



July 13, 2021

Board of Trustees  
City of Coral Gables Retirement System  
c/o Ms. Kimberly Groome  
Retirement System Administrator  
147 Alhambra Circle, Suite 215  
Coral Gables, Florida 33134

**Re: City of Coral Gables Retirement System  
Actuarial Impact Statement – Proposed Ordinance for Police Officers**

Dear Trustees:

We have prepared the enclosed Actuarial Impact Statement for the City of Coral Gables Retirement System (“Plan”), which measures the first-year financial impact of the proposed Ordinance which would implement the following changes in plan provisions for Police Officers pursuant to the collective bargaining agreement with the Fraternal Order of Police, Lodge No. 7 (“FOP”) for the term October 1, 2020 through September 30, 2023:

- Optional DC Plan participation for new full-time Police Officers (hired on or after 7/13/2021) who are retired and receiving retirement benefits from another agency.
- Ability for Police Officers hired prior to 10/1/2019 who had not reached 5 years of service yet as of 10/1/2019 (which is required to purchase service) to purchase prior military or other public employer service time at the subsidized rate of 18% of first-year pensionable salary times the number of years being purchased, instead of at the full actuarial cost.
- Increase in the benefit cap for Police Officers from \$96,900 to \$98,838 (a 2% increase), effective 10/1/2022.
- Allow re-employment of retired Coral Gables Police Officers following a 6-month break with mandatory participation in the defined contribution (DC) plan.
- Extend the maximum DROP participation period to 8 years (96 months) from the current period of 5 years (60 months) for all current DROP and future DROP participants (for Police).

### **Summary of Findings**

- It is our opinion that the first change listed above - to offer optional DC plan participation for future full-time Police Officers (hired on or after 7/13/2021) who are retired and receiving retirement benefits from another agency - will not have an immediate actuarial impact on the cost of the Plan. Over time, this proposed change may modestly reduce future DB Plan costs/liabilities if some future Police Officers (who are retired and receiving

benefits from another agency) elect to participate in the DC plan in lieu of the DB Plan, because the employer normal cost rate in the DB Plan is higher than the employer contribution rate to the DC plan.

- It is our opinion that the proposed change to allow Police Officers hired prior to 10/1/2019 who had not reached 5 years of service yet as of 10/1/2019 to purchase prior military or other public employer service time at the subsidized rate (18% of first-year pensionable salary times the number of years being purchased) will have an actuarial impact on the cost of the Plan if the City does not fund the subsidized portion of each service purchase. This impact is currently unknown, as it depends on the number of Police Officers who elect to purchase service under this option. An Actuarial Study was prepared for the Coral Gables F.O.P. (dated 12/7/2020) to determine the actuarial cost of the potential service purchases for Police Officers hired prior to 10/1/2019 who had not completed 5 years of service yet as of 10/1/2019 and the estimated maximum potential impact this change could have on the unfunded actuarial liability of the Plan. Based on the results of that study, the net “underfunding” (i.e., the total subsidy) that would occur if all eligible Police Officers purchased the maximum amount of their prior service under the proposed (subsidized) method instead of under the current method (paying the full actuarial cost) was approximately \$248,000. It should be noted that this study was based on the 10/1/2019 census data and 10/1/2019 actuarial assumptions. Based on the updated 10/1/2020 census data and assumptions, the revised maximum “underfunding” is approximately \$328,000.

The City has indicated that it intends to directly fund the Plan with the subsidized portion of each service purchase for each Police Officer who is affected by this change and who elects to purchase service at the subsidized rate (18% of first-year pensionable salary times the number of years being purchased). If the City does fund the difference between the full actuarial cost and the subsidized cost for each service purchase that occurs as a result of this change, then this proposed change would have no net actuarial impact on the cost of the Plan.

- It is our opinion that the proposed change to extend the maximum DROP participation period from 5 years (60 months) to 8 years (96 months) for all current and future DROP participants (for Police Officers) will not have an immediate actuarial impact on the cost of the Plan. However, over time, this proposed change would be expected to reduce future pension costs as a dollar amount because future normal costs would be expected to decline as a larger proportion of Police Officers are in the DROP versus actively accruing a pension benefit (assuming they elect to stay in the DROP longer than 5 years).
- It is our opinion that the proposed change to allow re-employment of retired Coral Gables Police Officer retirees following a 6-month break with mandatory participation in the DC plan will not have an actuarial impact on the cost of the Plan.



- If the maximum benefit cap for collectively bargained Police Officers is increased from \$96,900 to \$98,838 (a 2% increase), effective 10/1/2022:
  - The required City contribution for the fiscal year ending September 30, 2022 (payable October 1, 2021) decreases by \$3,209 (from \$22,715,521 to \$22,712,312).
  - As a percentage of covered payroll, the required City contribution for the fiscal year ending September 30, 2022 (payable October 1, 2021) remains unchanged in total (at 49.50%), but for Police Officers, the required contribution as a percentage of covered payroll decreases by 0.03% (from 57.29% to 57.26%).
  - The unfunded actuarial accrued liability as of October 1, 2020 decreases by \$27,111 (from \$189,695,867 to \$189,668,756).

It may seem counter-intuitive that the Plan cost and liability decrease due to an increase in the maximum benefit cap. This is due to the use of an inflation assumption for valuation purposes. The maximum benefit cap has been assumed to increase in the future at the Plan's assumed inflation rate of 2.15% per year. As a result of this Ordinance, the benefit cap will remain level until 10/1/2022, at which point it will increase by 2.0%. We are still assuming future inflation will apply to the benefit cap after 10/1/2022 (at the Plan's current inflation assumption of 2.15% per year), but the projected benefit cap is now lower in each future year than it was assumed to be in the 10/1/2020 actuarial valuation report, which causes the Plan's cost and liability to decrease.

This Statement must be filed with the Division of Retirement before the final public hearing on the Ordinance. Please have a member of the Board of Trustees sign the Statement. Then please send the Statement along with a copy of the proposed Ordinance to Tallahassee.

#### **Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution**

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

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 due to changing conditions; 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 this assignment does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

### **Risk Assessment**

A quantitative risk assessment is outside the scope of this assignment. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. We are prepared to perform such assessment to aid in the decision-making process.

### **Required Disclosures**

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



unauthorized use of this report.

This report is intended to describe the financial effect of the proposed plan changes. No statement in this report is intended to be interpreted as a recommendation in favor of the changes or in opposition to them. This report should not be relied on for any purpose other than the purpose described above.

The calculations in this report are based upon information furnished by the Plan Administrator for the October 1, 2020 actuarial valuation concerning plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We reviewed this information for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

In the event that more than one change is being considered, the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effects of all the changes. The total can differ considerably from the sum of the parts due to the interaction of the various plan provisions with each other and with the assumptions that must be used.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based on the assumptions, methods, and plan provisions outlined in this report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the author of the report prior to relying on information in the report.

This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

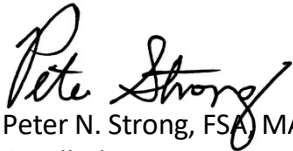
This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have 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.



Peter N. Strong and Melissa R. Zrelack 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 us or under our direct supervision, and we 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.

Respectfully submitted,



Peter N. Strong, FSA, MAAA, FCA  
Enrolled Actuary No. 20-06975  
Senior Consultant & Actuary



Melissa R. Zrelack, MAAA, FCA  
Enrolled Actuary No. 20-06467  
Consultant & Actuary

Enclosures

cc: Ms. Raquel Elejabarrieta, Esq., SHRM-SCP  
Director of Labor Relations and Risk Management, City of Coral Gables



# City of Coral Gables Retirement System

## Actuarial Impact Statement – July 13, 2021

### Description of Amendment

This proposed Ordinance would implement the following changes in plan provisions:

- Optional DC Plan participation for new full-time Police Officers (hired on or after 7/13/2021) who are retired and receiving retirement benefits from another agency.
- Ability for Police Officers hired prior to 10/1/2019 who had not reached 5 years of service yet as of 10/1/2019 (which is required to purchase service) to purchase prior military or other public employer service time at the subsidized rate of 18% of first-year pensionable salary times the number of years being purchased, instead of at the full actuarial cost.
- Increase in the benefit cap for Police Officers from \$96,900 to \$98,838 (a 2% increase), effective 10/1/2022.
- Allow re-employment of retired Coral Gables Police Officers following a 6-month break with mandatory participation in the defined contribution (DC) plan.
- Extend the maximum DROP participation period to 8 years (96 months) from the current period of 5 years (60 months) for all current DROP and future DROP participants (for Police).

### Funding Implications of Amendment

See attached exhibits.

### Certification of Administrator

I believe the amendment to be in compliance with Part VII, Chapter 112, Florida Statutes and Section 14, Article X of the Constitution of the State of Florida.

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For the Board of Trustees  
as Plan Administrator



# Actuarial Impact Statement

## Plan

City of Coral Gables Retirement System

## Actuarial Valuation Date

October 1, 2020

## Date of Report

July 13, 2021

## Report Requested by

Board of Trustees of the City of Coral Gables Retirement System

## Prepared by

Peter N. Strong, FSA, EA, MAAA, FCA

## Group Valued

All active and inactive members of the Plan

## Plan Changes Being Proposed

For Police Officers (participants in the bargaining unit represented by the Fraternal Order of Police, Lodge No. 7 ("FOP")):

- Optional DC Plan participation for new full-time Police Officers (hired on or after 7/13/2021) who are retired and receiving retirement benefits from another agency.
- Ability for Police Officers hired prior to 10/1/2019 who had not reached 5 years of service yet as of 10/1/2019 (which is required to purchase service) to purchase prior military or other public employer service time at the subsidized rate of 18% of first-year pensionable salary times the number of years being purchased, instead of at the full actuarial cost.
- Increase in the benefit cap for Police Officers from \$96,900 to \$98,838 (a 2% increase), effective 10/1/2022.
- Allow re-employment of retired Coral Gables Police Officers following a 6-month break with mandatory participation in the defined contribution (DC) plan.
- Extend the maximum DROP participation period to 8 years (96 months) from the current period of 5 years (60 months) for all current DROP and future DROP participants (for Police).





## Participants Affected

All Police Officer members of the Plan who are subject to collective bargaining (participants in the bargaining unit represented by the Fraternal Order of Police, Lodge No. 7 (“FOP”)).

## Actuarial Assumptions and Methods

Same used in the October 1, 2020 Actuarial Valuation.

Some of the key assumptions/methods are:

Investment Return	7.40%
Mortality Tables	Same mortality tables used in the July 1, 2019 actuarial valuation of the Florida Retirement System
Actuarial Cost Method	Entry Age Normal

The \$98,838 maximum annual benefit cap effective October 1, 2022 is assumed to increase each October 1<sup>st</sup> thereafter at the long-term annual rate of inflation assumption (i.e., 2.15% per annum, compounded annually).

## Amortization Period for Any Change in Unfunded Actuarial Accrued Liability

20 years

## Summary of Data Used in Report

See page 16. Same as used in the October 1, 2020 Actuarial Valuation.

## Actuarial Impact of Proposal

See attached exhibits.

## Special Risks Involved with the Proposal that the Plan Has Not Been Exposed to Previously

None.



## Actuarially Determined Contribution (ADC) - Reflecting Proposed Ordinance

A. Valuation Date	October 1, 2020					
	<i>Total</i>	<i>Elected</i>	<i>General Excludable</i>	<i>General Non-Excludable</i>	<i>Police Officers</i>	<i>Firefighters</i>
B. ADC to Be Paid During Fiscal Year Ending	9/30/2022	9/30/2022	9/30/2022	9/30/2022	9/30/2022	9/30/2022
C. Assumed City Contribution Date	10/1/2021	10/1/2021	10/1/2021	10/1/2021	10/1/2021	10/1/2021
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability	\$ 19,364,929	\$ 27,694	\$ 3,240,844	\$ 5,823,935	\$ 5,762,842	\$ 4,509,614
E. Total Normal Cost	8,273,928	231	1,528,626	1,654,921	2,644,165	2,445,985
F. Increase in Normal Cost due to Expected Payroll Growth	<u>248,219</u>	<u>7</u>	<u>45,859</u>	<u>49,648</u>	<u>79,325</u>	<u>73,380</u>
G. Total Contribution Requirement	27,887,076	27,932	4,815,329	7,528,504	8,486,332	7,028,979
H. State Contributions	145,830	0	0	0	93,559	52,271
I. State Contributions Discounted to BOY	<u>136,999</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>87,893</u>	<u>49,106</u>
J. City and Members Combined = G. - I.	27,750,077	27,932	4,815,329	7,528,504	8,398,439	6,979,873
K. Expected Member Contributions	4,588,624	0	1,054,466	1,264,421	1,255,146	1,014,591
L. Expected Member Contributions Discounted to BOY	4,427,723	0	1,017,491	1,220,084	1,211,134	979,014
M. Member Cost Sharing	632,211	0	0	632,211	0	0
N. Member Cost Sharing Discounted to BOY	<u>610,042</u>	<u>0</u>	<u>0</u>	<u>610,042</u>	<u>0</u>	<u>0</u>
O. Net City Contribution* = J. - L. - N.	22,712,312	27,932	3,797,838	5,698,378	7,187,305	6,000,859
P. Net City Contribution as % of Covered Payroll	49.50 %	N/A	36.02 %	45.07 %	57.26 %	59.15 %

\* Interest at the 7.40% annual rate must be added from October 1 to the date(s) of deposit.



## Actuarially Determined Contribution (ADC) - Actuarial Valuation

A. Valuation Date	October 1, 2020					
	<i>Total</i>	<i>Elected</i>	<i>General Excludable</i>	<i>General Non-Excludable</i>	<i>Police Officers</i>	<i>Firefighters</i>
B. ADC to Be Paid During Fiscal Year Ending	9/30/2022	9/30/2022	9/30/2022	9/30/2022	9/30/2022	9/30/2022
C. Assumed City Contribution Date	10/1/2021	10/1/2021	10/1/2021	10/1/2021	10/1/2021	10/1/2021
D. Annual Payment to Amortize Unfunded Actuarial Accrued Liability	\$ 19,367,386	\$ 27,694	\$ 3,240,844	\$ 5,823,935	\$ 5,765,299	\$ 4,509,614
E. Total Normal Cost	8,274,658	231	1,528,626	1,654,921	2,644,895	2,445,985
F. Increase in Normal Cost due to Expected Payroll Growth	<u>248,241</u>	<u>7</u>	<u>45,859</u>	<u>49,648</u>	<u>79,347</u>	<u>73,380</u>
G. Total Contribution Requirement	27,890,285	27,932	4,815,329	7,528,504	8,489,541	7,028,979
H. State Contributions	145,830	0	0	0	93,559	52,271
I. State Contributions Discounted to BOY	<u>136,999</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>87,893</u>	<u>49,106</u>
J. City and Members Combined = G. - I.	27,753,286	27,932	4,815,329	7,528,504	8,401,648	6,979,873
K. Expected Member Contributions	4,588,624	0	1,054,466	1,264,421	1,255,146	1,014,591
L. Expected Member Contributions Discounted to BOY	4,427,723	0	1,017,491	1,220,084	1,211,134	979,014
M. Member Cost Sharing	632,211	0	0	632,211	0	0
N. Member Cost Sharing Discounted to BOY	<u>610,042</u>	<u>0</u>	<u>0</u>	<u>610,042</u>	<u>0</u>	<u>0</u>
O. Net City Contribution* = J. - L. - N.	22,715,521	27,932	3,797,838	5,698,378	7,190,514	6,000,859
P. Net City Contribution as % of Covered Payroll	49.50 %	N/A	36.02 %	45.07 %	57.29 %	59.15 %

\* Interest at the 7.40% annual rate must be added from October 1 to the date(s) of deposit.



## Actuarial Value of Benefits and Assets - Reflecting Proposed Ordinance

A. Valuation Date	October 1, 2020					
	<i>Total</i>	<i>Elected</i>	<i>General Excludable</i>	<i>General Non-Excludable</i>	<i>Police Officers</i>	<i>Firefighters</i>
B. Actuarial Present Value (APV) of All Projected Benefits						
1. Active Members						
a. Service Retirement Benefits	\$ 169,043,920	\$ -	\$ 27,777,709	\$ 36,067,100	\$ 56,424,193	\$ 48,774,918
b. Vesting Benefits	4,787,319	-	1,261,872	944,960	1,572,760	1,007,727
c. Disability Benefits	4,100,696	-	286,742	600,624	2,471,802	741,528
d. Preretirement Death Benefits	3,212,015	-	378,499	402,317	1,242,444	1,188,755
e. Return of Member Contributions	3,434,631	-	1,084,528	1,401,472	778,035	170,596
f. Total	184,578,581	-	30,789,350	39,416,473	62,489,234	51,883,524
2. Inactive Members						
a. Service Retirees & Beneficiaries	439,255,622	491,524	66,438,258	123,680,144	129,922,161	118,723,535
b. Disability Retirees	19,085,956	-	490,338	3,780,952	11,173,634	3,641,032
c. Terminated Vested Members	6,008,067	-	871,512	2,458,304	2,678,251	-
d. DROP Account Balances	27,746,524	-	354,891	2,384,323	5,987,500	19,019,810
e. Total	492,096,169	491,524	68,154,999	132,303,723	149,761,546	141,384,377
3. Total for All Members	676,674,750	491,524	98,944,349	171,720,196	212,250,780	193,267,901
C. Actuarial Accrued (Past Service) Liability	605,366,349	491,524	87,894,773	160,831,479	190,648,454	165,500,119
D. APV of Accumulated Plan Benefits per FASB ASC 960	N/A	N/A	N/A	N/A	N/A	N/A
E. Plan Assets						
1. Market Value	426,261,125	219,131	57,168,597	106,712,309	137,089,677	125,071,411
2. Actuarial Value	415,697,593	213,701	55,751,854	104,067,782	133,692,344	121,971,912
F. Unfunded Actuarial Accrued Liability	189,668,756	277,823	32,142,919	56,763,697	56,956,110	43,528,207
G. APV of Projected Covered Payroll	357,541,669	-	70,576,651	79,515,538	94,891,641	112,557,839
H. APV of Projected Member Contributions	35,754,167	-	7,057,665	7,951,554	9,489,164	11,255,784
I. Accumulated Value of Member Contributions	32,761,660	-	7,618,748	12,906,107	7,222,703	5,014,102



## Actuarial Value of Benefits and Assets - Actuarial Valuation

A. Valuation Date	October 1, 2020					
	<i>Total</i>	<i>Elected</i>	<i>General Excludable</i>	<i>General Non-Excludable</i>	<i>Police Officers</i>	<i>Firefighters</i>
<b>B. Actuarial Present Value (APV) of All Projected Benefits</b>						
1. Active Members						
a. Service Retirement Benefits	\$ 169,074,996	\$ -	\$ 27,777,709	\$ 36,067,100	\$ 56,455,269	\$ 48,774,918
b. Vesting Benefits	4,787,319	-	1,261,872	944,960	1,572,760	1,007,727
c. Disability Benefits	4,100,696	-	286,742	600,624	2,471,802	741,528
d. Preretirement Death Benefits	3,212,015	-	378,499	402,317	1,242,444	1,188,755
e. Return of Member Contributions	3,434,631	-	1,084,528	1,401,472	778,035	170,596
f. Total	184,609,657	-	30,789,350	39,416,473	62,520,310	51,883,524
2. Inactive Members						
a. Service Retirees & Beneficiaries	439,255,622	491,524	66,438,258	123,680,144	129,922,161	118,723,535
b. Disability Retirees	19,085,956	-	490,338	3,780,952	11,173,634	3,641,032
c. Terminated Vested Members	6,008,067	-	871,512	2,458,304	2,678,251	-
d. DROP Account Balances	27,746,524	-	354,891	2,384,323	5,987,500	19,019,810
e. Total	492,096,169	491,524	68,154,999	132,303,723	149,761,546	141,384,377
3. Total for All Members	676,705,826	491,524	98,944,349	171,720,196	212,281,856	193,267,901
C. Actuarial Accrued (Past Service) Liability	605,393,460	491,524	87,894,773	160,831,479	190,675,565	165,500,119
D. APV of Accumulated Plan Benefits per FASB ASC 960	581,095,714	491,524	83,474,688	156,625,375	181,192,159	159,311,968
<b>E. Plan Assets</b>						
1. Market Value	426,261,125	219,131	57,168,597	106,712,309	137,089,677	125,071,411
2. Actuarial Value	415,697,593	213,701	55,751,854	104,067,782	133,692,344	121,971,912
F. Unfunded Actuarial Accrued Liability	189,695,867	277,823	32,142,919	56,763,697	56,983,221	43,528,207
G. APV of Projected Covered Payroll	357,541,669	-	70,576,651	79,515,538	94,891,641	112,557,839
H. APV of Projected Member Contributions	35,754,167	-	7,057,665	7,951,554	9,489,164	11,255,784
I. Accumulated Value of Member Contributions	32,761,660	-	7,618,748	12,906,107	7,222,703	5,014,102



## Calculation of Employer Normal Cost - Reflecting Proposed Ordinance

A. Valuation Date	October 1, 2020					
	<i>Total</i>	<i>Elected</i>	<i>General Excludable</i>	<i>General Non-Excludable</i>	<i>Police Officers</i>	<i>Firefighters</i>
B. Normal Cost for						
1. Service Retirement Benefits	\$ 6,312,238	\$ -	\$ 1,117,004	\$ 1,112,290	\$ 1,976,882	\$ 2,106,062
2. Vesting Benefits	301,186	-	79,230	68,392	98,754	54,810
3. Disability Benefits	344,410	-	27,146	50,028	214,498	52,738
4. Preretirement Death Benefits	254,761	-	27,337	27,254	113,240	86,930
5. Return of Member Contributions	632,805	-	220,015	288,786	104,125	19,879
6. Total for Future Benefits	<u>7,845,400</u>	<u>-</u>	<u>1,470,732</u>	<u>1,546,750</u>	<u>2,507,499</u>	<u>2,320,419</u>
7. Assumed Amount for Administrative Expenses	428,528	231	57,894	108,171	136,666	125,566
8. Total Normal Cost	<u>8,273,928</u>	<u>231</u>	<u>1,528,626</u>	<u>1,654,921</u>	<u>2,644,165</u>	<u>2,445,985</u>
C. Expected Member Contribution	4,588,624	-	1,054,466	1,264,421	1,255,146	1,014,591
D. Employer Normal Cost: B8 - C	3,685,304	231	474,160	390,500	1,389,019	1,431,394
E. Employer Normal Cost as a % of Covered Payroll	8.03%	N/A	4.50%	3.09%	11.07%	14.11%

## Calculation of Employer Normal Cost - Actuarial Valuation

A. Valuation Date	October 1, 2020					
	<i>Total</i>	<i>Elected</i>	<i>General Excludable</i>	<i>General Non-Excludable</i>	<i>Police Officers</i>	<i>Firefighters</i>
B. Normal Cost for						
1. Service Retirement Benefits	\$ 6,312,968	\$ -	\$ 1,117,004	\$ 1,112,290	\$ 1,977,612	\$ 2,106,062
2. Vesting Benefits	301,186	-	79,230	68,392	98,754	54,810
3. Disability Benefits	344,410	-	27,146	50,028	214,498	52,738
4. Preretirement Death Benefits	254,761	-	27,337	27,254	113,240	86,930
5. Return of Member Contributions	632,805	-	220,015	288,786	104,125	19,879
6. Total for Future Benefits	<u>7,846,130</u>	<u>-</u>	<u>1,470,732</u>	<u>1,546,750</u>	<u>2,508,229</u>	<u>2,320,419</u>
7. Assumed Amount for Administrative Expenses	428,528	231	57,894	108,171	136,666	125,566
8. Total Normal Cost	<u>8,274,658</u>	<u>231</u>	<u>1,528,626</u>	<u>1,654,921</u>	<u>2,644,895</u>	<u>2,445,985</u>
C. Expected Member Contribution	4,588,624	-	1,054,466	1,264,421	1,255,146	1,014,591
D. Employer Normal Cost: B8 - C	3,686,034	231	474,160	390,500	1,389,749	1,431,394
E. Employer Normal Cost as a % of Covered Payroll	8.03%	N/A	4.50%	3.09%	11.07%	14.11%

## Participant Data

**October 1, 2020**

	Total	Elected	General Excludable	General Non-Excludable	Police Officers	Firefighters
<b>Active Members</b>						
Number	614	0	120	236	156	102
Covered Annual Payroll (expected)	\$ 45,886,247	\$ 0	\$ 10,544,664	\$ 12,644,211	\$ 12,551,464	\$ 10,145,908
Average Annual Salary	\$ 74,733	\$ 0	\$ 87,872	\$ 53,577	\$ 80,458	\$ 99,470
Average Age	41.4	0.0	46.2	44.0	38.0	35.0
Average Past Service	9.6	0.0	9.0	10.4	10.0	7.8
Average Age at Hire	31.8	0.0	37.2	33.6	28.0	27.2
<b>Service Retirees, Beneficiaries &amp; DROP Participants</b>						
Number	914	4	149	396	191	174
Annual Benefits	\$ 42,984,885	\$ 52,586	\$ 6,678,223	\$ 12,294,217	\$ 12,390,056	\$ 11,569,803
Average Annual Benefit	\$ 47,029	\$ 13,147	\$ 44,820	\$ 31,046	\$ 64,869	\$ 66,493
Average Age	65.9	73.7	68.6	67.4	64.4	62.0
<b>Disability Retirees</b>						
Number	57	0	2	20	25	10
Annual Benefits	\$ 2,214,624	\$ 0	\$ 93,574	\$ 455,159	\$ 1,201,239	\$ 464,652
Average Annual Benefit	\$ 38,853	\$ 0	\$ 46,787	\$ 22,758	\$ 48,050	\$ 46,465
Average Age	63.6	0.0	77.7	61.6	61.8	68.9
<b>Terminated Vested Members</b>						
Number	25	0	3	13	9	0
Annual Benefits	\$ 715,741	\$ 0	\$ 98,570	\$ 287,313	\$ 329,858	\$ 0
Average Annual Benefit	\$ 28,630	\$ 0	\$ 32,857	\$ 22,101	\$ 36,651	\$ 0
Average Age	46.9	0.0	47.2	47.7	45.6	0.0

