Participant Mortality Tables for males and females with mortality improvement projected from 2000 to 2016 using Scale AA to the same mortality rates used in the July 1, 2016 FRS Actuarial Valuation as mandated by Florida House Bill 1309.

Miscellaneous and Technical Assumptions

Administrative & Investment Expenses	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the prior year's expenses. Assumed administrative expenses are added to the Normal Cost.
Benefit Service	Exact fractional service is used to determine the amount of benefit payable.
COLA	The COLA delay is 3 years for projected benefits of active members who are not eligible to enter the DROP. The COLA delay is assumed to be 6 years for current DROP members who entered the DROP after August 17, 2009.
Decrement Operation	Disability and mortality decrements operate during retirement eligibility.
Decrement Timing	Decrements of all types are assumed to occur at the beginning of the year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Forfeitures	For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
Incidence of Contributions	Employer contributions are assumed to be made in equal installments biweekly throughout the year. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
Marriage Assumption	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Maximum Benefit	The maximum accrued benefit payable as a life annuity reflects the 415(b) limit ($210,000 for 2016 for ages 62 through 65). The limitation is projected to increase by 4.0% per year and is adjusted for other commencement ages based on IRS regulations.

Normal Form of Benefit

A life annuity is the normal form of benefit.

Pay Increase Timing

Beginning of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

Planned Retirement Program

Eligible members are assumed to first elect the Planned Retirement Program once they are five years past their earliest normal retirement date.

Employees who enter the Planned Retirement Program are assumed to elect the following benefit with the greatest value:

- Value of the normal retirement benefit
- Value of the one to five year Planned Retirement Program benefit. For example, a five year Planned Retirement Program present value is calculated as the accumulated value of the accrued benefit from five years ago plus the present value of this reduced benefit.

The deposits to the Planned Retirement Program accounts are credited with an assumed interest rate of 5.7% per year.

Service Credit Accruals

It is assumed that members accrue one year of service credit per year.

Pre-Funding of Supplemental Pension Distribution

Projected benefits for members eligible for the Supplemental Pension Distribution currently and in the future are loaded by 5.7% to recognize the effect of the Supplemental Pension Distribution in years when the investment return is above 12.2%.

GLOSSARY

Actuarial Accrued Liability (AAL)	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
Actuarial Assumptions	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
Actuarial Cost Method	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
Actuarial Equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV)	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
Actuarial Present Value of Future Benefits (APVFB)	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
Actuarial Value of Assets	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution (ADC).

Amortization Method A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.

Amortization Payment That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Amortization Period The period used in calculating the Amortization Payment.

Actuarially Determined Contribution (ADC) The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADC consists of the Employer Normal Cost and Amortization Payment.

Closed Amortization Period A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.

Employer Normal Cost The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.

Equivalent Single Amortization Period For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.

Experience Gain/Loss A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

Funded Ratio	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
GASB	Governmental Accounting Standards Board.
GASB No. 67 and GASB No. 68	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Normal Cost	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
Open Amortization Period	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
Unfunded Actuarial Accrued Liability	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
Valuation Date	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C

PENSION FUND INFORMATION

Statement of Plan Assets at Market Value

Item		September 30 2016		September 30 2015
A. Cash and Cash Equivalents (Operating Cash)	$	-	$	-
B. Receivables				
1. Member Contributions	$	-	$	-
2. Employer Contributions		4,811,883 *		2,273,923
3. Investment Income and Other Receivables		464,720		424,134
4. Total Receivables	$	5,276,603	$	2,698,057
C. Investments				
1. Short Term Investments	$	4,680,053	$	13,299,786
2. Domestic Equities		208,001,117		196,405,177
3. International Equities		-		-
4. Domestic Fixed Income		77,008,220		77,066,546
5. International Fixed Income		-		-
6. Real Estate		-		-
7. Private Equity		-		-
8. Total Investments	$	289,689,390	$	286,771,509
D. Liabilities				
1. Benefits Payable	$	-	$	-
2. Prepaid City Contributions		-		(10,400,000)
3. Accrued Expenses and Other Payables		(411,834)		(853,004)
4. Total Liabilities	$	(411,834)	$	(11,253,004)
E. Total Market Value of Assets Available for Benefits	$	294,554,159	$	278,216,562
F. DROP Accounts	$	(3,383,856)	$	(13,639,383)
G. Supplemental Pension Distribution	$	-	$	-
H. Market Value Net of Reserves	$	291,170,303	$	264,577,179
I. Allocation of Investments				
1. Short Term Investments		1.6%		4.6%
2. Domestic Equities		71.8%		68.5%
3. International Equities		0.0%		0.0%
4. Domestic Fixed Income		26.6%		26.9%
5. International Fixed Income		0.0%		0.0%
6. Real Estate		0.0%		0.0%
7. Private Equity		0.0%		0.0%
8. Total Investments		100.0%		100.0%

* Reflects the City contribution receivable due to underpayment in fiscal year ending September 30, 2016, as detailed in Section A.

Reconciliation of Plan Assets

Item		September 30 2016			September 30 2015
A. Market Value of Assets at Beginning of Year	$	278,216,562		$	280,326,208
B. Revenues and Expenditures					
1. Contributions					
a. Employee Contributions	$	3,088,620		$	2,604,831
b. Employer Contributions		22,705,809	*		22,539,116
c. County Contributions		10,433			8,469
d. Total	$	25,804,862		$	25,152,416
2. Investment Income					
a. Interest, Dividends, and Other Income	$	5,491,081		$	5,380,701
b. Net Realized/Unrealized Gains/(Losses)**		24,810,294			645,342
c. Investment Expenses		(1,077,150)			(917,366)
d. Net Investment Income	$	29,224,225		$	5,108,677
3. Benefits and Refunds					
a. Regular Monthly Benefits	$	(25,617,729)		$	(25,079,602)
b. Refunds		(271,849)			(434,468)
c. DROP Distributions		(12,503,182)			(5,183,264)
d. Supplemental Pension Distribution		-			(1,386,353)
e. Total	$	(38,392,760)		$	(32,083,687)
4. Administrative and Miscellaneous Expenses	$	(298,730)		$	(287,052)
5. Transfers	$	-		$	-
C. Market Value of Assets at End of Year	$	294,554,159		$	278,216,562
D. DROP Accounts	$	(3,383,856)		$	(13,639,383)
E. Supplemental Pension Distribution	$	-		$	-
F. Market Value Net of Reserves	$	291,170,303		$	264,577,179

* Includes $4,811,883 City contribution receivable as detailed in Section A.

** The breakdown between realized and unrealized gains/(losses) was not provided.

Development of Actuarial Value of Assets

	Valuation Date – September 30	2015	2016	2017	2018	2019	2020
A.	Actuarial Value of Assets Beginning of Year	$ 260,691,358	$ 276,140,034				
B.	Market Value End of Year	278,216,562	294,554,159				
C.	Market Value Beginning of Year	280,326,208	278,216,562				
D.	Non-Investment/Administrative Net Cash Flow	(7,218,323)	(12,886,628)				
E.	Investment Income						
	E1. Actual Market Total: B-C-D	5,108,677	29,224,225				
	E2. Assumed Rate of Return	7.90%	7.80%				
	E3. Assumed Amount of Return	21,020,149	21,546,544				
	E4. Amount Subject to Phase-In: E1–E3	(15,911,472)	7,677,681				
F.	Phased-In Recognition of Investment Income						
	F1. Current Year: 0.2 x E4	(3,182,294)	1,535,536				
	F2. First Prior Year	1,766,235	(3,182,294)	$ 1,535,536			
	F3. Second Prior Year	2,719,746	1,766,235	(3,182,294)	$ 1,535,536		
	F4. Third Prior Year	4,067,506	2,719,746	1,766,235	(3,182,294)	$ 1,535,536	
	F5. Fourth Prior Year	(3,724,343)	4,067,506	2,719,746	1,766,235	(3,182,294)	$ 1,535,536
	F6. Total Phase-Ins	1,646,850	6,906,729	2,839,223	119,477	(1,646,758)	1,535,536
G.	**Actuarial Value of Assets End of Year**						
	G1. Preliminary Actuarial Value of Assets End of Year: A+D+E3+F6	$ 276,140,034	$ 291,706,679				
	G2. Upper Corridor Limit: 120%*B	333,859,874	353,464,991				
	G3. Lower Corridor Limit: 80%*B	222,573,250	235,643,327				
	G4. Actuarial Value of Assets End of Year	276,140,034	291,706,679				
	G5. DROP Accounts	(13,639,383)	(3,383,856)				
	G6. Supplemental Pension Distribution	-	-				
	G7. Final Actuarial Value of Assets End of Year	262,500,651	288,322,823				
H.	Difference between Market & Actuarial Value of Assets	2,076,528	2,847,480				
I.	**Actuarial Rate of Return**	8.52%	10.30%				
J.	**Market Value Rate of Return**	1.79%	10.50%				
K.	**Ratio of Actuarial Value of Assets to Market Value**	99.25%	99.03%				

Reconciliation of DROP Accounts

Year Ended 9/30	Balance at Beginning of Year	Adjustment	Credits	Interest	Distributions	Balance at End of Year
2009	$ 6,528,104	$ -	$ 2,274,151	$ 419,340	$ (1,708,212)	$ 7,513,383
2010	7,513,383	-	2,973,674	585,319	(1,099,439)	9,972,937
2011	9,972,937	4,989	3,882,345	266,041	(2,612,900)	11,513,412
2012	11,513,412	-	5,203,864	1,494,309	(4,659,576)	13,552,009
2013	13,552,009	-	4,668,559	1,628,934	(4,190,755)	15,658,747
2014	15,658,747	-	3,937,061	1,510,901	(5,811,164)	15,295,545
2015	15,295,545	6,075	3,135,456	385,571	(5,183,264)	13,639,383
2016	13,639,383	-	1,621,561	626,094	(12,503,182)	3,383,856

Year Ended	Investment Rate of Return Market Value Basis	 Actuarial Value Basis
9/30/1977	8.5 %	8.9 %
9/30/1978	4.2	9.5
9/30/1979	1.3	8.8
9/30/1980	0.7	8.4
9/30/1981	(2.4)	0.4
9/30/1982	34.9	9.2
9/30/1983	16.5	9.8
9/30/1984	8.2	10.3
9/30/1985	22.5	13.7
9/30/1986	16.5	16.1
9/30/1987	3.0	14.4
9/30/1988	11.9	11.2
9/30/1989	11.0	11.5
9/30/1990	6.0	10.6
9/30/1991	16.2	7.9
9/30/1992	12.2	10.8
9/30/1993	7.5	7.1
9/30/1994	(0.3)	0.9
9/30/1995	21.3	14.6
9/30/1996	13.4	12.3
9/30/1997	17.8	11.0
9/30/1998	5.4	10.2
9/30/1999	12.8	11.0
9/30/2000	17.9	12.7
9/30/2001	(8.5)	8.1
9/30/2002	(8.6)	0.5
9/30/2003	17.4	5.0
9/30/2004	8.7	4.4
9/30/2005	9.2	3.0
9/30/2006	7.1	6.0
9/30/2007	11.9	9.6
9/30/2008	(13.6)	4.3
9/30/2009	(2.4)	(1.0)
9/30/2010	8.5	5.4
9/30/2011	0.0	0.8
9/30/2012	19.8	1.9
9/30/2013	14.0	7.2
9/30/2014	11.0	9.8
9/30/2015	1.8	8.5
9/30/2016	10.5	10.3
Average Returns:		
Last 5 Years	11.3 %	7.5 %
Last 10 Years	5.7 %	5.6 %
All Years	8.4 %	8.0 %

The above rates are based on the retirement system's financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.

SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION

		October 1, 2016	October 1, 2015
A.	Valuation Date	October 1, 2016	October 1, 2015
B.	Actuarial Present Value of Accumulated Plan Benefits		
	1. Vested Benefits		
	a. Members Currently Receiving Payments	$ 360,655,580	$ 343,208,073
	b. Terminated Vested Members	13,902,853	12,322,706
	c. Other Members	90,252,290	80,457,268
	d. Total	464,810,723	435,988,047
	2. Non-Vested Benefits	4,284,527	3,361,942
	3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	469,095,250	439,349,989
	4. Accumulated Contributions of Active Members	24,640,302	22,967,442
C.	Changes in the Actuarial Present Value of Accumulated Plan Benefits		
	1. Total Value at Beginning of Year	439,349,989	426,034,622
	2. Increase (Decrease) During the Period Attributable to:		
	a. Plan Amendment	150,765	0
	b. Change in Actuarial Assumptions	22,815,476	4,454,213
	c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	34,290,159	38,897,033
	d. Benefits Paid (Net Basis)	(27,511,139)	(30,035,879)
	e. Net Increase	29,745,261	13,315,367
	3. Total Value at End of Period	469,095,250	439,349,989
D.	Market Value of Assets	291,170,303	264,577,179
E.	Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA	From 10/1/15 To 10/1/16	From 10/1/14 To 10/1/15
A. Active Members		
1. Number Included in Last Valuation	574	537
2. New Members Included in Current Valuation	72	86
3. Non-Vested Employment Terminations	(24)	(25)
4. Vested Employment Terminations	(8)	(6)
5. Service Retirements	(6)	(17)
6. DROP Retirements	0	0
7. Disability Retirements	(1)	(1)
8. Deaths	(1)	0
9. Other - Rehired Members	0	0
10. Number Included in This Valuation	606	574
B. Active Transfers		
1. Number Included in Last Valuation	19	20
2. Additions	0	0
3. Non-Vested Employment Terminations	0	0
4. Vested Employment Terminations	0	0
5. Service Retirements	(1)	(1)
6. DROP Retirements	0	0
7. Deaths	0	0
8. Number Included in This Valuation	18	19
C. Terminated Vested Members		
1. Number Included in Last Valuation	92	97
2. Additions from Active Members	8	6
3. Lump Sum Payments/Refund of Contributions	0	0
4. Payments Commenced	(7)	(10)
5. Deaths	0	(1)
6. Other - Data Corrections/Rehires	1	0
7. Number Included in This Valuation	94	92
D. DROP Plan Members		
1. Number Included in Last Valuation	81	108
2. Additions from Active Members	0	0
3. Retirements	(59)	(28)
4. Deaths Resulting in No Further Payments	0	0
5. Other - Data Corrections	0	1
6. Number Included in This Valuation	22	81
E. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	946	907
2. Additions from Active Members and Transfers	8	19
3. Additions from Terminated Vested Members	7	10
4. Additions from DROP Plan Members	59	28
5. Deaths Resulting in No Further Payments	(20)	(18)
6. Deaths Resulting in New Survivor Benefits	1	4
7. End of Certain Period - No Further Payments	0	(3)
8. Other - Data Corrections	0	(1)
9. Number Included in This Valuation	1,001	946

ACTIVE PARTICIPANT SCATTER

	Years of Service to Valuation Date												
Age Group	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	**Totals**
20-24	5	0	0	1	0	0	0	0	0	0	0	0	6
25-29	10	14	6	2	0	1	0	0	0	0	0	0	33
30-34	12	10	10	5	3	2	3	0	0	0	0	0	45
35-39	6	12	8	1	4	4	16	4	0	0	0	0	55
40-44	6	8	8	6	3	3	14	14	5	0	0	0	67
45-49	9	11	7	1	2	8	15	27	15	6	0	0	101
50-54	11	8	10	7	2	10	12	35	37	7	0	0	139
55-59	5	7	6	4	0	8	22	26	20	13	0	0	111
60-64	3	4	0	0	2	6	10	4	0	2	0	0	31
65 & Up	3	2	0	0	0	2	9	1	1	0	0	0	18
Totals	70	76	55	27	16	44	101	111	78	28	0	0	606

INACTIVE PARTICIPANT SCATTER

	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
Age Group	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	1	13,200	-	-	-	-	3	33,321
30-34	3	35,258	-	-	-	-	7	83,603
35-39	10	100,060	1	10,547	-	-	2	33,489
40-44	9	187,311	1	16,066	1	13,371	7	39,645
45-49	22	311,873	1	37,394	13	398,840	3	55,863
50-54	37	752,020	5	152,206	43	1,667,220	9	91,332
55-59	6	70,071	11	308,804	125	4,257,454	11	105,858
60-64	6	37,501	10	326,480	183	6,143,257	13	247,814
65-69	-	-	10	295,398	173	4,926,028	19	398,958
70-74	-	-	4	83,895	126	3,223,129	18	355,763
75-79	-	-	2	17,428	68	1,590,928	15	291,108
80-84	-	-	2	51,870	50	1,232,008	16	274,321
85-89	-	-	2	15,850	28	623,241	13	169,878
90-94	-	-	-	-	16	262,459	9	114,610
95-99	-	-	-	-	1	4,609	1	3,794
100 & Over	-	-	-	-	1	9,209	-	-
Total	94	1,507,294	49	1,315,938	828	24,351,753	146	2,299,357
Average Age		49		64		68		68

SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

A. Ordinances

The Plan was established under the Code of Ordinances for the City of Hollywood, Florida, and was most recently restated under Ordinance No. O-2003-07 passed and adopted on June 4, 2003. The Plan was most recently amended by Ordinance No. O-2016-08 passed and adopted on May 18, 2016. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

October 1, 1958

C. Plan Year

October 1 through September 30

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

All regular full-time employees who are contributing to the pension plan.

F. General Fund Member

Any member paid out of the City's general fund and/or other City funds, with the exception of the water and sewer utility, storm water utility, parking and sanitation funds.

G. Credited Service

Service rendered to the City for which the member has received Compensation and has made contributions to the fund. No service is credited for any periods of employment for which the member received a refund of employee contributions.

H. Compensation

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

Gross wages received from the City, including overtime and payments for accumulated annual leave and accumulated sick leave. For members hired prior to October 1, 2002 and employed by the City on that date, Compensation includes payments for accumulated annual leave, but the amount of accumulated sick leave shall not exceed the amount accumulated as of October 1, 2002. For members hired after October 1, 2002, Compensation includes payments for accumulated annual leave, but payment of accumulated sick leave is excluded. For members hired prior to July 15, 2009 who retire or enter the DROP on or after August 17, 2009, Compensation excludes payouts for blood time and compensatory time. In addition, for these members payments for accumulated annual leave are limited to 125 hours for employees covered by a bargaining unit and are limited to 60 hours for employees not covered by a bargaining unit. For members hired on or after July 15, 2009, Compensation includes only base pay and longevity pay.

All Other Members

Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Compensation under the definition above is frozen as of September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Effective October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members, Compensation includes only base pay and longevity pay.

I. Average Final Compensation (AFC)

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

Members hired before July 15, 2009: The average of Compensation over the highest 78 consecutive biweekly pay periods of Credited Service prior to termination or retirement. Payments for accumulated sick and annual leave are deemed to be received in the final pay period.

Members hired on or after July 15, 2009: The average of Compensation over the highest 104 consecutive biweekly pay periods of Credited Service prior to termination or retirement.

All Other Members

Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. AFC is frozen as of September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Effective October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members, AFC is the average of Compensation over the highest 130 consecutive biweekly pay periods or the last 260 biweekly pay periods of Credited Service prior to termination or retirement.

J. Normal Retirement

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

Eligibility: Members hired before July 15, 2009: A member may retire upon attaining age 55 with 5 years of Credited Service or upon attaining 25 years of Credited Service regardless of age.

Members hired on or after July 15, 2009: A member may retire upon attaining age 60 with 7 years of Credited Service, upon attaining age 57 with 25 years of Credited Service, or upon attaining 30 years of Credited Service regardless of age.

Benefit: Members hired before July 15, 2009: 3.0% of AFC multiplied by years of Credited Service, up to 81% of AFC.

Members hired on or after July 15, 2009: 2.5% of AFC multiplied by years of Credited Service, up to 81% of AFC.

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

All Other Members

Eligibility: Members with ten or more years of service as of September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members: Same as above.

Members with less than ten years of service as of September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members: Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Effective October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members, a member may retire upon attaining age 65 with 7 years of Credited Service, age 62 with 25 years of Credited Service, or 30 years of Credited Service regardless of age.

Benefit: Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Benefits are frozen as of September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Effective October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members, 2.5% of AFC multiplied by years of Credited Service, up to 81% of AFC (reduced by 3% for each year of Credited

Service prior to October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members).

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Benefits accrued after September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members are not eligible for the COLA.

K. Early Retirement

None.

L. Delayed Retirement

Same as Normal Retirement taking into account Compensation earned and service credited until the date of actual retirement.

M. Service Connected Disability

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

Eligibility: Any member who becomes totally and permanently disabled and unable to perform the specific duties of the member's position as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit.

Benefit: 75% of salary.

Normal Form of Benefit: Single Life Annuity; or until recovery from disability.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

All Other Members

Eligibility: Any member who becomes totally and permanently disabled and unable to perform the specific duties of the member's position as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit.

Benefit: 75% of salary.

Normal Form of Benefit: Single Life Annuity; or until recovery from disability.

COLA: Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Benefits accrued after September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members are not eligible for the COLA.

N. Non-Service Connected Disability

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

Eligibility: Any member with 5 years of Credited Service (7 years of Credited Service for members hired on or after July 15, 2009) who becomes totally and permanently disabled and unable to perform the specific duties of the member's position is immediately eligible for a disability benefit.

Benefit: The greater of:
(1) Accrued Normal Retirement Benefit taking into account Compensation earned and service credited until the date of disability, or
(2) 20% of AFC.

Normal Form of Benefit: Single Life Annuity; or until recovery from disability.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

All Other Members

Eligibility: Any member with 7 years of Credited Service who becomes totally and permanently disabled and unable to perform the specific duties of the member's position is immediately eligible for a disability benefit.

Benefit: The greater of:
(1) Accrued Normal Retirement Benefit taking into account Compensation earned and service credited until the date of disability, or
(2) 20% of AFC.

Normal Form of Benefit: Single Life Annuity; or until recovery from disability.

COLA: Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Benefits accrued after September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members are not eligible for the COLA.

O. Death in the Line of Duty

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

Eligibility: Members are eligible for survivor benefits after the completion of 5 years of Credited Service (7 years of Credited Service for members hired on or after July 15, 2009).

Benefit: The benefit payable to the spouse determined as though the deceased member had retired on the date of death and had chosen a 100% joint and survivor annuity.

Normal Form of Benefit: Single Life Annuity.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

The designated beneficiary of a plan member with less than 5 years of Credited Service (7 years of Credited Service for members hired on or after July 15, 2009) will receive a refund of the member's accumulated contributions.

All Other Members

Eligibility: Members are eligible for survivor benefits after the completion of 7 years of Credited Service.

Benefit: The benefit payable to the spouse determined as though the deceased member had retired on the date of death and had chosen a 100% joint and survivor annuity.

Normal Form of Benefit: Single Life Annuity.

COLA: Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Benefits accrued after September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members are not eligible for the COLA.

The designated beneficiary of a plan member with less than 7 years of Credited Service will receive a refund of the member's accumulated contributions.

P. Other Pre-Retirement Death

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

Eligibility: Members are eligible for survivor benefits after the completion of 5 years of Credited Service (7 years of Credited Service for members hired on or after July 15, 2009).

Benefit: The benefit payable to the spouse determined as though the deceased member had retired on the date of death and had chosen a 100% joint and survivor annuity.

Normal Form of Benefit: Single Life Annuity.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

The designated beneficiary of a plan member with less than 5 years of Credited Service (7 years of Credited Service for members hired on or after July 15, 2009) will receive a refund of the member's accumulated contributions.

All Other Members

Eligibility: Members are eligible for survivor benefits after the completion of 7 years of Credited Service.

Benefit: The benefit payable to the spouse determined as though the deceased member had retired on the date of death and had chosen a 100% joint and survivor annuity.

Normal Form of Benefit: Single Life Annuity.

COLA: Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Benefits accrued after September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members are not eligible for the COLA.

The designated beneficiary of a plan member with less than 7 years of Credited Service will receive a refund of the member's accumulated contributions.

Q. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

R. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are the 5, 10 and 20 Year Certain and Life Annuity options and the 50% and 100% Joint and Survivor options. Members who are eligible for normal retirement may elect to receive a Partial Lump Sum of up to 25% of the present value of the benefit with the remainder as a monthly benefit. The lump sum amount is calculated using the Plan's definition of actuarial equivalence.

S. Vested Termination

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service (7 years of Credited Service for members hired on or after July 15, 2009).

Benefit: The benefit is the member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins at age 55 (age 60 for members hired on or after July 15, 2009).

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: 2.0% per year commencing 3 years after retirement benefits begin. Members hired on or after July 15, 2009 are not eligible for the COLA.

Members terminating employment with less than 5 years of Credited Service (7 years of Credited Service for members hired on or after July 15, 2009) will receive a refund of their own accumulated contributions.

All Other Members

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 7 years of Credited Service.

Benefit: The benefit is the member's accrued Normal Retirement Benefit as of the date of termination. Benefit accrued as of September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members begins at age 55 (age 60 for members hired on or after July 15, 2009). Benefit accrued after September 30, 2011 begins at age 65 for General Fund members and March 5, 2014 for Non-General Fund members.

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Benefits accrued after September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members are not eligible for the COLA.

Members terminating employment with less than 7 years of Credited Service will receive a refund of their own accumulated contributions.

T. Refunds

Eligibility: All members terminating non-vested are eligible. Optionally, vested members may elect a refund in lieu of the vested benefits otherwise due.

Benefit: A refund of the member's contributions with simple interest at 4% per year through date of separation.

U. Member Contributions

8.0% of Compensation.

V. Employer Contributions

The amount determined by the actuary needed to fund the Plan properly according to State laws.

W. Cost of Living Increases

General Fund Members Eligible for Normal Retirement as of September 30, 2011 and Non-General Fund Members Eligible for Normal Retirement as of March 5, 2014

2.0% per year commencing 3 years after retirement benefits begin. For Members who enter the DROP on or after August 17, 2009, the COLA begins 1 year after separation of employment, if later. Members hired on or after July 15, 2009 are not eligible for the COLA.

All Other Members

Same as above for benefits accrued before October 1, 2011 for General Fund members and March 5, 2014 for Non-General Fund members. Benefits accrued after September 30, 2011 for General Fund members and March 5, 2014 for Non-General Fund members are not eligible for the COLA.

X. Deferred Retirement Option Plan (DROP)

General Fund Members Who Retired Before September 30, 2011 and Non-General Fund Members Who Retired Benefit March 5, 2014

Eligibility:	A member may enter the DROP upon attaining age 55 with 10 years of Credited Service or upon attaining 25 years of Credited Service regardless of age, but before completing 30 years of Credited Service. Members hired on or after July 15, 2009 are not eligible to enter the DROP.
Benefit:	The member's Credited Service and AFC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AFC.
Maximum DROP Period:	5 years but no later than completion of 32 years of Credited Service.
Interest Credited:	The member's DROP account is credited with interest at the same rate as the net rate of investment return on plan assets.
Normal Form of Benefit:	Lump Sum or Direct Rollover.
COLA:	For Members who enter the DROP on or after August 17, 2009, 2.0% per year commencing 3 years after DROP payments begin or 1 year after separation of employment, if later.

General Fund Members Who Retire After October 1, 2011 and Non-General Fund Members Who Retire After March 5, 2014

These members are no longer eligible to participate in the DROP.

Y. Planned Retirement Program

The Planned Retirement Program is available for members who were hired before July 15, 2009 and offers the following features:

- A member may backdrop for up to five years but not prior to the date when normal retirement eligibility was attained
- The retirement benefit is calculated based on service and average final compensation at the retroactive Planned Retirement Program date
- The Planned Retirement Program deposits are credited with interest according to the following schedule:
    - If the Plan's return is negative, the member shares in the losses

- If the Plan’s funded ratio is below 80%, the member receives the first 4%, the Plan receives the next 2%, and the member receives any additional earnings above 6%
- If the Plan’s funded ratio is between 80% and 90%, the member receives the first 4%, the Plan receives the next 1%, and the member receives any additional earnings above 5%
- If the Plan’s funded ratio is above 90%, the member receives the full Plan return

Z. Supplemental Pension Distribution

The Plan provides that a supplemental pension distribution may be paid to eligible benefit recipients if the market value rate of return exceeds the assumed rate of return plus 4.5% (effective as of October 1, 2007). An eligible recipient is any member employed by the City on October 1, 2002, any member receiving benefits on that date, and any spouse of deceased members receiving benefits on that date. The Supplemental Pension Distribution is not payable while an eligible recipient participates in the DROP. The total Supplemental Pension Distribution is equal to the actuarial present value of future retirement benefits with respect to eligible recipients multiplied by the excess (not to exceed 2%) of the net market rate of return over the assumed rate of return plus 4.5%. The amount allocated to each eligible recipient is determined by multiplying the total Supplemental Pension Distribution by each individual member’s years of Credited Service divided by total years of Credited Service for all recipients. Credit Service is limited to 25 years.

AA. Transfers

Members who transfer to another City plan are eligible to receive benefits from this Plan. The employee contributions for transferred members remain in the fund. The benefit is based on the Credited Service accrued under this Plan, the multiplier in effect at the date of transfer, and the Compensation earned through date of termination or DROP participation. Eligibility for benefits is based on all service. Death and disability benefits are not payable from this Plan after the date of transfer. Members hired on or after July 15, 2009 who transfer to another City plan are treated as terminated employees.

AB. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Hollywood General Employees’ Retirement System liability if continued beyond the availability of funding by the current funding source.

AC. Changes from Previous Valuation

Under Ordinance No. O-2016-06, one of the normal retirement eligibility provisions was changed. Please refer to Section A for a description of the change in benefit provisions.