

**CITY OF WILTON MANORS RETIREMENT PLAN FOR GENERAL EMPLOYEES & POLICE  
OFFICERS – ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2015**

**FOR THE YEAR BEGINNING OCTOBER 1, 2015**





June 2, 2016

Pension Board  
City of Wilton Manors  
Wilton Manors, FL 33305

Re: City of Wilton Manors Pension Plan for General Employees and Police Officers  
Annual Actuarial Valuation as of October 1, 2015

Dear Board Members:

We are pleased to present herein our October 1, 2015 Actuarial Valuation Report for the City of Wilton Manors Pension Plan for General Employees and Police.

The contribution amount shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

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. GRS is not responsible for unauthorized use of this report.

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, 2016, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 and No. 68. This report also includes estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2016. This report should not be relied on for any purpose other than the purpose described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The findings in this report consider data or other information through September 30, 2015. 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.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The valuation was based upon information furnished by the Plan Administrator concerning Pension Plan benefits, financial transactions, plan provisions, active and terminated members, retirees and beneficiaries. 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.

Board of Trustees  
City of Wilton Manors Pension Plan for  
General Employees and Police Officers  
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In addition, this report was prepared using certain assumptions approved by the Board as described in the section of this report entitled Actuarial Cost Methods and Assumptions.

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.

Theora P. Braccialarghe and Melissa R. Moskovitz 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 actuarial valuation was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our 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.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and Report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By Theora P. Braccialarghe

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**SECTION I**

**DISCUSSION**

## DISCUSSION

### TOTAL REQUIRED CONTRIBUTION

The required City contribution for the plan year ending September 30, 2016, is \$1,638,492, as shown below:

<b>Required City Contribution</b>			
	<b>General</b>	<b>Police</b>	<b>Total</b>
Total Required Employer Contribution	\$ 731,521	906,971	1,638,492
As a % of Payroll	166.53 %	466.03 %	258.48 %
Expected State Premium Tax Refund	N/A	\$0	\$0
Remaining City Contribution	731,521	906,971	1,638,492
As a % of Payroll	166.53 %	466.03 %	258.48 %

The actual employer contribution received during the year ending September 30, 2015 was \$1,676,869. The minimum required contribution was \$1,674,023.

### EXPERIENCE

There was a net experience gain for the year. The investment return on an actuarial value basis was 7.4%, which was higher than the assumed rate of 7.0%. 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 a market value basis was -5.9%, as compared to the assumed rate of 7%. Partially offsetting the investment gain was a small loss due to 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**

There were no changes in actuarial methods or assumptions in connection with the current valuation.

**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 63.7 % compared to 61.1 % last year. 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 is lower than the Valuation Asset Value of Assets by \$1,030,794 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 increase by approximately \$96,700. If Market Value had been the basis for the valuation, the required City contribution would have been about \$ 1,748,000 and the funded ratio would have been about 60.9%.

**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>
10/1/15	\$ 22,631,716	\$ 35,812,191	63 %
10/1/14	24,942,337	36,133,046	69
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

### **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>
10/1/15	\$ 23,662,510	\$ 37,140,635	64 %
10/1/14	22,793,785	37,283,456	61
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

## 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>
10/1/15	25.61 %	223.33 %	258.48 %
10/1/14	25.86	253.06	289.57
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

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.
9. Effective October 1, 2014, the one-year age set-forward in the mortality rates was eliminated from the mortality rates that became effective October 1, 2013. Additionally, the assumed rate of investment return on plan assets was changed from a 7.5% gross investment return to a 7.0% assumption net of investment expenses.

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

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR ALL EMPLOYEES AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
<b>Covered Group</b>		
A. Number of Participants		
Actives	10	10
Retirees, Disabilities, Beneficiaries and Vested Terminations	74	74
Total Annual Covered Payroll	\$ 633,899	\$ 578,109
<b>Long Range Cost</b>		
B. Actuarial Present Value of Projected Benefits	\$ 37,628,314	\$ 37,796,609
C. Actuarial Present Value of Future Normal Costs	487,679	513,153
D. Actuarial Accrued Liability (AAL): B - C	37,140,635	37,283,456
E. Valuation Assets	23,662,510	22,793,785
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	13,478,125	14,489,671
<b>Current Cost</b>		
G. Payment Required to Amortize UAAL	\$ 1,415,700	\$ 1,462,984
As % of Payroll	223.33%	253.06%
H. Total Normal Cost (for current year)	230,111	211,430
As % of Payroll	36.30%	36.57%
I. Plan Year to which Contributions Apply	2015/16	2014/15
J. Interest	60,464	61,515
K. Total Required Contribution	1,706,275	1,735,929
As % of Payroll	269.17%	300.28%
L. Expected Member Contribution	67,783	61,906
As % of Payroll	10.69%	10.71%
M. Estimate of State Contributions	0	0
N. Total Remaining Required City Contribution	1,638,492	1,674,023
As % of Payroll	258.48%	289.57%

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR GENERAL EMPLOYEES AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
<b>Covered Group</b>		
A. Number of Participants		
Actives	8	8
Retirees, Disabilities, Beneficiaries and Vested Terminations	43	42
Total Annual Covered Payroll	\$ 439,282	\$ 409,531
<b>Long Range Cost</b>		
B. Actuarial Present Value of Projected Benefits	\$ 17,362,619	\$ 17,201,671
C. Actuarial Present Value of Future Normal Costs	313,224	340,627
D. Actuarial Accrued Liability (AAL): B - C	17,049,395	16,861,044
E. Valuation Assets	11,347,365	11,072,794
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,702,030	5,788,250
<b>Current Cost</b>		
G. Payment Required to Amortize UAAL	\$ 603,467	\$ 589,220
As % of Payroll	137.38%	143.88%
H. Total Normal Cost (for current year)	148,740	139,257
As % of Payroll	33.86%	34.00%
I. Plan Year to which Contributions Apply	2015/16	2014/15
J. Interest	27,635	26,763
K. Total Required Contribution	779,842	755,240
As % of Payroll	177.53%	184.42%
L. Expected Member Contribution	48,321	45,048
As % of Payroll	11.00%	11.00%
M. Estimate of State Contributions	N/A	N/A
N. Total Remaining Required City Contribution	731,521	710,192
As % of Payroll	166.53%	173.42%

<b>COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
<b>Covered Group</b>		
A. Number of Participants		
Actives	2	2
Retirees, Disabilities, Beneficiaries and Vested Terminations	31	32
Total Annual Covered Payroll	\$ 194,617	\$ 168,578
<b>Long Range Cost</b>		
B. Actuarial Present Value of Projected Benefits	\$ 20,265,695	\$ 20,594,938
C. Actuarial Present Value of Future Normal Costs	<u>174,455</u>	<u>172,526</u>
D. Actuarial Accrued Liability (AAL): B - C	20,091,240	20,422,412
E. Valuation Assets	12,315,145	11,720,991
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	7,776,095	8,701,421
<b>Current Cost</b>		
G. Payment Required to Amortize UAAL	\$ 812,233	\$ 873,764
As % of Payroll	417.35%	518.31%
H. Total Normal Cost (for current year)	81,371	72,173
As % of Payroll	41.81%	42.81%
I. Plan Year to which Contributions Apply	2015/16	2014/15
J. Interest	32,829	34,752
K. Total Required Contribution	926,433	980,689
As % of Payroll	476.03%	581.74%
L. Expected Member Contribution	19,462	16,858
As % of Payroll	10.00%	10.00%
N. Estimate of State Contributions	0	0
M. Total Remaining Required City Contribution	906,971	963,831
As % of Payroll	466.03%	571.74%

<b>DERIVATION OF NORMAL COST GENERAL EMPLOYEES AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
A. Entry Age Normal Cost for		
Service Retirement Benefits	\$ 90,258	\$ 84,094
Vesting Benefits	5,075	4,720
Preretirement Death Benefits	1,060	1,000
Disability	6,741	6,283
Return of Contributions	3,173	2,965
Total	<u>106,307</u>	<u>99,062</u>
B. Normal Cost for Administrative & Investment Expenses	42,433	40,195
C. Total Normal Cost: A + B	148,740	139,257

<b>PRESENT VALUE OF PROJECTED BENEFITS GENERAL EMPLOYEES AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
A. Present Value of Future Salaries	\$ 1,256,675	\$ 1,361,278
B. Present Value of Future Member Contributions	138,234	149,741
C. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	3,168,793	2,929,658
Vesting Benefits	5,860	9,925
Preretirement Death Benefits	17,656	18,324
Disability	29,263	31,552
Return of Contributions	471	557
Total	<u>3,222,043</u>	<u>2,990,016</u>
2. Inactive Members		
Service Retirees	13,071,891	13,256,393
DROP Participants	630,090	632,499
Disability Retirees	127,305	128,063
Beneficiaries	269,933	156,089
Terminated Vested	41,357	38,611
Total	<u>14,140,576</u>	<u>14,211,655</u>
3. Grand Total	17,362,619	17,201,671

<b>DERIVATION OF NORMAL COST POLICE OFFICERS AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
A. Entry Age Normal Cost for		
Service Retirement Benefits	\$ 28,108	\$ 24,195
Vesting Benefits	3,535	3,055
Preretirement Death Benefits	320	278
Disability	529	452
Return of Contributions	2,937	2,573
Total	<u>35,429</u>	<u>30,553</u>
B. Normal Cost for Administrative & Investment Expenses	45,942	41,620
C. Total Normal Cost: A + B	81,371	72,173

<b>PRESENT VALUE OF PROJECTED BENEFITS POLICE OFFICERS AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
A. Present Value of Future Salaries	\$ 979,787	\$ 969,006
B. Present Value of Future Member Contributions	97,979	96,901
C. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	2,001,595	1,643,086
Vesting Benefits	7,582	20,394
Preretirement Death Benefits	11,391	11,056
Disability	21,259	20,608
Return of Contributions	0	0
Total	<u>2,041,827</u>	<u>1,695,144</u>
2. Inactive Members		
Service Retirees	15,843,982	16,780,106
DROP Participants	814,045	1,644,733
Disability Retirees	277,443	282,809
Beneficiaries	1,288,398	192,146
Terminated Vested	0	0
Total	<u>18,223,868</u>	<u>18,899,794</u>
3. Grand Total	20,265,695	20,594,938

**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, 2015</b>					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	5	\$ (94)	\$ (21)
10/1/94 Method Change	30		8	14,946	2,339
10/1/94 Assumption Changes	30		8	(8,636)	(1,352)
10/1/95 Plan Amendment	30		9	379,205	54,395
10/1/96 Assumption Change	30		10	77,243	10,278
10/1/98 Plan Amendment	30		12	13,781	1,622
10/1/03 Plan Amendment	30	624,219	15	469,666	48,193
10/1/03 Asset Method Change	30	(785,623)	15	(591,106)	(60,654)
10/1/04 Cost Method Change	30	1,443,006	15	1,103,791	113,262
10/1/05 (Gain)/Loss	30	540,168	15	419,466	43,042
10/1/05 Plan Amendment	30	26,548	15	20,616	2,115
10/1/06 (Gain)/Loss	30	203,371	15	160,121	16,430
10/1/06 Assumption Change	30	151,335	15	119,151	12,226
10/1/06 Plan Amendment	30	(238,605)	15	(187,861)	(19,277)
10/1/07 (Gain)/Loss	29	(429,960)	15	(356,800)	(36,612)
10/1/08 (Gain)/Loss	28	262,546	15	220,144	22,589
10/1/09 (Gain)/Loss	27	938,436	15	797,291	81,811
10/1/10 (Gain)/Loss	26	336,348	15	289,514	29,708
10/1/10 Assumption Change	20	713,404	15	614,068	63,011
10/1/11 (Gain)/Loss	19	767,956	15	677,389	69,508
10/1/12 (Gain)/Loss	18	828,428	15	750,491	77,009
10/1/13 (Gain)/Loss	17	(55,169)	15	(51,457)	(5,280)
10/1/13 Assumption Change	17	(3,377)	15	(3,150)	(323)
10/1/14 (Gain)/Loss	16	(368,125)	15	(354,613)	(36,387)
10/1/14 Assumption Change	16	1,022,253	15	984,729	101,045
10/1/15 (Gain)/Loss	15	144,135	15	144,135	14,790
				5,702,030	603,467

<b>Amortization Schedule Illustration - General</b>	
<b>Year Ended</b>	<b>Projected UAAL</b>
2015	\$ 5,702,030
2016	5,455,461
2017	5,191,633
2018	4,909,337
2019	4,607,280
2024	2,749,591
2029	536,207
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, 2015</b>					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	5	\$ (2,221)	(506)
10/1/94 Method Change	30		8	14,800	2,316
10/1/94 Assumption Changes	30		8	6,375	998
10/1/95 Plan Amendment	30		9	308,025	44,185
10/1/96 Assumption Change	30		10	28,747	3,825
10/1/03 Plan Amendment	30	293,612	15	237,735	24,394
10/1/03 Asset Method Change	30	(694,013)	15	(561,936)	(57,661)
10/1/04 Cost Method Change	30	1,473,123	15	1,213,319	124,501
10/1/05 (Gain)/Loss	30	962,062	15	803,681	82,467
10/1/05 Plan Amendment	30	1,135,420	15	948,501	97,327
10/1/06 (Gain)/Loss	30	351,747	15	310,636	31,875
10/1/06 Assumption Change	30	200,570	15	169,713	17,415
10/1/07 (Gain)/Loss	29	170,330	15	142,030	14,574
10/1/08 (Gain)/Loss	28	475,229	15	400,279	41,073
10/1/09 (Gain)/Loss	27	285,316	15	243,027	24,937
10/1/10 (Gain)/Loss	26	539,626	15	476,555	48,900
10/1/10 Assumption Change	20	961,187	15	848,843	87,101
10/1/11 (Gain)/Loss	19	650,191	15	574,197	58,919
10/1/12 (Gain)/Loss	18	712,742	15	646,203	66,308
10/1/13 (Gain)/Loss	17	14,424	15	13,462	1,381
10/1/13 Assumption Change	17	387,602	15	361,732	37,118
10/1/14 (Gain)/Loss	16	(268,596)	15	(258,809)	(26,557)
10/1/14 Assumption Change	16	1,500,251	15	1,445,588	148,334
10/1/15 (Gain)/Loss	15	(594,387)	15	(594,387)	(60,991)
				7,776,095	812,233

<b>Amortization Schedule Illustration - Police</b>	
<b>Year Ended</b>	<b>Projected UAAL</b>
2015	\$ 7,776,095
2016	7,451,330
2017	7,103,832
2018	6,732,008
2019	6,334,157
2024	3,887,204
2029	761,417
2030	0

<b>RECENT HISTORY OF VALUATION RESULTS</b>							
<b>Valuation Date</b>	<b>Number of Members</b>		<b>Covered Annual Payroll</b>	<b>Actuarial Value of Assets</b>	<b>UAAL</b>	<b>Employer Normal Cost</b>	
	<b>Active</b>	<b>Inactive</b>				<b>Amount</b>	<b>% of Payroll</b>
10/1/15	10	74	\$ 633,899	\$ 23,662,510	\$ 13,478,125	\$ 162,328	25.61 %
10/1/14	10	74	578,109	22,793,785	14,489,671	149,524	25.86
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

## 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	\$ 5,788,250	\$ 8,701,421
2. Normal Cost (NC) Previous Valuation	94,209	55,315
3. Contributions Previous Year	711,433	965,436
4. Interest on:		
a. UAAL and NC	411,772	612,972
b. Contributions	24,903	33,790
c. Net Total: (a) - (b)	386,869	579,182
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	5,557,895	8,370,482
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	0	0
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	5,557,895	8,370,482
9. Actual UAAL Current Year	5,702,030	7,776,095
10. Actuarial Gain / (Loss): (8) - (9)	(144,135)	594,387
<b>B. Approximate Portion of Gain / (Loss) Due to Investments</b>	53,818	39,815
<b>C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)</b>	\$ (197,953)	\$ 554,572

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/15	\$ (144,135)	\$ 594,387	\$ 450,252
9/30/14	368,125	268,596	636,721
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)

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
9/30/15	7.4 %	7.0 %	7.3 %	15.4 %	5.5 %
9/30/14	10.9	7.5	2.7	5.9	5.5
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

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.

<b>SCHEDULE OF FUNDING PROGRESS</b>						
<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>
10/1/15	\$ 23,662,510	\$ 37,140,635	\$ 13,478,125	63.7 %	\$ 633,899	2126.2 %
10/1/14	22,793,785	37,283,456	14,489,671	61.1	578,109	2506.4
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

<b>FASB NO. 35 INFORMATION</b>		
<b>ALL EMPLOYEES AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 30,878,952	\$ 30,795,606
b. DROP Participants	1,877,963	2,983,223
c. Terminated Vested Members	41,357	38,611
d. Other Members	3,635,971	3,206,187
e. Total	<u>36,434,243</u>	<u>37,023,627</u>
2. Non-Vested Benefits	<u>53,858</u>	<u>73,058</u>
3. Total: (1) + (2)	36,488,101	37,096,685
4. Accumulated Contributions of Active Members	853,967	789,718
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	37,096,685	33,621,410
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	2,458,683
c. Benefits paid and contribution refunds	(2,756,178)	(3,224,482)
d. Other (including DROP reserves)	NA	1,353,230
e. Other, including latest member data, benefits accumulated and decrease in discount period	<u>2,147,594</u>	<u>2,887,844</u>
f. Net Increase	<u>(608,584)</u>	<u>3,475,275</u>
3. Total Value at End of Year	36,488,101	37,096,685
C. Market Value of Assets	23,065,544	25,648,328
D. Assumed rate of return	7.00%	7.00%
E. Funded Ratio	63.21%	69.14%

<b>FASB NO. 35 INFORMATION</b>		
<b>GENERAL EMPLOYEES AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 13,469,129	\$ 13,540,545
b. DROP Participants	841,441	799,344
c. Terminated Vested Members	41,357	38,611
d. Other Members	2,506,066	2,266,957
e. Total	<u>16,857,993</u>	<u>16,645,457</u>
2. Non-Vested Benefits	<u>53,858</u>	<u>73,058</u>
3. Total: (1) + (2)	16,911,851	16,718,515
4. Accumulated Contributions of Active Members	634,296	588,494
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	16,718,515	15,515,445
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	1,010,267
c. Benefits paid and contribution refunds	(1,218,682)	(2,104,623)
d. Other (including DROP reserves)	NA	943,908
e. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,412,018</u>	<u>1,353,518</u>
f. Net Increase	193,336	1,203,070
3. Total Value at End of Year	16,911,851	16,718,515
<b>C. Market Value of Assets</b>	11,087,697	12,301,876
<b>D. Assumed rate of return</b>	7.00%	7.00%
<b>E. Funded Ratio</b>	65.56%	73.58%

<b>FASB NO. 35 INFORMATION POLICE OFFICERS AS OF OCTOBER 1</b>		
	<b>2015</b>	<b>2014</b>
<b>A. Actuarial Present Value of Accumulated Plan Benefits</b>		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 17,409,823	\$ 17,255,061
b. DROP Participants	1,036,522	2,183,879
c. Terminated Vested Members	0	0
d. Other Members	1,129,905	939,230
e. Total	<u>19,576,250</u>	<u>20,378,170</u>
2. Non-Vested Benefits	<u>0</u>	<u>0</u>
3. Total: (1) + (2)	19,576,250	20,378,170
4. Accumulated Contributions of Active Members	219,671	201,224
<b>B. Statement of Change in Accumulated Plan Benefits</b>		
1. Total Value at Beginning of Year	20,378,170	18,105,965
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	1,448,416
c. Benefits paid and contribution refunds	(1,537,496)	(1,119,859)
d. Other (including DROP reserves)	NA	409,322
e. Other, including latest member data, benefits accumulated and decrease in discount period	<u>735,576</u>	<u>1,534,326</u>
f. Net Increase	(801,920)	2,272,205
3. Total Value at End of Year	19,576,250	20,378,170
<b>C. Market Value of Assets</b>	11,977,847	13,346,452
<b>D. Assumed rate of return</b>	7.00%	7.00%
<b>E. Funded Ratio</b>	61.19%	65.49%

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

Fiscal year ending September 30,	<u>2016*</u>	<u>2015</u>
<b>Total pension liability</b>		
Service Cost	\$ 141,736	\$ 129,615
Interest	2,550,605	2,571,868
Benefit Changes	-	-
Difference between actual & expected experience	(360,289)	60,844
Assumption Changes	-	2,522,504
Benefit Payments	(2,557,822)	(2,756,178)
Refunds	(146)	-
<b>Net Change in Total Pension Liability</b>	<u>(225,916)</u>	<u>2,528,653</u>
<b>Total Pension Liability - Beginning</b>	<u>37,934,752</u>	<u>35,406,099</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 37,708,836</u>	<u>\$ 37,934,752</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer and State	\$ 1,638,492	\$ 1,676,869
Contributions - Member	67,783	64,249
Net Investment Income	1,581,579	(1,489,322)
Benefit Payments	(2,557,822)	(2,756,178)
Refunds	(146)	-
Administrative Expense	(91,416)	(88,375)
Other	-	9,974
<b>Net Change in Plan Fiduciary Net Position</b>	<u>638,470</u>	<u>(2,582,783)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>23,065,544</u>	<u>25,648,327</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 23,704,014</u>	<u>\$ 23,065,544</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>14,004,822</u>	<u>14,869,208</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	62.86 %	60.80 %
<b>Covered Employee Payroll</b>	\$ 633,899	\$ 600,852
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	2,209.31 %	2,474.69 %

\* 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 Employee Payroll*	Net Pension Liability as a % of Covered Employee Payroll
2016*	\$ 37,708,836	\$ 23,704,014	\$ 14,004,822	62.86%	\$ 633,899	2209.31%
2015	\$ 37,934,752	\$ 23,065,544	\$ 14,869,208	60.80%	\$ 600,852	2474.69%
2014	\$ 35,406,099	\$ 25,648,327	\$ 9,757,772	72.44%	\$ 937,125	1041.25%

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

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

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
2016*	\$ 1,638,492	\$ 1,638,492	\$ -	\$ 633,899	258.48%
2015	1,674,023	1,676,869	(2,846)	600,852	279.08%
2014	1,645,738	1,645,738	-	937,125	175.62%

\*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, 2015  
**Notes** Actuarially determined contribution rates are calculated as of the 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	15 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	5.5%
Investment Rate of Return	7.00%
Annual cost-of-living adjustment for eligible retirees	3.00%
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, plus a 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 7.00% 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 7.00%. 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 7.00%, 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**

1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
\$ 18,255,285	\$ 14,004,822	\$ 10,523,555

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

## ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS

### Assumptions

The active group is too small to provide statistically significant experience on which to base demographic assumptions. The retirement age assumption tracks the eligibility requirements for normal retirement. Note that a member must be eligible for normal retirement in order to enter the DROP. Mortality is based on a commonly used fully generational mortality table and projection scale.

#### 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 five years for disabled lives. Sample rates for non-disabled lives are shown below:

Sample Ages in 2015	% Mortality During the Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.16%	0.13%	34.35	35.68
55	0.27%	0.24%	29.23	30.71
60	0.53%	0.47%	24.29	25.93
65	1.03%	0.90%	19.68	21.44
70	1.77%	1.55%	15.48	17.32
75	3.06%	2.49%	11.68	13.59
80	5.54%	4.13%	8.45	10.28
Ref:	506 x 1.00	507 x 1.00	924	923

#### B. Interest to be Earned by Fund

7.0%, per direction from the Board of Trustees based on information from their investment consultant. The 7.0% rate is net 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 2.5% 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 inflation rate was reduced from 3.0% to 2.50% in connection with decrease in assumed investment return from 7.5% to 7.0% last year.

## 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, 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. 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. 67 and GASB No. 68</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. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 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, 2015</b>			
	General	Police	Total
Cash & Cash Equivalents	\$ 420,176	453,949	874,125
General Investments			
Common Stock	6,296,000	6,802,070	13,098,070
Government Securities	2,806,240	3,031,805	5,838,045
Mutual Funds	1,821,010	1,967,383	3,788,393
Corporate Bonds	347,318	375,236	722,554
Sub-Total	<u>11,270,568</u>	<u>12,176,494</u>	<u>23,447,062</u>
Total Cash & Investments	11,690,744	12,630,443	24,321,187
Receivables/(Prepaid)			
Member Contributions	1,697	698	2,395
City Contributions	0	0	0
State Contributions	0	0	0
Net Due From/(To) Brokers	0	0	0
Accrued Interest & Dividends	22,598	24,413	47,011
Sub-Total	<u>24,295</u>	<u>25,111</u>	<u>49,406</u>
Payables	21,703	23,445	45,148
Total Pension Fund Assets	11,693,336	12,632,109	24,325,445
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	605,639	654,262	1,259,901
Net Pension Fund Assets	11,087,697	11,977,847	23,065,544

**INCOME AND DISBURSEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 12,301,876	\$ 13,346,452	\$ 25,648,328
B. Receipts During Period			
1. Contributions			
a Employee	45,802	18,447	64,249
b City	711,433	965,436	1,676,869
d Total	<u>757,235</u>	<u>983,883</u>	<u>1,741,118</u>
2. Investment Earnings			
a Interest & Dividends	311,505	337,273	648,778
b Net Realized Appreciation	(2,023,010)	(2,190,349)	(4,213,359)
c Net Unrealized Appreciation	1,067,099	1,155,368	2,222,467
d Total	<u>(644,406)</u>	<u>(697,708)</u>	<u>(1,342,114)</u>
3. Other Non-investment Income	4,788	5,185	9,973
4. Total Receipts During Period	117,617	291,360	408,977
C. Disbursements During Period			
1. Benefits			
a Pension Payments	1,218,682	1,147,496	2,366,178
b DROP Distributions	0	390,000	390,000
c Refunds	0	0	0
c Total	<u>1,218,682</u>	<u>1,537,496</u>	<u>2,756,178</u>
2. Allocated Expenses			
a Investment Expenses	70,681	76,527	147,208
b Administrative Expenses	42,433	45,942	88,375
c Total Expenses	<u>113,114</u>	<u>122,469</u>	<u>235,583</u>
3. Total Disbursements During Period	1,331,796	1,659,965	2,991,761
D. Market Value as of End of Year	11,087,697	11,977,847	23,065,544

<b>Development of Funding Value of Assets for General Employees as of October 1</b>		
	<b>2015</b>	<b>2014</b>
A. Market Value of Assets at End of Last Year	\$12,301,876	12,291,617
B. Contributions & Commission Recapture	757,235	760,582
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,218,682	2,104,623
2. Non Investment Expenses	42,433	40,195
3. Investment Expenses	N/A	66,174
4. Total Disbursements	1,261,115	2,210,992
D. Expected Investment Income	843,496	867,481
E. Expected Assets End of Year: A+B-C+D	12,641,492	11,708,688
F. Actual Market Value at End of Year	11,087,697	12,301,876
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	(1,553,795)	593,188
2. From One Year Ago	593,188	423,191
3. From Two Years Ago	423,191	1,234,140
4. From Three Years Ago	1,234,140	(799,421)
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	(1,243,036)	474,550
2. 60% From One Year Ago	355,913	253,915
3. 40% From Two Years Ago	169,276	493,656
4. 20% From Three Years Ago	<u>246,828</u>	<u>(159,884)</u>
5. Total	(471,019)	1,062,237
I. Preliminary Actuarial Value as of End of Year: F-H5	11,558,716	11,239,639
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	8,870,158	9,841,501
2. 120% of Market Value	13,305,237	14,762,251
3. Valuation Assets	11,558,716	11,239,639
K. Adjustment for Reserves		
1. DROP Reserves	211,351	166,845
2. Other	0	0
L. Net Valuation Assets	11,347,365	11,072,794
M. Net Market Value of Assets	10,876,346	12,135,031

<b>Development of Funding Value of Assets for Police Officers as of October 1</b>		
	<b>2015</b>	<b>2014</b>
A. Market Value of Assets at Beginning of Year	\$13,346,452	12,119,521
B. Contributions & Commission Recapture	983,883	944,445
C. Disbursements		
1. Benefit Payments & DROP Distributions	1,537,496	1,119,859
2. Non Investment Expenses	45,942	41,620
3. Investment Expenses	N/A	68,521
4. Total Disbursements	1,583,438	1,230,000
D. Expected Investment Income	913,267	898,256
E. Expected Assets End of Year: A+B-C+D	13,660,163	12,732,222
F. Actual Market Value at End of Year	11,977,847	13,346,452
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	(1,682,316)	614,230
2. From One Year Ago	614,230	430,407
3. From Two Years Ago	430,407	1,226,886
4. From Three Years Ago	1,226,886	(770,340)
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	(1,345,853)	491,384
2. 60% From One Year Ago	368,538	258,244
3. 40% From Two Years Ago	172,163	490,755
4. 20% From Three Years Ago	<u>245,377</u>	<u>(154,068)</u>
5. Total	(559,775)	1,086,315
I. Preliminary Actuarial Value as of End of Year: F-H5	12,537,622	12,260,137
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	9,582,277	10,677,161
2. 120% of Market Value	14,373,416	16,015,742
3. Valuation Assets	12,537,622	12,260,137
K. Adjustment for Reserves		
1. DROP Reserves	222,477	539,146
L. Net Valuation Assets	12,315,145	11,720,991
M. Net Market Value of Assets	11,755,370	12,807,306

<b>RECONCILIATION OF DROP ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2015</b>			
	General	Police	Total
A. Account Balances as of Beginning of Year	\$ 166,845	539,146	705,991
B. Receipts During Period			
1. Deposits	47,117	69,794	116,911
2. Investment Earnings, net fees	(2,611)	3,537	926
3. Total	<u>44,506</u>	<u>73,331</u>	<u>117,837</u>
C. Withdrawals During Period	0	(390,000)	(390,000)
D. Account Balances as of End of Year	211,351	222,477	433,828

## 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
9/30/2015	(5.9) %	7.4 %
9/30/2014	12.6	10.9
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
Average Compounded Rate of Return for Last 5 Years	7.3	5.6
Average Compounded Rate of Return for Last 10 Years	5.0	5.4

**SECTION IV**

**MEMBER STATISTICS**

<b>STATISTICAL DATA, GENERAL EMPLOYEES</b>			
	<b>10/1/15</b>	<b>10/1/14</b>	<b>10/1/13</b>
<b>Active Participants</b>			
Number	8	8	8
Total Annual Earnings	\$ 439,282	\$ 409,531	\$ 398,597
Average Annual Earnings	54,910	51,191	49,825
<b>Averages</b>			
Current Age	54.5	53.5	52.5
Age at Employment	34.6	34.7	34.7
Past Service	19.9	18.8	17.8
Service at Age 60	25.4	25.3	25.3
<b>Members Receiving Benefits</b>			
Number	40	39	37
Total Annual Pensions	\$ 1,225,034	\$ 1,211,815	\$ 1,089,257
Average Monthly Benefit	2,552	2,589	2,453
Average Current Age*	67.8	66.8	65.4
<b>DROP Participants</b>			
Number	2	2	4
Total Annual Pensions	\$ 47,117	\$ 47,117	\$ 169,652
Average Monthly Benefit	1,963	1,963	3,534
Average Current Age	60.2	59.2	62.0
<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	48.4	47.4	46.4

*\*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>10/1/15</b>	<b>10/1/14</b>	<b>10/1/13</b>
<b>Active Participants</b>			
Number	2	2	2
Total Annual Earnings	\$ 194,617	\$ 168,578	\$ 166,200
Average Annual Earnings	97,308	84,289	83,100
Averages			
Current Age	41.1	40.1	39.1
Age at Employment	21.7	21.7	21.7
Past Service	19.4	18.4	17.4
Service at Age 60	38.3	38.3	38.3
<b>Members Receiving Benefits</b>			
Number	30	30	30
Total Annual Pensions	\$ 1,181,687	\$ 1,134,097	\$ 1,111,015
Average Monthly Benefit	3,282	3,150	3,086
Average Current Age*	61.3	61.2	61.5
<b>DROP Participants</b>			
Number	1	2	2
Total Annual Pensions	\$ 38,575	\$ 85,965	\$ 90,765
Average Monthly Benefit	3,215	3,582	3,782
Average Current Age	48.4	51.9	50.9
<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 10/1/2014 TO 9/30/2015</b>			
	General	Police	Total
<b>A. Active Members</b>			
1 Number Included in Last Valuation	8	2	10
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	0	0
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/Data Correction	1	0	1
3 Lump Sum Payments	0	0	0
4 Payments Commenced	(1)	0	(1)
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	2	2	4
2 Additions from Active Members	0	0	0
3 Retired	0	(1)	(1)
4 Deaths	0	0	0
5 Number Included in This Valuation	<u>2</u>	<u>1</u>	<u>3</u>
<b>D. Service Retirees, Disability Retirees and Beneficiaries</b>			
1 Number Included in Last Valuation	39	30	69
2 Additions from Active Members	0	0	1
3 Additions from Terminated Vested Members	1	0	0
4 Additions from DROP	0	1	1
5 Deaths Resulting in No Further Payments	0	(1)	(1)
6 End of Certain Period - No Further Payments	0	0	0
7 Number Included in This Valuation	<u>40</u>	<u>30</u>	<u>70</u>

Age and Service Distribution												
Active General Employees												
As of October 1, 2015												
Ages	Years of Past Service											Totals
	<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	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	0	3
60-64	0	0	0	0	0	0	0	0	0	0	1	1
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

Age and Service Distribution												
Active Police Officers												
As of October 1, 2015												
Ages	Years of Past Service											Totals
	<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
TOTAL	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, 2015 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. The post retirement supplement applies only while the member is alive and does not extend to beneficiaries.

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.

The COLA applies only while the member is alive and does not extend to beneficiaries.

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.