City of Coral Springs
Employees Retirement System
Summary of October 1, 2017 Actuarial Valuation

1. Summary of Plan Provisions / Assumptions

Normal Retirement Benefit	2.5% * AFC * Service pre1/1/1991 + 3.0% * AFC * Service post 12/31/90
Post Retirement Stipend	Monthly stipend of $200 from retirement to age 65 and $150 after age 65
Normal Form of Benefit	Life annuity
Normal Retirement Date	Earlier of age 62 or age 55 with 10 years of service
Average Earnings	Average compensation over the highest three consecutive YOS
COLA	2% cost of living adjustment for actives contributing 10%
Funding Method	Entry Age Normal
Employee Contribution Rate	10% of earnings (8% for those not electing COLA)
Investment Earnings	6.50%
Mortality	FRS Mortality table

2. City Contributions

	2017/18 Contribution (10/1/17 Valuation)	2016/17 Contribution (10/1/16 Valuation)
Employer normal cost	19,343	23,982
Annual Payments to Amortize UAAL	548,403	389,560
Annual Required Contribution (including interest)	587,157	428,916

Notes

No active members remain as of October 1, 2017, so the Normal Cost consists only of the assumed administrative expenses.

There were three bases that were fully paid off last year. Annual payments on these bases, before changes, total about $45,000.

The City contribution, before changes, was about $115,000 greater than the required amount, which went toward the UAAL. Annual payments are about $31,000 less as a result.

Actual net experience, before changes, was less favorable than that anticipated by the assumptions. There were losses due to investment experience and better than expected longevity for retirees. The annual amortization payment toward this net experience loss is about $156,000.

The assumed return on Plan assets was changed from 7.0% net investment expenses to 6.5% net investment expenses. This resulted in an increase in the City contribution of about $83,000.

3. Future Required City Contributions

The market value of assets was $142,000 greater than the actuarial value of assets as of October 1, 2017.

- *These are unrecognized investment gains*
- *If these gains were immediately recognized the required City contribution would decrease by about $28,000*

The level of future required city contributions will be largely impacted by mortality and investment return.

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(continued)

4. Funded Ratio

Accrued Liability	10,512,287
Actuarial Value of Assets	7,824,273
Funded Ratio	74.43%
Accrued Liability	10,512,287
Market Value of Assets	7,966,629
Funded Ratio	75.78%

The schedule to pay off the current UAL is shown on page 11 of our valuation report. If this schedule is followed and there are no net actuarial losses over the next six years these amortization bases will be fully paid off and the funded ratio will be 100%.

5. Historical Gain / (Loss)

Year Ending	Gain / (Loss)
9/30/2017	(795,159)
9/30/2016	(70,952)
9/30/2015	(180,089)
9/30/2014	(8,304)
9/30/2013	860,110
9/30/2012	118,117

6. Recommendations

> Continue to monitor the asset allocation with the investment consultant to be sure it is appropriate for a closed and mature plan. As assets are invested more conservatively (currently about 55% equity) the investment return assumption will need to be lowered.

> Start considering when to stop lowering the amortization period for new bases. As of October 1, 2017 the amortization period for new bases is 6 years. The amortization period for new bases will be 5 years in our October 1, 2018 valuation report. The Board may want to stop at five years to avoid additional volatility in the required city contribution.