



CITY OF JACKSONVILLE BEACH POLICE OFFICERS' RETIREMENT SYSTEM

Summary Plan Description for Police Officers' Retirement System

Welcome to the City of Jacksonville Beach.

Following is a brief description of the Police Officers' Retirement Plan. This handout is intended to be a plain language summary of the benefits provided by the City of Jacksonville Beach Police Officers' Retirement Plan.

Please Note! - This handout is not the official pension plan document and your actual benefits are governed by the appropriate provisions of the state statutes and City ordinances. (Please refer to the City's code of Ordinances for the provisions of the pension plan.) If there is any conflict between those legislative provisions and this handout, the legislative provisions control. This handout is solely intended as a guide to your benefits and is not intended to create a contract or promise of any specific benefit. Nothing in this document is intended to, nor does it, create a contract for benefits greater than provided by law. Any questions you have regarding your rights or benefits under your pension plan should be directed to the Retirement System's pension plan administrator.

Duston Scott
Pension Plan Administrator
Human Resources
City Hall
11 North Third Street
Jacksonville Beach, FL 32250
Phone: (904) 247-6264
Fax: (904) 247-6169

CITY OF JACKSONVILLE BEACH POLICE OFFICERS' RETIREMENT SYSTEM

The City of Jacksonville Beach Police Officers' Retirement System was established November 1, 1951. It is a defined benefit plan. Under a defined benefit pension plan, your pension is designed to provide you with a lifetime of income once you retire. Your pension plan also provides disability and death benefits under certain circumstances. The pension plan uses a formula to determine the benefit to be paid to you at retirement. The Board of Trustees administers and manages the pension plan. A listing of the Board of Trustees is provided on page 10. Following are some of the general provisions of the pension plan. The full provisions of the plan can be found under the City's code of ordinances Part II Chapter 2 Division 6 – Police Officers' Retirement System. To view the City's Code of Ordinances visit Municipal Codes at:

<http://library.municode.com/index.aspx?clientId=11041&stateId=9&stateName=Florida>

MEMBERSHIP:

Who is eligible to participate in the pension plan?

- If you are a full time state certified police officer of the City of Jacksonville Beach you are automatically enrolled in the pension plan on your date of hire. Reserve and part time police officers are not eligible to participate in the pension plan.

CONTRIBUTIONS:

Am I required to make contributions to the pension plan?

- Yes. - You will make pre-tax contributions equal to 7.95% of your compensation. (This amount is automatically deducted from your pay check each pay day.) You do not pay federal income tax on the contributions you make until you terminate your employment and take a refund of your contributions or begin receiving your pension benefits.
- Compensation includes base pay, longevity pay, incentive pay and overtime pay in an amount not to exceed 300 hours per calendar year. Compensation excludes overtime pay in excess of 300 hours per calendar year, leave pay outs and all other compensation.
- The City of Jacksonville Beach also makes contributions to the pension plan. The amount contributed is an actuarial calculation which is updated annually.

NORMAL RETIRMENT AGE:

How long do I have to work and how old do I have to be to retire? (This is known as your normal retirement age.)

- You must be age 52 with 25 years of service, or age 55 with 10 or more years of service, or any age with 30 years of service.

(Members with 10 or more years of service or age 55 with 5 or more years of service as of June 23, 2014 are eligible for retirement at age 52 with 25 years of service, or age 55 with 5 or more years of service, or any age with 30 years of service.)

- There is no mandatory retirement age.

BENEFIT FORMULA:

How is my pension benefit calculated?

- Your pension benefit is calculated by multiplying 3% times each year of service times your final average compensation. The maximum pension is 90% or \$90,000, whichever is less.

(Members who were eligible for retirement as of June 23, 2014 retain the pension benefit calculated as 3% for the first 30 years of credited service and 2% for each year of credited service in excess of 30 years - maximum 100%)

- Final Average Compensation is the average of your highest 5 years out of your last 10 years of compensation prior to your retirement. Compensation includes base pay, longevity pay, incentive pay and overtime pay in an amount not to exceed 300 hours per calendar year. Compensation excludes overtime pay in excess of 300 hours per calendar year, leave pay outs and all other compensation.

EXAMPLE:

- For example – Assume you are age 52 and have 25 years of credited service and your final average compensation is \$50,000. Your annual pension benefit would be calculated as follows:

$$3\% \times 25 \text{ years} = 75\%$$

$$75\% \times \$50,000 = \$37,500 \text{ (Annual Pension Benefit)}$$

BENEFIT OPTIONS:

How will I be paid my pension benefit?

Members must select one of the four benefit options at retirement.

Option I:

- 10 Year Certain and Life – The retiree is paid a pension benefit for life. This benefit has a guarantee period of 120 months. Upon the death of the retiree during the guaranteed period, the named survivor beneficiary is paid the full amount of the benefit payment for the remainder of the guarantee period.

Option II:

- 100% Joint and Survivor – The retiree is paid a reduced pension benefit for life. Upon the death of the retiree during the lifetime of the named survivor beneficiary, the named survivor beneficiary is paid 100% of reduced benefit paid to the retiree for the remainder of the survivor beneficiary's lifetime.

Option III: (You have one of three choices)

- 75% Joint and Survivor – The retiree is paid a reduced pension benefit for life. Upon the death of the retiree during the lifetime of the named survivor beneficiary, the named survivor beneficiary is paid 75% of the reduced benefit paid to the retiree for the remainder of the survivor beneficiary's lifetime.
- 66 $\frac{2}{3}$ % Joint and Survivor – The retiree is paid a reduced pension benefit for life. Upon the death of the retiree during the lifetime of the named survivor beneficiary, the named survivor beneficiary is paid 66 $\frac{2}{3}$ % of the reduced benefit paid to the retiree for the remainder of the survivor beneficiary's lifetime.
- 50% Joint and Survivor – The retiree is paid a reduced pension benefit for life. Upon the death of the retiree during the lifetime of the named survivor beneficiary, the named survivor beneficiary is paid 50% of the reduced benefit paid to the retiree for the remainder of the survivor beneficiary's lifetime.

Option IV:

- Straight Life – The retiree is paid a pension benefit for life. Upon the death of the retiree, the benefit ends.

VESTING:

How long do I have to work to become vested in the pension plan?

- If you have 10 or more years of service you are vested in the pension plan.

(If you are a Member with 5 or more years of service as of June 23, 2014, you are vested in the pension plan.)

- If you are vested and should leave the City and remain vested in the pension plan, your pension benefit amount is computed as a normal retirement but based upon service and final average compensation at time of termination.
- Benefits begin at the earlier of age 55 with 10 years of service, age 52 with 25 years of service and age 65 with 5 years of service.

(For Members with 10 years of service as of June 23, 2014, benefits begin at age 55)

TERMINATION PRIOR TO VESTING:

What happens to the money I contributed to the pension plan if I should leave the City before I become vested?

- The pension contributions that you paid into the plan are reimbursed to you or may be rolled over into an IRA or another qualified plan.
- You may also leave your pension contributions in the plan for a period of not more than five years after leaving employment of the city, pending the possibility of being rehired by the City, without losing credit for the time you participated as a member of the plan.
- A former member with credited service who wishes to return to city employment may restore the forfeited credited service to receive credit for prior service within ninety (90) days after return to city employment.

EARLY RETIREMENT:

Can I retire before my normal retirement date?

- The retirement plan does not have a provision for early retirement except as follows:

(Members with 20 years of service or age 50 with 10 years of service as of June 23, 2014 retain eligibility for early retirement. Early retirement is calculated as a 3% per year reduction for the years or .25% per month for the fraction of years that the early retirement date precedes the normal retirement date.)

DISABILITY RETIREMENT:

Duty Disability:

What happens if I become disabled on the job?

If you should become disabled on the job you may qualify for duty disability retirement.

- There are no age or service requirements to be eligible.
- Your pension benefit is computed as a normal retirement to regular retirement age. Minimum benefit is not less than 50% of final average compensation. At regular retirement age you have the option to have the benefit re-computed as a normal retirement with additional service credit granted from date of retirement to the later of normal retirement age or five years after date of disability. Minimum benefit is not less than 42% of final average compensation.

Non-Duty Disability:

What happens if I become disabled while not on the job?

If you should become disabled while not on the job you may qualify for non-duty disability retirement.

- You must have 10 or more years of service to be eligible.
- Your pension benefit is computed as a normal retirement. (Minimum benefit is not less than 25% of final average compensation.)

DEATH BENEFITS:

Duty Death before Retirement:

What happens to my pension if I am killed on the job?

- There are no age or service requirements to be eligible.
- If you are married, your spouse will receive 100% of your normal retirement benefit for the remainder of his or her life. This benefit is calculated using the Straight Life form of payment. The minimum benefit is not less than 35% of your final average compensation.
- If you do not have a spouse, your unmarried child or (children on a pro rata share) will receive 100% of your normal retirement benefit until they reach the age of 18. This benefit is calculated using the Straight Life form of payment. The minimum benefit is not less than 50% of your final average compensation.

DEATH BENEFITS (continued):

- If you do not have a spouse or children, then your contingent survivor beneficiary will receive your normal retirement benefit calculated using the 100% Joint and Survivor payment option.

Non-Duty Death before Retirement:

What happens if I die before I retire?

- You must have 10 or more years of service to be eligible.
- If you are married, your spouse will receive 100% of your normal retirement benefit for the remainder of his or her life. This benefit is calculated using the Straight Life form of payment. However, there is no minimum benefit.
- If you do not have a spouse, your unmarried child (or children on a pro rata share) will receive 100% of your normal retirement benefit until they reach the age of 18. This benefit is calculated using the Straight Life form of payment. However, there is no minimum benefit.
- If you do not have a spouse or children then your contingent survivor beneficiary will receive your normal retirement benefit (calculated using the 100% Joint and Survivor payment option).

DROP (Deferred Option Retirement Program):

When am I eligible for DROP?

The DROP program was replaced with a Back DROP program effective June 23, 2014. The Back DROP works as follows:

- A pension plan member, who reaches normal retirement eligibility and continues to work beyond their normal retirement date, is eligible to elect Back-DROP. A member's Back-DROP date shall be a date that is selected by the member that is on or after the member's normal retirement date but no more than 36 months prior to their separation date.

A member who elects the Back-DROP shall be entitled to a monthly pension determined as of the member's Back-DROP date, plus a lump sum payment equal to the pension benefits the member would have received had he/she retired on the Back-DROP date, with interest at the rate of 3% per annum. The lump sum Back-DROP benefit, less applicable withholding taxes, shall be distributed to the member within 60 days following separation from employment. Alternatively, a member may elect to roll some or all of the lump sum Back-DROP benefit into an IRA or other qualified retirement plan, in accordance with applicable law.

FORFEITURE OF RETIREMENT BENEFITS:

- Retirement benefits granted by the Retirement System are subject to forfeiture if an employee is convicted of an offense specified in Section 112.3173, Florida Statutes, pursuant to the procedures set forth in the cited statute.

RETIREMENT:

What do I need to do when I am ready to retire?

- Contact the Pension Plan Administrator to set up an appointment to come in and complete your retirement application and supporting documents.

Duston Scott

Phone: (904) 247-6264

dscott@jaxbchfl.net

Who is the agent for service of legal process?

Robert Sugarman

Sugarman & Susskind, P.A.

100 Miracle Mile, Suite 300

Coral Gables, Florida 33134

(305) 529-2801

FINANCIAL AND ACTUARIAL INFORMATION:

How do I find out about the financial or actuarial condition of the plan?

- The financial records of the Plan are maintained on a fiscal year basis ending each September 30th. An audit is conducted each fiscal year by a firm of independent auditors in accordance with the provisions of the City Charter. In addition thereto, the Plan is legally required to prepare an annual report to the State of Florida and an actuarial valuation on a frequency no less often than once every three years. Each of these periodic reports contains financial and actuarial information that may be of interest to you.
- Copies of the following reports are available for review in the Pension Plan Administrator's Office.
 - Annual Financial Statement and Independent Auditor's Report on the Jacksonville Beach Police Officers' Retirement System. (On pages 10 -16 is a brief summary of the financial and actuarial condition of the plan.)
 - Annual Report to the State of Florida, Department of Management Services, Division of Retirement for the Jacksonville Beach Police Officers' Retirement System.
 - Most recent Actuarial Valuation for the Jacksonville Beach Police Officers' Retirement System.

**CITY OF JACKSONVILLE BEACH
POLICE OFFICERS' PENSION BOARD**

MEMBER	TERM BEGINS	TERM EXPIRES
Marvin V. DuPree, <u>Chair Pro-Tem</u> 1511-C Penman Road Jacksonville Beach, FL 32250 W- 246-2001 boducpa@aug.com	<i>Re-appointed by Council - 05/19/2018 2 yr. term</i>	<i>03/31/2020</i>
Alan Grant 61 Tallwood Road Jacksonville Beach, FL 32250 655-1534 Agrant8789@bellsouth.net	<i>Re-appointed by Council - 05/19/2018 2 yr. term</i>	<i>03/31/2020</i>
Employees' Representative CPL Jason Sharp c/o Police Department 101 S. Penman Rd. Jacksonville Beach, FL 32250 W – 247-1661 jsharp@jaxbchfl.net	<i>Re-elected by Member Employees - 10/01/2017 2 yr. term</i>	<i>09/30/2019</i>
Employees' Representative CPL David Cohill c/o Police Department 101 S. Penman Rd. Jacksonville Beach, FL 32250 W – 270-1661 dcohill@jaxbchfl.net	<i>Re-elected by Member Employees - 10/01/2017 2 yr. term</i>	<i>09/30/2019</i>
Fifth Member John Galarneau, 2002 Groove Street Jacksonville Beach, FL 32250 993-4073 galarnea@infionline.net	<i>Selected by Board - 02/27/2018 2 yr. term</i>	<i>03/31/2020</i>

Pension Administrator – Duston Scott, Payroll/Benefits Administrator
Plan Treasurer – Ashlie Gossett, Chief Financial Officer

**CITY OF JACKSONVILLE BEACH POLICE OFFICERS RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
(EXCERPT FROM AUDITED FINANCIAL STATEMENTS 9/30/2018)**

The discussion and analysis of the City of Jacksonville Beach, Florida, Police Officers' Retirement System (the Plan) provides an overview of the financial activities and funding conditions for the fiscal year ended September 30, 2018.

Financial Highlights

- The Plan's total net position held in trust for the payment of benefits and to meet the Plan's future obligations to its members and their beneficiaries was \$23,778,932. The Plan's position increased by \$1,730,591 a 7.85% increase for the year.
- Employer contributions to the Plan increased \$19,121 over the previous year. The actual employer contributions were \$460,548 for 2017, and \$479,669 for 2018. The increase is attributable to an increase in the actuarially calculated contribution requirement.
- Employee contributions to the Plan increased by \$8,863 from the previous year. The actual employee contributions were \$353,277 for 2017, and \$362,140 for 2018. The increase in employee contributions is attributable to an increase in covered payroll dollars.
- The net investment income decreased by \$376,270 compared to 2017. The actual results were \$2,367,943 for 2017, and \$1,991,673 for 2018. Investment income decreased due to a decrease in performance compared to the previous year.
- Benefit payments and refund of contributions decreased by \$44,764 compared to 2017. The benefit payments and refund of contributions were \$1,270,805 for 2017, and \$1,226,041 for 2018. The decrease is attributable to fewer retirement benefits and refunds being paid compared to previous year.

Pension plan provisions for the Police Officers' Retirement System were modified significantly in Fiscal Year 2014 to improve the Plan's financial sustainability. The modifications included increasing the employee's contribution rate, changing the vesting periods, modifying pensionable pay exclusions, and modifying the Deferred Retirement Option Program (DROP). Details of the changes can be found in the Notes to the Financial Statements beginning on page 12. The funding objective of the Police Officers' Retirement System is to meet its long-term pension benefit obligations through employer and employee contributions and investment returns. The Plan fiduciary net position as a percentage of total pension liability was 87.18% as of September 30, 2018.

Financial Analysis

The following discussion and analysis are intended to serve as an introduction to the City of Jacksonville Beach, Florida, Police Officers' Retirement System financial statements, which are comprised of the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position, Notes to Financial Statements, and certain required supplementary information.

The financial statements reflect the activities of the Police Officers' pension plan and are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These statements are presented on a full accrual basis and reflect all trust activities as incurred.

MANAGEMENT'S DISCUSSION AND ANALYSIS

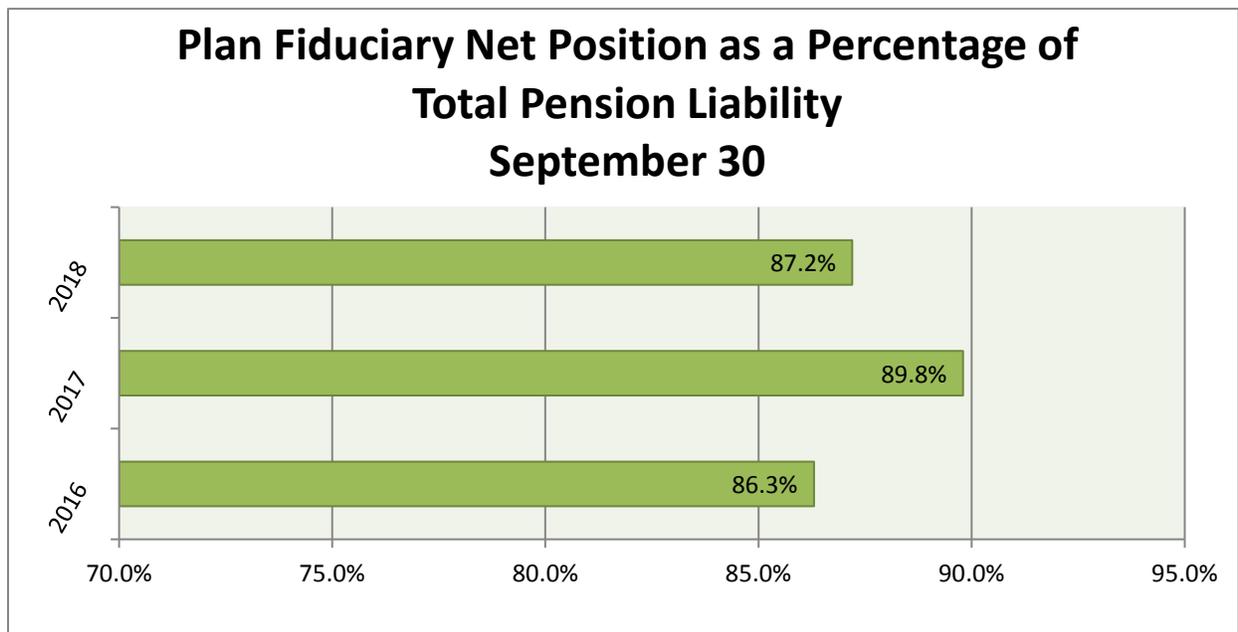
(Continued)

Financial Analysis (Continued)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Jacksonville Beach's progress in funding its obligation to provide pension benefits to its employees.

In 2014, the City implemented Governmental Accounting Standards Board Statement No. 67 & 68 (GASB 67 & 68) as required for the Police Officers' Retirement System. This statement requires additional disclosures in the Plan financial statements. The statement also requires the net pension liability to be measured as of the Plans' most recent fiscal year-end using methods prescribed by GASB that differ significantly from previous methods. The required disclosures for the Police Officers' Retirement System can be found in the Notes to the Financial Statements beginning on page 12 and the Required Supplementary Information beginning on page 22.

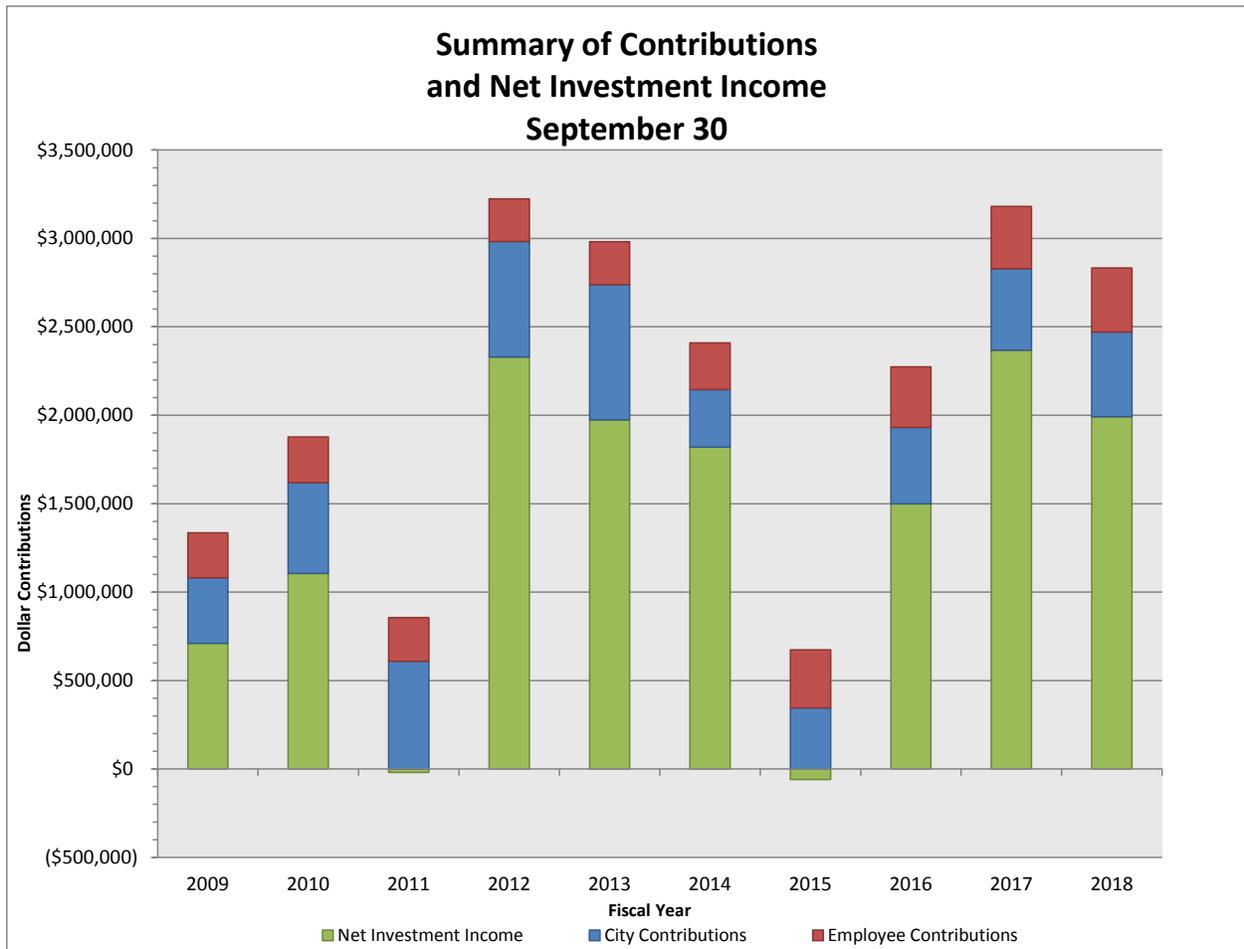
There are several ways to measure the Plan's financial status. One means is to determine the Plan's net position available to pay benefits. This is the difference between total assets and total liabilities. Another way is to refer to the Plan's Net Pension Liability, which takes into account the total pension liability and the Plan fiduciary net position. The chart below displays the Plan fiduciary net position as a percentage of total pension liability for the past three years.



MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Financial Analysis (Continued)

The funding objective of the Retirement System is to establish and receive contributions (expressed as a percent of active member payroll) which should remain level from year-to-year and not have to be increased for future generations of citizens in the absence of benefit improvements. The Retirement System is supported by member contributions, City contributions, property insurance premium tax monies received from the state (pursuant to Chapter 185, Florida Statutes), and investment income from the Retirement System assets as displayed on the chart below:



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Financial Analysis (Continued)

Actuarial differences between actual and assumed investment return are phased-in over a closed four-year period. Therefore, during periods when investment performance exceeds the assumed rate, asset values will tend to be less than market value. Conversely, during periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. As of October 1, 2017, the date of the last actuarial valuation, the Plan had a market value of \$22,048,341 and a funding value of \$21,889,082, as shown in the chart below:

Market/Funding Value of Assets

<u>Plan Year Ended 9-30</u>	<u>Market Value</u>	<u>Funding Value</u>
2008	\$ 13,389,964	\$ 15,103,933
2009	13,751,378	15,342,170
2010	14,616,340	15,645,784
2011	14,335,554	15,547,681
2012	16,529,793	16,364,606
2013	18,210,225	17,469,215
2014	19,317,303	18,366,538
2015	18,751,766	19,488,736
2016	19,972,236	20,650,774
2017	22,048,341	21,889,082

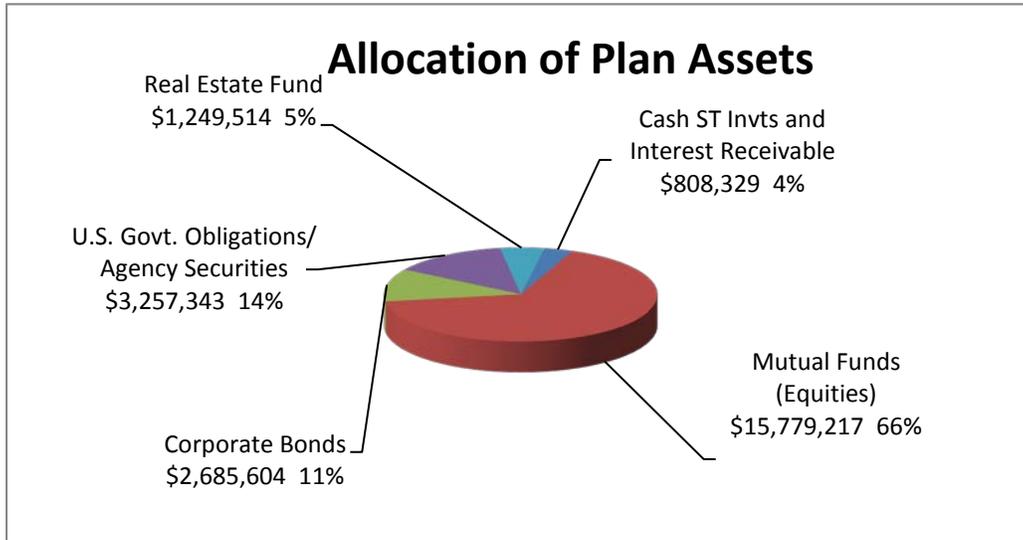
The Statement of Fiduciary Net Position is a snapshot of account balances at year-end. It indicates the assets available for future payments to retirees and any current liabilities that are owed at this time.

Fiduciary Net Position Restricted for Pension Benefits as of September 30

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>
Cash and Short-term Investments	\$ 770,906	\$ 438,238	\$ 332,668
Interest Receivable	37,423	39,508	(2,085)
Investments	<u>22,971,678</u>	<u>21,573,793</u>	<u>1,397,885</u>
Total Assets	<u>23,780,007</u>	<u>22,051,539</u>	<u>1,728,468</u>
Accounts Payable	850	3,004	(2,154)
Other Accrued Liabilities	<u>225</u>	<u>194</u>	<u>31</u>
Total Liabilities	<u>1,075</u>	<u>3,198</u>	<u>(2,123)</u>
Net Position Restricted for Pension Benefits	<u>\$ 23,778,932</u>	<u>\$ 22,048,341</u>	<u>\$ 1,730,591</u>

The net position of the Police Officers' Retirement System, as of September 30, 2018, was \$23,778,932.

The allocation of the Plan's total assets as of September 30, 2018, is shown on the pie chart on the following page:



Revenues essential to funding the Plan are obtained from member contributions, City contributions, State premium tax distributions, and investment income from the retirement system assets. For the Plan year ended September 30, 2018, Plan participants were required to pay 7.95% of their annual pensionable salary to the Plan. The City makes periodic contributions totaling 100% of the annual actuarially determined amount to the Plan. The Plan receives an annual distribution of casualty insurance premium tax monies from the State of Florida pursuant to Chapter 185, Florida Statutes.

The Statement of Changes in Fiduciary Net Position provides a view of current year additions to and deductions from the Plan's net position. The sum of net investment earnings and contributions were higher than deductions, resulting in an overall 7.85% increase in plan net position for the year. Earnings and losses on investments are reported net of investment expenses. The following table shows a comparative summary of the changes in net position and reflects the Plan's activities for the fiscal years ended September 30.

Changes in Fiduciary Net Position for the Year Ended September 30

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Additions:				
Contributions	\$ 1,053,463	\$ 1,059,260	\$ (5,797)	-0.55%
Net Investment Earnings	1,991,673	2,367,943	(376,270)	-15.89%
Transfers for Retirants	<u>0</u>	<u>8,470</u>	<u>(8,470)</u>	-100.00%
Total Additions, Net	<u>3,045,136</u>	<u>3,435,673</u>	<u>(390,537)</u>	-11.37%
Deductions:				
Benefits and Refunds	1,226,041	1,270,805	(44,764)	-3.52%
Administrative Expenses	88,504	80,293	8,211	10.23%
Transfers for Retirants	<u>0</u>	<u>8,470</u>	<u>(8,470)</u>	-100.00%
Total Deductions	<u>1,314,545</u>	<u>1,359,568</u>	<u>(45,023)</u>	-3.31%
Change in Net Position	1,730,591	2,076,105	(345,514)	-16.64%
Beginning of Year Net Position	<u>22,048,341</u>	<u>19,972,236</u>	<u>2,076,105</u>	10.39%
End of Year Net Position	<u>\$ 23,778,932</u>	<u>\$ 22,048,341</u>	<u>\$ 1,730,591</u>	7.85%

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Financial Analysis (Concluded)

The Plan's investment earnings result from market gains and losses on investments during the year as well as dividend and interest earnings.

Additions to the Fiduciary Net Position

The monies to pay benefits are accumulated from the contributions made from employers, employees, State distributions of Chapter 185 premium taxes, and income generated from the Plan's investments. Earnings and losses on investments are reported net of investment expenses.

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>
Additions:			
Employee Contributions	\$ 362,140	\$ 353,277	\$ 8,863
Employer Contributions	479,669	460,548	19,121
State of Florida Contributions	211,654	245,435	(33,781)
Net Investment Income	1,991,673	2,367,943	(376,270)
Transfers In	<u>0</u>	<u>8,470</u>	<u>(8,470)</u>
Total Additions	<u>\$ 3,045,136</u>	<u>\$ 3,435,673</u>	<u>\$ (390,537)</u>

Deductions from the Fiduciary Net Position

The Plan provides a lifetime pension benefit to its retired members, as well as survivor, and disability benefits. Annual expenses to the Plan include retirement benefits, refunds of employee contributions, and administrative expenses.

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>
Deductions:			
Benefits	\$ 1,161,010	\$ 1,176,786	\$ (15,776)
Refund of Contributions	65,031	94,019	(28,988)
Administrative Expenses	88,504	80,293	8,211
Transfers Out	<u>0</u>	<u>8,470</u>	<u>(8,470)</u>
Total Deductions	<u>\$ 1,314,545</u>	<u>\$ 1,359,568</u>	<u>\$ (45,023)</u>

The benefit payments are payments to retirees, or their beneficiaries (if the retiree is deceased). The refund of contribution amounts are refunds of employee contributions plus interest distributed to terminated employees who are not vested or who are vested but elect to not receive plan benefits. Administrative expenses include all expenses necessary to administer the retirement plan.

Notes to Financial Statements and Required Supplementary Information

Notes to financial statements provide additional information that is essential to a full understanding of the data provided. They begin on page 12 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Notes to Financial Statements and Required Supplementary Information (Concluded)

The Governmental Accounting Standards Board (GASB) in Statement No. 67 requires several schedules of historical trend information to be presented as required supplementary information immediately after the notes to the financial statements. The required schedules are: (a) a schedule of changes in the net pension liability and related ratios multi-year that presents the beginning and ending balances of the total pension liability, the pension plan's fiduciary net position, the net pension liability and the effects on those items; (b) a schedule of net pension liability multi-year; (c) a schedule of the City's contributions that identifies whether the information relates to employers, nonemployers, or both; and (d) a schedule of investment returns that provides information about the annual money-weighted rate of return on pension Plan investments.

These schedules contain information pertaining to the City of Jacksonville Beach, Florida, Police Officers' Retirement System's actuarial methods and assumptions, including data on the investment returns of the Plan. They can be found on pages 22-25.

Plan Membership

The table below reflects the Plan membership as of September 30 for active participants, retirees, beneficiaries, disabled members, and terminated vested members.

	September 30, 2018	September 30, 2017	Change
Vested	30	31	(1)
Nonvested	31	33	(2)
Total Active Participants	61	64	(3)
Retirees Receiving Benefits	27	28	(1)
Beneficiaries Receiving Benefits	4	4	0
Disability Benefits	6	6	0
Total Receiving Benefits	37	38	(1)
Terminated Vested Members	4	3	1
Total Members Currently Receiving Benefits and Terminated Employees Entitled to Benefits, But Not Yet Receiving Them	41	41	0

Funding Status

Of primary concern to most pension plan participants is the amount of money available to pay benefits. Historically, defined benefit pension plans have been under-funded when the employer failed to make annual actuarially required contributions to the Plan. The City's defined benefit plan has been subject to the minimum funding standards since the adoption of the *Florida Protection of Public Employee Retirement Benefits Act* (Part VII of Chapter 112, Florida Statutes) in 1980. In addition, the Police Officers' pension plan receives a distribution of premium tax monies for the State of Florida pursuant to Chapter 185, Florida Statutes. Accordingly, the City has funded the actuarially determined contribution for each year as required.

Requests for Information

The financial report is designed to provide users with an overview of the Plan's finances and the prudent exercise of the Board's oversight. Questions concerning this report should be addressed to the City's Finance Officer, 11 North Third Street, Jacksonville Beach, Florida 32250.