City Of Weston, West Virginia Firemen's Pension and Relief Fund

Actuarial Valuation Report
for the Year Beginning July 1, 2017

GRS Retirement Consulting

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September 25, 2018

Ms. Dodie Arbogast
Finance Manager
102. W. Second Street
Weston, WV 26452

Chief Kenneth K. James
Pension Board Secretary
City of Weston Firemen's Pension and Relief Fund

Subject: City of Weston Firemen's Pension and Relief Fund
Actuarial Valuation Report for the Year Beginning July 1, 2017

Dear Ms. Arbogast and Chief James:

Upon the request of the Municipal Pensions Oversight Board, we have performed an actuarial valuation as of July 1, 2017, for the City of Weston, West Virginia Firemen's Pension and Relief Fund ("Fund" or "Plan"). This actuarial valuation has been performed in accordance with the West Virginia Code Chapter 8, Article 22, Sections 16 through 28, inclusive.

In accordance with West Virginia Code §8-22-20, this actuarial valuation report provides information on:

- The sponsor's funding requirements for the fiscal year ending June 30, 2019
- The Fund's eligibility to receive an allocation of the premium tax for the fiscal year ending June 30, 2019
- The Fund's eligibility to provide supplemental benefits for the plan year beginning July 1, 2019

West Virginia Code §8-22-20(c)(4) requires a review of the actuarial assumptions and methods at least once every five years and that the Actuary shall provide a report to the oversight board with recommendations on any changes to the actuarial process. Consequently, an experience review was performed for the period July 1, 2009, through June 30, 2014. The actuarial assumptions and methods were recommended by the actuary, in the report *2016 Experience Review for the Years July 1, 2009, to July 1, 2014*, approved by the Municipal Pensions Oversight Board, and became effective for the actuarial valuation as of July 1, 2015.

This report is based on the sponsor's election to finance benefit obligations using the Optional funding policy as defined in West Virginia Code §8-22-20 (e)(1).

This actuarial valuation is based upon:

Plan Member Data – Data for active members and persons receiving benefits from the Fund as of June 30, 2017, was provided by the Fund's staff. We have tested this data for reasonableness.

Asset Values – A reconciliation of market value of assets during the plan year ended June 30, 2017, and assets held as of June 30, 2017, by investment category, was provided by the Fund.

Plan Provisions – A summary of the key plan provisions valued are set forth in Section VI of the report: Summary of Principal Plan Provisions.

Actuarial Methods – Fund liabilities were measured using the Entry-Age Normal Actuarial Cost Method. The actuarial valuation was based on the market value of assets. The actuarial methods used in the actuarial valuation are set forth in Section V of the report: Actuarial Assumptions and Methods.

Actuarial Assumptions – The actuarial assumptions used include a discount rate of 6.00%. The actuarial assumptions used in the actuarial valuation are set forth in Section V of the report: Actuarial Assumptions and Methods.

The actuarial valuation results disclosed in this report are based on the data and actuarial assumptions and methods described above, and upon the provisions of the Plan as of the actuarial valuation date. Based on these items, we certify these results to be true and correct.

To the best of our knowledge, this actuarial statement is complete and accurate, and has been prepared in accordance with generally accepted actuarial principles and practices.

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; 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.

This report should not be relied on for any purpose other than the purpose stated.

The signing actuaries are independent of the plan sponsor.

Alex Rivera and Lance J. Weiss are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Sincerely,

Alex Rivera   Lance J. Weiss

Alex Rivera, FSA, EA, MAAA, FCA
Senior Consultant

Lance Weiss, EA, MAAA, FCA
Senior Consultant

Contents

SECTION I

ACTUARIAL VALUATION RESULTS AS OF JULY 1, 2017

Executive Summary of Valuation Results as of July 1, 2017

Upon the request of the Municipal Pensions Oversight Board, we have performed an actuarial valuation as of July 1, 2017, for the City of Weston, West Virginia Firemen's Pension and Relief Fund ("Fund" or "Plan").

In accordance with West Virginia Code §8-22-20, this actuarial valuation report provides information on:

- The sponsor's funding requirements for the fiscal year ending June 30, 2019
- The Fund's eligibility to receive an allocation of the premium tax for the fiscal year ending June 30, 2019
- The Fund's eligibility to provide supplemental benefits for the plan year beginning July 1, 2019

This report is based on the sponsor's election to finance benefit obligations using the Optional funding policy as defined in West Virginia Code §8-22-20 (e)(1). The sponsor changed the funding policy used to determine contributions from the Alternative funding policy to the Optional funding policy, effective January 5, 2015.

The key features of the Optional funding policy, effective for plan years beginning after January 1, 2010, are summarized below:

- The current local Plan is closed to new employees
- New employees are covered in the multiple employer statewide plan – *Municipal Police Officers and Firefighters Retirement System*
- Benefits and expenses in the closed local Plan are financed by contributions made from the following sources:
    - Employee contributions of 7.0% of pay for members hired before January 1, 2010, increased by up to 2.5% of pay if elected by the Board of Trustees of the Plan. Employees hired on or after January 1, 2010, contribute 9.5% of pay;
    - The premium tax allocation assigned to the Fund for the plan year; and
    - Employer contributions equal to the normal cost, net of employee contributions, plus a 40-year closed period amortization from January 1, 2010, on a level dollar basis, of the unfunded actuarial accrued liability net of premium tax allocation applicable to the plan year.

Executive Summary of Valuation Results as of July 1, 2017 (Continued)

The following table provides the Plan's funded status:

Funded Status as of:	July 1, 2017
Assets	$957,723
Actuarial Accrued Liability	$1,750,658
Unfunded Actuarial Accrued Liability	$792,935
Funded Ratio	54.71%

The following table provides the estimated employer contributions for the fiscal year ended June 30, 2018, under the Optional funding policy, based on the July 1, 2016 actuarial valuation produced by GRS:

Employer Contributions for FYE:	June 30, 2018
Estimated Payroll for PYE 06/30/2017	$160,759
Employer Normal Cost for PYE 06/30/2017	$53,310
Employer Normal Cost Rate for PYE 06/30/2017	33.2%
Amortization of Unfunded Actuarial Liability for PYE 06/30/2017	$56,742
State Insurance Premium Tax Allocation for FYE 06/30/2018	$52,550
Estimated Employer Contribution for FYE 06/30/2018	$57,502

The following table provides the estimated employer contributions for the fiscal year ended June 30, 2019, under the Optional funding policy, based on the July 1, 2017 actuarial valuation produced by GRS:

Estimated Employer Contributions for FYE:	June 30, 2019
Estimated Payroll for PYE 06/30/2018	$174,985
Employer Normal Cost for Active Members for PYE 06/30/2018	$58,215
Employer Normal Cost Rate for PYE 06/30/2018	33.3%
Amortization of Unfunded Actuarial Liability for PYE 06/30/2018	$54,397
State Insurance Premium Tax Allocation for FYE 06/30/2019	$53,182
Estimated Employer Contribution for FYE 06/30/2019 [a]	$59,430

[a] *The Employer Contribution cannot be less than the Employer Normal Cost.*

The actual minimum employer contribution for fiscal year ending June 30, 2019, will be based on the actual payroll for the plan year ended June 30, 2018.

Commentary on Premium Tax Allocation

Under §8-22-19 of the West Virginia Code, the plan sponsor is required to deposit the statutory contribution on a monthly basis at a rate of one-twelfth of the annual requirement, in order to receive the premium tax allocation from the Municipal Pensions Security Fund. Revenues which are specifically collected for the Fund, including employee payroll contributions, must be deposited within five days of receipt.

Based upon discussions with the Municipal Pensions Oversight Board (MPOB), we understand the annual premium tax allocation is determined by September 1st each year. Municipalities can begin invoicing the MPOB for their share of the premium tax allocation after receiving their state provided actuarial study and after the municipality has made employer contributions to the local Plan. Each municipal treasurer shall use the invoice template provided by the MPOB to begin drawing down the state allocation for the municipal pension plan. This July 1, 2017, Actuarial Report from GRS is to be used by municipal pension plans to draw down the September 1, 2018, State Premium Tax Allocation which is allocated in Fiscal Year 2019. *The actuarial valuation and projection results assume the sponsor will make the statutory contributions on a monthly basis in accordance with statutes, and will be eligible to receive the premium tax allocation.*

Commentary on Solvency Projections and Supplemental Benefits

Under § 8-22-26a of the West Virginia Code, all retirees, surviving spouses and disabled pensioners are eligible for Supplemental Benefits that include automatic cost-of-living benefits commencing on the first day of July following two years of retirement. The benefit equals the percentage increase in the Consumer Price Index, limited to 4.0 percent (2.0 percent for certain disabled pensioners), multiplied by the sum of the allowable amount (first $15,000 of initial benefits paid) and the accumulated supplemental pensions paid in prior years.

The Court of Appeals decision requires that Supplemental Benefits be provided on “the allowable amount of the first $15,000 of the total annual pension paid in addition to the accumulated supplemental pension from the previous years.” The decision implies that compound cost-of-living increases should be applied to both the allowable amount of $15,000 and the accumulated supplemental pension amounts for prior years. Additional Supplemental Benefits are payable only if the Plan satisfies the minimum standard for actuarial soundness as defined in West Virginia Code § 8-22-20. This minimum standard requires that the fund remain “solvent” over the next 15-year projection period. Based on discussions with the West Virginia Municipal Pensions Oversight Board, and our understanding of the administrative practices of other local police and fire pension funds in West Virginia, the “solvency” requirement generally means that the fund’s market value of assets is projected to be greater than zero for all plan years prior to the end of the 15-year projection period. The projection is based on the most recent actuarial valuation and assumes the plan sponsor will make contributions according to the funding policy elected by the sponsor as defined by West Virginia Code, including any additional amounts needed to satisfy the 15-year solvency test on a closed group projection basis. *Although the 15-year solvency test may satisfy the minimum standard for actuarial soundness under the statutes, it is not necessarily consistent with generally accepted actuarial principles.*

Executive Summary of Valuation Results as of July 1, 2017 (Continued)

The City of Weston has elected to fund benefits using the Optional funding policy as defined in West Virginia Code §8-22-20 (e)(1). Under this funding methodology, the fund's market value of assets is projected to be greater than zero for all plan years prior to the end of the 15-year projection period. Accordingly, this contribution methodology satisfies the minimum standard for actuarial soundness.

The Supplemental benefits for plan year beginning July 1, 2019, will be based on the Consumer Price Index for calendar year 2018, and the projected results of the July 1, 2017, actuarial valuation.

Additional Remarks on the Actuarial Valuation Results

Following are additional remarks on the actuarial valuation results as of July 1, 2017:

- The actuarial assumptions and methods were recommended by the actuary, in the report *2016 Experience Review for the Years July 1, 2009, to July 1, 2014*, and approved by the Municipal Pensions Oversight Board and became effective beginning with the actuarial valuation as of July 1, 2015. The key assumptions are fully disclosed in Section V of the report.

- The interest rate used to discount liabilities remained the same for the July 1, 2016 and July 1, 2017 actuarial valuations.
    - The interest rate assumption was developed by reviewing the Plan's current funded ratio, the 15-year projected funded ratio, the ratio of assets to benefits, the percentage of assets allocated to equities and the funding policy selected. The details of the methodology used to select the discount rate are presented in Section V of the report. As of July 1, 2017, the Plan's funded ratio of 55% (using a testing interest rate of 6.00% for all plans using the Optional funding policy), ratio of assets to benefits of 13.36, equity allocation of 58%, and 15-year projected funded ratio of 88%, resulted in a discount rate assumption of 6.00%.

- The Fund experienced an approximate annualized return of 9.03% on the market value of assets during the plan year ended June 30, 2017, which compares to the expected annualized return of 6.00%. The difference in actual versus expected return produced an asset (gain)/loss of ($25,609).

- An actuarial valuation is based on the expectation of certain events such as salary increases, retirement, disability, mortality, termination and cost of living increases. Demographic or liability experience (gains)/losses are generated when the actual occurrence of such events differs from the expectation. During the plan year ended June 30, 2017, the fund experienced a net liability (gain)/loss of ($11,687) due to these events.

Optional Funding

Following are additional remarks on the actuarial valuation projections under the current funding policy:

Based on the closed group projections shown in Table 1, page II-1 and assuming that the sponsor makes the statutory required contributions, if all actuarial assumptions are realized in the future, including an investment return of 6.00%:

- The funded ratio is projected to increase from 55% at June 30, 2017, to 84% at June 30, 2030, and to 100% at June 30, 2038.
- Employer contributions are expected to decrease steadily from $59,430 for the fiscal year end June 30, 2019, to $36,668 for fiscal year end June 30, 2037.

Please note that a funded ratio of only 55% at June 30, 2017, means that the Plan is underfunded.

This actuarial valuation assumes that the City will be able to make future contributions on a timely basis. The ability of the Plan to become fully funded is heavily dependent on the City contributing the minimum employer contribution calculated under the Optional funding policy for each and every future year. We did not perform an analysis of the ability of the City to make future contributions. Such an analysis is not within the scope of our assignment or within our analytical skill set. Failure to receive City contributions on a timely basis could jeopardize the sustainability of the Plan.

Please understand that the minimum employer contribution calculated under the Optional funding policy as defined in West Virginia Code §8-22-20 (e)(1) is just that – the minimum that needs to be contributed each and every year. Because this is an underfunded Plan, we recommend that the plan sponsor consider making additional contributions (in excess of the minimum requirement) to ensure that there are sufficient assets available in the fund in all years to pay the promised benefits.

If the minimum employer contributions (calculated under the Optional funding policy) are not made or the investment return is less than the assumption of 6.00%, the funded ratio will be lower and the cash flow strain will be higher. If another significant market downtown occurs while the plan's funded ratio is low, the plan may need to liquidate a large amount of assets in order to pay benefits which could have a further adverse effect on the funded status of the Plan.

Under the Optional funding policy, the following experience could cause City contributions to change during the year:

- If the actual return on assets is *less* than the assumed return of 6.00%, then contributions will generally *increase*. Conversely, if the actual return is *greater* than the assumed return, contributions will generally *decrease*.
- If salaries *increase* by more than assumed, contributions could *increase*. If salaries *decrease* by more than assumed, contributions could *decrease.*
- If active members retire *sooner* than expected, contributions will generally *increase.* If active members retire *later* than expected, contributions will generally *decrease*.

- If active members become disabled during the year, contributions could *increase*.
- If retired members die *later* than expected, contributions will *increase*. If retired members die *sooner* than expected, contributions will *decrease*.
- If the general inflation is *greater* than assumed, supplemental benefits will be greater than assumed and contributions will *increase*. Conversely, if general inflation is *lower* than assumed, contributions will *decrease*.

At least once every five years, GRS performs an experience review analysis and updates the actuarial valuation assumptions. For example, if salary increases were consistently lower than assumed during the experience period, then the salary increase rate would likely be lowered. Or if more members retired than assumed, then the retirement rates would likely be increased. Any change in actuarial assumption will also impact the City's funded ratio. The objective of a change in assumptions is to reduce the level of experience gains and losses in future actuarial valuations.

Schedule A: Summary of Key Valuation Results

	No.	July 1, 2016	No.	July 1, 2017
Valuation Date		**July 1, 2016**		**July 1, 2017**
Valuation Interest Rate		6.00%		6.00%
Cost-of-Living Adjustment		2.75%		2.75%
Wage Inflation		3.75%		3.75%
Expected Payroll		$160,759		$174,985
Average Pay		$26,793		$29,164
Expected Benefit Payments		$70,331		$71,677
1. Actuarial Accrued Liability	No.		No.	
(a) Actives	6	$515,897	6	$598,908
(b) Retirees	3	$1,156,937	3	$1,151,750
(c) Survivors	0	$0	0	$0
(d) Disabled Members	0	$0	0	$0
(e) Deferred Vested Members	0	$0	0	$0
(f) Total	9	$1,672,834	9	$1,750,658
2. Present Value of Future Normal Costs		$738,467		$783,930
3. Present Value of Benefits (1(f) + 2)		$2,411,301		$2,534,588
4. Market Value of Assets		$837,424		$957,723
5. Unfunded Actuarial Accrued Liability (1(f) - 4)		$835,410		$792,935
6. Funded Ratio (4 / 1(f))		50.06%		54.71%
7. Net Employer Normal Cost				
(a) Normal Cost		$65,658		$71,739
(b) Administrative Expenses		$1,237		$1,327
(c) Gross Normal Cost (a + b)		$66,895		$73,066
(d) Employee Contribution Rate [a]		8.45%		8.49%
(e) Expected Employee Contributions		$13,585		$14,851
(f) Net Employer Normal Cost (c - e)		$53,310		$58,215
(% of Compensation)		33.16%		33.27%
8. Estimated Minimum Employer Contribution [b]		**FYE 2018**		**FYE 2019**
(a) Expected Payroll		$160,759		$174,985
(b) Estimated Employer Normal Cost		$53,310		$58,215
(c) Employer Normal Cost Rate		33.16%		33.27%
(d) Amortization of Unfunded Actuarial Liability		$56,742		$54,397
(e) State Insurance Premium Tax Allocation		$52,550		$53,182
(f) Estimated Employer Contribution[c] (b + d - e)		**$57,502**		**$59,430**

[a] *Blended rate reflecting 7.0% for members hired before January 1, 2010, and 9.5% for members hired after January 1, 2010.*

[b] *Estimated Minimum Employer Contribution is based on Optional funding policy and is assumed to be made in plan year ending June 30, 2019. The actual Minimum Employer Contribution will be based on actual payroll for plan year ended June 30, 2018.*

[c] *The Employer Contribution cannot be less than the Employer Normal Cost.*

Schedule B: (Gain)/Loss Analysis

Experience (Gain)/Loss for Plan Year Ended June 30, 2017

1.	(a) Actuarial Accrued Liability as of 7/1/2016	$1,672,834
	(b) Normal Cost due 7/1/2016	$65,658
	(c) Interest on (a) and (b) to 6/30/2017	$102,340
	(d) Benefit Payments with interest to 6/30/2017	$78,487
	(e) Effect of Assumption Changes	$0
	(f) Expected Liability at 7/1/2017 [(a) + (b) + (c) - (d) + (e)]	$1,762,345
	(g) Actual Liability at 7/1/2017	$1,750,658
	(h) Liability (Gain)/Loss [(g) - (f)]	**($11,687)**
2.	(a) Market Value of Assets as of 7/1/2016	$837,424
	(b) Interest on (a) to 6/30/2017	$50,245
	(c) Contributions with interest to 6/30/2017	$122,932
	(d) Benefit Payments with interest to 6/30/2017	$78,487
	(e) Expected Assets at 6/30/2017 [(a) + (b) + (c) - (d)]	$932,114
	(f) Actual Assets at 7/1/2017	$957,723
	(g) Asset (Gain)/Loss [(e) - (f)]	**($25,609)**
3.	Total (Gain)/Loss [1(h) + 2(g)]	**($37,296)**

SECTION II

ACTUARIAL PROJECTIONS

Actuarial Projections, Table 1

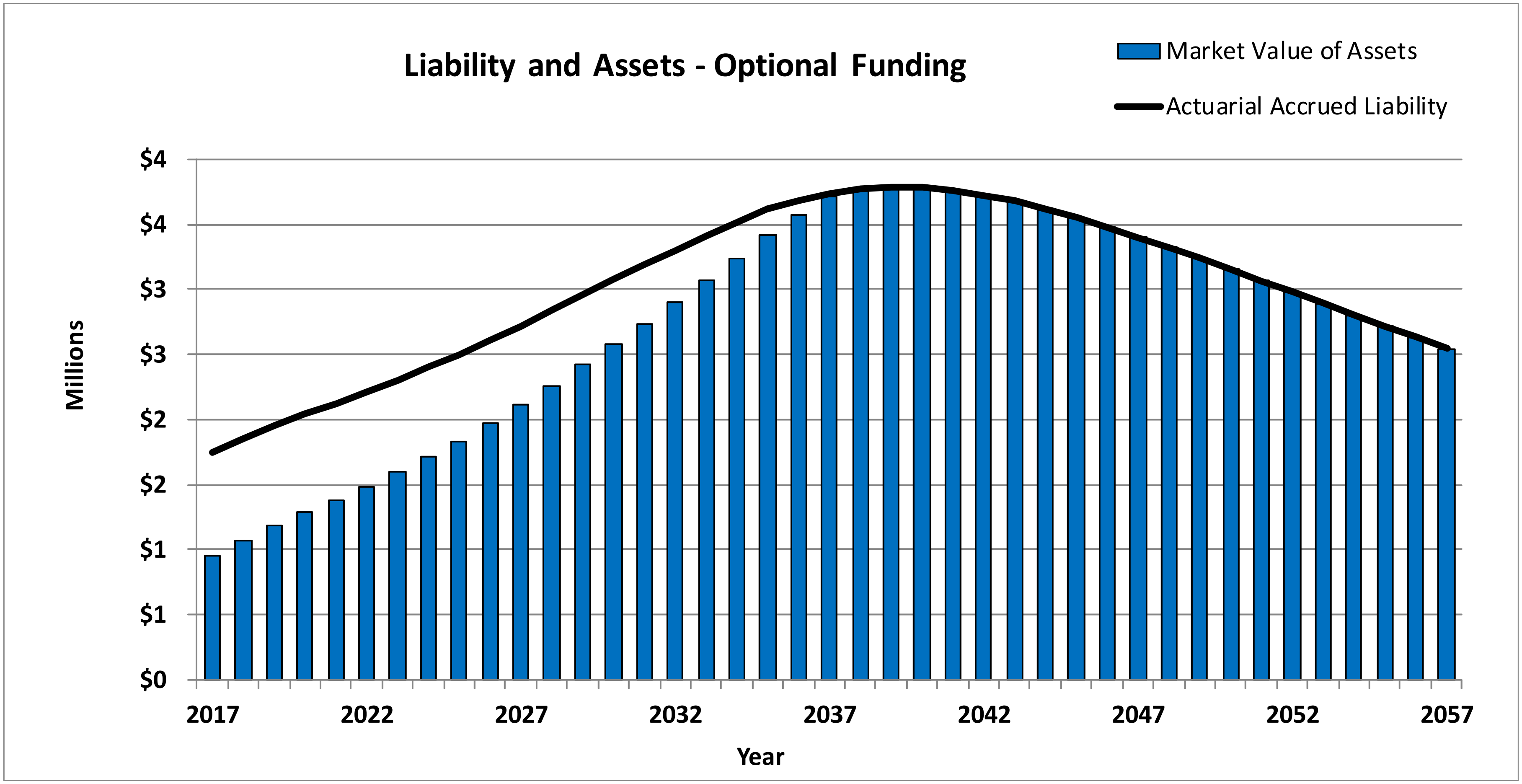
Valuation Plan Year End 30-Jun	Number Active	Number Pay Status	Total Assets: Assets (boy)	Benefit Payments	Expenses	Employer Contributions	Member Contributions	Premium Tax Allocation Contributions	Investment Income	Assets (eoy)	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio
2017	6	3	$837,424	$76,201	$8,848	$61,936	$14,816	$42,613	$85,983	$957,723	$1,750,658	$792,935	55%
2018	5	3	957,723	71,677	1,327	57,502	14,851	52,550	58,997	1,068,619	1,855,748	787,129	58%
2019	5	4	1,068,619	80,374	1,330	59,430	14,333	53,182	65,455	1,179,315	1,954,080	774,765	60%
2020	4	4	1,179,315	90,745	1,337	54,705	13,617	56,151	71,716	1,283,423	2,041,990	758,567	63%
2021	4	4	1,283,423	98,278	1,346	50,010	13,218	58,395	77,655	1,383,078	2,124,070	740,992	65%
2022	4	4	1,383,078	100,071	1,357	47,112	13,512	59,552	83,539	1,485,364	2,210,634	725,270	67%
2023	4	4	1,485,364	101,906	1,370	48,210	13,842	60,745	89,699	1,594,583	2,302,066	707,483	69%
2024	4	4	1,594,583	104,094	1,387	49,419	14,195	62,009	96,270	1,710,996	2,398,422	687,426	71%
2025	4	4	1,710,996	106,177	1,404	50,696	14,553	63,312	103,280	1,835,256	2,500,108	664,852	73%
2026	4	4	1,835,256	108,275	1,424	51,987	14,936	64,656	110,763	1,967,899	2,607,448	639,549	75%
2027	3	4	1,967,899	110,497	1,446	53,352	15,346	66,075	118,749	2,109,478	2,720,876	611,398	78%
2028	3	4	2,109,478	111,905	1,470	54,804	15,815	67,573	127,303	2,261,598	2,841,839	580,241	80%
2029	3	4	2,261,598	118,588	1,498	56,496	15,785	69,138	136,327	2,419,257	2,962,301	543,044	82%
2030	3	5	2,419,257	128,491	1,527	55,670	15,322	71,598	145,527	2,577,356	3,076,168	498,812	84%
2031	3	5	2,577,356	135,364	1,556	52,665	15,138	73,904	154,783	2,736,926	3,187,843	450,917	86%
2032	3	5	2,736,926	140,772	1,589	50,971	15,180	76,116	164,212	2,901,045	3,299,951	398,906	88%
2033	2	5	2,901,045	146,123	1,625	50,306	15,360	78,386	173,953	3,071,302	3,413,438	342,136	90%
2034	2	5	3,071,302	155,860	1,661	50,307	14,741	80,614	183,928	3,243,371	3,520,355	276,984	92%
2035	2	5	3,243,371	168,754	1,697	47,690	13,478	83,961	193,853	3,411,902	3,614,173	202,271	94%
2036	2	6	3,411,902	185,887	1,733	42,948	11,559	87,065	203,352	3,569,206	3,687,504	118,298	97%
2037	1	6	3,569,206	205,096	1,774	36,668	9,429	91,314	212,099	3,711,846	3,736,376	24,530	99%
2038	1	6	3,711,846	216,909	1,814	29,999	8,206	21,199	218,001	3,770,528	3,770,528	0	100%
2039	1	6	3,770,528	230,309	1,854	21,374	6,747	0	220,200	3,786,685	3,786,685	0	100%
2040	1	6	3,786,685	242,437	1,894	17,202	5,356	0	220,645	3,785,557	3,785,557	0	100%
2041	0	7	3,785,557	255,090	1,932	12,905	3,889	0	220,032	3,765,361	3,765,361	0	100%
2042	0	7	3,765,361	266,867	1,968	8,819	2,452	0	218,307	3,726,104	3,726,104	0	100%
2043	0	7	3,726,104	272,203	2,003	6,936	1,764	0	215,717	3,676,316	3,676,316	0	100%
2044	0	7	3,676,316	275,686	2,035	5,581	1,272	0	212,571	3,618,019	3,618,019	0	100%
2045	0	7	3,618,019	277,734	2,064	4,589	908	0	208,972	3,552,690	3,552,690	0	100%
2046	0	6	3,552,690	278,847	2,090	3,756	598	0	204,985	3,481,092	3,481,092	0	100%
2047	0	6	3,481,092	278,752	2,112	3,148	374	0	200,666	3,404,417	3,404,417	0	100%
2048	0	6	3,404,417	277,311	2,128	2,829	254	0	196,095	3,324,156	3,324,156	0	100%
2049	0	6	3,324,156	275,177	2,140	2,551	149	0	191,331	3,240,870	3,240,870	0	100%
2050	0	6	3,240,870	272,209	2,146	2,348	76	0	186,413	3,155,352	3,155,352	0	100%
2051	0	6	3,155,352	268,489	2,145	2,228	31	0	181,387	3,068,363	3,068,363	0	100%
2052	0	6	3,068,363	264,157	2,139	2,139	0	0	176,293	2,980,499	2,980,499	0	100%
2053	0	5	2,980,499	259,164	2,126	2,126	0	0	171,168	2,892,503	2,892,503	0	100%
2054	0	5	2,892,503	253,808	2,108	2,108	0	0	166,047	2,804,742	2,804,742	0	100%
2055	0	5	2,804,742	248,175	2,085	2,085	0	0	160,948	2,717,515	2,717,515	0	100%
2056	0	5	2,717,515	242,351	2,058	2,058	0	0	155,886	2,631,050	2,631,050	0	100%
2057	0	5	2,631,050	236,421	2,028	2,028	0	0	150,874	2,545,503	2,545,503	0	100%
2058	0	4	2,545,503	230,475	1,995	1,996	0	0	145,917	2,460,945	2,460,945	0	100%

Actuarial Projections, Table 2

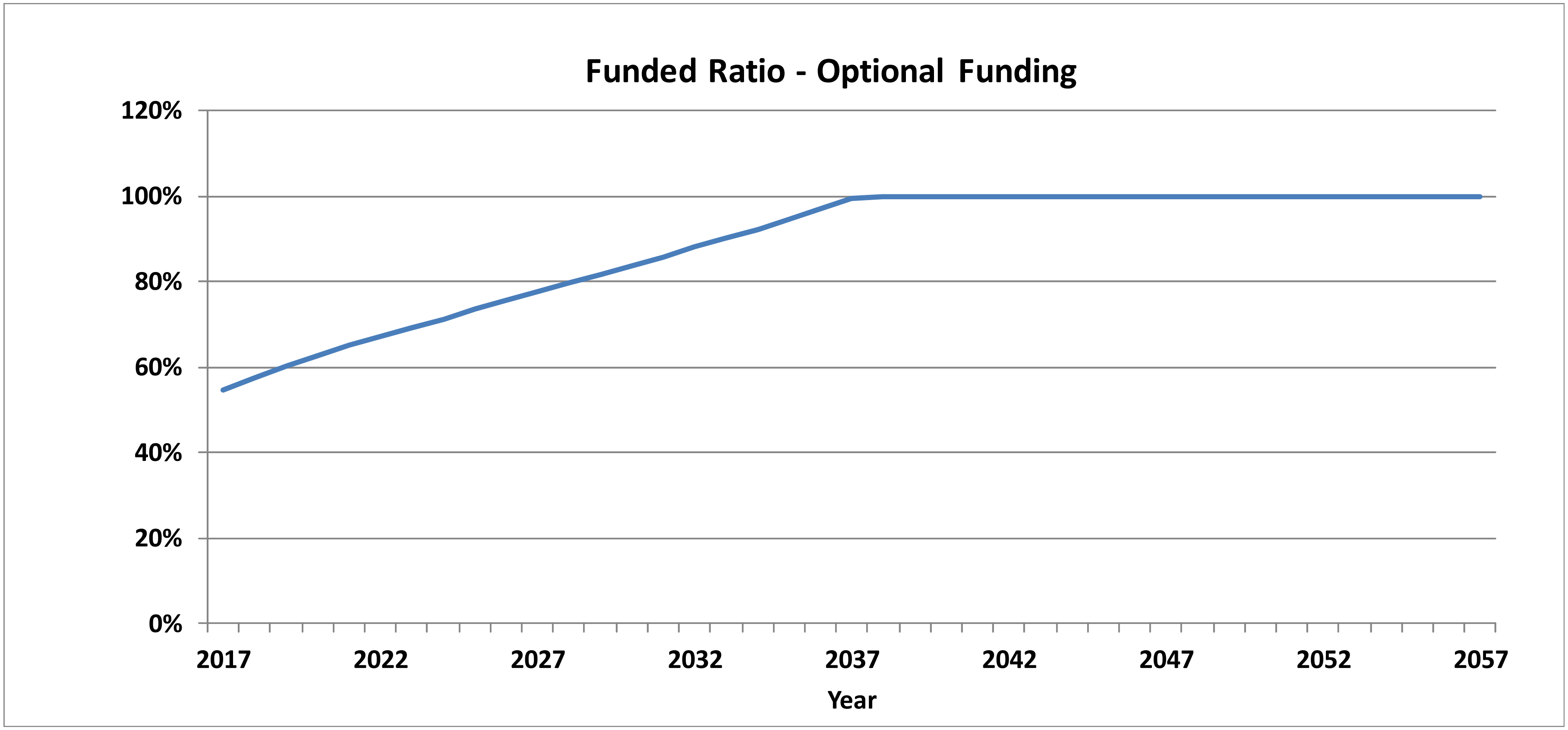
Valuation Plan Year End 30-Jun[a]	Closed Group Payroll	Active Employee Contributions	Gross Normal Cost	Net Employer Normal Cost	Amortization of UAAL	Premium Tax Allocation Contributions	Net Employer Amortization	Expenses	Employer Contribution Closed Plan
				Employer Contributions					
2018	$174,985	$14,851	71,739	56,888	$54,397	$53,182	$1,215	$1,327	59,430
2019	167,000	14,333	67,708	53,375	54,579	56,151	0	1,330	54,705
2020	156,154	13,617	62,290	48,673	54,341	58,395	0	1,337	50,010
2021	149,751	13,218	58,984	45,766	53,862	59,552	0	1,346	47,112
2022	153,154	13,512	60,365	46,853	53,313	60,745	0	1,357	48,210
2023	156,941	13,842	61,891	48,049	52,927	62,009	0	1,370	49,419
2024	160,971	14,195	63,504	49,309	52,422	63,312	0	1,387	50,696
2025	165,063	14,553	65,136	50,583	51,779	64,656	0	1,404	51,987
2026	169,415	14,936	66,864	51,928	50,974	66,075	0	1,424	53,352
2027	174,062	15,346	68,704	53,358	49,980	67,573	0	1,446	54,804
2028	179,456	15,815	70,841	55,026	48,778	69,138	0	1,470	56,496
2029	177,674	15,785	69,957	54,172	47,340	71,598	0	1,498	55,670
2030	169,684	15,322	66,460	51,138	45,395	73,904	0	1,527	52,665
2031	165,480	15,138	64,553	49,415	42,813	76,116	0	1,556	50,971
2032	164,263	15,180	63,897	48,717	39,833	78,386	0	1,589	50,306
2033	164,952	15,360	64,042	48,682	36,363	80,614	0	1,625	50,307
2034	157,509	14,741	60,770	46,029	32,281	83,961	0	1,661	47,690
2035	143,477	13,478	54,729	41,251	27,142	87,065	0	1,697	42,948
2036	122,768	11,559	46,494	34,935	20,666	91,314	0	1,733	36,668
2037	100,003	9,429	37,654	28,225	12,658	21,199	0	1,774	29,999 [b]
2038	86,689	8,206	32,343	24,137	0	0	0	1,814	21,374 [b]
2039	71,021	6,747	26,261	19,514	0	0	0	1,854	17,202 [b]
2040	56,374	5,356	20,664	15,308	0	0	0	1,894	12,905 [b]
2041	40,941	3,889	14,870	10,981	0	0	0	1,932	8,819 [b]
2042	25,810	2,452	9,299	6,847	0	0	0	1,968	6,936 [b]
2043	18,573	1,764	6,688	4,924	0	0	0	2,003	5,581 [b]
2044	13,390	1,272	4,818	3,546	0	0	0	2,035	4,589 [b]
2045	9,563	908	3,439	2,531	0	0	0	2,064	3,756 [b]
2046	6,298	598	2,261	1,663	0	0	0	2,090	3,148 [b]
2047	3,942	374	1,410	1,036	0	0	0	2,112	2,829 [b]
2048	2,677	254	957	703	0	0	0	2,128	2,551 [b]
2049	1,564	149	556	407	0	0	0	2,140	2,348 [b]
2050	798	76	278	202	0	0	0	2,146	2,228 [b]
2051	324	31	112	81	0	0	0	2,145	2,139 [b]
2052	0	0	0	0	0	0	0	2,139	2,126 [b]
2053	0	0	0	0	0	0	0	2,126	2,108 [b]
2054	0	0	0	0	0	0	0	2,108	2,085 [b]
2055	0	0	0	0	0	0	0	2,085	2,058 [b]
2056	0	0	0	0	0	0	0	2,058	2,028 [b]
2057	0	0	0	0	0	0	0	2,028	1,996 [b]

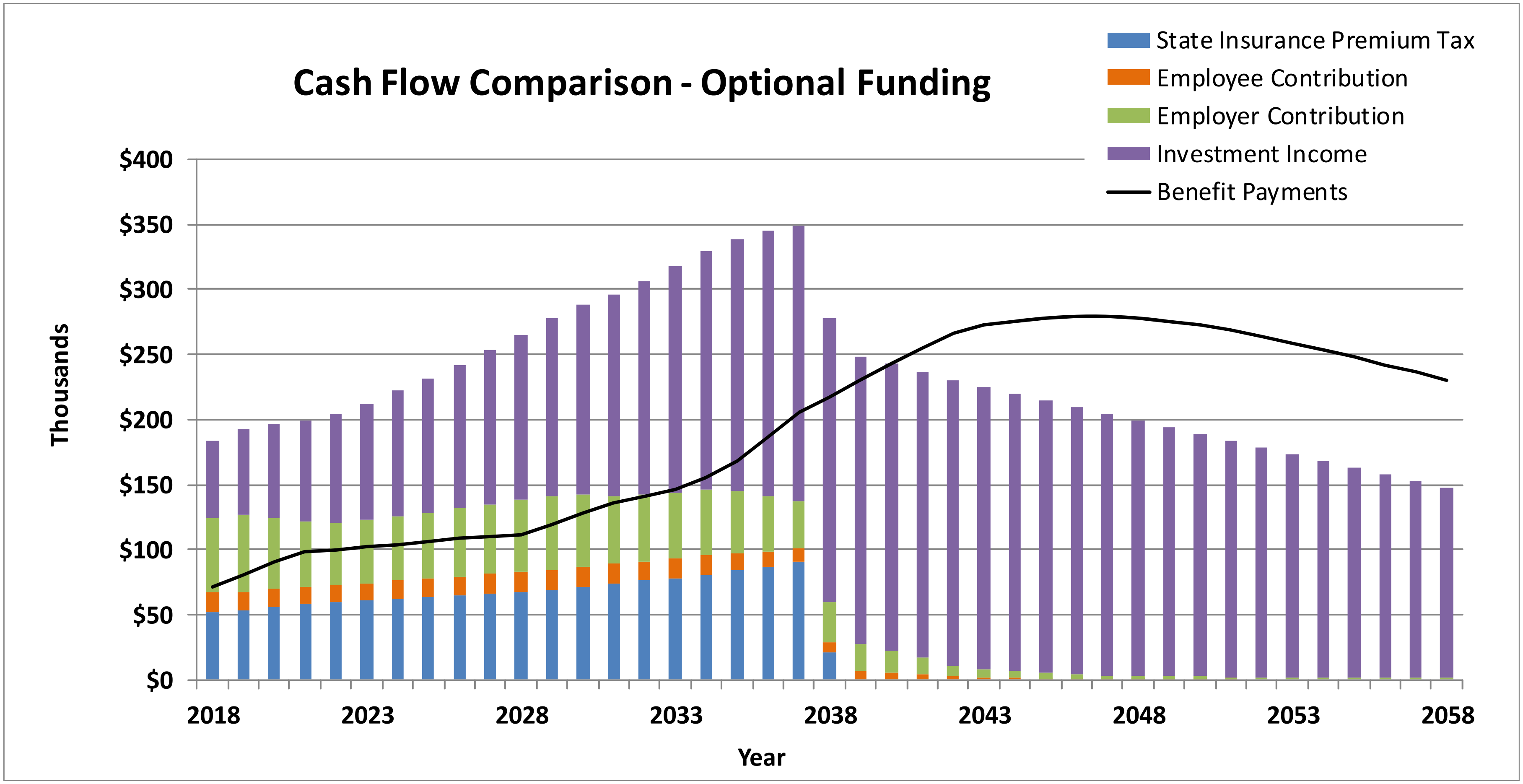
[a] *Assumes employer makes contributions for the applicable valuation plan year in the following fiscal year.*
[b] *Amount required to remain at 100% funded.*

Actuarial Projections, Graph 1



Actuarial Projections, Graph 2




Cash Flow Comparison - Optional Funding
State Insurance Premium Tax
Employee Contribution
Employer Contribution
Investment Income
Benefit Payments
$400
$350
$300
$250
$200
$150
$100
$50
$0
Thousands
2018
2023
2028
2033
2038
2043
2048
2053
2058
Year

SECTION III

ACTUARIALLY DETERMINED CONTRIBUTION FOR GASB STATEMENT NOS. 67 AND 68 REPORTING

Actuarially Determined Contribution for GASB Statement Nos. 67 and 68 Reporting
Schedule C: Funding Progress and Employer Contributions

Valuation Date	**July 1, 2016**	**July 1, 2017**
Valuation Interest Rate	6.00%	6.00%
Cost-of-Living Adjustment	2.75%	2.75%
Wage Inflation	3.75%	3.75%
Actuarial Value of Assets	Market	Market
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Remaining Amortization Period [a]	24 Years, Level % of Pay	23 Years, Level % of Pay
Schedule of Funding Progress		
Actuarial Valuation Date	**July 1, 2016**	**July 1, 2017**
1. Market Value of Assets	$837,424	$957,723
2. Actuarial Accrued Liability	$1,672,834	$1,750,658
3. Unfunded Actuarial Accrued Liability (2 - 1)	$835,410	$792,935
4. Funded Ratio (1/2)	50%	55%
5. Expected Payroll	$160,759	$174,985
6. UAAL as Percentage of Covered Payroll (3/5)	520%	453%
Schedule of Employer Contributions [c]	**FYE 2017**	**FYE 2018**
1. Actuarially Determined Contribution		
(a) Employer Normal Cost	$53,310	$58,215
(b) Amortization of Unfunded Actuarial Accrued Liability	$44,062	$43,213
(c) Actuarially Determined Contribution (ADC) (a + b)	$97,372	$101,428
2. Employer Contribution [b]	$61,936	$57,502
3. Premium Tax Allocation	$42,613	$52,550
4. Percentage of ADC Contributed [(2 + 3)/1(c)]	107%	109%

[a] *Suggested amortization policy to comply with GASB Statement Nos. 67 and 68 Standards.*
[b] *Estimated employer contribution for fiscal year ended June 30, 2018.*
[c] *Satisfies the Actuarially Determined Contribution as defined by GASB Statement Nos. 67 and 68.*

SECTION IV

ACTUARIAL VALUATION DATA
AS OF JULY 1, 2017

Actuarial Valuation Data as of July 1, 2017
Schedule D: Reconciliation of Assets

Plan Year Ending	June 30, 2016	June 30, 2017
A. Market Value of Assets Beginning of Year	$829,961	$837,424
Adjustment to Market Value of Assets at Beginning of Year	($1,467)	$0
Market Value of Assets Beginning of Year	$828,494	$837,424
1. Revenue During Fiscal Year		
(a) Employee Contribution	$14,684	$14,816
(b) Governmental Contribution		
(i) From Local Government	$42,000	$61,936
(ii) From State Government	$26,485	$42,613
(iii) Reallocation from State Government	$0	$0
(iv) Total	$68,485	$104,549
(c) Earnings on Investments		
(i) Net Appreciation/(Depreciation)	($8,288)	$51,541
(ii) Bond Interest	$4,020	$2,979
(iii) Dividends	$23,075	$18,428
(iv) Net Realized Gain (Loss) on Sale/Exchange	($13,766)	$12,555
(v) Other	$0	$0
(vi) Less Investment Expense	$0	$0
(vii) Total	$5,041	$85,503
(d) Other Revenue	$0	$0
(e) Receivable Investment Income/(Expense)	$0	$480
(f) Receivable Contribution [a]		
(i) From Employee Contributions	$0	$0
(ii) From Local Government	$0	$0
(iii) From State Government	$0	$0
(iv) Total	$0	$0
(g) Total Revenue (sum of (a) through (f))	$88,210	$205,348
2. Expenditures During Fiscal Year		
(a) Benefits Paid	$71,032	$76,201
(b) Withdrawals	$0	$0
(c) Administrative Expenses	$8,248	$8,848
(d) Payable Benefits and Withdrawals	$0	$0
(e) Payable Administrative Expenses	$0	$0
(f) Total Expenditures (sum of (a) through (e))	$79,280	$85,049
B. Market Value of Assets End of Year [A + 1(g) - 2(f)]	$837,424	$957,723
C. Approximate Return on Assets	(0.39)%	9.03%

[a] *Receivable contributions for each respective plan year ending.*

Actuarial Valuation Data as of July 1, 2017
Schedule E: Assets Held by Category

Plan Year Ending	June 30, 2016		June 30, 2017	
1. Cash and Short-term Investments	$166,274	20%	$148,899	16%
2. Government Securities				
(a) US Treasury Bills, Notes and Bonds	$76,061		$49,967	
(b) US State and Local Governmental Debt Securities	$0		$0	
(c) Foreign Governmental Debt Securities	$0		$0	
(d) Other	$0		$0	
(e) Total Government Securities (sum of (a) through (d))	$76,061	9%	$49,967	5%
3. Corporate Fixed Income				
(a) US Bonds	$0		$200,666	
(b) US Mortgage or other Asset Backed Securities	$0		$0	
(c) US Mutual Fund Shares (Bonds)	$137,664		$0	
(d) US Exchange Traded Funds (Bonds)	$0		$0	
(e) International Bonds	$0		$0	
(f) International Mutual Fund Shares (Bonds)	$0		$0	
(g) International Exchange Traded Funds (Bonds)	$0		$0	
(h) Total Corporate Fixed Income (sum of (a) through (g))	$137,664	16%	$200,666	21%
4. Corporate Equity				
(a) US Equity	$0		$0	
(b) US Mutual Fund Shares (Equity)	$457,425		$557,711	
(c) US Exchange Traded Funds (Equity)	$0		$0	
(d) International Equity	$0		$0	
(e) International Mutual Fund Shares (Equity)	$0		$0	
(f) International Exchange Traded Funds (Equity)	$0		$0	
(g) Total Corporate Equity (sum of (a) through (f))	$457,425	55%	$557,711	58%
5. Alternative Investments				
(a) Real Estate Investment Trust	$0		$0	
(b) Private Equity Fund	$0		$0	
(c) Hedge Funds	$0		$0	
(d) Other Alternative Investments	$0		$0	
(e) Total Alternative Investments (sum of (a) through (d))	$0	0%	$0	0%
6. Other	$0	0%	$0	0%
7. Receivable Contributions				
(a) From Employee Contributions	$0		$0	
(b) From Local Government	$0		$0	
(c) From State Government	$0		$0	
(d) Total Receivable Contributions (sum of (a) through (c))	$0	0%	$0	0%
8. Accruals				
(a) Receivable (other than State and Local Contributions)	$0		$480	
(b) Less Payable	$0		$0	
(c) Total	$0	0%	$480	0%
Market Value of Assets End of Year [sum of (1) through (8)]	**$837,424**		**$957,723**	

Actuarial Valuation Data as of July 1, 2017
Schedule F: Summary of Participant Activity

	Actives	Retirees	Disabled	Deferred Vested	Spouses and Beneficiaries	Totals
Total Participants July 1, 2016:	**6**	**3**	**0**	**0**	**0**	**9**
New Actives:						**0**
Returned to Actives Status:						**0**
Data Corrections/Other Changes:						**0**
Vested Terminations:						**0**
Non-Vested Terminations:						**0**
Disabled:						**0**
Retirements:						**0**
Deaths with Beneficiary:						**0**
Deaths w/o Beneficiary:						**0**
Expired Annuity or Stop Payment:						**0**
Net Changes:	0	0	0	0	0	**0**
Total Participants June 30, 2017:	**6**	**3**	**0**	**0**	**0**	**9**

Actuarial Valuation Data as of July 1, 2017
Schedule G: Distribution of Active Employees by Age and Length of Service

Attained Age	Years of Service to Valuation Date: Less than 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 35	Totals	Valuation Payroll[a]
Under 20											$ 0
20-24											$ 0
25-29		2								**2**	**$ 35,541**
30-34			1							**1**	**$ 33,205**
35-39		1	1							**2**	**$ 70,674**
40-44											$ 0
45-49											$ 0
50-54											$ 0
55-59						1				**1**	**$ 40,362**
60-64											$ 0
65-69											$ 0
Over 70											$ 0
Totals	**0**	**3**	**2**	**0**	**0**	**1**	**0**	**0**	**0**	**6**	**$ 179,781**

Averages

Age:	36.6	years
Service:	6.8	years
Annual Pay:	$29,964	[a]

[a] *Based on payroll at beginning of plan year.*

Actuarial Valuation Data as of July 1, 2017
Schedule H: Participants Summary

Active Participants	July 1, 2016	July 1, 2017
Number of Actives	6	6
Total Annual Pay	$165,093	$179,781
Average Age	35.6	36.6
Average Service	5.8	6.8

Inactive Participants	July 1, 2016		July 1, 2017	
Type	No.	Annual Benefit	No.	Annual Benefit
Retirees	3	$64,545	3	$65,243
Survivors	0	$0	0	$0
Disabled Members	0	$0	0	$0
Deferred Vested Members	0	$0	0	$0

SECTION V

ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions and Methods
Used in the Valuation as of July 1, 2017

Discount Rate

The following table outlines the factors used to determine the discount rate:

Funded Ratio as of Valuation Date [1]	Liquidity Ratio [2]	Equity Exposure [3]	Projected Funded Ratio after 15 Years [1]	Discount Rate
60% or more	10	50% or more	70% or more	6.5%
40% or more	8	40% or more	60% or more	6.0%
30% or more	6	30% or more	50% or more	5.5%
15% or more	4	n/a	40% or more	5.0%
Less than 15%	n/a	n/a	15% or more	4.5%
Less than 15%	n/a	n/a	Less than 15%	4.0%

[1]Funded ratios based on a 6.0% investment return assumption for plans using an actuarially sound policy (standard or optional) and a 5.5% investment return assumption for other plans (alternative or conservation).
[2]Liquidity ratio equals assets as of the actuarial valuation date divided by expected benefit payments for the year.
[3]Based on investment policy.

As of June 30, 2017	
Assets	$957,723
Liabilities using a 6.00% Discount Rate	$1,750,658
Funded Ratio	55%
Expected Benefit Payments	$71,677
Liquidity Ratio	13.36
Equity Exposure	58%
Projected Funded Ratio after 15 years	88%

Discount Rate	6.00%

The premium tax allocation is projected using the following methodology:

(1) The Base Allocation for all Pension and Relief Funds is a fixed amount equal to $8,709,689 in all future years. This amount is allocated to each individual Pension and Relief Fund in proportion to the number of eligible members, which includes active members covered in either the Pension and Relief Fund or the statewide plan, Municipal Police Officers and Firefighters Retirement System ("MPFRS").

(2) The Excess Allocation is equal to the excess of the current year premium tax assigned to all Pension and Relief Funds over the total Base Allocation. This amount is allocated to each individual Pension and Relief Fund in proportion to the number of eligible active and retired members covered in either the Pension and Relief Fund or the MPFRS.

(3) We have assumed all Pension and Relief Funds will make the minimum statutory contribution requirement and will receive 100% of both the Base Allocation and the Excess Allocation assigned to the individual plan. Consequently, the projections do not include any reallocation of Expired Premium Tax Allocation for plan years beginning on and after July 1, 2019.

(4) The total available premium tax allocation, net of expenses, as of September 1, 2018, includes a Base Allocation of $8,709,689, an Excess Allocation of $9,570,473, and an Expired Premium Tax Allocation of $237,031.

(5) For the plan year ending June 30, 2018, all Pension and Relief Funds reported a total of 1,717 eligible active members and 2,165 eligible retired members. The City of Weston Firemen's Pension and Relief Fund reported 6 eligible active members and 3 eligible retired members, based on the average number of plan participants for the 12-month period ending June 30, 2018. The Fund is eligible to receive a premium tax allocation of $53,182 for the fiscal year ending June 30, 2019.

(6) The total premium tax allocation was assumed to increase by 2.75% in calendar years ending on and after 2019.

Actuarial Assumptions and Methods
Used in the Valuation as of July 1, 2017 (Continued)

General Inflation	2.75%
Expected Salary Increase Service-based Increase:	General Inflation: 2.75% *plus* Wage Inflation Increment: 1.00% *plus* Years of Service — Increase 1 — 20.00% 2 — 6.50% 3 — 3.50% 4 — 2.75% 5-9 — 2.50% 10-29 — 2.00% 30-34 — 1.25% after 34 years of service — 0.00%
Post-retirement COLA	2.75% on first $15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years. Assumed to be payable to all members receiving payments.
Increase in State Insurance Premium Tax Allocation	2.75% on and after year 1
Cost Method	Entry-Age-Normal, Level-Percentage-of-Pay
Amortization Policies: Alternative Plans and former Alternative Plans that selected the Conservation Policy	For GASB 67/68 Accounting: 30 – Year Closed Level-Percentage-of-Pay Amortization (from July 1, 2010 – 23 years remaining as of July 1, 2017).
Standard Plans and former Standard Plans that selected the Optional Policy	For funding and GASB 67/68 Accounting: 40-Year Closed Level-Dollar Amortization (from July 1, 1991 – 14 years remaining as of July 1, 2017)
Former Alternative Plans that selected the Optional Policy	For funding: 40-Year Closed Level-Dollar Amortization (from January 1, 2010 – 32.5 years remaining as of July 1, 2017). For GASB 67/68 Accounting: 30-Year Closed Level-Percentage-of-Pay Amortization (from July 1, 2010 – 23 years remaining as of July 1, 2017)

Asset Method	Market Value
Turnover	Sample Rates – Age / Rates 25 / 9% 35 / 4% 45 / 2% 50 / 0%
Retirement	Age / Rates[a] 50 / 45% 51-55 / 30% 56-59 / 35% 60 / 100% [a]*Terminated vested participants are assumed to retire at age 50.*
Mortality	Active: RP-2014 Blue Collar Healthy Employee[b] Post-Retirement: RP-2014 Blue Collar Healthy Annuitant Disabled: RP-2014 Blue Collar Healthy Annuitant set forward four years Tables above incorporate generational mortality improvement using MP-2014 2-dimensional mortality improvement scales [b]*Assumes 10% of deaths are duty-related and 90% are non-duty related.*
Disability	Sample Rates – Age / Rates[c] 30 / 0.22% 40 / 0.50% 50 / 0.79% [c] *Assumes 60% duty related and 40% non-duty related. Also assumes 10% of non-duty disabled members receive a 20% reduction in benefits due to gainful employment.*
Percent Married	90%
Spouse Age	Females 3 years younger than males

Administrative Expenses	The sponsor did not appear to provide separate investment and administrative expenses. Plan year 2018 administrative expenses assumed to be equal to 15% of all reported 2017 expenses. Future expenses assumed to increase by the general inflation assumption.
Refunds Paid	Assumes non-vested inactive members as of July 1, 2017, with accumulated member contribution balances will receive a refund of their contributions during plan year end June 30, 2018.
Data Adjustments and Assumptions	None
Child Beneficiaries	Future survivor widow benefits are loaded by 12% to estimate impact of benefits provided to survivor children. The load assumes 90% of members are married with two children at time of death, and benefits for each child are paid for approximately 8 years.
General Projection Methodology	Closed group projections assume: (i) Salaries will increase and members will decrement as specified in the actuarial assumption section. (ii) Assets grow at the assumed rate of return. (iii) The sponsor makes the statutory required contribution on a timely bases. (iv) Non-vested members with accumulated plan balances as of July 1, 2017, will receive a refund during plan year end June 30, 2018.
Decrement Timing	Mid-Year

SECTION VI

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Summary of Principal Plan Provisions
Actuarial Valuation as of July 1, 2017

Employee Eligibility — All compensated employees of the Fire Department hired before January 5, 2015 are eligible to participate in the City of Weston Firemen's Pension and Relief Fund.

Average Annual Compensation — The average of any three twelve-consecutive-month periods of employment which produces the highest average annual compensation.

Each twelve-consecutive-month annual compensation is limited to 120% of the *Average Adjusted Salary* received by the member in the two consecutive twelve-consecutive-month periods immediately preceding the twelve-consecutive-month period used in determining benefits.

The *Average Adjusted Salary* is base salary (exclusive of all overtime and other pay) of the year used in determining benefits multiplied by the ratio of total salary (includes all overtime and other pay) to base salary from the respective preceding twelve-consecutive-month period.

Determining Years of Service Credit (Credited Service**)** — The number of years that the member has contributed to the employees retirement and benefit fund.

Prior Military Service — A city may provide that members who have been honorably discharged from the military shall receive up to two years prior service credit for military service prior to their employment with the city.

Current Military Service — Any current member who has been on qualified military service in the armed forces of the United States with an honorable discharge may, within six months from his or her date of discharge, be given credit for continuous service in the paid police or fire department.

Any member who has served in active duty with the armed forces of the United States, whether prior to or subsequent to becoming a member of a paid police or fire department, shall receive one additional percent for each year so served in active military duty, up to a maximum of four additional percent.

Absence from the service because of sickness or injury for a period of two years or less shall not be construed as time out of service.

Contributions — Participating employees contribute 7.0% of compensation. Participating employees hired on or after January 1, 2010 contribute 9.5% of pay. The municipality has elected to contribute the minimum employer contribution under the Optional funding policy.

Normal Retirement — Members are eligible at the earlier of age 50 with 20 years of credited service or age 65.

Benefit Commencement — Annual retirement pension benefits commence upon retirement or upon the member attaining age fifty, whichever is later, payable in twelve monthly installments.

Summary of Principal Plan Provisions
Actuarial Valuation as of July 1, 2017 (Continued)

Accrued Benefit — The annual retirement benefit equals 60% of average annual compensation, not less than $6,000, plus an additional percentage of average annual compensation for service over 20 years equal to 2% for each year of service between 20 and 25 and 1% for each year of service between 25 and 30 years. Employees serving in the military are eligible for an additional 1% of average annual compensation for each year of military service up to four years. The maximum benefit is limited to 75% of average annual compensation. Benefits continue for life.

Disability Retirement — Members are eligible after earning five years of service. No service requirement if disability is service related.

The monthly disability benefit equals the greater of 60% of monthly salary at disability or $500. Employees serving in the military are eligible for an additional benefit of 1% of monthly salary at disability for each year of military service up to four years. Disability benefits, when aggregated with monthly state workers compensation benefits, shall not exceed 100% of the member's monthly compensation at the time of disability. Benefits continue for life or until recovery.

Death Benefits — Members are eligible after earning five years of service. No service requirement if death is service related. Retirees and terminated vested participants are also eligible.

The benefit is equal to 60% of the participant's benefit, but not less than $300 per month, payable to the spouse until death or remarriage. Other dependents (children, parents, brothers and sisters) are also eligible for death benefits. To each dependent child, twenty percent of the participant's benefit until the child attains 18 or marries; to each dependent orphaned child, 25 percent of the participant's benefit until the child attains 18 or marries; to each dependent parent, 10 percent of the participant's benefit for life, and to each dependent brother or sister, the sum of 50 dollars per month (but a total not to exceed $100 per month) until such individual attains the age of 18 years or marries.

In no case shall the payments to the surviving spouse and children be reduced below 65 percent of the total amount paid to all dependents.

Supplemental Pension Benefits — All retirees, surviving beneficiaries and disability pensioners are eligible for automatic cost-of-living benefits commencing on the first day of July following two years of retirement. The benefits equal the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees), multiplied by the sum of the allowable amount which is the first $15,000 of the total annual benefits paid and the accumulated supplemental pension amounts for prior years.

Termination Benefits — Any member who terminates employment prior to retirement will be entitled to a refund of contributions without interest.

Refunds — Any member who terminates from their department without receiving a retirement pension shall be refunded all deductions made from his salary, without interest.