

**CITY OF WILTON MANORS RETIREMENT PLAN FOR GENERAL EMPLOYEES & POLICE  
ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2013**

**FOR THE YEAR BEGINNING OCTOBER 1, 2013**





May 8, 2014

Pension Board  
City of Wilton Manors  
Wilton Manors, FL 33305

Re: City of Wilton Manors Pension Plan for General Employees and Police  
Annual Actuarial Valuation as of October 1, 2013

Dear Board Members:

We are pleased to present herein our October 1, 2013 Actuarial Valuation Report for the City of Wilton Manors Pension Plan for General Employees and Police.

This report was prepared at the request of the Board and is intended for use by the Pension Plan and those designated or approved by the Board. This report may be provided to parties other than the Pension Plan only in its entirety and only with the permission of the Board.

The purpose of the valuation is to measure the Pension Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2014, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 25 and No. 27. This report also includes estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2014. This report should not be relied on for any purpose other than the purpose described above.

The findings in this report consider data or other information through September 30, 2013. 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. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

The valuation was based upon information furnished by the Plan Administrator concerning Pension Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries, which information is summarized in the report. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator. This report was prepared using certain assumptions prescribed by the Board as described in Section II.

As indicated below, the undersigned actuaries are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Pension Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate. In my opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

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**SECTION I**

**DISCUSSION**

## DISCUSSION

### TOTAL REQUIRED CONTRIBUTION

The required City contribution for the plan year ending September 30, 2014, is \$1,645,738, as shown below:

<b>Required City Contribution</b>			
	<b>General</b>	<b>Police</b>	<b>Total</b>
Total Required Employer Contribution	\$ 717,904	927,834	1,645,738
As a % of Payroll	180.11 %	558.26 %	291.39 %
Expected State Premium Tax Refund	N/A	\$0	\$0
Remaining City Contribution	717,904	927,834	1,645,738
As a % of Payroll	180.11 %	558.26 %	291.39 %

The actual employer contribution received during the year ending September 30, 20123 was \$1,606,783. The minimum required contribution was \$1,606,783.

### EXPERIENCE

There was a net experience gain for the year. The investment return on a market value basis was 11.5%, which was higher than the assumed rate of 7.5%. This is very good for the plan going forward. However, the excess return is being spread over 5 years, recognizing only 20% this year. At the same time, gains and losses from the past four years continue to be phased in at 20% per year. The resulting investment return on an actuarial value basis was 8.3%, as compared to the assumed rate of 7.5%. Partially offsetting the investment gain for the police group was a small loss due to salary increases and better longevity among retirees than expected.

### CHANGES IN BENEFITS

There were no changes in benefits in connection with the current valuation.

## **CHANGES IN ACTUARIAL METHODS AND ASSUMPTIONS**

The mortality rates were updated to the fully generational RP-2000 Combined Healthy Participant Mortality Tables using projection scale AA to project mortality improvement to all future years from the year 2000. The change is being phased in over two years. In the first step, recognized this year, members' ages are set forward by one year in applying the mortality rates. In the second step, next year, there will be no age adjustment. The change added about \$44,000 to the contribution. Detail on this assumption is in the Actuarial Cost Methods and Assumptions section.

The City has elected to continue using the entry age actuarial cost method (EANC) rather than changing to the aggregate method which would essentially require that the plan be fully funded by the time the last active member retires. The City has made a long term commitment to continue funding the plan even after the last active member retires. Toward that end, the City closed the amortization period so the number of years for new bases will go down each year. This year, the remaining amortization period is 17 years. Even so, the amortization period is longer than the anticipated future working life of the remaining active members.

## **FUNDED RATIO**

The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability. The funded ratio this year is 62.2% compared to 61.5% last year. The funded ratio was 62.9% before the change in mortality rates. Contributions based on the progressively shorter amortization period will pay off the unfunded liability sooner, which will have a positive effect on the funded ratio going forward.

## **VARIABILITY OF FUTURE CONTRIBUTION RATES**

The Actuarial Cost Method is intended to produce contributions which are generally level as a percent of payroll for an ongoing plan. Even so, when experience differs from the assumptions, as it

often does, the employer's contributions can vary significantly from year-to-year. The fact that the plan is closed will put more upward pressure on the contribution and add to volatility.

The Market Value of Assets exceeds the Valuation Asset Value of Assets by \$1,570,539 as of the valuation date. This difference will be recognized over the next few years in the absence of offsetting losses. In turn, the computed employer contribution rate will decrease by approximately \$161,000. If Market Value had been the basis for the valuation, the City contribution would have been about \$1,485,000 and the funded ratio would have been about 67%. The anticipated recognition of this difference over the next few years should provide an offset to the added cost of updating the mortality tables.

## **RECOMMENDATIONS**

Steps have been taken to improve the funded position of the plan. The amortization period has been shortened and the investment return assumption has been lowered. We recommend reviewing all of the assumptions, with particular attention to the mortality and investment return assumptions. We further recommend watching the funded ratio carefully and making no further benefit changes or improvements until the situation has had a chance to improve.

## **CONCLUSION**

The remainder of this Report covers detailed actuarial valuation results, financial information, other information and statistics, a summary of plan provisions, and annual filings required by law.

## **FINANCIAL SOUNDNESS OF THE PLAN**

The purpose of this Section of the Report is to provide certain measures which indicate the financial soundness of the program. These measures relate to short term solvency, long term solvency and level funding.

The various percentages listed in this Section as of a single valuation date are not overly significant standing alone. What is more significant is the trend of the rates over a period of years. It is also important to keep in mind that each time benefits or assumptions are revised, actuarial liabilities are created or diminished. Any newly created liabilities are financed systematically over a period of future years. All actuarially computed values in this analysis are based on the actuarial assumptions utilized in the respective years' actuarial valuations.

### **SHORT TERM SOLVENCY**

The ultimate test of financial soundness is the program's ability to pay all promised benefits when due. The program's progress in accumulating assets to pay all promised benefits can be measured by comparing the market value of assets with:

1. Accumulated contributions of active members of the program,
2. The actuarial present value (APV) of projected benefits payable to those already receiving benefits and to vested terminations, and
3. The employer-financed portion of the actuarial present value of accrued benefits payable to active participants. This amount is based on benefits earned to date without future credited service or salary increases.

The total of the first two items should generally be fully covered by assets. The portion of the third item covered by assets should increase over time. Increases in benefits will, of course, adversely affect the trend in the years when such increases are first reflected in the actuarial values.

Although more conservative actuarial assumptions would be used in the event of a termination of the program, this test shows how much of the benefits accrued to date might be covered by assets in the event of a plan freeze using the valuation assumptions.

<b>Valuation Date</b>	<b>Market Value of Assets</b>	<b>Actuarial Present Value (APV) of Accrued Benefits</b>	<b>% of APV Covered by Assets</b>
10/1/13	\$ 22,990,569	\$ 33,364,884	69 %
10/1/12	21,758,259	32,807,782	66
10/1/11	19,232,916	32,464,118	59
10/1/10	20,205,199	32,097,596	63
10/1/09	19,599,782	30,467,841	64

### **LONG TERM SOLVENCY**

Over the longer term, the solvency of an ongoing plan can be measured by comparing the actuarial value of assets to an amount known as the Actuarial Accrued Liability (AAL) under the Entry Age Actuarial Cost Method. This item has often been called the "past service liability". Its derivation differs from the short-term solvency value derivation in several ways, but mainly due to the fact that future salary increases are included in the AAL. As in the case of the short-term solvency values, the AAL is affected immediately by any revisions in benefits or assumptions. The accumulation of assets to equal the AAL can be considered a long-range funding goal. Largely because of periodic benefit increases, very few retirement programs have attained this goal.

<b>Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>% of AAL Covered by Assets</b>
10/1/13	\$ 21,420,030	\$ 34,464,173	62 %
10/1/12	20,937,359	34,038,536	62
10/1/11	22,002,880	33,896,765	65
10/1/10	22,793,489	33,732,064	68
10/1/09	23,490,652	32,154,562	73

## LEVEL CONTRIBUTION RATES

The actuarial assumptions and cost methods have been chosen with the intent of producing required employer contributions which remain fairly level as a percentage of covered payroll. However, the contribution for a closed plan will increase as a percent of payroll as the covered payroll goes down.

<b>Employer Contribution Rates As a % of Payroll</b>			
<b>Valuation Date</b>	<b>Normal Cost</b>	<b>Amortization of UAAL</b>	<b>Total</b>
10/1/13	47.58 %	232.39 %	291.39 %
10/1/12	42.45	205.63	258.25
10/1/11	38.27	133.39	178.83
10/1/10	32.93	128.94	168.64
10/1/09	31.88	82.24	119.34

A major factor affecting the stability of the percentages just shown is how well the actual plan experience is faring compared to the actuarial assumptions. The value of the difference between what actually occurred and what was assumed to occur is called the actuarial gain or loss. Gains tend to lower the subsequent cost of the program while losses tend to cause subsequent costs to rise. A summary of the actuarial gains and losses of the Plan is in the next Section.

Analysis of all the benchmarks listed above over a period of years will provide an indication of whether the program is becoming financially stronger or weaker.

## RECENT HISTORY OF PLAN CHANGES

1. Effective October 1, 2004, the actuarial cost method was changed from Frozen Entry Age, which produces an Unfunded Frozen Actuarial Accrued Liability (UFAAL) to Entry Age Normal, which produces an Unfunded Actuarial Accrued Liability (UAAL).
2. Ordinance 882 was passed September 27, 2005, effective October 1, 2004. The Ordinance provides for a delayed 3% Cost of Living adjustment (COLA) for members of the police bargaining unit, including non-sworn members participating in the General Employees plan. It applies only to bargaining unit members who retire or enter the DROP during the term of the 2002-2005 Collective Bargaining Agreement, or enter the DROP prior to the 2002-2005 Collective Bargaining Agreement. It was first reflected in the October 1, 2005 actuarial valuation.
3. Effective October 1, 2006, the assumed rates of mortality were updated from the 1983 Group Annuity Mortality Table for males, with females set back six years, to the 1994 Group Annuity Mortality Tables for males and females.
4. Ordinance 894, passed June 12, 2007, closed the plan to new members as of the August 1, 2007 effective date of participation in FRS, and redefined 'member' to include only members hired before that date who elect to remain in the plan.
5. Ordinance 923, passed August 28, 2007, provided the following pertaining to the Plan:
  - Active members with 15 or more years of service as of October 1, 2006 who retire by September 30, 2009, may retire with unreduced benefits, payable when the member would have reached normal retirement date if they had remained continuously employed.
  - The maximum DROP period is increased from five years to six years.
  - PBA members with 10 or more years of service as of October 1, 2006 receive an annual 3% cost of living adjustment, to begin six years after retirement.
  - The Plan is closed to members hired on or after the effective date of the City's participation in FRS.
  - Active members were given 30 days to elect whether to stay in the City Plan or transfer to FRS.
6. Effective October 1, 2007, the City closed the amortization period so the number of years for new bases would go down each year.
7. Effective October 1, 2010, the assumed rate of investment return on plan assets was changed from 8.0% per annum to 7.5% per annum. Additionally, the remaining amortization period has been shortened to 20 years. The number of years for new bases will continue to go down each year.
8. Effective October 1, 2013, the mortality rates were changed from the 1994 Group Annuity Mortality Table for males and females to the fully generational RP-2000 Combined Healthy Participant Mortality Table for males and females, with a one-year age set-forward, plus an additional five-year age set-forward for impaired mortality, using projection scale AA to project mortality improvement to all future years from the year 2000.

**SECTION II**  
**VALUATION RESULTS**

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR ALL EMPLOYEES AS OF OCTOBER 1</b>			
	<b>2013 After Change</b>	<b>2013 Before Change</b>	<b>2012</b>
<b>Covered Group</b>			
A. Number of Participants			
Actives	10	10	11
Retirees, Disabilities, Beneficiaries and Vested Terminations	74	74	75
Total Annual Covered Payroll	\$ 564,797	\$ 564,797	\$ 622,190
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 34,961,756	\$ 34,554,395	\$ 34,623,123
C. Actuarial Present Value of Future Normal Costs	<u>497,583</u>	<u>474,447</u>	<u>584,587</u>
D. Actuarial Accrued Liability (AAL): B - C	34,464,173	34,079,948	34,038,536
E. Valuation Assets	21,487,369	21,487,369	21,004,698
Refunds Due*	<u>67,339</u>	<u>67,339</u>	<u>67,339</u>
Net Valuation Assets	21,420,030	21,420,030	20,937,359
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	13,044,143	12,659,918	13,101,177
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL	\$ 1,312,525	\$ 1,274,639	\$ 1,279,437
As % of Payroll	232.39%	225.68%	205.63%
H. Total Normal Cost (for current year)	329,200	324,369	330,270
As % of Payroll	58.29%	57.43%	53.08%
I. Plan Year to which Contributions Apply	2013/14	N/A	2012/13
J. Interest	64,479	62,801	63,221
K. Total Required Contribution	1,706,204	1,661,809	1,672,928
As % of Payroll	302.09%	294.23%	268.88%
L. Expected Member Contribution	60,466	60,466	66,145
As % of Payroll	10.71%	10.71%	10.63%
M. Total Required City Contribution	1,645,738	1,601,343	1,606,783
As % of Payroll	291.39%	283.53%	258.25%
N. Estimate of State Contributions	0	0	0
O. Remaining City Contributions	1,645,738	1,601,343	1,606,783
As % of Payroll	291.39%	283.53%	258.25%

\*Refunds due represent funds irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR GENERAL EMPLOYEES AS OF OCTOBER 1</b>			
	<b>2013 After Change</b>	<b>2013 Before Change</b>	<b>2012</b>
<b>Covered Group</b>			
A. Number of Participants			
Actives	8	8	8
Retirees, Disabilities, Beneficiaries and Vested Terminations	42	42	43
Total Annual Covered Payroll	\$ 398,597	\$ 398,597	\$ 392,600
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 16,156,539	\$ 16,146,403	\$ 16,345,270
C. Actuarial Present Value of Future Normal Costs	336,679	323,166	356,091
D. Actuarial Accrued Liability (AAL): B - C	15,819,860	15,823,237	15,989,179
E. Valuation Assets	10,568,263	10,568,263	10,505,044
Refunds Due*	67,339	67,339	67,339
Net Valuation Assets	10,500,924	10,500,924	10,437,705
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,318,936	5,322,313	5,551,474
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL	\$ 539,264	\$ 539,597	\$ 545,446
As % of Payroll	135.29%	135.37%	138.93%
H. Total Normal Cost (for current year)	193,699	190,421	187,214
As % of Payroll	48.60%	47.77%	47.69%
I. Plan Year to which Contributions Apply	2013/14	N/A	2012/13
J. Interest	28,787	28,671	28,775
K. Total Required Contribution	761,750	758,689	761,435
As % of Payroll	191.11%	190.34%	193.95%
L. Expected Member Contribution	43,846	43,846	43,186
As % of Payroll	11.00%	11.00%	11.00%
M. Total Required City Contribution	717,904	714,843	718,249
As % of Payroll	180.11%	179.34%	182.95%
N. Estimate of State Contributions	N/A	N/A	N/A
O. Remaining City Contributions	717,904	714,843	718,249
As % of Payroll	180.11%	179.34%	182.95%

\*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1</b>			
	<b>2013 After Change</b>	<b>2013 Before Change</b>	<b>2012</b>
<b>Covered Group</b>			
A. Number of Participants			
Actives	2	2	3
Retirees, Disabilities, Beneficiaries and Vested Terminations	32	32	32
Total Annual Covered Payroll	\$ 166,200	\$ 166,200	\$ 229,590
<b>Long Range Cost</b>			
B. Actuarial Present Value of Projected Benefits	\$ 18,805,217	\$ 18,407,992	\$ 18,277,853
C. Actuarial Present Value of Future Normal Costs	160,904	151,281	228,496
D. Actuarial Accrued Liability (AAL): B - C	<u>18,644,313</u>	<u>18,256,711</u>	<u>18,049,357</u>
E. Valuation Assets	10,919,106	10,919,106	10,499,654
Refunds Due	<u>0</u>	<u>0</u>	<u>0</u>
Net Valuation Assets	10,919,106	10,919,106	10,499,654
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	7,725,207	7,337,605	7,549,703
<b>Current Cost</b>			
G. Payment Required to Amortize UAAL	\$ 773,261	\$ 735,042	\$ 733,991
As % of Payroll	465.26%	442.26%	319.70%
H. Total Normal Cost (for current year)	135,501	133,948	143,056
As % of Payroll	81.53%	80.59%	62.31%
I. Plan Year to which Contributions Apply	2013/14	N/A	2012/13
J. Interest	35,692	34,130	34,446
K. Total Required Contribution	944,454	903,120	911,493
As % of Payroll	568.26%	543.39%	397.01%
L. Expected Member Contribution	16,620	16,620	22,959
As % of Payroll	10.00%	10.00%	10.00%
M. Total Required City Contribution	927,834	886,500	888,534
As % of Payroll	558.26%	533.39%	387.01%
N. Estimate of State Contributions	0	0	0
O. Remaining City Contributions	927,834	886,500	888,534
As % of Payroll	558.26%	533.39%	387.01%

<b>DERIVATION OF NORMAL COST GENERAL EMPLOYEES AS OF OCTOBER 1</b>			
	<b>2013</b> <i>After Change</i>	<b>2013</b> <i>Before Change</i>	<b>2012</b>
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 72,453	\$ 68,917	\$ 67,616
Vesting Benefits	4,019	3,843	3,782
Preretirement Death Benefits	987	1,520	1,500
Disability	5,660	5,553	5,436
Return of Contributions	2,941	2,949	2,910
Total	<u>86,060</u>	<u>82,782</u>	<u>81,244</u>
B. Normal Cost for Administrative & Investment Expenses	107,639	107,639	105,970
C. Total Normal Cost: A + B	193,699	190,421	187,214

<b>PRESENT VALUE OF PROJECTED BENEFITS GENERAL EMPLOYEES AS OF OCTOBER 1</b>			
	<b>2013</b> <i>After Change</i>	<b>2013</b> <i>Before Change</i>	<b>2012</b>
A. Present Value of Future Salaries	\$ 1,507,981	\$ 1,505,919	\$ 1,663,292
B. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	2,567,466	2,506,418	2,388,570
Vesting Benefits	12,072	11,261	14,568
Preretirement Death Benefits	21,955	27,894	28,643
Disability	37,400	36,842	40,618
Return of Contributions	639	640	750
Total	<u>2,639,532</u>	<u>2,583,055</u>	<u>2,473,149</u>
2. Inactive Members			
Service Retirees	11,316,418	11,327,913	9,600,806
DROP Participants	1,896,395	1,931,848	3,965,535
Disability Retirees	122,308	118,041	119,747
Beneficiaries	150,078	153,516	156,267
Terminated Vested	31,808	32,030	29,766
Total	<u>13,517,007</u>	<u>13,563,348</u>	<u>13,872,121</u>
3. Grand Total	16,156,539	16,146,403	16,345,270

<b>DERIVATION OF NORMAL COST POLICE OFFICERS AS OF OCTOBER 1</b>			
	<b>2013</b> <i>After Change</i>	<b>2013</b> <i>Before Change</i>	<b>2012</b>
A. Entry Age Normal Cost for			
Service Retirement Benefits	\$ 20,356	\$ 18,938	\$ 31,209
Vesting Benefits	2,470	2,260	2,309
Preretirement Death Benefits	254	345	837
Disability	386	363	576
Return of Contributions	2,561	2,568	2,789
Total	<u>26,027</u>	<u>24,474</u>	<u>37,720</u>
B. Normal Cost for Administrative & Investment Expenses	109,474	109,474	105,336
C. Total Normal Cost: A + B	135,501	133,948	143,056

<b>PRESENT VALUE OF PROJECTED BENEFITS POLICE OFFICERS AS OF OCTOBER 1</b>			
	<b>2013</b> <i>After Change</i>	<b>2013</b> <i>Before Change</i>	<b>2012</b>
A. Present Value of Future Salaries	\$ 1,041,653	\$ 1,041,154	\$ 1,429,502
B. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	1,353,936	1,287,643	1,466,174
Vesting Benefits	27,254	24,638	31,469
Preretirement Death Benefits	10,979	12,966	22,228
Disability	19,741	18,865	24,786
Return of Contributions	0	0	305
Total	<u>1,411,910</u>	<u>1,344,112</u>	<u>1,544,962</u>
2. Inactive Members			
Service Retirees	15,417,254	15,120,357	11,897,143
DROP Participants	1,517,019	1,474,559	4,317,148
Disability Retirees	274,060	279,168	287,699
Beneficiaries	184,974	189,796	230,901
Terminated Vested	0	0	0
Total	<u>17,393,307</u>	<u>17,063,880</u>	<u>16,732,891</u>
3. Grand Total	18,805,217	18,407,992	18,277,853

**LIQUIDATION OF THE  
UNFUNDED ACTUARIAL ACCRUED LIABILITY  
GENERAL EMPLOYEES**

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining through 2029/30. Details relating to the UAAL are as follows:

<b>UAAL GENERAL EMPLOYEES AS OF OCTOBER 1, 2013</b>					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	7	\$ (124)	\$ (22)
10/1/94 Method Change	30		10	17,591	2,384
10/1/94 Assumption Changes	30		10	(10,164)	(1,377)
10/1/95 Plan Amendment	30		11	436,651	55,525
10/1/96 Assumption Change	30		12	87,385	10,509
10/1/98 Plan Amendment	30		14	15,178	1,663
10/1/03 Plan Amendment	30	624,219	17	503,544	49,652
10/1/03 Asset Method Change	30	(785,623)	17	(633,743)	(62,490)
10/1/04 Cost Method Change	30	1,443,006	17	1,183,410	116,690
10/1/05 (Gain)/Loss	30	540,168	17	449,723	44,345
10/1/05 Plan Amendment	30	26,548	17	22,102	2,179
10/1/06 (Gain)/Loss	30	203,371	17	171,670	16,927
10/1/06 Assumption Change	30	151,335	17	127,746	12,596
10/1/06 Plan Amendment	30	(238,605)	17	(201,412)	(19,860)
10/1/07 (Gain)/Loss	29	(429,960)	17	(382,536)	(37,720)
10/1/08 (Gain)/Loss	28	262,546	17	236,023	23,273
10/1/09 (Gain)/Loss	27	938,436	17	854,802	84,287
10/1/10 (Gain)/Loss	26	336,348	17	310,398	30,607
10/1/10 Assumption Change	20	713,404	17	658,361	64,917
10/1/11 (Gain)/Loss	19	767,956	17	726,251	71,612
10/1/12 (Gain)/Loss	18	828,428	17	804,626	79,340
10/1/13 (Gain)/Loss	17	(55,169)	17	(55,169)	(5,440)
10/1/13 Assumption Change	17	(3,377)	17	(3,377)	(333)
				5,318,936	539,264

<b>Amortization Schedule Illustration - General</b>	
<b>Year Ended</b>	<b>Projected UAAL</b>
2013	\$ 5,318,936
2014	5,138,147
2015	4,943,799
2016	4,734,875
2017	4,510,281
2022	3,107,866
2027	1,315,545
2030	0

**LIQUIDATION OF THE  
UNFUNDED ACTUARIAL ACCRUED LIABILITY  
POLICE OFFICERS**

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining through 2029/30. Details relating to the UAAL are as follows:

<b>UAAL POLICE OFFICERS AS OF OCTOBER 1, 2013</b>					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	7	\$ (2,920)	(513)
10/1/94 Method Change	30		10	17,406	2,359
10/1/94 Assumption Changes	30		10	7,498	1,016
10/1/95 Plan Amendment	30		11	354,411	45,067
10/1/96 Assumption Change	30		12	32,497	3,908
10/1/03 Plan Amendment	30	293,612	17	254,737	25,118
10/1/03 Asset Method Change	30	(694,013)	17	(602,125)	(59,372)
10/1/04 Cost Method Change	30	1,473,123	17	1,300,096	128,196
10/1/05 (Gain)/Loss	30	962,062	17	861,161	84,915
10/1/05 Plan Amendment	30	1,135,420	17	1,016,339	100,216
10/1/06 (Gain)/Loss	30	351,747	17	332,852	32,821
10/1/06 Assumption Change	30	200,570	17	181,851	17,931
10/1/07 (Gain)/Loss	29	170,330	17	152,189	15,007
10/1/08 (Gain)/Loss	28	475,229	17	428,906	42,292
10/1/09 (Gain)/Loss	27	285,316	17	260,409	25,678
10/1/10 (Gain)/Loss	26	539,626	17	510,638	50,351
10/1/10 Assumption Change	20	961,187	17	909,553	89,686
10/1/11 (Gain)/Loss	19	650,191	17	615,264	60,668
10/1/12 (Gain)/Loss	18	712,742	17	692,419	68,276
10/1/13 (Gain)/Loss	17	14,424	17	14,424	1,422
10/1/13 Assumption Change	17	387,602	17	387,602	38,219
				7,725,207	773,261

<b>Amortization Schedule Illustration - Police</b>	
<b>Year Ended</b>	<b>Projected UAAL</b>
2013	\$ 7,725,207
2014	7,473,343
2015	7,202,589
2016	6,911,529
2017	6,598,638
2022	4,643,803
2027	2,016,785
2030	0

RECENT HISTORY OF VALUATION RESULTS							
Valuation Date	Number of Members		Covered Annual Payroll	Actuarial Value of Assets	UFAAL/ UAAL*	Employer Normal Cost	
	Active	Inactive				Amount	% of Payroll
10/1/13	10	74	\$ 564,797	\$ 21,420,030	\$ 13,044,143	\$ 268,734	47.58 %
10/1/12	11	75	622,190	20,937,359	13,101,177	264,125	42.45
10/1/11	14	74	849,026	22,002,880	11,893,885	324,959	38.27
10/1/10	15	74	919,415	22,793,489	10,938,575	302,739	32.93
10/1/09	18	73	1,121,175	23,490,652	8,663,910	357,448	31.88
10/1/08	25	67	1,570,672	23,978,668	7,719,636	335,955	21.39
10/1/07	37	56	2,355,661	23,215,211	7,227,516	453,971	19.27
10/1/06	92	49	4,882,290	21,700,713	7,165,202	565,334	11.58
10/1/05	83	50	4,118,048	20,284,630	6,323,385	498,570	12.11
10/1/04	89	44	4,497,194	19,595,445	3,711,377	446,646	9.93

\*Effective 10/1/04, the actuarial cost method was change from Frozen Entry Age, which produces an Unfunded Frozen Actuarial Accrued Liability (UFAAL) to Entry Age Normal, which produces an Unfunded Actuarial Accrued Liability (UAAL).

## ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long-range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long-term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gains (losses) for this and previous years are as follows:

	General	Police
<b>A. Derivation of Actuarial Gain / (Loss)</b>		
1. Unfunded Actuarial Accrued Liability (UAAL)		
Previous Valuation	\$ 5,551,474	\$ 7,549,703
2. Normal Cost (NC) Previous Valuation	144,028	120,097
3. Contributions Previous Year	718,249	888,534
4. Interest on:		
a. UAAL and NC	427,163	575,235
b. Contributions	26,934	33,320
c. Net Total: (a) - (b)	400,229	541,915
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	5,377,482	7,323,181
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	(3,377)	387,602
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	5,374,105	7,710,783
9. Actual UAAL Current Year	5,318,936	7,725,207
10. Actuarial Gain / (Loss): (8) - (9)	55,169	(14,424)
<b>B. Approximate Portion of Gain / (Loss) Due to Investments</b>	72,996	92,530
<b>C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)</b>	\$ (17,827)	\$ (106,954)

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/13	\$ 55,169	\$ (14,424)	\$ 40,745
9/30/12	(828,428)	(712,742)	(1,541,170)
9/30/11	(767,956)	(650,191)	(1,418,147)
9/30/10	(336,348)	(552,741)	(889,089)
9/30/09	(938,436)	(285,316)	(1,223,752)

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they be in line with the actual experience. The following table shows the fund earnings on actuarial value of assets and salary increase rates compared to the assumed rates for the last few years:

Year Ended	Investment Rate of Return on Actuarial Value of Assets,		Salary Increases		
	Actual	Assumed	General Actual	Police Actual	Assumed
9/30/13	8.3 %	7.5 %	1.5 %	7.1 %	5.5 %
9/30/12	1.3	7.5	3.8	5.7	5.5
9/30/11	0.4	7.5	(1.8)	(4.1)	5.5
9/30/10	1.8	8.0	0.6	0.9	5.5
9/30/09	2.1	8.0	4.9	3.6	5.5
9/30/08	5.1	8.0	3.4	4.1	5.5
9/30/07	10.9	8.0	6.2	5.4	5.5
9/30/06	6.9	8.0	7.8	5.4	5.5
9/30/05	3.1	8.0	5.3	7.1	5.5
9/30/04	2.4	8.0	8.7	3.6	5.5

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuation both at the beginning and end of each year.

**FASB NO. 35 INFORMATION  
ALL EMPLOYEES AS OF OCTOBER 1**

	2013	2012
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 27,465,092	\$ 22,292,563
b. DROP Participants	3,413,414	8,282,683
c. Terminated Vested Members	31,808	29,766
d. Other Members	<u>2,615,739</u>	<u>2,471,726</u>
e. Total	33,526,053	33,076,738
2. Non-Vested Benefits	<u>95,357</u>	<u>127,001</u>
3. Total: (1) + (2)	33,621,410	33,203,739
4. Accumulated Contributions of Active Members	730,428	754,974
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	33,203,739	32,886,007
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	354,684	0
c. Benefits paid and contribution refunds	(2,664,023)	(2,713,244)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>2,727,010</u>	<u>3,030,976</u>
e. Net Increase	417,671	317,732
3. Total Value at End of Year	33,621,410	33,203,739
<b>C. Market Value of Assets</b>		
1. Market Value of Assets	23,057,908	21,825,598
2. Refunds Due*	<u>67,339</u>	<u>67,339</u>
3. Net Market Value of Assets	22,990,569	21,758,259
D. Assumed rate of return	7.50%	7.50%
E. Funded Ratio	68.38%	65.53%

\*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

<b>FASB NO. 35 INFORMATION GENERAL EMPLOYEES AS OF OCTOBER 1</b>		
	<b>2013</b>	<b>2012</b>
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 11,588,804	\$ 9,876,820
b. DROP Participants	1,896,395	3,965,535
c. Terminated Vested Members	31,808	29,766
d. Other Members	<u>1,903,081</u>	<u>1,701,531</u>
e. Total	15,420,088	15,573,652
2. Non-Vested Benefits	<u>95,357</u>	<u>104,421</u>
3. Total: (1) + (2)	15,515,445	15,678,073
4. Accumulated Contributions of Active Members	545,816	504,256
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	15,678,073	15,441,865
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	(8,462)	0
c. Benefits paid and contribution refunds	(1,420,994)	(1,366,963)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,266,828</u>	<u>1,603,171</u>
e. Net Increase	(162,628)	236,208
3. Total Value at End of Year	15,515,445	15,678,073
<b>C. Market Value of Assets</b>		
1. Market Value of Assets	11,347,709	10,904,347
2. Refunds Due*	67,339	67,339
3. Net Market Value of Assets	11,280,370	10,837,008
<b>D. Assumed rate of return</b>	7.50%	7.50%
<b>E. Funded Ratio</b>	72.70%	69.12%

\*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

**FASB NO. 35 INFORMATION  
POLICE OFFICERS AS OF OCTOBER 1**

	2013	2012
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 15,876,288	\$ 12,415,743
b. DROP Participants	1,517,019	4,317,148
c. Terminated Vested Members	0	0
d. Other Members	712,658	770,195
e. Total	<u>18,105,965</u>	<u>17,503,086</u>
2. Non-Vested Benefits	<u>0</u>	<u>22,580</u>
3. Total: (1) + (2)	18,105,965	17,525,666
4. Accumulated Contributions of Active Members	184,612	250,718
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	17,525,666	17,444,142
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	363,146	0
c. Benefits paid and contribution refunds	(1,243,029)	(1,346,281)
d. Other, including latest member data, benefits accumulated and decrease in discount period	1,460,182	1,427,805
e. Net Increase	<u>580,299</u>	<u>81,524</u>
3. Total Value at End of Year	18,105,965	17,525,666
<b>C. Market Value of Assets</b>		
1. Market Value of Assets	11,710,199	10,921,251
2. Refunds Due	<u>0</u>	<u>0</u>
3. Net Market Value of Assets	11,710,199	10,921,251
D. Assumed rate of return	7.50%	7.50%
E. Funded Ratio	64.68%	62.32%

**GASB STATEMENT NO. 25  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Valuation Date</b>	<b>Fiscal Year End</b>	<b>Annual Required Contributions</b>	<b>Actual City Contributions</b>	<b>Actual State Contributions</b>	<b>Percentage Contributed</b>
10/1/13	9/30/14	\$ 1,645,738	N/A	N/A	N/A
10/1/12	9/30/13	1,606,783	\$ 1,606,783	\$ 0	100 %
10/1/11	9/30/12	1,518,314	1,518,314	0	100
10/1/10	9/30/11	1,550,528	1,550,528	0	100
10/1/09	9/30/10	1,338,012	1,338,012	0	100
10/1/08	9/30/09	1,211,419	1,211,419	0	100
10/1/07	9/30/08	1,263,599	1,263,599	0	100
10/1/06	9/30/07	1,229,891	1,229,891	0	100
10/1/05	9/30/06	1,081,629	1,081,629	0	100
10/1/04	9/30/05	799,497	799,497	0	100

**GASB STATEMENT NO. 25  
SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets: (a)</b>	<b>Actuarial Accrued Liability (AAL): (b)</b>	<b>Unfunded AAL (UAAL): (b)-(a)</b>	<b>Funded Ratio: (a)/(b)</b>	<b>Covered Payroll: (c)</b>	<b>UAAL As % of Covered Payroll: [(b)-(a)]/(c)</b>
10/1/13	\$ 21,420,030	\$ 34,464,173	\$ 13,044,143	62.2 %	\$ 564,797	2309.5 %
10/1/12	20,937,359	34,038,536	13,101,177	61.5	622,190	2105.7
10/1/11	22,002,880	33,896,765	11,893,885	64.9	849,026	1400.9
10/1/10	22,793,489	33,732,064	10,938,575	67.6	919,415	1189.7
10/1/09	23,490,652	32,154,562	8,663,910	73.1	1,121,175	772.8
10/1/08	23,978,668	31,698,304	7,719,636	75.6	1,570,672	491.5
10/1/07	23,215,211	30,442,727	7,227,516	76.3	2,355,661	306.8
10/1/06	21,700,713	28,865,915	7,165,202	75.2	4,882,290	146.8
10/1/05	20,284,630	26,608,015	6,323,385	76.2	4,118,048	153.6
10/1/04	19,595,445	23,306,822	3,711,377	84.1	4,497,194	82.5

**REQUIRED SUPPLEMENTARY INFORMATION  
GASB STATEMENT NO. 25**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation:

Valuation Date	October 1, 2013
Contribution Rates:	
Employer (and State)	291.39%
Plan Members	10.71%
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level dollar amount
Equivalent Single Amortization Period	
General Members	17 years
Police Members	17 years
Asset Valuation Method	5-year smoothed market with phase-in
Actuarial Assumptions	
Investment rate of return*	7.5%
Projected salary increases*	5.5%
Cost-of-living adjustments**	3.0%
*Includes inflation and other general increases at	3.0%
**3.0% for retirees entitled to annual COLA's	

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
GASB Statement No. 67**

Fiscal year ending September 30,	<b>2014*</b>
<b>Total pension liability</b>	
Service Cost	\$ 112,087
Interest	2,606,317
Benefit Changes	-
Difference between actual & expected experience	-
Assumption Changes	-
Benefit Payments	(2,491,733)
Refunds	(137)
<b>Net Change in Total Pension Liability</b>	<b>226,534</b>
<b>Total Pension Liability - Beginning</b>	<b>35,884,742</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 36,111,276</b>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer and State	\$ 1,645,738
Contributions - Member	60,466
Net Investment Income	1,792,931
Benefit Payments	(2,491,733)
Refunds	(137)
Administrative and Investment Expense	(225,108)
Other	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>782,157</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>24,411,138</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 25,193,295</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>10,917,981</b>
<b>Plan Fiduciary Net Position as a Percentage</b>	
<b>of Total Pension Liability</b>	<b>69.77 %</b>
<b>Covered Employee Payroll</b>	\$ 564,797
<b>Net Pension Liability as a Percentage</b>	
<b>of Covered Employee Payroll</b>	<b>1,933.08 %</b>

\*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.

**SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**  
**GASB Statement No. 67**

FY Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014*	\$ 36,111,276	\$ 25,193,295	\$ 10,917,981	69.77%	\$564,797	1933.08%

**\*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.**

**SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014*	\$ 1,645,738	\$ 1,645,738	\$ -	\$ 564,797	291.39%

**\*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.**

**NOTES TO SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

**Valuation Date:** October 1, 2013  
**Notes** Actuarially determined contribution rates are calculated as of October 1, which is one year prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	17 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	5.5%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with a one-year age setforward, plus an additional five-year age setforward for impaired mortality, and with mortality improvement projected to all future years after 2000 using Scale AA.

**Other Information:**

**Notes** See Discussion of Valuation Results on Page 1

**SINGLE DISCOUNT RATE**  
**GASB Statement No. 67**

A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

**Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption\***

<b>1% Decrease</b>	<b>Current Single Discount</b>	<b>1% Increase</b>
<b>6.50%</b>	<b>Rate Assumption</b>	<b>8.50%</b>
<b>7.50%</b>	<b>7.50%</b>	<b>8.50%</b>
\$ 14,747,520	\$ 10,917,981	\$ 7,725,310

**\*These figures are estimates only. Actual figures will be provided after the end of the fiscal year.**

**GASB 67 Single Discount Rate Determination:– 50-Year Projection of Contributions**

<b>Year</b>	<b>Payroll for Current Employees</b>	<b>Contributions from Current Employees</b>	<b>Service Cost and Expense Contributions</b>	<b>UAL Contributions</b>	<b>Total Contributions</b>	<b>Admin Expenses</b>	<b>Total EANC</b>
	(a)	(b)	(c)	(d)	(e)=(b)+(c)+(d)		
1	564,797	\$ 60,466	\$ 280,842	\$ 1,200,284	\$ 1,541,592	\$217,113	\$112,073
2	483,859	51,562	240,942	1,200,290	1,492,793	186,000	96,115
3	427,023	45,301	213,224	1,200,290	1,458,815	164,151	85,192
4	417,317	44,222	208,313	1,200,290	1,452,824	160,420	83,146
5	403,249	42,676	201,040	1,200,290	1,444,006	155,012	80,048
6	349,935	36,814	173,949	1,200,290	1,411,053	134,518	68,760
7	194,220	20,117	92,574	1,200,290	1,312,981	74,660	34,029
8	138,215	14,184	64,238	1,200,845	1,279,267	53,131	22,506
9	72,278	7,417	33,584	1,200,845	1,241,845	27,784	11,760
10	36,410	3,726	16,817	1,200,845	1,221,387	13,996	5,817
11	18,935	1,937	8,745	1,196,301	1,206,983	7,279	3,023
12	8,031	825	3,652	1,092,005	1,096,483	3,087	1,231
13	4,192	431	1,919	1,077,058	1,079,407	1,612	654
14	602	66	307	1,077,058	1,077,431	231	129
15	311	34	162	1,075,333	1,075,529	120	69
16	-	-	-	1,075,333	1,075,333	-	-
17	-	-	-	1,075,333	1,075,333	-	-
18	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-
21	-	-	-	-	-	-	-
22	-	-	-	-	-	-	-
23	-	-	-	-	-	-	-
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42	-	-	-	-	-	-	-
43	-	-	-	-	-	-	-
44	-	-	-	-	-	-	-
45	-	-	-	-	-	-	-
46	-	-	-	-	-	-	-
47	-	-	-	-	-	-	-
48	-	-	-	-	-	-	-
49	-	-	-	-	-	-	-
50	-	-	-	-	-	-	-

**GASB 67 Single Discount Rate Determination: 100-Year Projection of Cash Flows**

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 7.50%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 22,990,569	\$ 1,541,592	\$ 2,491,870	\$ 225,108	\$ 1,681,013	\$ 23,496,195
2	23,496,195	1,492,793	2,559,153	192,849	1,715,848	23,952,834
3	23,952,834	1,458,815	2,600,004	170,195	1,748,175	24,389,624
4	24,389,624	1,452,824	2,624,503	166,327	1,779,954	24,831,572
5	24,831,572	1,444,006	2,661,436	160,720	1,811,622	25,265,044
6	25,265,044	1,411,053	2,732,697	139,471	1,841,077	25,645,006
7	25,645,006	1,312,981	2,798,942	77,409	1,865,809	25,947,445
8	25,947,445	1,279,267	2,842,138	55,087	1,886,482	26,215,969
9	26,215,969	1,241,845	2,874,855	28,807	1,905,006	26,459,157
10	26,459,157	1,221,387	2,887,688	14,511	1,922,546	26,700,891
11	26,700,891	1,206,983	2,890,308	7,547	1,940,305	26,950,324
12	26,950,324	1,096,483	2,886,616	3,201	1,955,240	27,112,230
13	27,112,230	1,079,407	2,878,493	1,671	1,967,110	27,278,583
14	27,278,583	1,077,431	2,871,957	240	1,979,807	27,463,624
15	27,463,624	1,075,529	2,863,377	124	1,993,935	27,669,587
16	27,669,587	1,075,333	2,846,592	-	2,009,998	27,908,326
17	27,908,326	1,075,333	2,827,192	-	2,028,617	28,185,085
18	28,185,085	-	2,804,967	-	2,010,597	27,390,714
19	27,390,714	-	2,779,618	-	1,951,952	26,563,049
20	26,563,049	-	2,753,599	-	1,890,835	25,700,285
21	25,700,285	-	2,723,958	-	1,827,220	24,803,547
22	24,803,547	-	2,687,715	-	1,761,299	23,877,132
23	23,877,132	-	2,649,483	-	1,693,225	22,920,874
24	22,920,874	-	2,607,065	-	1,623,068	21,936,877
25	21,936,877	-	2,557,907	-	1,551,078	20,930,048
26	20,930,048	-	2,503,869	-	1,477,556	19,903,736
27	19,903,736	-	2,444,726	-	1,402,760	18,861,770
28	18,861,770	-	2,380,297	-	1,326,985	17,808,459
29	17,808,459	-	2,310,502	-	1,250,557	16,748,513
30	16,748,513	-	2,235,322	-	1,173,829	15,687,021
31	15,687,021	-	2,155,159	-	1,097,169	14,629,031
32	14,629,031	-	2,070,203	-	1,020,948	13,579,777
33	13,579,777	-	1,979,970	-	945,577	12,545,383
34	12,545,383	-	1,885,057	-	871,492	11,531,818
35	11,531,818	-	1,786,465	-	799,105	10,544,458
36	10,544,458	-	1,684,399	-	728,811	9,588,870
37	9,588,870	-	1,579,515	-	661,004	8,670,359
38	8,670,359	-	1,472,898	-	596,042	7,793,503
39	7,793,503	-	1,365,818	-	534,220	6,961,905
40	6,961,905	-	1,259,176	-	475,777	6,178,506
41	6,178,506	-	1,153,122	-	420,928	5,446,312
42	5,446,312	-	1,048,889	-	369,851	4,767,274
43	4,767,274	-	947,539	-	322,655	4,142,389
44	4,142,389	-	849,765	-	279,389	3,572,013
45	3,572,013	-	756,348	-	240,051	3,055,715
46	3,055,715	-	668,117	-	204,577	2,592,175
47	2,592,175	-	585,344	-	172,860	2,179,691
48	2,179,691	-	508,995	-	144,735	1,815,431
49	1,815,431	-	438,890	-	119,996	1,496,538
50	1,496,538	-	374,660	-	98,445	1,220,323

**GASB 67 Single Discount Rate Determination: 100-Year Projection of Cash Flows (cont'd)**

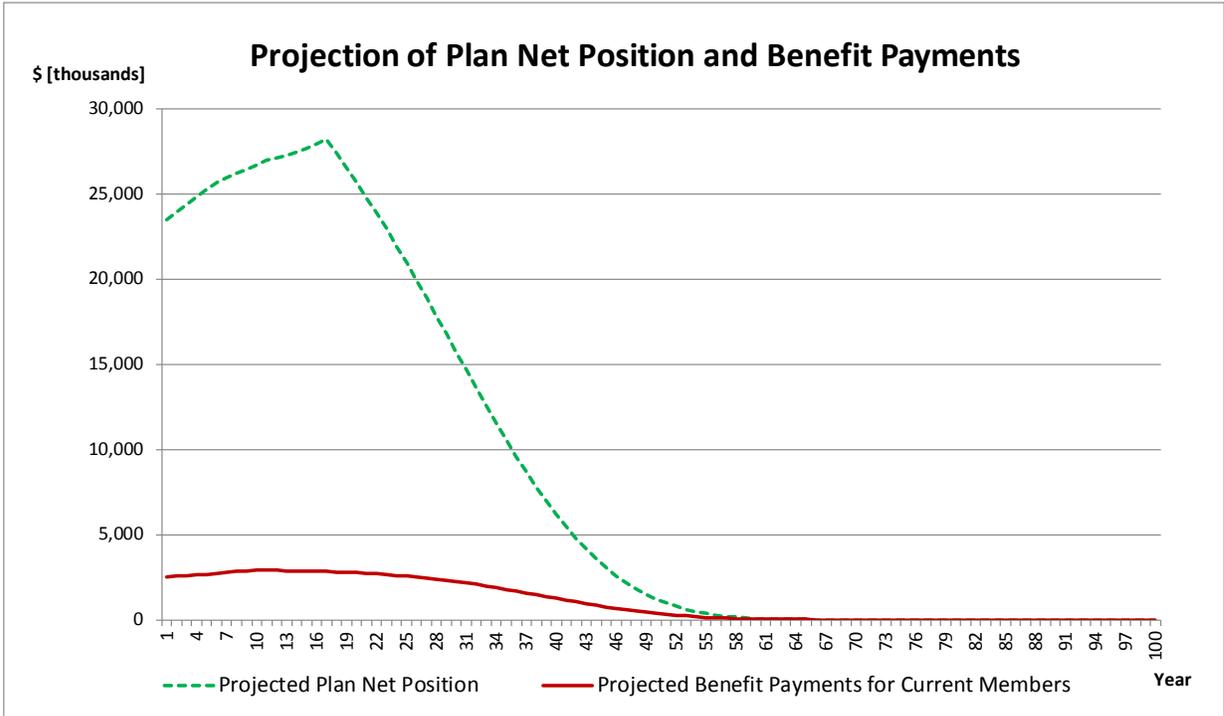
<b>Year</b>	<b>Projected Beginning Plan Net Position</b>	<b>Projected Total Contributions</b>	<b>Projected Benefit Payments</b>	<b>Projected Administrative Expenses</b>	<b>Projected Investment Earnings at 7.50%</b>	<b>Projected Ending Plan Net Position</b>
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
51	1,220,323	-	316,765	-	79,860	983,418
52	983,418	-	264,881	-	64,003	782,540
53	782,540	-	218,549	-	50,643	614,634
54	614,634	-	178,047	-	39,542	476,129
55	476,129	-	143,046	-	30,442	363,526
56	363,526	-	113,250	-	23,094	273,370
57	273,370	-	88,356	-	17,249	202,263
58	202,263	-	67,705	-	12,677	147,235
59	147,235	-	51,053	-	9,163	105,345
60	105,345	-	37,911	-	6,505	73,939
61	73,939	-	27,505	-	4,533	50,966
62	50,966	-	19,554	-	3,102	34,515
63	34,515	-	13,672	-	2,085	22,928
64	22,928	-	9,333	-	1,376	14,971
65	14,971	-	6,214	-	894	9,651
66	9,651	-	4,080	-	574	6,144
67	6,144	-	2,631	-	364	3,877
68	3,877	-	1,679	-	229	2,427
69	2,427	-	1,074	-	142	1,496
70	1,496	-	681	-	87	902
71	902	-	422	-	52	533
72	533	-	255	-	31	308
73	308	-	160	-	17	166
74	166	-	88	-	9	87
75	87	-	38	-	5	54
76	54	-	24	-	3	33
77	33	-	15	-	2	20
78	20	-	9	-	1	11
79	11	-	6	-	1	6
80	6	-	3	-	0	3
81	3	-	2	-	0	2
82	2	-	1	-	0	1
83	1	-	0	-	0	0
84	0	-	0	-	0	0
85	0	-	0	-	0	0
86	0	-	0	-	0	0
87	0	-	-	-	0	0
88	0	-	-	-	0	0
89	0	-	-	-	0	0
90	0	-	-	-	0	0
91	0	-	-	-	0	0
92	0	-	-	-	0	0
93	0	-	-	-	0	0
94	0	-	-	-	0	0
95	0	-	-	-	0	0
96	0	-	-	-	0	0
97	0	-	-	-	0	0
98	0	-	-	-	0	0
99	0	-	-	-	0	0
100	0	-	-	-	0	0

**GASB 67 Single Discount Rate Determination: 100-Year Projection to Determine Cross-over Date**

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (v <sub>r</sub> )	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v <sup>(a)-.5</sup>	(g)=(e)*v <sup>r(a)-.5</sup>	(h)=(c)/(1+sdr) <sup>(a)-.5</sup>
1	\$ 22,990,569	\$ 2,491,870	\$ 2,491,870	\$ -	\$ 2,403,373	\$ -	\$ 2,403,373
2	23,496,195	2,559,153	2,559,153	-	2,296,062	-	2,296,062
3	23,952,834	2,600,004	2,600,004	-	2,169,966	-	2,169,966
4	24,389,624	2,624,503	2,624,503	-	2,037,593	-	2,037,593
5	24,831,572	2,661,436	2,661,436	-	1,922,108	-	1,922,108
6	25,265,044	2,732,697	2,732,697	-	1,835,883	-	1,835,883
7	25,645,006	2,798,942	2,798,942	-	1,749,198	-	1,749,198
8	25,947,445	2,842,138	2,842,138	-	1,652,273	-	1,652,273
9	26,215,969	2,874,855	2,874,855	-	1,554,691	-	1,554,691
10	26,459,157	2,887,688	2,887,688	-	1,452,680	-	1,452,680
11	26,700,891	2,890,308	2,890,308	-	1,352,556	-	1,352,556
12	26,950,324	2,886,616	2,886,616	-	1,256,584	-	1,256,584
13	27,112,230	2,878,493	2,878,493	-	1,165,626	-	1,165,626
14	27,278,583	2,871,957	2,871,957	-	1,081,842	-	1,081,842
15	27,463,624	2,863,377	2,863,377	-	1,003,358	-	1,003,358
16	27,669,587	2,846,592	2,846,592	-	927,885	-	927,885
17	27,908,326	2,827,192	2,827,192	-	857,266	-	857,266
18	28,185,085	2,804,967	2,804,967	-	791,188	-	791,188
19	27,390,714	2,779,618	2,779,618	-	729,337	-	729,337
20	26,563,049	2,753,599	2,753,599	-	672,103	-	672,103
21	25,700,285	2,723,958	2,723,958	-	618,482	-	618,482
22	24,803,547	2,687,715	2,687,715	-	567,677	-	567,677
23	23,877,132	2,649,483	2,649,483	-	520,560	-	520,560
24	22,920,874	2,607,065	2,607,065	-	476,489	-	476,489
25	21,936,877	2,557,907	2,557,907	-	434,888	-	434,888
26	20,930,048	2,503,869	2,503,869	-	396,000	-	396,000
27	19,903,736	2,444,726	2,444,726	-	359,671	-	359,671
28	18,861,770	2,380,297	2,380,297	-	325,760	-	325,760
29	17,808,459	2,310,502	2,310,502	-	294,148	-	294,148
30	16,748,513	2,235,322	2,235,322	-	264,722	-	264,722
31	15,687,021	2,155,159	2,155,159	-	237,422	-	237,422
32	14,629,031	2,070,203	2,070,203	-	212,152	-	212,152
33	13,579,777	1,979,970	1,979,970	-	188,749	-	188,749
34	12,545,383	1,885,057	1,885,057	-	167,163	-	167,163
35	11,531,818	1,786,465	1,786,465	-	147,368	-	147,368
36	10,544,458	1,684,399	1,684,399	-	129,254	-	129,254
37	9,588,870	1,579,515	1,579,515	-	112,750	-	112,750
38	8,670,359	1,472,898	1,472,898	-	97,804	-	97,804
39	7,793,503	1,365,818	1,365,818	-	84,366	-	84,366
40	6,961,905	1,259,176	1,259,176	-	72,352	-	72,352
41	6,178,506	1,153,122	1,153,122	-	61,636	-	61,636
42	5,446,312	1,048,889	1,048,889	-	52,153	-	52,153
43	4,767,274	947,539	947,539	-	43,827	-	43,827
44	4,142,389	849,765	849,765	-	36,562	-	36,562
45	3,572,013	756,348	756,348	-	30,272	-	30,272
46	3,055,715	668,117	668,117	-	24,875	-	24,875
47	2,592,175	585,344	585,344	-	20,273	-	20,273
48	2,179,691	508,995	508,995	-	16,399	-	16,399
49	1,815,431	438,890	438,890	-	13,154	-	13,154
50	1,496,538	374,660	374,660	-	10,445	-	10,445

**GASB 67 Single Discount Rate Determination: 100-Year Projection to Determine Cross-over Date (cont'd)**

<b>Year</b>	<b>Projected Beginning Plan Net Position</b>	<b>Projected Benefit Payments</b>	<b>Funded Portion of Benefit Payments</b>	<b>Unfunded Portion of Benefit Payments</b>	<b>Present Value of Funded Benefit Payments using Expected Return Rate (v)</b>	<b>Present Value of Unfunded Benefit Payments using Municipal Bond Rate (v<sub>f</sub>)</b>	<b>Present Value of Benefit Payments using Single Discount Rate (sdr)</b>
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^(a-.5)	(g)=(e)*v <sub>f</sub> ^(a-.5)	(h)=(c)/(1+sdr)^(a-.5)
51	1,220,323	316,765	316,765	-	8,215	-	8,215
52	983,418	264,881	264,881	-	6,390	-	6,390
53	782,540	218,549	218,549	-	4,905	-	4,905
54	614,634	178,047	178,047	-	3,717	-	3,717
55	476,129	143,046	143,046	-	2,778	-	2,778
56	363,526	113,250	113,250	-	2,046	-	2,046
57	273,370	88,356	88,356	-	1,485	-	1,485
58	202,263	67,705	67,705	-	1,058	-	1,058
59	147,235	51,053	51,053	-	742	-	742
60	105,345	37,911	37,911	-	513	-	513
61	73,939	27,505	27,505	-	346	-	346
62	50,966	19,554	19,554	-	229	-	229
63	34,515	13,672	13,672	-	149	-	149
64	22,928	9,333	9,333	-	95	-	95
65	14,971	6,214	6,214	-	59	-	59
66	9,651	4,080	4,080	-	36	-	36
67	6,144	2,631	2,631	-	21	-	21
68	3,877	1,679	1,679	-	13	-	13
69	2,427	1,074	1,074	-	8	-	8
70	1,496	681	681	-	4	-	4
71	902	422	422	-	3	-	3
72	533	255	255	-	1	-	1
73	308	160	160	-	1	-	1
74	166	88	88	-	0	-	0
75	87	38	38	-	0	-	0
76	54	24	24	-	0	-	0
77	33	15	15	-	0	-	0
78	20	9	9	-	0	-	0
79	11	6	6	-	0	-	0
80	6	3	3	-	0	-	0
81	3	2	2	-	0	-	0
82	2	1	1	-	0	-	0
83	1	0	0	-	0	-	0
84	0	0	0	-	0	-	0
85	0	0	0	-	0	-	0
86	0	0	0	0	0	0	0
87	0	-	-	-	-	-	-
88	0	-	-	-	-	-	-
89	0	-	-	-	-	-	-
90	0	-	-	-	-	-	-
91	0	-	-	-	-	-	-
92	0	-	-	-	-	-	-
93	0	-	-	-	-	-	-
94	0	-	-	-	-	-	-
95	0	-	-	-	-	-	-
96	0	-	-	-	-	-	-
97	0	-	-	-	-	-	-
98	0	-	-	-	-	-	-
99	0	-	-	-	-	-	-
100	0	-	-	-	-	-	-



## ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS

### A. Mortality

The fully generational RP-2000 Combined Healthy Mortality Tables for males and females, using Projection scale AA to project mortality improvement to all future years from the year 2000. Ages were set forward one year for all members, and an additional five years for disabled lives. Sample rates are shown below:

Sample Ages in 2013	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.19%	0.15%	33.14	34.57
55	0.33%	0.29%	28.05	29.64
60	0.63%	0.54%	23.18	24.91
65	1.22%	1.03%	18.66	20.50
70	2.02%	1.72%	14.56	16.47
75	3.51%	2.79%	10.89	12.82
80	6.41%	4.63%	7.82	9.62
Ref:	506 x 1.00	507 x 1.00	924	923

### B. Interest to be Earned by Fund

7.5%, per direction from the Board of Trustees based on information from their investment consultant. The 7.5% rate is gross of investment expenses, compounded annually.

### C. Allowances for Expenses

Actual investment and administrative expenses paid in previous year.

### D. Employee Withdrawal Rates: Samples rates are shown below:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	22.4%	37.4%
25	14.9	22.4
30	10.4	14.9
35	7.4	10.4
40	4.3	7.4
45	2.7	4.3
50	0.9	2.7
55	0.0	0.0
60 and Over	0.0	0.0

E. Disability Benefit: Sample Rates are shown below:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	0.17%	0.34%
25	0.17	0.34
30	0.17	0.34
35	0.18	0.36
40	0.20	0.40
45	0.23	0.46
50	0.29	0.58
55	0.39	0.78
60	0.59	1.18
65	0.00	0.00

F. Salary Increase Factors

Current salary was assumed to increase at 5.5% per annum.

G. Inflation Rate

An implicit rate of 3.0% is assumed to be included in the assumed interest rate to be earned by the Fund (Item B.) as well as the assumed annual salary increase factor (Item F.).

H. Retirement Age

<u>Eligible for Retirement with Early Retirement Reduction</u>			<u>Eligible for Unreduced Retirement</u>		
<u>Ages</u>	<u>General</u>	<u>Police</u>	<u>Ages</u>	<u>General</u>	<u>Police</u>
40-44	0 %	0 %	40-44	2 %	5 %
45-49	0	0	45-49	5	50
50-54	5	5	50-54	50	100
55	10	10	55	50	
56	10	10	56	50	
57	10	10	57	50	
58	25	25	58	50	
59	25	25	59	50	
60 & Up	100	100		100	

Additionally, employees eligible for Normal Retirement or the DROP as of the valuation date are assumed to retire one half year after the valuation date.

I. Valuation of Assets

Effective with the October 1, 2003 valuation, the assets are valued using an IRS approved smoothed market value without phase in, beginning with the market value at October 1, 1999, as if the method had always been in effect. It recognizes the difference between actual and expected investment income at the rate of 20% per year. The actuarial value of assets is calculated as market value minus unrecognized excesses (shortages) of actual investment income as compared to expected. Actual contributions and expenses are used to determine the expected return. The actuarial value of assets is further adjusted to the extent necessary to fall within the corridor of 80% to 120% of the fair market value of plan assets.

J. Asset Allocation

Assets for this Plan are invested along with the assets for the Firefighter's Fund. Earnings are then allocated based on weighted assets. The earnings allocated to the Firefighter's Fund are excluded from consideration for purposes of the valuation of this Plan.

K. Cost Method

Entry Age Normal Actuarial Cost Method.

The Unfunded Actuarial Accrued Liability is funded as a level dollar amount. The amortization periods for new bases end with the plan year 2029/30.

L. Changes From Previous Valuation

The mortality rates were updated to the fully generational RP-2000 Combined Healthy Participant Mortality Tables using projection scale AA to project mortality improvement to all future years from 2000. The change is being phased in over two years. In the first step, recognized this year, members' ages are set forward by one year in applying the mortality rates. In the second step, next year, there will be no age adjustment.

## MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Administrative Expenses	Expenses paid out of the fund are assumed to be equal to the actual amount for the previous year.
Benefit Service	Exact Fractional service is used to determine the benefit payable.
Decrement Operation	Turnover does not operate during Normal Retirement eligibility; mortality and disability operate during Normal Retirement eligibility.
Decrement Timing	Decrements of all types are assumed to occur mid year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the valuation date.
Incidence of Contributions	Contributions are assumed to be received monthly throughout the year.
Marriage Assumption	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Pay Increase Timing	Beginning of (fiscal) year.
Reemployment, Transfers, Service Purchases	No assumption.
Service Credit Accruals	It is assumed that members accrue one year of service credit per year.
Technical Adjustments	No adjustments were made.
Vested Terminated Members	Receive the greater value of a refund of accumulated member contributions, with interest if applicable, or the vested deferred benefit.

## GLOSSARY OF TERMS

<i><b>Actuarial Accrued Liability (AAL)</b></i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i><b>Actuarial Assumptions</b></i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<i><b>Actuarial Cost Method</b></i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i><b>Actuarial Equivalent</b></i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i><b>Actuarial Present Value (APV)</b></i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i><b>Actuarial Present Value of Future Benefits (APVFB)</b></i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i><b>Actuarial Valuation</b></i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 25, such as the Funded Ratio and the Annual Required Contribution (ARC).
<i><b>Actuarial Value of Assets</b></i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution (ARC).

<b><i>Amortization Method</i></b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<b><i>Amortization Payment</i></b>	That portion of the plan contribution or ARC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<b><i>Amortization Period</i></b>	The period used in calculating the Amortization Payment.
<b><i>Annual Required Contribution (ARC)</i></b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB No. 25. The ARC consists of the Employer Normal Cost and Amortization Payment.
<b><i>Closed Amortization Period</i></b>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<b><i>Employer Normal Cost</i></b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b><i>Equivalent Single Amortization Period</i></b>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<b><i>Experience Gain/Loss</i></b>	A measure of the difference between the normal cost rate from last year and the normal cost rate from this year.
<b><i>Funded Ratio</i></b>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<b><i>GASB</i></b>	Governmental Accounting Standards Board.
<b><i>GASB No. 25 and GASB No. 27</i></b>	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 27 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 25 sets the rules for the systems themselves.

<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.



**SECTION III**

**TRUST FUND**

<b>STATEMENT OF ASSETS AT MARKET VALUE AS OF OCTOBER 1, 2013</b>			
	General	Police	Total
Cash & Short Term Investments	\$ 556,637	\$ 549,952	\$ 1,106,589
General Investments			
U.S. Government Securities	1,795,619	1,774,055	3,569,674
Corporate Bonds	1,426,208	1,409,082	2,835,290
Domestic Equities	7,866,856	7,772,383	15,639,239
International Equities	1,209,381	1,194,858	2,404,239
Accrued Interest & Dividends	33,253	34,315	67,568
Sub-Total	<u>12,331,317</u>	<u>12,184,693</u>	<u>24,516,010</u>
Receivables/(Prepaid)			
Member Contributions	0	0	0
City Contributions	1,272	1,574	2,846
State Contributions	0	0	0
Net due from Brokers	5,322	5,492	10,814
Sub-Total	<u>6,594</u>	<u>7,066</u>	<u>13,660</u>
Payables			
Accounts Payable	18,344	18,930	37,274
DROP Benefits Payable	943,908	409,322	1,353,230
Sub-Total	<u>962,252</u>	<u>428,252</u>	<u>1,390,504</u>
Total Pension Fund Assets	11,932,296	12,313,459	24,245,755
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	584,587	603,260	1,187,847
Net Pension Fund Assets	11,347,709	11,710,199	23,057,908

**INCOME AND DISBURSEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 10,904,347	\$ 10,921,251	\$ 21,825,598
B. Receipts During Period			
1. Contributions			
a. Employee	41,560	20,063	61,623
b. City	718,249	888,534	1,606,783
c. State	0	0	0
d. Total	<u>759,809</u>	<u>908,597</u>	<u>1,668,406</u>
2. Investment Earnings			
a. Interest & Dividends	348,264	353,822	702,086
b. Net Realized Appreciation	250,404	254,401	504,805
c. Net Unrealized Appreciation	674,040	684,798	1,358,838
d. Earnings Allocated to Firefighters	60,522	60,167	120,689
e. Total: a. + b. + c. - d.	<u>1,212,186</u>	<u>1,232,854</u>	<u>2,445,040</u>
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	1,971,995	2,141,451	4,113,446
C. Disbursements During Period			
1. Benefits			
a. Pension Payments	1,299,913	1,163,850	2,463,763
b. Earnings credited to DROP, net fees	121,081	79,179	200,260
c. Refunds	0	0	0
c. Total	<u>1,420,994</u>	<u>1,243,029</u>	<u>2,664,023</u>
2. Allocated Expenses			
a. Investment Expenses	69,830	71,021	140,851
b. Administrative Expenses	37,809	38,453	76,262
c. Total Expenses	<u>107,639</u>	<u>109,474</u>	<u>217,113</u>
3. Total Disbursements During Period	1,528,633	1,352,503	2,881,136
D. Market Value as of End of Year	11,347,709	11,710,199	23,057,908

<b>Development of Funding Value of Assets for General Employees as of October 1</b>		
	<b>2013</b>	<b>2012</b>
A. Market Value of Assets at Beginning of Year	\$10,904,347	\$9,719,151
B. Contributions & Commission Recapture	759,809	723,169
C. Disbursements		
1. Benefit Payments	1,420,994	1,366,963
2. Non Investment Expenses	37,809	46,288
3. Investment Expenses	69,830	59,682
4. Total Disbursements	1,528,633	1,472,933
D. Expected Investment Income	788,995	700,820
E. Expected Assets End of Year: A+B-C+D	10,924,518	9,670,207
F. Actual Market Value at End of Year	11,347,709	10,904,347
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	423,191	1,234,140
2. From One Year Ago	1,234,140	(799,421)
3. From Two Years Ago	(799,421)	100,887
4. From Three Years Ago	100,887	(743,554)
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	338,553	987,312
2. 60% From One Year Ago	740,484	(479,653)
3. 40% From Two Years Ago	(319,768)	40,355
4. 20% From Three Years Ago	<u>20,177</u>	<u>(148,711)</u>
5. Total	779,446	399,303
I. Preliminary Actuarial Value as of End of Year: F-H5	10,568,263	10,505,044
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	9,078,167	8,723,477
2. 120% of Market Value	13,617,251	13,085,216
3. Valuation Assets	10,568,263	10,505,044
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	832,043	95,573
2. Expected Income on Valuation Assets	759,047	808,826
3. Gain/(Loss): (1) - (2)	72,996	(713,253)

<b>Development of Funding Value of Assets for Police Officers as of October 1</b>		
	<b>2013</b>	<b>2012</b>
A. Market Value of Assets at Beginning of Year	\$10,921,251	\$9,581,104
B. Contributions & Commission Recapture	908,597	868,174
C. Disbursements		
1. Benefit Payments	1,243,029	1,346,281
2. Non Investment Expenses	38,453	46,012
3. Investment Expenses	71,021	59,324
4. Total Disbursements	1,352,503	1,451,617
D. Expected Investment Income	802,447	696,704
E. Expected Assets End of Year: A+B-C+D	11,279,792	9,694,365
F. Actual Market Value at End of Year	11,710,199	10,921,251
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	430,407	1,226,886
2. From One Year Ago	1,226,886	(770,340)
3. From Two Years Ago	(770,340)	93,855
4. From Three Years Ago	93,855	(676,251)
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	344,326	981,509
2. 60% From One Year Ago	736,132	(462,204)
3. 40% From Two Years Ago	(308,136)	37,542
4. 20% From Three Years Ago	<u>18,771</u>	<u>(135,250)</u>
5. Total	791,093	421,597
I. Preliminary Actuarial Value as of End of Year: F-H5	10,919,106	10,499,654
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	9,368,159	8,737,001
2. 120% of Market Value	14,052,239	13,105,502
3. Valuation Assets	10,919,106	10,499,654
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	863,358	172,113
2. Expected Income on Valuation Assets	770,828	796,445
3. Gain/(Loss): (1) - (2)	92,530	(624,332)

<b>RECONCILIATION OF DROP ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2013</b>			
	General	Police	Total
A. Account Balances as of Beginning of Year	\$ 1,587,219	1,271,536	2,858,755
B. Receipts During Period			
1 Deposits	238,695	202,256	440,951
2 Investment Earnings, net fees	121,080	79,179	200,259
3 Total	<u>359,775</u>	<u>281,435</u>	<u>641,210</u>
C. Withdrawals During Period	1,003,086	1,143,649	2,146,735
D. Account Balances as of End of Year	943,908	409,322	1,353,230

## INVESTMENT RATE OF RETURN

The investment rate of return for the General and Police Plan combined has been calculated on the following bases:

- Basis 1: Market Value Basis** - interest, dividends, realized gains (losses) and unrealized appreciation (depreciation), divided by the weighted average of the market value of the fund during the year. This figure is normally called the Total Rate of Return.
- Basis 2: Valuation Asset Basis** - investment earnings recognized in the Actuarial Value of Assets divided by the weighted average of the Actuarial Value of Assets during the year.

Year Ended	Investment Rate of Return	
	Basis 1	Basis 2
9/30/2013	11.5 %	8.3 %
9/30/2012	20.7	1.3
9/30/2011	(0.4)	0.4
9/30/2010	9.0	1.8
9/30/2009	0.9	2.1
9/30/2008	(13.9)	5.1
9/30/2007	13.3	10.9
9/30/2006	7.0	6.9
9/30/2005	9.5	3.1
9/30/2004	9.9	2.4
Average Compounded Rate of Return for Last 5 Years	8.1	2.7
Average Compounded Rate of Return for Last 10 Years	6.4	4.2

**SECTION IV**

**MEMBER STATISTICS**

<b>STATISTICAL DATA, GENERAL EMPLOYEES</b>			
	<b>10/1/13</b>	<b>10/1/12</b>	<b>10/1/11</b>
<b>Active Participants</b>			
Number	8	8	10
Total Annual Earnings	\$ 398,597	\$ 392,600	\$ 561,168
Average Annual Earnings	49,825	49,075	56,117
Averages			
Current Age	52.5	51.5	49.9
Age at Employment	34.7	34.7	33.1
Past Service	17.8	16.8	16.8
Service at Age 60	25.3	25.3	26.9
<b>Members Receiving Benefits</b>			
Number	37	33	33
Total Annual Pensions	\$ 1,089,257	\$ 946,701	\$ 868,560
Average Monthly Benefit	2,453	2,391	2,193
Average Current Age*	65.4	66.6	66.1
<b>DROP Participants</b>			
Number	4	9	8
Total Annual Pensions	\$ 169,652	\$ 325,208	\$ 295,728
Average Monthly Benefit	3,534	3,011	3,081
Average Current Age	62.0	57.4	58.2
<b>Terminated Members with Vested Benefits</b>			
Number	1	1	1
Total Annual Pensions	\$ 7,897	\$ 7,897	\$ 7,897
Average Monthly Benefit	658	658	658
Average Current Age	46.4	45.4	44.4

*\*average current age of service retirees only, excludes beneficiaries and disability retirees*

*Note: Pensions shown include monthly supplement.*

<b>STATISTICAL DATA, POLICE OFFICERS</b>			
	<b>10/1/13</b>	<b>10/1/12</b>	<b>10/1/11</b>
<b>Active Participants</b>			
Number	2	3	4
Total Annual Earnings	\$ 166,200	\$ 229,590	\$ 287,858
Average Annual Earnings	83,100	76,530	71,964
Averages			
Current Age	39.1	43.3	43.5
Age at Employment	21.7	27.5	27.4
Past Service	17.4	15.8	16.1
Service at Age 60	38.3	32.5	32.6
<b>Members Receiving Benefits</b>			
Number	30	26	26
Total Annual Pensions	\$ 1,111,015	\$ 912,919	\$ 915,762
Average Monthly Benefit	3,086	2,926	2,935
Average Current Age*	61.5	61.4	60.2
<b>DROP Participants</b>			
Number	2	6	6
Total Annual Pensions	\$ 90,765	\$ 258,006	\$ 270,149
Average Monthly Benefit	3,782	3,583	3,752
Average Current Age	50.9	49.0	51.1
<b>Terminated Members with Vested Benefits</b>			
Number	0	0	0
Total Annual Pensions	\$ 0	\$ 0	\$ 0
Average Monthly Benefit	0	0	0
Average Current Age	0.0	0.0	0.0

\*average current age of service retirees only, excludes beneficiaries and disability retirees

Note: Pensions shown include monthly supplement.

<b>RECONCILIATION OF MEMBERSHIP DATA FROM 10/1/2012 TO 9/30/2013</b>			
	General	Police	Total
<b>A. Active Members</b>			
1 Number Included in Last Valuation	8	3	11
2 New Members Included in Current Valuation	0	0	0
3 Non-Vested Employment Terminations	0	0	0
4 Vested Employment Terminations	0	0	0
5 Non-Vested Transfers to FRS	0	0	0
6 Vested Transfers to FRS	0	0	0
7 Service Retirements	0	(1)	(1)
8 Disability Retirements	0	0	0
9 Deaths	0	0	0
10 DROP Retirements	0	0	0
11 Number Included in This Valuation	<u>8</u>	<u>2</u>	<u>10</u>
<b>B. Terminated Vested Members</b>			
1 Number Included in Last Valuation	1	0	1
2 Additions from Active Members	0	0	0
3 Lump Sum Payments	0	0	0
4 Payments Commenced	0	0	0
5 Returned to Work	0	0	0
6 Refunds	0	0	0
7 Number Included in This Valuation	<u>1</u>	<u>0</u>	<u>1</u>
<b>C. DROP Participants</b>			
1 Number Included in Last Valuation	9	6	15
2 Additions from Active Members	0	0	0
3 Retired	(5)	(4)	(9)
4 Deaths	0	0	0
5 Number Included in This Valuation	<u>4</u>	<u>2</u>	<u>6</u>
<b>D. Service Retirees, Disability Retirees and Beneficiaries</b>			
1 Number Included in Last Valuation	33	26	59
2 Additions from Active Members	0	1	1
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	5	4	9
5 Deaths Resulting in No Further Payments	(1)	(1)	(2)
6 End of Certain Period - No Further Payments	0	0	0
7 Number Included in This Valuation	<u>37</u>	<u>30</u>	<u>67</u>

Age and Service Distribution												
Active General Employees												
As of October 1, 2013												
Ages	Years of Past Service											Totals
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	2	0	0	0	2
50-54	0	0	0	0	0	0	0	1	1	0	0	2
55-59	0	0	0	0	0	0	1	1	1	0	1	4
60-64	0	0	0	0	0	0	0	0	0	0	0	0
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	1	4	2	0	1	8

<b>Age and Service Distribution</b>												
<b>Active Police Officers</b>												
<b>As of October 1, 2013</b>												
<u>Ages</u>	<u>Years of Past Service</u>											<u>Totals</u>
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	1	0	0	0	1
40-44	0	0	0	0	0	0	0	1	0	0	0	1
45-49	0	0	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0	0	0
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0	0	0	2	0	0	0	2

**SECTION V**

**SUMMARY OF PLAN PROVISIONS**

## SUMMARY OF RETIREMENT PLAN PROVISIONS

A. Effective Date:

February 11, 1969, amended and restated effective April 1, 1996. The most recent amendments included as of October 1, 2013 were Ordinance Nos. 894 and 923, described above. The Plan is closed to members hired on or after August 1, 2007, the effective date of the City's participation in FRS.

B. Eligibility Requirements:

All full-time employees (excluding elected officials and the City Administrator) hired prior to August 1, 2007, who elected to remain in the City plan rather than transfer to FRS during the 30 day election period.

C. Credited Service:

Service in completed calendar months from date of participation to the earlier of the participant's termination of service or actual retirement date during which employee contributions are made. Employees hired prior to September, 1968, shall receive credited service from date of hire to September, 1968, regardless of whether contributions were made during that period.

D. Average Monthly Compensation:

Average Monthly Compensation (denoted AMC) is 1/36th of the highest 36 consecutive months of compensation during the 120 months preceding the earliest of his retirement date, date of termination, or date of death or disability. Compensation shall mean regular wages and salaries, including longevity pay, but excluding bonuses, overtime pay, and accumulated leave payments at termination or retirement.

E. Normal Retirement:

General and Police:

Eligibility: Earlier of (i) or (ii), where: (i) is attainment of age 60 and completion of five (5) years of credited service, if later, and (ii) is completion of 20 years of credited service, regardless of age.

Active members with 15 or more years of service as of October 1, 2006 who retire by September 30, 2009, may retire with unreduced benefits, payable when the member would have reached normal retirement date if they had remained continuously employed.

Benefit: 3.0% of AMC multiplied by years of credited service.

F. Early Retirement:General and Police:

Eligibility      Attainment of age 50 and completion of 15 years of credited service.

Benefit:      Benefit accrued to date of retirement reduced by 3% per year (maximum reduction 12%) to reflect commencement of benefits at an earlier age. Effective May 27, 2003, for retirements after that date, there shall be no early retirement reduction for the City Manager, Dept. Directors, Asst. Dept. Directors, or the City Planner.

G. Delayed Retirement:General and Police:

Eligibility:      Retirement after normal retirement date.

Benefit:      3.0% of AMC at delayed retirement date multiplied by years of credited service at delayed retirement date.

H. Post Retirement Supplement:

Effective October 1, 2003 for all active participants and DROP participants actually separating from service after that date, there shall be payable a monthly supplement of \$10 for each year of credited service, but not to exceed \$200 per month. The benefit is not payable during the DROP period. The benefit shall be limited to those employed by the City and participating in the Plan on or before September 30, 2005.

I. Disability Benefit:General and Police:

Eligibility:      Unable to perform duties pertaining to his occupation as determined by the Plan Administrator. Eligibility is immediate for service connected disability; 15 years of service are required to be eligible for non service connected disability.

Benefit:      Service Incurred: 50% of AMC payable after 5 months of continuous disability.

Non-Service Incurred: 25% of AMC payable after 5 months of continuous disability.

Both Service Incurred and Non-Service Incurred liability benefits shall not be less than the participant's accrued benefit. The disability monthly benefit is payable for life, with 120 payments guaranteed.

J. Pre-Retirement Death Benefit:

In the event of a participant's death while still employed by the City, the beneficiary shall be entitled to receive the greater of the participant's accumulated participant contributions, or the present value of the participant's vested accrued benefit computed as of date of death.

K. Termination Benefits:General and Police:

Eligibility: Less than 5 years of service at date of termination

Benefit: Refund of accumulated participant contributions with interest, if applicable.

L. Vested Benefit Upon Termination:General and Police:

Eligibility: At least 5 years of credited service at date of termination

Benefit: The benefit payable at normal retirement date equal to the product of his accrued benefit and his vested percentage from the following schedule:

<u>Years of Credited Service</u>	<u>Vested Percentage</u>
Less than 5 Years	0%
5	25%
6	30%
7	35%
8	40%
9	45%
10	50%
11	60%
12	70%
13	80%
14	90%
15 or More	100%

Nevertheless, a member will become 100% vested upon attaining his early or normal retirement age.

M. Employee Contributions:

Police Officers participants shall contribute 10% of basic compensation, and General employees contribute 11 % of basic compensation.

N. Normal Form of Retirement Income:

The normal form of payment shall be a life annuity. If a participant is married as of the date benefits are to commence and he has not elected otherwise, his benefit shall be payable in the form of a Qualified Joint and Survivor Annuity.

O. Deferred Retirement Option Plan (D.R.O.P.):

The D.R.O.P. is available only if the participant makes an irrevocable election to participate after the completion of 20 years of credited service. The D.R.O.P. has a maximum six (6) year participation period (five (5) year period prior to Ordinance 923), after which the participant is deemed separated from the City. If the participant dies during the D.R.O.P. period, the participant will be treated as any other vested participant in the Plan who dies prior to retirement. If the participant becomes disabled during the D.R.O.P. period, the participant will be assumed to have retired on a normal retirement on the day prior to disability.

P. Cost of Living:

Certain members of the police bargaining unit, including non-sworn members participating in the General Employees plan, receive a delayed 3% Cost of Living adjustment (COLA). It applies only to bargaining unit members who retire or enter the DROP during the term of the 2002-2005 Collective Bargaining Agreement, or enter the DROP prior to the 2002-2005 Collective Bargaining Agreement. The COLA begins on the fifth, sixth or seventh anniversary of retirement or DROP, depending on the date of retirement or DROP.

Members of the police bargaining unit, including non-sworn members participating in the General Employees plan, who have a minimum of ten (10) years of credited service with the City as of October 31, 2006 and who hereafter enter the DROP or retire from the City, receive a delayed 3% Cost of Living adjustment (COLA). The COLA begins on the sixth anniversary of retirement or DROP.

Q. Changes From Previous Valuation:

None.

## **STATE REQUIREMENTS**

1. Copies of this Report are to be furnished to the Division of Retirement and the State Treasurer's Office within 60 days of receipt from the actuary, at the following addresses:

Bureau of Local Retirement  
Division of Retirement  
P.O. Box 9000  
Tallahassee, Florida 32315-9000

Bureau of Municipal Police Officers' and  
Firefighters' Retirement Funds  
P.O. Box 3010  
Tallahassee, Florida 32315-3010

2. Contributions to the System -
  - (a) Employee contributions must be deposited to the fund on at least a monthly basis.
  - (b) City contributions must be deposited to the fund on at least a monthly basis.
  - (c) Premium tax refunds and any other revenues collected for this Plan must be deposited within 5 days of receipt by the City.
3. Information for employees -
  - (a) A written plan description is to be distributed to each member every two years.
  - (b) Pertinent actuarial and financial information is to be included as part of the written plan description distributed to members.

