



May 15, 2020

VIA EMAIL

Ms. Penny Staffney, Finance Director
City of Perry
224 S. Jefferson Street
Perry, FL 32347

RE: City of Perry Police Officers' Retirement Trust Fund

Dear Penny,

Enclosed is the completed 2019 Actuarial Confirmation of the Use of State Moneys for the 2019 Annual Report on behalf of the above referenced plan. This pdf file should be uploaded online in the Supporting Documents section of the online portal for the Annual Report.

If you have any questions, please let us know.

Sincerely,

Amanda R. Stevenson

ARS

Enclosure

ORDINANCE NO. 988

AN ORDINANCE OF THE CITY OF PERRY, FLORIDA, FURTHER AMENDING THE CITY OF PERRY MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND, RESTATED BY ORDINANCE NO. 881, AS SUBSEQUENTLY AMENDED; AMENDING SECTION 5, CONTRIBUTIONS; AMENDING SECTION 6, BENEFIT AMOUNTS AND ELIGIBILITY; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith; PROVIDING FOR AUTHORITY AND MANNER OF ADOPTION AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PERRY, FLORIDA;

SECTION 1: That the City of Perry Municipal Police Officers' Retirement Trust Fund, as adopted by Ordinance 881, as subsequently amended, is hereby further amended by amending Section 5, Contributions, subsection 1, to read as follows:

1. Member Contributions

A. Amount. Each Member of the System shall be required to make regular contributions to the Fund in the amount of two percent (2%) of his Salary. Effective upon adoption of this ordinance, the member contribution rate will increase from 2.0% to 3.1% of Salary. This increase from 2.0% to 3.1% of Salary will be effective for the next 5 years. As of October 1, 2023 and each 5 years after that date, the annual cost of changing the normal retirement date from 25 to 20 years of service will be re-evaluated by the Actuary and the prospective Member contribution rate will be adjusted, such that the City will still be paying 1.1% of salaries for the improvement and the Members will be covering the rest of the cost of the improvement. Member contributions withheld by the City on behalf of the Member shall be deposited with the Board immediately after each pay period. The contributions made by each Member to the Fund shall be designated as employer contributions pursuant to §414(h) of the Code. Such designation is contingent upon the contributions being excluded from the Members' gross income for Federal Income Tax purposes. For all other purposes of the System, such contributions shall be considered to be Member contributions.

B. Method. Such contributions shall be made by payroll deduction.

SECTION 2: That the City of Perry Municipal Police Officers' Retirement Trust Fund, as adopted by Ordinance 881, as subsequently amended, is hereby further amended by amending Section 5, Contributions, subsection 2, to read as follows:

2. State Contributions

Any monies received or receivable by reason of laws of the State of Florida, for the express purpose of funding and paying for retirement benefits for Police Officers of the City shall be deposited in the Fund comprising part of this System immediately and under no circumstances more than five (5) days after receipt by the City.

Effective November 1, 2018, all Chapter 185 premium tax monies received from the State of Florida shall be used by the City to offset their annual required contribution. The excess Chapter 185 premium tax monies received from the State of Florida that were held in reserve for the Police Officers in the amount of \$13,608.42 will be used to help offset the increase in the unfunded actuarial accrued liability associated with this 20 and out normal retirement provision.

SECTION 3: That the City of Perry Municipal Police Officers' Retirement Trust Fund, as adopted by Ordinance 881, as subsequently amended, is hereby further amended by amending Section 6, Benefit Amounts and Eligibility, subsection 1, to read as follows:

1. Normal Retirement Age and Date

A Member's normal retirement age is the earlier of the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, or upon the completion of twenty-five (25) years of Credited Service, regardless of age. **Effective November 1, 2018, normal retirement age is the earlier of the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, or upon the completion of twenty (20) years of Credited Service, regardless of age.** Each Member shall become one hundred percent (100%) vested in his accrued benefit at normal retirement age. A Member's normal retirement date shall be the first day of the month coincident with or next following the date the Member retires from the City after attaining normal retirement age.

SECTION 4: That the City of Perry Municipal Police Officers' Retirement Trust Fund, as adopted by Ordinance 881, as subsequently amended, is hereby further amended by amending Section 6, Benefit Amounts and Eligibility, adding a new subsection 6, to read as follows:

6. Defined Contribution Component

Pursuant to the requirements of Section 185.35(6), Florida Statutes, a defined contribution plan component is established in addition to the defined benefit component of this local law plan. This defined contribution component is not currently funded. Once the plan is funded, the Board of Trustees has the authority to adopt rules regarding the operation of the defined contribution component of the local law plan.

SECTION 5: CODIFICATION. Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Perry.

SECTION 6: CONFLICTS. All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

SECTION 7: SEVERABILITY. If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

SECTION 8: EFFECTIVE DATE. That this Ordinance shall become effective upon the day following final hearing and approval by the City Council of Perry.

SECTION 9: AUTHORITY - MANNER OF ADOPTION. This ordinance is adopted pursuant to the authority granted by Florida Statutes.

First reading on the 25th day of September, 2018.


The second and final reading and public hearing on this Ordinance is set for the 23rd day of October, 2018.

Attest


Clerk of the Council

This Ordinance was adopted by the City Council of the City of Perry on the second and final reading this 23rd day of October, 2018.

Attest


Taylor Brown
City Manager

Attest


Alan Hall
Mayor

Approved as to form:


Taylor Brown
City Manager
City Attorney

May 11, 2020

Board of Trustees
City of Perry Police Pension Fund
Perry Police Department
211 S. Washington Street
Perry, FL 32347

Re: City of Perry Municipal Police Officers' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Perry Municipal Police Officers' Retirement Trust Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapters 112 and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

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

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2019 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.


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


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

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

Respectfully submitted,

Foster & Foster, Inc.

By: 
Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #20-6595

By: 
Amanda Brown, ASA, MAAA

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Enclosures

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Perry Municipal Police Officers' Retirement Trust Fund, performed as of October 1, 2019, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2021.

The contribution requirements, compared with those set forth in the March 12, 2019 actuarial impact statement, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2019 <u>9/30/2021</u>	10/1/2018 <u>9/30/2020</u>
Minimum Required Contribution % of Projected Annual Payroll	35.1%	31.4%
Member Contributions (Est.) % of Projected Annual Payroll	3.1%	3.1%
City And State Required Contribution % of Projected Annual Payroll	32.0%	28.3%
State Contribution (Est.) ¹ % of Projected Annual Payroll	\$67,550 6.2%	\$67,550 6.2%
City Required Contribution ² % of Projected Annual Payroll	25.8%	22.1%

¹ Represents the amount received in calendar 2019. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year will be available to offset the City's required contribution.

² The required contribution from the combination of City and State sources for the year ending September 30, 2021, is 32.0% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 25.8% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received. Please note that the City has access to a prepaid contribution of \$34,259.15 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2020.

CHANGES SINCE PRIOR VALUATION

Plan Changes

Since the prior valuation the following changes were adopted:

- 1.) Member Contribution Rate increased from 2.0% to 3.1% of Salary effective October 23, 2018.
- 2.) Normal Retirement effective November 1, 2018 from (a) the earlier of age 55 with 10 years of Credited Service or 25 years of service regardless of age to (b) the earlier of age 55 with 6 years of credited service or 20 years of service regardless of age.
- 3.) Effective November 1, 2018, all Chapter 185 premium tax monies received from the State of Florida shall be used by the City to offset their annual required contribution. The excess Chapter 185 premium tax monies received from the State of Florida that were initially allocated for a Share Plan for the Police Officers in the amount of \$13,608.42 will be used to help offset the increase in liabilities associated with the improved retirement date.
- 4.) A Share Plan is established, but not funded.

Actuarial Assumption/Method Changes

Since the prior valuation the investment return assumption has been lowered from 7.75% to 7.50% per year net investment related expenses. There have been no other changes of actuarial assumptions or methods since the prior valuation.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	36,441.00	_____ %
1999	37,576.55	3.1%
2000	35,753.76	-4.9%
2001	39,838.67	11.4%
2002	42,990.91	7.9%
2003	61,616.23	43.3%
2004	55,470.22	-10.0%
2005	58,748.17	5.9%
2006	58,748.17	0.0%
2007	61,610.06	4.9%
2008	59,052.44	-4.2%
2009	56,154.90	-4.9%
2010	47,606.66	-15.2%
2011	46,052.78	-3.3%
2012	49,476.25	7.4%
2013	39,741.39	-19.7%
2014	50,821.13	27.9%
2015	52,718.64	3.7%
2016	40,966.98	-22.3%
2017	52,972.10	29.3%
2018	57,493.77	8.5%
2019	67,549.76	17.5%