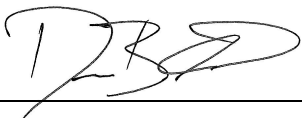


CITY OF MILTON
GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By:  Date: 5/20/2019

Drew D. Ballard, EA, MAAA
Enrolled Actuary #17-8193



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2018 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	327,894	493,952	225,754
Interest	1,228,908	1,134,382	1,283,745
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	2,178	48,543	(36,402)
Changes of Assumptions	368,084	576,442	234,374
Benefit Payments, Including Refunds of Employee Contributions	(1,152,516)	(1,152,516)	(1,152,516)
Net Change in Total Pension Liability	774,548	1,100,803	554,955
Total Pension Liability - Beginning	15,609,720	18,988,676	13,187,952
Total Pension Liability - Ending (a)	<u>\$ 16,384,268</u>	<u>\$ 20,089,479</u>	<u>\$ 13,742,907</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	500,108	500,108	500,108
Contributions - Employee	227,322	227,322	227,322
Net Investment Income	1,160,753	1,160,753	1,160,753
Benefit Payments, Including Refunds of Employee Contributions	(1,152,516)	(1,152,516)	(1,152,516)
Administrative Expenses	(51,942)	(51,942)	(51,942)
Net Change in Plan Fiduciary Net Position	683,725	683,725	683,725
Plan Fiduciary Net Position - Beginning	13,814,018	13,814,018	13,814,018
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,497,743</u>	<u>\$ 14,497,743</u>	<u>\$ 14,497,743</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,886,525</u>	<u>\$ 5,591,736</u>	<u>\$ (754,836)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.50% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	14,452,205	-	2,011,373	-	1,008,489	13,449,321
2019	13,449,321	-	1,060,361	-	968,936	13,357,896
2020	13,357,896	-	1,069,222	-	961,746	13,250,420
2021	13,250,420	-	1,078,646	-	953,332	13,125,106
2022	13,125,106	-	1,105,420	-	942,930	12,962,616
2023	12,962,616	-	1,115,632	-	930,360	12,777,344
2024	12,777,344	-	1,136,439	-	915,684	12,556,589
2025	12,556,589	-	1,152,380	-	898,530	12,302,739
2026	12,302,739	-	1,147,301	-	879,682	12,035,120
2027	12,035,120	-	1,164,255	-	858,974	11,729,839
2028	11,729,839	-	1,190,141	-	835,108	11,374,806
2029	11,374,806	-	1,205,994	-	807,886	10,976,698
2030	10,976,698	-	1,190,493	-	778,609	10,564,814
2031	10,564,814	-	1,173,595	-	748,351	10,139,570
2032	10,139,570	-	1,158,082	-	717,040	9,698,528
2033	9,698,528	-	1,139,611	-	684,654	9,243,571
2034	9,243,571	-	1,115,062	-	651,453	8,779,962
2035	8,779,962	-	1,087,434	-	617,718	8,310,246
2036	8,310,246	-	1,059,925	-	583,521	7,833,842
2037	7,833,842	-	1,028,673	-	548,963	7,354,132
2038	7,354,132	-	994,132	-	514,280	6,874,280
2039	6,874,280	-	959,055	-	479,606	6,394,831
2040	6,394,831	-	924,337	-	444,950	5,915,444
2041	5,915,444	-	888,024	-	410,357	5,437,777
2042	5,437,777	-	847,751	-	376,043	4,966,069
2043	4,966,069	-	808,995	-	342,118	4,499,192
2044	4,499,192	-	767,430	-	308,661	4,040,423
2045	4,040,423	-	734,333	-	275,494	3,581,584
2046	3,581,584	-	697,896	-	242,448	3,126,136
2047	3,126,136	-	656,579	-	209,838	2,679,395
2048	2,679,395	-	622,933	-	177,595	2,234,057
2049	2,234,057	-	583,243	-	145,683	1,796,497
2050	1,796,497	-	545,129	-	114,295	1,365,663
2051	1,365,663	-	506,249	-	83,440	942,854
2052	942,854	-	467,939	-	53,166	528,081
2053	528,081	-	441,257	-	23,059	109,883
2054	109,883	-	405,868	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 36.27

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.50% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	14,452,205	-	2,011,373	-	739,559	13,180,391
2019	13,180,391	-	1,060,361	-	695,762	12,815,792
2020	12,815,792	-	1,069,222	-	675,465	12,422,035
2021	12,422,035	-	1,078,646	-	653,549	11,996,938
2022	11,996,938	-	1,105,420	-	629,433	11,520,951
2023	11,520,951	-	1,115,632	-	602,972	11,008,291
2024	11,008,291	-	1,136,439	-	574,204	10,446,056
2025	10,446,056	-	1,152,380	-	542,843	9,836,519
2026	9,836,519	-	1,147,301	-	509,458	9,198,676
2027	9,198,676	-	1,164,255	-	473,910	8,508,331
2028	8,508,331	-	1,190,141	-	435,229	7,753,419
2029	7,753,419	-	1,205,994	-	393,273	6,940,698
2030	6,940,698	-	1,190,493	-	349,000	6,099,205
2031	6,099,205	-	1,173,595	-	303,182	5,228,792
2032	5,228,792	-	1,158,082	-	255,736	4,326,446
2033	4,326,446	-	1,139,611	-	206,615	3,393,450
2034	3,393,450	-	1,115,062	-	155,976	2,434,364
2035	2,434,364	-	1,087,434	-	103,986	1,450,916
2036	1,450,916	-	1,059,925	-	50,652	441,643
2037	441,643	-	1,028,673	-	-	-

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 19.43

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.50% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2018	14,452,205	-	2,011,373	-	1,277,419	13,718,251
2019	13,718,251	-	1,060,361	-	1,252,867	13,910,757
2020	13,910,757	-	1,069,222	-	1,270,734	14,112,269
2021	14,112,269	-	1,078,646	-	1,289,430	14,323,053
2022	14,323,053	-	1,105,420	-	1,308,183	14,525,816
2023	14,525,816	-	1,115,632	-	1,326,960	14,737,144
2024	14,737,144	-	1,136,439	-	1,346,048	14,946,753
2025	14,946,753	-	1,152,380	-	1,365,203	15,159,576
2026	15,159,576	-	1,147,301	-	1,385,663	15,397,938
2027	15,397,938	-	1,164,255	-	1,407,502	15,641,185
2028	15,641,185	-	1,190,141	-	1,429,381	15,880,425
2029	15,880,425	-	1,205,994	-	1,451,356	16,125,787
2030	16,125,787	-	1,190,493	-	1,475,401	16,410,695
2031	16,410,695	-	1,173,595	-	1,503,270	16,740,370
2032	16,740,370	-	1,158,082	-	1,535,326	17,117,614
2033	17,117,614	-	1,139,611	-	1,572,042	17,550,045
2034	17,550,045	-	1,115,062	-	1,614,289	18,049,272
2035	18,049,272	-	1,087,434	-	1,663,028	18,624,866
2036	18,624,866	-	1,059,925	-	1,719,016	19,283,957
2037	19,283,957	-	1,028,673	-	1,783,114	20,038,398
2038	20,038,398	-	994,132	-	1,856,427	20,900,693
2039	20,900,693	-	959,055	-	1,940,011	21,881,649
2040	21,881,649	-	924,337	-	2,034,851	22,992,163
2041	22,992,163	-	888,024	-	2,142,074	24,246,213
2042	24,246,213	-	847,751	-	2,263,122	25,661,584
2043	25,661,584	-	808,995	-	2,399,423	27,252,012
2044	27,252,012	-	767,430	-	2,552,488	29,037,070
2045	29,037,070	-	734,333	-	2,723,641	31,026,378
2046	31,026,378	-	697,896	-	2,914,356	33,242,838
2047	33,242,838	-	656,579	-	3,126,882	35,713,141
2048	35,713,141	-	622,933	-	3,363,159	38,453,367
2049	38,453,367	-	583,243	-	3,625,366	41,495,490
2050	41,495,490	-	545,129	-	3,916,178	44,866,539
2051	44,866,539	-	506,249	-	4,238,274	48,598,564
2052	48,598,564	-	467,939	-	4,594,636	52,725,261
2053	52,725,261	-	441,257	-	4,987,940	57,271,944
2054	57,271,944	-	405,868	-	5,421,556	62,287,632
2055	62,287,632	-	372,339	-	5,899,639	67,814,932
2056	67,814,932	-	340,692	-	6,426,236	73,900,476
2057	73,900,476	-	311,132	-	7,005,766	80,595,110
2058	80,595,110	-	283,626	-	7,643,063	87,954,547
2059	87,954,547	-	258,176	-	8,343,419	96,039,790
2060	96,039,790	-	234,880	-	9,112,623	104,917,533
2061	104,917,533	-	213,975	-	9,957,002	114,660,560
2062	114,660,560	-	195,145	-	10,883,484	125,348,899
2063	125,348,899	-	178,290	-	11,899,677	137,070,286
2064	137,070,286	-	163,207	-	13,013,925	149,921,004
2065	149,921,004	-	149,597	-	14,235,390	164,006,797
2066	164,006,797	-	137,305	-	15,574,124	179,443,616
2067	179,443,616	-	126,091	-	17,041,154	196,358,679

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.50% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2068	196,358,679	-	115,730	-	18,648,577	214,891,526
2069	214,891,526	-	106,039	-	20,409,658	235,195,145
2070	235,195,145	-	96,892	-	22,338,936	257,437,189
2071	257,437,189	-	88,162	-	24,452,345	281,801,372
2072	281,801,372	-	79,774	-	26,767,341	308,488,939
2073	308,488,939	-	71,726	-	29,303,042	337,720,255
2074	337,720,255	-	64,005	-	32,080,384	369,736,634
2075	369,736,634	-	56,598	-	35,122,292	404,802,328
2076	404,802,328	-	49,516	-	38,453,869	443,206,681
2077	443,206,681	-	42,788	-	42,102,602	485,266,495
2078	485,266,495	-	36,537	-	46,098,582	531,328,540
2079	531,328,540	-	30,832	-	50,474,747	581,772,455
2080	581,772,455	-	25,667	-	55,267,164	637,013,952
2081	637,013,952	-	21,110	-	60,515,323	697,508,165
2082	697,508,165	-	17,144	-	66,262,461	763,753,482
2083	763,753,482	-	13,733	-	72,555,928	836,295,677
2084	836,295,677	-	10,829	-	79,447,575	915,732,423
2085	915,732,423	-	8,376	-	86,994,182	1,002,718,229
2086	1,002,718,229	-	6,378	-	95,257,929	1,097,969,780
2087	1,097,969,780	-	4,781	-	104,306,902	1,202,271,901
2088	1,202,271,901	-	3,522	-	114,215,663	1,316,484,042
2089	1,316,484,042	-	2,548	-	125,065,863	1,441,547,357
2090	1,441,547,357	-	1,812	-	136,946,913	1,578,492,458
2091	1,578,492,458	-	1,272	-	149,956,723	1,728,447,909
2092	1,728,447,909	-	879	-	164,202,510	1,892,649,540
2093	1,892,649,540	-	601	-	179,801,678	2,072,450,617
2094	2,072,450,617	-	407	-	196,882,789	2,269,332,999
2095	2,269,332,999	-	276	-	215,586,622	2,484,919,345
2096	2,484,919,345	-	188	-	236,067,329	2,720,986,486
2097	2,720,986,486	-	127	-	258,493,710	2,979,480,069
2098	2,979,480,069	-	86	-	283,050,602	3,262,530,585
2099	3,262,530,585	-	57	-	309,940,403	3,572,470,931
2100	3,572,470,931	-	38	-	339,384,737	3,911,855,630
2101	3,911,855,630	-	24	-	371,626,284	4,283,481,890
2102	4,283,481,890	-	15	-	406,930,779	4,690,412,654
2103	4,690,412,654	-	9	-	445,589,202	5,136,001,847
2104	5,136,001,847	-	5	-	487,920,175	5,623,922,017
2105	5,623,922,017	-	3	-	534,272,591	6,158,194,605
2106	6,158,194,605	-	2	-	585,028,487	6,743,223,090
2107	6,743,223,090	-	1	-	640,606,194	7,383,829,283
2108	7,383,829,283	-	1	-	701,463,782	8,085,293,064
2109	8,085,293,064	-	-	-	768,102,841	8,853,395,905

*All DROP Balances paid in 2018.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$704,926	\$1,101,214	\$368,248
Total Required Contribution (% of Payroll)	27.9%	43.6%	14.6%
Expected Member Contribution	252,331	252,331	252,331
Expected Sponsor Contribution (Fixed \$)	\$452,595	\$848,883	\$115,917
Expected Sponsor Contribution (% of Payroll)	17.9%	33.6%	4.6%

ASSETS

Actuarial Value ¹	14,452,205	14,452,205	14,452,205
Market Value ¹	14,452,205	14,452,205	14,452,205

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	6,423,734	9,721,881	4,453,931
Disability Benefits	238,548	317,895	185,025
Death Benefits	88,194	112,676	70,533
Vested Benefits	165,662	336,339	85,677
Refund of Contributions	174,667	184,998	165,386
Service Retirees	6,555,256	7,772,101	5,649,251
DROP Retirees ¹	3,492,619	4,050,403	3,095,135
Beneficiaries	1,052,357	1,222,526	922,536
Disability Retirees	463,920	536,357	407,918
Terminated Vested	357,813	470,792	278,880
Total:	19,012,770	24,725,968	15,314,272
Present Value of Future Salaries	21,311,072	23,988,405	19,169,020
Present Value of Future Member Contributions	2,131,107	2,398,841	1,916,902
Total Normal Cost	324,763	495,814	221,491
Present Value of Future Normal Costs (Entry Age Normal)	2,604,536	4,610,962	1,552,829
Total Actuarial Accrued Liability ¹	16,408,234	20,115,006	13,761,443
Unfunded Actuarial Accrued Liability (UAAL)	1,956,029	5,662,801	(690,762)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2018

	ACTUAL	HYPOTHETICAL	
	7.50% RP-2000 Generational	5.50% RP-2000 Generational	9.50% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	336,942	509,449	232,012
Administrative Expenses (with interest)	53,890	53,370	54,409
Payment Required To Amortize UAAL (with interest)	314,094	538,395	81,827
Total Required Contribution	\$704,926	\$1,101,214	\$368,248

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2018.