

**CITY OF NORTH MIAMI CLAIR T. SINGERMAN EMPLOYEES RETIREMENT SYSTEM  
ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2014**

**ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016**





May 22, 2015

Board of Trustees  
Clair T. Singerman Employees Retirement System  
North Miami, Florida

Dear Board Members:

The results of the October 1, 2014 Annual Actuarial Valuation of the City of North Miami Clair T. Singerman Employees Retirement System are presented in this report.

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

The purpose of the valuation is to measure the System'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. 27.

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

The developed findings included in this report consider data or other information through September 30, 2014. 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 measurements.

The valuation was based upon information furnished by the Plan Administrator concerning Retirement System benefits, financial transactions, plan provisions and active members, 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. This report was prepared using certain assumptions prescribed by the Board as described in Section B.

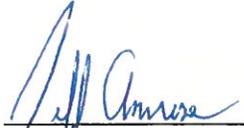
The undersigned actuaries are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

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 Retirement System 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 and/or cost determination 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 AND COMPANY

By  \_\_\_\_\_  
Jeffrey Amrose, MAAA  
Enrolled Actuary No. 14-6599

By  \_\_\_\_\_  
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**SECTION A**  
**DISCUSSION OF VALUATION RESULTS**

## DISCUSSION OF VALUATION RESULTS

### Comparison of Required Employer Contributions

A comparison of the required employer contribution developed in this valuation and the last valuation is as follows.

	<b>For FYE 9/30/2016 Based on 10/1/2014 Valuation</b>	<b>For FYE 9/30/2015 Based on 10/1/2013 Valuation</b>	<b>Increase (Decrease)</b>
Required Employer Contribution (Estimated) As % of Covered Payroll	\$ 5,997,618 52.04 %	\$ 5,604,657 52.91 %	\$ 392,961 (0.87) %

The contribution has been adjusted for interest on the basis that payments are made on the first day of the fiscal year by the City and quarterly throughout the year by the County.

The actual Employer contribution during the year ending September 30, 2014 was \$4,196,181. The required contribution was \$4,196,181 for that year based on a payment date of December 31, 2013 for the City contributions on behalf of general employees and police officers and October 1, 2013 for the County contribution on behalf of firefighters.

### Employer Contributions by Group

Separate actuarial valuations have been performed for general employees, police officers and firefighters. Results are as follows:

<b>Group</b>	<b>Required Employer Contribution for FYE 9/30/2016</b>	
	<b>Dollar Amount</b>	<b>% of Payroll</b>
General Employees	\$ 5,854,197	51.29 %
Police Officers	46,409	42.19
Firefighters	97,012	N/A
	5,997,618	52.04

**Revisions in Benefits**

Under Ordinance No. 1375, adopted on July 8, 2014, the Plan was amended to allow the City manager to remain a member of the Plan. The actuarial impact statement dated June 23, 2014 measured the impact of this ordinance.

**Revisions in Actuarial Assumptions and Methods**

There have been no revisions in actuarial assumptions and methods since the last valuation.

**Actuarial Experience**

There was a net actuarial gain of \$2,248,782 for the year which means that actual experience was more favorable than expected. The gain was primarily due to salary increases being less than expected, partially offset by lower than expected retiree mortality. Due to the different amortization periods used for the three employee groups the required employer contribution increased by 0.48% of covered payroll.

**Funded Ratio**

This year's funded ratio is 83.1% compared to 80.4% last year. The ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

**Analysis of Change in Required Employer Contribution**

The components of change in the required contribution are as follows:

Contribution rate last year	52.91 %
Payment on unfunded liability	(1.39)
Experience gain/loss	0.48
Change in administrative expense	0.13
Change in Normal Cost rate	<u>(0.09)</u>
Contribution rate this year	52.04

**Variability of Future Contribution Rates**

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year.

Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Actuarial Value of Assets exceeds the Market Value of Assets by \$28,568 as of the valuation date (see Section C). This difference will be gradually recognized in the absence of offsetting gains. In turn, the computed employer contribution rate will gradually increase by approximately 0.05% of covered payroll.

Another potential area of variability has to do with the annual payment on the unfunded accrued liability (UAL). For general employees, this payment is computed as a level percent of covered payroll under the assumption that covered payroll will rise by 4% per year. According to the Florida Statutes, this payroll growth assumption may not exceed the average growth over the last ten years which was (3.00)%. Therefore, the UAL is being amortized as a level dollar amount.

#### **Relationship to Market Value**

If Market Value had been the basis for the valuation, the Employer contribution rate would have been 52.09% and the funded ratio would have been 83.1%. In the absence of other gains and losses, the employer contribution rate should increase to that level over the next several years.

#### **Conclusion**

The remainder of this Report includes detailed actuarial valuation results, information relating to the pension fund, financial accounting information, miscellaneous employee data and a summary of plan provisions.

## CHAPTER REVENUE

Increments in Chapter revenue over that received in 1998 must first be used to fund the cost of compliance with minimum benefits.

As of the valuation date, the following minimum benefits of Chapter 185 have not been adopted: allow normal retirement at age 55 with ten years of service; change the normal form of benefit from a single life annuity to a ten year certain and life annuity; allow early retirement at age 50 with ten years of service; reduce the early retirement penalty to 3%; provide that the service connected disability benefit will be no less than the accrued pension; remove the 50% limit on the non-service disability benefit; provide a preretirement death benefit for all vested members equal to the accrued pension payable at what would have been the normal or early retirement date; and provide 100% vesting at ten years of service.

<b>Actuarial Confirmation of the Use of State Chapter Money</b>			
	<b>748 Plan</b>	<b>691 Plan</b>	<b>Total</b>
1. Base Amount Previous Plan Year (Excluding Amount Allocated to Share Plan)	82,682	-	82,682
2. Amount Received for Previous Plan Year	311,839	2,363	314,202
3. Amount Allocated to Share Plan	146,476	1,110	147,586
4. Amount Received for Previous Plan Year After Share Plan Allocation (2) - (3)	165,363	1,253	166,616
5. Benefit Improvements Made in Prior Plan Year	-	-	-
6. Excess Funds for Previous Plan Year (4) - (5) - (1)	82,681	1,253	83,934
7. Accumulated Excess at Beginning of Previous Plan Year	236,138	27,943	264,081
8. Prior Excess Used in Previous Plan Year	-	-	-
9. Accumulated Excess as of Valuation Date (7) - (8) + (6)	318,819	29,196	348,015
10. Base Amount This Plan Year (Excluding Amount Allocated to the Share Plan) (1) + (5)	82,682	-	82,682

The Accumulated Excess shown in line 9 for the 691 Plan is being held in reserve and is subtracted from Plan assets (see Section C of this Report). The Base Amount in line 10 is the amount the employer may take as a credit against its required contribution; however, in no event may the employer take credit for more than the actual amount of Chapter revenue received.

**SECTION B**  
**VALUATION RESULTS**

<b>PARTICIPANT DATA -- ALL GROUPS COMBINED</b>		
	<b>October 1, 2014</b>	<b>October 1, 2013</b>
<b>ACTIVE MEMBERS</b>		
Number	243	217
Covered Annual Payroll	\$ 11,524,318	\$ 10,592,994
Average Annual Payroll	\$ 47,425	\$ 48,816
Average Age	44.0	44.7
Average Past Service	9.8	10.3
Average Age at Hire	34.2	34.4
<b>RETIREEES &amp; BENEFICIARIES</b>		
Number	226	231
Annual Benefits	\$ 6,343,855	\$ 6,417,169
Average Annual Benefit	\$ 28,070	\$ 27,780
Average Age	68.7	68.0
<b>DISABILITY RETIREEES</b>		
Number	2	3
Annual Benefits	\$ 42,005	\$ 64,625
Average Annual Benefit	\$ 21,003	\$ 21,542
Average Age	78.7	76.4
<b>TERMINATED VESTED MEMBERS</b>		
Number	2	3
Annual Benefits	\$ 119,184	\$ 148,584
Average Annual Benefit	\$ 59,592	\$ 49,528
Average Age	55.2	49.2

<b>PARTICIPANT DATA -- GENERAL EMPLOYEES</b>		
	<b>October 1, 2014</b>	<b>October 1, 2013</b>
<b>ACTIVE MEMBERS</b>		
Number	242	216
Covered Annual Payroll	\$ 11,414,321	\$ 10,479,113
Average Annual Payroll	\$ 47,167	\$ 48,514
Average Age	43.9	44.6
Average Past Service	9.6	10.2
Average Age at Hire	34.3	34.4
<b>RETIREES &amp; BENEFICIARIES</b>		
Number	189	193
Annual Benefits	\$ 5,481,584	\$ 5,545,199
Average Annual Benefit	\$ 29,003	\$ 28,732
Average Age	67.0	66.3
<b>DISABILITY RETIREES</b>		
Number	2	3
Annual Benefits	\$ 42,005	\$ 64,625
Average Annual Benefit	\$ 21,003	\$ 21,542
Average Age	78.7	76.4
<b>TERMINATED VESTED MEMBERS</b>		
Number	2	3
Annual Benefits	\$ 119,184	\$ 148,584
Average Annual Benefit	\$ 59,592	\$ 49,528
Average Age	55.2	49.2

<b>PARTICIPANT DATA -- POLICE OFFICERS</b>		
	<b>October 1, 2014</b>	<b>October 1, 2013</b>
<b>ACTIVE MEMBERS</b>		
Number	1	1
Covered Annual Payroll	\$ 109,997	\$ 113,881
Average Annual Payroll	\$ 109,997	\$ 113,881
Average Age	60.6	59.6
Average Past Service	39.3	38.3
Average Age at Hire	21.3	21.3
<b>RETIREES &amp; BENEFICIARIES</b>		
Number	23	24
Annual Benefits	\$ 438,846	\$ 448,545
Average Annual Benefit	\$ 19,080	\$ 18,689
Average Age	75.9	75.5
<b>DISABILITY RETIREES</b>		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0
<b>TERMINATED VESTED MEMBERS</b>		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0

<b>PARTICIPANT DATA -- FIREFIGHTERS</b>		
	<b>October 1, 2014</b>	<b>October 1, 2013</b>
<b>ACTIVE MEMBERS</b>		
Number	0	0
Covered Annual Payroll	\$ 0	\$ 0
Average Annual Payroll	\$ 0	\$ 0
Average Age	0.0	0.0
Average Past Service	0.0	0.0
Average Age at Hire	0.0	0.0
<b>RETIREES &amp; BENEFICIARIES</b>		
Number	14	14
Annual Benefits	\$ 423,425	\$ 423,425
Average Annual Benefit	\$ 30,245	\$ 30,245
Average Age	78.9	77.9
<b>DISABILITY RETIREES</b>		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0
<b>TERMINATED VESTED MEMBERS</b>		
Number	0	0
Annual Benefits	\$ 0	\$ 0
Average Annual Benefit	\$ 0	\$ 0
Average Age	0.0	0.0

ANNUAL REQUIRED CONTRIBUTION (ARC) -- GENERAL EMPLOYEES		
A. Valuation Date	October 1, 2014	October 1, 2013
B. ARC to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2015
C. Assumed Dates of Employer Contributions	10/1/2015	10/1/2014
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 3,622,802	\$ 3,360,542
E. Employer Normal Cost	1,822,963	1,671,002
F. ARC as of the Valuation Date: D+E	5,445,765	5,031,544
<i>Valuation Date</i>	<i>10/1/2014</i>	<i>10/1/2013</i>
G. ARC if Paid on the First Day of the Next Fiscal Year	5,854,197	5,408,910
<i>First Day of Next Fiscal Year</i>	<i>10/1/2015</i>	<i>10/1/2014</i>
H. ARC if Paid Quarterly throughout the Next Fiscal Year	6,121,106	5,655,517
I. ARC as % of Covered Payroll*	51.29 %	51.62 %
J. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %
K. Covered Payroll for Contribution Year	11,414,321	10,479,113
L. ARC for Contribution Year: I x K*	5,854,197	5,408,910

\* Assuming the contribution from Item G is paid on the first day of the next fiscal year.

<b>ANNUAL REQUIRED CONTRIBUTION (ARC) -- POLICE OFFICERS</b>		
A. Valuation Date	October 1, 2014	October 1, 2013
B. ARC to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2015
C. Assumed Dates of Employer Contributions	10/1/2015	10/1/2014
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 0	\$ 0
E. Employer Normal Cost	43,171	40,287
F. ARC as of the Valuation Date: D+E	43,171	40,287
<i>Valuation Date</i>	<i>10/1/2014</i>	<i>10/1/2013</i>
G. ARC if Paid on the First Day of the Next Fiscal Year	46,409	43,309
<i>First Day of Next Fiscal Year</i>	<i>10/1/2015</i>	<i>10/1/2014</i>
H. ARC if Paid Quarterly throughout the Next Fiscal Year	48,525	45,284
I. ARC as % of Covered Payroll*	42.19 %	38.03 %
J. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %
K. Covered Payroll for Contribution Year	109,997	113,881
L. ARC for Contribution Year: I x K*	46,409	43,309

\* Assuming the contribution from Item G is paid on the first day of the next fiscal year.

<b>ANNUAL REQUIRED CONTRIBUTION (ARC) -- FIREFIGHTERS</b>		
A. Valuation Date	October 1, 2014	October 1, 2013
B. ARC to Be Paid During Fiscal Year Ending	9/30/2016	9/30/2015
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 86,309	\$ 135,620
E. Employer Normal Cost	0	0
F. ARC as of the Valuation Date: D+E, but not less than \$0	86,309	135,620
<i>Valuation Date</i>	<i>10/1/2014</i>	<i>10/1/2013</i>
G. ARC if Paid on the First Day of the Next Fiscal Year	92,782	145,792
<i>First Day of Next Fiscal Year</i>	<i>10/1/2015</i>	<i>10/1/2014</i>
H. ARC if Paid Quarterly throughout the Next Fiscal Year	97,012	152,438
I. ARC as % of Covered Payroll*	---	---
J. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %
K. Covered Payroll for Contribution Year	---	---
L. ARC for Contribution Year*	97,012	152,438

\* Assuming the contribution from Item H is paid quarterly.

<b>ACTUARIAL VALUE OF BENEFITS AND ASSETS -- ALL EMPLOYEES</b>		
A. Valuation Date	October 1, 2014	October 1, 2013
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 54,252,634	\$ 51,086,779
b. Vesting Benefits	1,385,102	1,354,539
c. Disability Benefits	3,488,025	3,337,642
d. Preretirement Death Benefits	591,769	539,558
e. Return of Member Contributions	189,496	142,161
f. Total	59,907,026	56,460,679
2. Inactive Members		
a. Service Retirees & Beneficiaries	75,274,299	75,600,460
b. Disability Retirees	240,894	389,610
c. Terminated Vested Members	1,519,866	1,544,887
d. Total	77,035,059	77,534,957
3. Total for All Members	136,942,085	133,995,636
C. Actuarial Accrued (Past Service) Liability	118,154,197	116,495,470
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	106,804,244	103,918,078
E. Plan Assets		
1. Market Value	98,154,137	91,087,722
2. Actuarial Value	98,182,705	93,681,544
F. Unfunded Actuarial Accrued Liability (UAAL): C - E2	19,971,492	22,813,926
G. Actuarial Present Value of Projected Covered Payroll	89,708,433	83,477,903
H. Actuarial Present Value of Projected Member Contributions	6,279,590	5,843,453
I. Accumulated Contributions of Active Members	6,693,763	6,310,479

<b>ACTUARIAL VALUE OF BENEFITS AND ASSETS -- GENERAL EMPLOYEES</b>		
A. Valuation Date	October 1, 2014	October 1, 2013
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 52,704,271	\$ 49,635,460
b. Vesting Benefits	1,385,102	1,354,539
c. Disability Benefits	3,488,025	3,337,642
d. Preretirement Death Benefits	585,683	539,558
e. Return of Member Contributions	189,496	142,161
f. Total	<u>58,352,577</u>	<u>55,009,360</u>
2. Inactive Members		
a. Service Retirees & Beneficiaries	67,940,569	68,057,498
b. Disability Retirees	240,894	389,610
c. Terminated Vested Members	1,519,866	1,544,887
d. Total	<u>69,701,329</u>	<u>69,991,995</u>
3. Total for All Members	128,053,906	125,001,355
C. Actuarial Accrued (Past Service) Liability	109,296,182	107,530,888
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	97,954,255	94,923,797
E. Plan Assets		
1. Market Value	89,205,167	82,205,746
2. Actuarial Value	89,231,130	84,546,644
F. Unfunded Actuarial Accrued Liability (UAAL): C - E2	20,065,052	22,984,244
G. Actuarial Present Value of Projected Covered Payroll	89,598,436	83,364,022
H. Actuarial Present Value of Projected Member Contributions	6,271,890	5,835,481
I. Accumulated Contributions of Active Members	6,493,771	6,118,046

<b>ACTUARIAL VALUE OF BENEFITS AND ASSETS -- POLICE OFFICERS</b>		
A. Valuation Date	October 1, 2014	October 1, 2013
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 1,548,363	\$ 1,451,319
b. Vesting Benefits	-	-
c. Disability Benefits	-	-
d. Preretirement Death Benefits	6,086	-
e. Return of Member Contributions	-	-
f. Total	<u>1,554,449</u>	<u>1,451,319</u>
2. Inactive Members		
a. Service Retirees & Beneficiaries	4,237,170	4,339,794
b. Disability Retirees	-	-
c. Terminated Vested Members	-	-
d. Total	<u>4,237,170</u>	<u>4,339,794</u>
3. Total for All Members	5,791,619	5,791,113
C. Actuarial Accrued (Past Service) Liability	5,761,455	5,761,414
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	5,753,429	5,791,113
E. Plan Assets		
1. Market Value	5,939,595	5,899,361
2. Actuarial Value	5,941,324	6,067,352
F. Unfunded Actuarial Accrued Liability (UAAL): C - E2	(179,869)	(305,938)
G. Actuarial Present Value of Projected Covered Payroll	109,997	113,881
H. Actuarial Present Value of Projected Member Contributions	7,700	7,972
I. Accumulated Contributions of Active Members	199,992	192,433

<b>ACTUARIAL VALUE OF BENEFITS AND ASSETS -- FIREFIGHTERS</b>		
A. Valuation Date	October 1, 2014	October 1, 2013
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ -	\$ -
b. Vesting Benefits	-	-
c. Disability Benefits	-	-
d. Preretirement Death Benefits	-	-
e. Return of Member Contributions	-	-
f. Total	-	-
2. Inactive Members		
a. Service Retirees & Beneficiaries	3,096,560	3,203,168
b. Disability Retirees	-	-
c. Terminated Vested Members	-	-
d. Total	3,096,560	3,203,168
3. Total for All Members	3,096,560	3,203,168
C. Actuarial Accrued (Past Service) Liability	3,096,560	3,203,168
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	3,096,560	3,203,168
E. Plan Assets		
1. Market Value	3,009,375	2,982,615
2. Actuarial Value	3,010,251	3,067,548
F. Unfunded Actuarial Accrued Liability (UAAL): C - E2	86,309	135,620
G. Actuarial Present Value of Projected Covered Payroll	-	-
H. Actuarial Present Value of Projected Member Contributions	-	-
I. Accumulated Contributions of Active Members	-	-

<b>CALCULATION OF EMPLOYER NORMAL COST -- GENERAL EMPLOYEES</b>		
A. Valuation Date	October 1, 2014	October 1, 2013
B. Normal Cost for		
1. Service Retirement Benefits	\$ 1,837,661	\$ 1,696,098
2. Vesting Benefits	206,491	192,567
3. Disability Benefits	265,360	243,818
4. Preretirement Death Benefits	32,824	28,596
5. Return of Member Contributions	<u>65,179</u>	<u>59,679</u>
6. Total for Future Benefits	2,407,515	2,220,758
7. Assumed Amount for Administrative Expenses	<u>214,450</u>	<u>183,782</u>
8. Total Normal Cost	2,621,965	2,404,540
9. Total as a % of Covered Payroll	22.97%	22.95%
C. Expected Member Contribution	799,002	733,538
D. Employer Normal Cost: B8-C	1,822,963	1,671,002
E. Employer Normal Cost as a % of Covered Payroll	15.97%	15.95%

<b>CALCULATION OF EMPLOYER NORMAL COST -- POLICE OFFICERS</b>		
	October 1, 2014	October 1, 2013
A. Valuation Date	October 1, 2014	October 1, 2013
B. Normal Cost for		
1. Service Retirement Benefits	\$ 27,645	\$ 26,249
2. Vesting Benefits	969	920
3. Disability Benefits	2,310	2,195
4. Preretirement Death Benefits	165	158
5. Return of Member Contributions	<u>186</u>	<u>177</u>
6. Total for Future Benefits	31,275	29,699
7. Assumed Amount for Administrative Expenses	<u>19,596</u>	<u>18,560</u>
8. Total Normal Cost	50,871	48,259
9. Total as a % of Covered Payroll	46.25%	42.38%
C. Expected Member Contribution	7,700	7,972
D. Employer Normal Cost: B8-C	43,171	40,287
E. Employer Normal Cost as a % of Covered Payroll	39.25%	35.38%

<b>CALCULATION OF EMPLOYER NORMAL COST -- FIREFIGHTERS</b>		
A. Valuation Date	October 1, 2014	October 1, 2013
B. Normal Cost for		
1. Service Retirement Benefits	\$ -	\$ -
2. Vesting Benefits	-	-
3. Disability Benefits	-	-
4. Preretirement Death Benefits	-	-
5. Return of Member Contributions	-	-
6. Total for Future Benefits	-	-
7. Assumed Amount for Administrative Expenses	-	-
8. Total Normal Cost	-	-
9. Total as a % of Covered Payroll	N/A	N/A
C. Expected Member Contribution		
	-	-
D. Employer Normal Cost: B8-C		
	-	-
E. Employer Normal Cost as a % of Covered Payroll		
	N/A	N/A

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

UAAL Amortization Period and Payments -- General Employees						
Original UAAL				Current UAAL		
Date	Category	Amortization Period (Years)	Amount	Years Remaining	Amount	Payment
10/1/2005	Method Change	20	\$ 12,879,286	11	\$ 9,908,600	\$ 1,259,982
10/1/2006	(Gain)/Loss	20	2,772,755	12	2,296,120	276,128
10/1/2006	Assumption Change	20	5,079,016	12	4,205,934	505,799
10/1/2007	(Gain)/Loss	20	453,113	13	377,991	43,272
10/1/2007	Assumption Change	20	5,935,357	13	4,951,332	566,820
10/1/2008	(Gain)/Loss	20	759,283	14	641,635	70,310
10/1/2009	(Gain)/Loss	20	1,940,137	15	1,675,121	176,530
10/1/2010	(Gain)/Loss	20	(5,847,029)	16	(5,131,991)	(522,227)
10/1/2010	Assumption Change	20	1,382,157	16	1,213,133	123,447
10/1/2011	(Gain)/Loss	20	(6,442,703)	17	(5,877,097)	(579,509)
10/1/2012	(Gain)/Loss	20	326,498	18	320,058	30,675
10/1/2013	(Gain)/Loss	20	757,216	19	774,101	72,305
10/1/2013	Amendment	5	7,679,342	4	7,235,547	2,009,581
10/1/2014	(Gain)/Loss	20	(2,525,432)	20	(2,525,432)	(230,442)
10/1/2014	Police Officers Surplus*	1	(179,869)	1	(179,869)	(179,869)
			24,969,127		19,885,183	3,622,802

\* The police officers' surplus is allocated to general employees.

The Unfunded Actuarial Liability is being amortized as a level percent of pay over the number of years remaining in the amortization period.

Amortization Schedule -- General Employees	
Year	Expected UAAL
2014	\$ 19,885,183
2015	17,482,067
2016	14,705,351
2017	11,720,381
2018	8,511,538
2019	7,222,332
2024	(827,499)
2029	(2,173,545)
2034	-

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

<b>UAAL Amortization Period and Payments -- Police Officers</b>						
<b>Original UAAL</b>				<b>Current UAAL</b>		
<b>Date</b>	<b>Category</b>	<b>Amortization Period (Years)</b>	<b>Amount</b>	<b>Years Remaining</b>	<b>Amount</b>	<b>Payment</b>
10/1/2014	Credit*	1	\$ (331,975)	1	\$ (331,975)	\$ (331,975)
10/1/2014	(Gain)/Loss	1	<u>152,106</u>	1	<u>152,106</u>	<u>152,106</u>
			\$ (179,869)		\$ (179,869) **	\$ (179,869)

\* This credit base was established due to the timing of contributions.

\*\* The police officers' surplus is allocated to general employees.

**LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY  
FIREFIGHTERS**

<b>UAAL Amortization Period and Payments -- Firefighters</b>						
<b>Original UAAL</b>				<b>Current UAAL</b>		
<b>Date</b>	<b>Category</b>	<b>Amortization Period (Years)</b>	<b>Amount</b>	<b>Years Remaining</b>	<b>Amount</b>	<b>Payment</b>
10/1/2014	Credit*	1	\$ (38,235)	1	\$ (38,235)	\$ (38,235)
10/1/2014	(Gain)/Loss	1	<u>124,544</u>	1	<u>124,544</u>	<u>124,544</u>
			\$ 86,309		\$ 86,309	\$ 86,309

\* This credit base was established due to the timing of contributions.

The Unfunded Actuarial Liability is being amortized as a level dollar amount over the number of years remaining in the amortization period.

<b>Amortization Schedule -- Firefighters</b>	
<b>Year</b>	<b>Expected UAAL</b>
2014	\$ 86,309
2015	-

### ACTUARIAL GAINS AND LOSSES

When the actual plan experience differs from the actuarial assumptions, an actuarial gain or loss is the result. The net actuarial gain or loss for each group is computed as follows:

	<b>General</b>	<b>Police</b>	<b>Fire</b>	<b>Total</b>
1. Last Year's UAAL	\$ 22,984,244	\$ (305,938)	\$ 135,620	\$ 22,813,926
2. Last Year's Employer Normal Cost	1,941,112	38,425	-	1,979,537
3. Last Year's Contributions	3,982,898	42,061	171,222	4,196,181
4. Interest at the Assumed Rate on:				
a. 1 and 2 for one year	1,869,402	(20,063)	10,172	1,859,511
b. 3 from dates paid	<u>221,376</u>	<u>2,338</u>	<u>12,805</u>	<u>236,519</u>
c. Total: a - b	1,648,026	(22,401)	(2,633)	1,622,992
5. This Year's Expected UAAL (Before Changes): 1 + 2 - 3 + 4c	22,590,484	(331,975)	(38,235)	22,220,274
6. Change in UAAL Due to Change in Benefits or Assumptions	-	-	-	-
7. This Year's Expected UAAL (After Changes): 5 + 6	22,590,484	(331,975)	(38,235)	22,220,274
8. Actual UAAL (After Changes)	20,065,052	(179,869) *	86,309	19,971,492
9. Net Actuarial Gain (Loss): 7 - 8	2,525,432	(152,106)	(124,544)	2,248,782
10. Gain (Loss) due to Investments				(7,142)
11. Gain (Loss) due to Other Causes				2,255,924

\* The police officers' surplus is allocated to general employees.

The fund earnings and salary increase assumptions have considerable impact on the cost of the plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years. The actual investment return rates shown below 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 valuations both at the beginning and end of each year.

Period	Annualized Investment Return		Annualized Salary Increases	
	Actual	Assumed	Actual	Assumed
01/1/77 - 01/1/78	3.2 %	6.0 %	7.0 %	4.5 %
10/1/78 - 9/30/79	3.5	6.0	15.0	4.5
10/1/79 - 9/30/81	1.6	7.0	9.0	5.5
10/1/81 - 9/30/83	25.5	7.0	10.0	5.5
10/1/83 - 9/30/85	10.9	7.0	8.0	5.5
10/1/85 - 9/30/87	19.0	7.0	6.0	5.5
10/1/87 - 9/30/89	8.9	8.0	6.5	6.0
10/1/89 - 9/30/90	1.1	8.0	(1.5)	6.0
10/1/90 - 9/30/91	14.4	8.0	1.6	6.0
10/1/91 - 9/30/92	16.2	9.0	6.5	6.0
10/1/92 - 9/30/93	16.6	9.0	5.8	6.0
10/1/93 - 9/30/94	2.2	9.0	7.7	7.0 *
10/1/94 - 9/30/95	18.9	9.0	6.0	7.0 *
10/1/95 - 9/30/96	9.5	9.0	7.4	7.0 *
10/1/96 - 9/30/97	13.2	9.0	5.9	7.0 *
10/1/97 - 9/30/98	10.8	9.0	5.4(G)/4.1(P)	7.0 *
10/1/98 - 9/30/99	12.6	9.0	8.1(G)/8.2(P)	7.0 *
10/1/99 - 9/30/00	11.4	9.0	7.1(G)/2.8(P)	7.0 *
10/1/00 - 9/30/01	8.3	9.0	1.1(G)/0.3(P)	7.0 *
10/1/01 - 9/30/02	(3.0)	9.0	6.2(G)/5.5(P)	6.0
10/1/02 - 9/30/03	3.7	9.0	6.2(G)/5.4(P)	6.0
10/1/03 - 9/30/04	1.5	9.0	5.5(G)/7.7(P)	6.0
10/1/04 - 9/30/05	2.3	9.0	6.0(G)/8.6(P)	6.0
10/1/05 - 9/30/06	6.3	8.5	10.3(G)/16.1(P)	5.5(G)/5.4(P)
10/1/06 - 9/30/07	6.8	8.0	3.1(G)/3.6(P)	6.0(G)/5.4(P)
10/1/07 - 9/30/08	3.9	7.5	1.8(G)/0.0(P)	6.1(G)/5.4(P)
10/1/08 - 9/30/09	1.8	7.5	2.9(G)/1.2(P)	6.1(G)/5.4(P)
10/1/09 - 9/30/10	5.3	7.5	-1.5(G)/-0.3(P)	6.0(G)/5.4(P)
10/1/10 - 9/30/11	3.8	7.5	-8.2(G)/-16.0(P)	6.0(G)/5.4(P)
10/1/11 - 9/30/12	6.0	7.5	5.5(G)/10.8(P)	6.0(G)/5.4(P)
10/1/12 - 9/30/13	6.8	7.5	5.1(G)/5.5(P)	6.0(G)/5.4(P)
10/1/13 - 9/30/14	7.5	7.5	-0.2(G)/-3.4(P)	6.2(G)/5.4(P)
Average	8.6	---	3.7(G)/3.3(P) **	---

\* 6% assumption for police officers and firefighters.

\*\* Average since 1997.

<b>Actual (A) Compared to Expected (E) Decrements Among Active General Employees</b>													
<b>Year Ended</b>	<b>Number Added During Year</b>		<b>Service Retirement</b>		<b>Disability Retirement</b>		<b>Death</b>		<b>Terminations</b>				<b>Active Members End of Year</b>
	<b>A</b>	<b>E</b>	<b>A</b>	<b>E</b>	<b>A</b>	<b>E</b>	<b>A</b>	<b>E</b>	<b>Vested</b>	<b>Other</b>	<b>Totals</b>		
									<b>A</b>	<b>A</b>	<b>A</b>	<b>E</b>	
9/30/2002	30	22	4	12	0	2	0	0	6	12	18	22	<b>368</b>
9/30/2003	23	32	11	16	0	2	0	0	5	16	21	22	<b>359</b>
9/30/2004	27	28	13	17	0	2	0	0	7	8	15	20	<b>358</b>
9/30/2005	25	31	12	17	1	2	0	1	1	17	18	18	<b>352</b>
9/30/2006	28	28	6	17	0	2	0	0	0	22	22	18	<b>352</b>
9/30/2007	38	24	4	15	0	2	0	0	11	9	20	17	<b>366</b>
9/30/2008	27	21	7	20	0	2	0	0	0	14	14	17	<b>372</b>
9/30/2009	8	18	9	23	0	2	0	0	3	6	9	17	<b>362</b>
9/30/2010	3	69	35	20	0	2	0	0	13	21	34	16	<b>296</b>
9/30/2011	15	25	18	19	0	2	0	0	1	6	7	12	<b>286</b>
9/30/2012	18	48	27	21	0	2	0	0	6	15	21	11	<b>256</b>
9/30/2013	25	17	11	16	0	1	0	0	2	4	6	10	<b>264 *</b>
9/30/2014	39	61	51**	7	0	1	0	0	5	5	10	11	<b>242</b>
9/30/2015				8		1		0				14	
<b>13 Yr Totals ***</b>	<b>306</b>	<b>424</b>	<b>208</b>	<b>220</b>	<b>1</b>	<b>24</b>	<b>0</b>	<b>1</b>	<b>60</b>	<b>155</b>	<b>215</b>	<b>211</b>	

\* Before reflecting 48 ERIP retirees.

\*\* Includes 48 ERIP retirees not previously reflected.

\*\*\* Totals are through current Plan Year only.

<b>Actual (A) Compared to Expected (E) Decrements Among Active Police Officers</b>													
<b>Year Ended</b>	<b>Number Added During Year</b>		<b>Service Retirement</b>		<b>Disability Retirement</b>		<b>Death</b>		<b>Terminations</b>				<b>Active Members End of Year</b>
	<b>A</b>	<b>E</b>	<b>A</b>	<b>E</b>	<b>A</b>	<b>E</b>	<b>A</b>	<b>E</b>	<b>Vested</b>	<b>Other</b>	<b>Totals</b>		
									<b>A</b>	<b>A</b>	<b>A</b>	<b>E</b>	
9/30/2002	0	0	3	4	0	0	0	0	0	0	0	0	7
9/30/2003	0	0	1	2	0	0	0	0	0	0	0	0	6
9/30/2004	0	0	1	4	0	0	0	0	0	0	0	0	5
9/30/2005	0	0	2	3	0	0	0	0	0	0	0	0	3
9/30/2006	0	0	0	2	0	0	0	0	0	0	0	0	3
9/30/2007	0	0	0	3	0	0	0	0	0	0	0	0	3
9/30/2008	0	1	1	2	0	0	0	0	0	0	0	0	2
9/30/2009	0	1	1	2	0	0	0	0	0	0	0	0	1
9/30/2010	0	0	0	1	0	0	0	0	0	0	0	0	1
9/30/2011	0	0	0	1	0	0	0	0	0	0	0	0	1
9/30/2012	0	0	0	1	0	0	0	0	0	0	0	0	1
9/30/2013	0	0	0	1	0	0	0	0	0	0	0	0	1
9/30/2014	0	0	0	1	0	0	0	0	0	0	0	0	1
9/30/2015		0		1		0		0				0	
13 Yr Totals *	0	2	9	27	0	0	0	0	0	0	0	0	

\* Totals are through current Plan Year only.

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS						
Valuation Date	For FYE Ending	Required Contributions (Between Employer & State)		Actual Contributions		
		Amount	% of Payroll	Employer	State	Total
10/1/1991	9/30/1993	\$ 886,728	35.58 %	\$ 843,565	\$ 60,597	\$ 904,162
10/1/1991	9/30/1994	879,668	36.55	838,016	54,577	892,593
10/1/1993	9/30/1995	1,498,386	12.67	1,452,542	53,635	1,506,177
10/1/1993	9/30/1996	1,458,944	11.72	1,405,267	62,463	1,467,730
10/1/1995	9/30/1997	1,760,285	13.34	1,696,824 <sup>1</sup>	63,461	1,760,285
10/1/1995	9/30/1998	786,027	5.94	667,337	121,663	789,000
10/1/1997	9/30/1999	559,917	4.30	473,088	86,829	559,917
10/1/1997	9/30/2000	553,939	4.22	522,127	31,812	553,939
10/1/1999	9/30/2001	252,534	1.78	252,534	0	252,534
10/1/1999	9/30/2002	254,552	1.74	254,552	0	254,552
10/1/2001	9/30/2003	1,085,686	7.51	1,085,686	0	1,085,686
10/1/2002	9/30/2004	2,557,247	16.58	2,557,247	0	2,557,247
10/1/2003	9/30/2005	3,515,204	22.63	3,515,204	0	3,515,204
10/1/2004	9/30/2006	4,439,848	27.95	3,789,262	0	3,789,262
10/1/2005	9/30/2007	4,368,096	27.38	4,368,096	0	4,368,096
10/1/2006	9/30/2008	4,900,204	28.40	4,278,122 <sup>2</sup>	0	4,278,122
10/1/2007	9/30/2009	5,460,248	30.19	4,929,540 <sup>3</sup>	0	4,929,540
10/1/2008	9/30/2010	5,731,132	31.47	5,731,132	0	5,731,132
10/1/2009	9/30/2011	6,356,163	35.09	6,356,163	0	6,356,163
10/1/2010	9/30/2012	5,568,079	37.50	5,646,907	0	5,646,907
10/1/2011	9/30/2013	4,525,712	34.07	4,525,712	0	4,525,712
10/1/2012	9/30/2014	4,131,869	33.10	4,196,181	0	4,196,181
10/1/2013	9/30/2015	5,604,657	52.91	---	---	---
10/1/2014	9/30/2016	5,997,618	52.04	---	---	---

<sup>1</sup> Does not include proceeds of Pension Obligation Bond in the amount of \$10,868,833.

<sup>2</sup> Reflects the exclusion of \$622,082 of the County contribution receivable for the year ending September 30, 2007, and the inclusion of a \$646,704 County contribution receivable for the year ending September 30, 2008, as shown on the September 30, 2008 financial statements.

<sup>3</sup> Reflects the exclusion of \$646,704 of the County contribution receivable for the year ending September 30, 2008, and the inclusion of a \$115,996 County contribution receivable for the year ending September 30, 2009.

## RECENT HISTORY OF UAAL AND FUNDED RATIO

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal (b)	Unfunded Actuarial Accrued Liability (UAAL) Entry Age Normal (b)-(a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL As % of Payroll (b-a)/(c)
10/1/1995	\$ 38,882,450	\$ 50,248,832	\$ 11,366,382	77.4 %	\$ 13,194,968	86.1 %
10/1/1997	52,072,871	52,298,792	225,921	99.6	13,043,842	1.7
10/1/1999	58,875,802	56,780,548	(2,095,254)	103.7	14,139,623	(14.8)
10/1/2001	62,110,336	59,943,465	(2,166,871)	103.6	14,453,082	(15.0)
10/1/2002	55,291,559	62,380,560	7,089,001	88.6	15,421,323	46.0
10/1/2003	53,926,829	64,432,281	10,505,452	83.7	15,530,805	67.6
10/1/2004	54,227,261	67,485,625	13,258,364	80.4	15,886,989	83.5
10/1/2005	60,623,796	75,784,482	15,160,686	80.0	15,952,834	95.0
10/1/2006	65,393,710	87,268,437	21,874,727	74.9	17,256,272	126.8
10/1/2007	71,450,969	98,986,010	27,535,040	72.2	18,089,097	152.2
10/1/2008	75,784,705	104,182,882	28,398,177	72.7	18,213,561	155.9
10/1/2009	78,535,899	109,631,323	31,095,424	71.6	18,114,099	171.7
10/1/2010	81,080,885	107,183,003	26,102,118	75.6	14,849,412	175.8
10/1/2011	85,534,546	102,996,257	17,461,711	83.0	13,284,175	131.4
10/1/2012	88,127,070	103,821,983	15,694,913	84.9	12,483,246	125.7
10/1/2013	93,681,544	116,495,470	22,813,926	80.4	10,592,994	215.4
10/1/2014	98,182,705	118,154,197	19,971,492	83.1	11,524,318	173.3

## ACTUARIAL ASSUMPTIONS AND COST METHOD

### Valuation Methods

**Actuarial Cost Method** - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

**Financing of Unfunded Actuarial Accrued Liabilities** - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) percent-of-payroll contributions for general employees and by level dollar contributions for police officers and firefighters over a reasonable period of future years.

**Actuarial Value of Assets** - The Actuarial Value of Assets phase in the difference between the expected actuarial value and actual market value of assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

### Valuation Assumptions

*The actuarial assumptions used* in the valuation are shown in this Section.

### Economic Assumptions

**The investment return rate** assumed in the valuations is 7.5% per year, compounded annually (net after investment expenses).

The **Wage Inflation Rate** assumed in this valuation was 3% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

The assumed **real rate of return** over wage inflation is defined to be the portion of total investment return that is more than the assumed wage inflation rate. Considering other economic assumptions, the 7.5% investment return rate translates to an assumed real rate of return over wage inflation of 4.5%.

The active member population is assumed to remain constant for general employees. For purposes of financing the unfunded liabilities for general employees, total payroll is assumed to grow at 4% per year. According to the Florida Statutes, this payroll growth assumption may not exceed the average growth over the last ten years which was (3.00) %. Therefore, the UAL is being amortized as a level dollar amount.

*Pay increase assumptions* for individual active members are shown below. Part of the assumption for each age is for merit and/or seniority increase, and the other 3% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.

*The rates of salary increase* used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

Years of Service	% Increase in Salary		
	Merit and Seniority	Base (Economic)	Total Increase
0 - 4	4.5%	3.0%	7.5%
5 - 9	3.8%	3.0%	6.8%
10 - 14	2.5%	3.0%	5.5%
15 - 19	2.0%	3.0%	5.0%
20 and Higher	2.4%	3.0%	5.4%

#### Demographic Assumptions

*The mortality table* was the RP-2000 Combined Healthy Participant Mortality Tables for males and females. Future mortality improvements are projected to all future years from the year 2000 using Scale AA (on a fully generational basis).

Sample Attained Ages (in 2014)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.17 %	0.13 %	34.26	35.63
55	0.28	0.24	29.14	30.66
60	0.54	0.47	24.21	25.89
65	1.05	0.90	19.60	21.40
70	1.80	1.56	15.41	17.28
75	3.11	2.51	11.63	13.56
80	5.59	4.16	8.41	10.25

This assumption is used to measure the probabilities of each benefit payment being made after retirement. For active members, the probabilities of dying before retirement were based upon the same mortality table as members dying after retirement (10% of deaths are assumed to be service-connected).

For disabled retirees, the regular mortality tables are set forward 5 years in ages to reflect impaired longevity.

*The rates of retirement* used to measure the probability of eligible members retiring during the next year were as follows:

<b>Number of Years After First Eligibility for Normal Retirement</b>	<b>Probability of Normal Retirement</b>
0	48 %
1	32
2	32
3	32
4	32
5	100

The rate of retirement is 5% for each year of eligibility for early retirement.

*Rates of separation from active membership* were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

<b>Sample Ages</b>	<b>% of Active Members Separating Within Next Year</b>	
	<b>General</b>	<b>Police</b>
20	17.2%	3.0%
25	16.6	2.9
30	15.0	2.5
35	11.8	2.0
40	8.2	1.3
45	4.8	0.9
50	1.7	0.5
55	0.6	0.2
60	0.5	0.2

*Rates of disability* among active members. (50% of future disability retirements are assumed to be service-connected.)

<b>Sample Ages</b>	<b>% of Active Members Becoming Disabled Within Next Year</b>	
	<b>General</b>	<b>Police</b>
20	0.07%	0.14%
25	0.09	0.15
30	0.11	0.18
35	0.14	0.23
40	0.19	0.30
45	0.30	0.51
50	0.51	1.00
55	0.96	1.55
60	1.66	---

## Miscellaneous and Technical Assumptions

<i>Administrative &amp; Investment Expenses</i>	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the expenses over the previous two years. Assumed administrative expenses are added to the Normal Cost.
<i>Benefit Service</i>	Exact fractional service is used to determine the amount of benefit payable.
<i>COLA</i>	For future retirees, benefits are assumed to increase 3% per year starting five years after retirement.
<i>Decrement Operation</i>	Disability and mortality decrements operate during retirement eligibility.
<i>Decrement Timing</i>	Decrements of all types are assumed to occur at the beginning of the year.
<i>Eligibility Testing</i>	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
<i>Forfeitures</i>	For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
<i>Incidence of Contributions</i>	Employer contributions are assumed to be made at the beginning of the fiscal year for general employees and police officers and at the end of each calendar quarter for firefighters. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
<i>Marriage Assumption</i>	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.
<i>Normal Form of Benefit</i>	A life annuity is the normal form of benefit.
<i>Pay Increase Timing</i>	Middle of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
<i>Service Credit Accruals</i>	It is assumed that members accrue one year of service credit per year.

## GLOSSARY

<b><i>Actuarial Accrued Liability (AAL)</i></b>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<b><i>Actuarial Assumptions</i></b>	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.
<b><i>Actuarial Cost Method</i></b>	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.
<b><i>Actuarial Equivalent</i></b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b><i>Actuarial Present Value (APV)</i></b>	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.
<b><i>Actuarial Present Value of Future Benefits (APVFB)</i></b>	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, nonretired 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.
<b><i>Actuarial Valuation</i></b>	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. 67, such as the Funded Ratio and the Annual Required Contribution (ARC).
<b><i>Actuarial Value of Assets</i></b>	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. 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 actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
<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. 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. 67 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.
<b><i>Normal Cost</i></b>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<b><i>Open Amortization Period</i></b>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<b><i>Unfunded Actuarial Accrued Liability</i></b>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<b><i>Valuation Date</i></b>	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 C**  
**PENSION FUND INFORMATION**

### Statement of Plan Assets at Market Value

Item	September 30	
	2014	2013
A. Cash and Cash Equivalents (Operating Cash)	\$ -	\$ -
B. Receivables		
1. Member Contributions	\$ 21,439	\$ 21,088
2. City Contributions	-	-
3. County Contributions	-	22,818
4. State Contributions (from Share Plan)	29,196	27,942
5. Investment Income and Other Receivables	466,435	1,348,877
6. Total Receivables	\$ 517,070	\$ 1,420,725
C. Investments		
1. Short Term Investments	\$ 2,790,072	\$ 1,559,949
2. Domestic Equities	59,486,440	53,788,721
3. International Equities	-	-
4. Domestic Fixed Income	27,561,775	33,426,858
5. International Fixed Income	-	-
6. Real Estate	8,618,866	1,409,877
7. Private Equity	-	-
8. Total Investments	\$ 98,457,153	\$ 90,185,405
D. Liabilities		
1. Benefits Payable	\$ (495,766)	\$ (45,745)
2. Accrued Expenses and Other Payables	(295,124)	(444,721)
3. Total Liabilities	\$ (790,890)	\$ (490,466)
E. Total Market Value of Assets Available for Benefits	\$ 98,183,333	\$ 91,115,664
F. State Contribution Reserve	\$ (29,196)	\$ (27,942)
G. Market Value Net of Reserves	\$ 98,154,137	\$ 91,087,722
H. Allocation of Investments		
1. Short Term Investments	2.8%	1.7%
2. Domestic Equities	60.4%	59.6%
3. International Equities	0.0%	0.0%
4. Domestic Fixed Income	28.0%	37.1%
5. International Fixed Income	0.0%	0.0%
6. Real Estate	8.8%	1.6%
7. Private Equity	0.0%	0.0%
8. Total Investments	100.0%	100.0%

### Reconciliation of Plan Assets

Item	September 30	
	2014	2013
A. Market Value of Assets at Beginning of Year	\$ 91,087,722	\$ 83,104,673
B. Adjustment to Match Financial Statements	\$ (3,512)	\$ -
C. Revenues and Expenditures		
1. Contributions		
a. Member Contributions	\$ 789,599	\$ 938,741
b. City Contributions	4,024,959	4,337,753
c. County Contributions	171,222	187,959
d. Total	<u>\$ 4,985,780</u>	<u>\$ 5,464,453</u>
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 1,754,076	\$ 2,267,839
b. Net Realized/Unrealized Gains/(Losses)*	8,169,914	6,547,893
c. Investment Expenses	(430,767)	(440,778)
d. Net Investment Income	<u>\$ 9,493,223</u>	<u>\$ 8,374,954</u>
3. Benefits and Refunds		
a. Regular Monthly Benefits	\$ (6,078,433)	\$ (4,404,931)
b. Refunds	(185,090)	(40,580)
c. Lump Sum Benefits	(861,262)	(1,227,047)
d. Total	<u>\$ (7,124,785)</u>	<u>\$ (5,672,558)</u>
4. Administrative and Miscellaneous Expenses	\$ (284,291)	\$ (183,800)
5. Transfers	\$ -	\$ -
D. Market Value of Assets at End of Year	\$ 98,154,137	\$ 91,087,722

\* The breakdown between realized and unrealized gains and (losses) was not provided.

## Reconciliation of Plan Assets by Group

Item	September 30, 2014			
	General	Police	Fire	Total
A. Market Value of Assets at Beginning of Year	\$ 82,205,746	\$ 5,899,361	\$ 2,982,615	\$ 91,087,722
B. Adjustment to Match Financial Statements	\$ (3,190)	\$ (198)	\$ (124)	\$ (3,512)
C. Revenues and Expenditures				
1. Contributions				
a. Member Contributions	\$ 782,554	\$ 7,045	\$ -	\$ 789,599
b. City Contributions	3,982,898	42,061	-	4,024,959
c. County Contributions	-	-	171,222	171,222
d. Total	\$ 4,765,452	\$ 49,106	\$ 171,222	\$ 4,985,780
2. Investment Income				
a. Interest, Dividends, and Other Income	\$ 1,616,281	\$ 84,636	\$ 53,159	\$ 1,754,076
b. Net Realized/Unrealized Gains/(Losses)	7,528,110	394,205	247,599	8,169,914
c. Investment Expenses	(396,927)	(20,785)	(13,055)	(430,767)
d. Net Investment Income	\$ 8,747,464	\$ 458,056	\$ 287,703	\$ 9,493,223
3. Benefits and Refunds				
a. Regular Monthly Benefits and Lump Sums	\$ (6,063,257)	\$ (453,013)	\$ (423,425)	\$ (6,939,695)
b. Refunds	(185,090)	-	-	(185,090)
c. Total	\$ (6,248,347)	\$ (453,013)	\$ (423,425)	\$ (7,124,785)
4. Administrative and Miscellaneous Expenses	\$ (261,958)	\$ (13,717)	\$ (8,616)	\$ (284,291)
5. Transfers	\$ -	\$ -	\$ -	\$ -
D. Market Value of Assets at End of Year	\$ 89,205,167	\$ 5,939,595	\$ 3,009,375	\$ 98,154,137
E. Percentage of Total	90.9%	6.1%	3.0%	100.0%

### Actuarial Value of Assets

Item	September 30	
	2014	2013
A. Beginning of Year Assets		
1. Market Value	\$ 91,087,722	\$ 83,104,673
2. Actuarial Value	93,681,544	88,127,070
B. End of Year Market Value of Assets	98,154,137	91,087,722
C. Net of Contributions Less Disbursements*	(2,426,808)	(391,905)
D. Actual Net Investment Earnings*	9,493,223	8,374,954
E. Expected Investment Earnings*	6,935,111	6,594,834
F. Expected Actuarial Value End of Year	98,189,847	94,329,999
G. Market Value End of Year Less Expected Actuarial Value: B - F	(35,710)	(3,242,277)
H. 20% of Difference	(7,142)	(648,455)
I. End of Year Assets		
1. Actuarial Value: F + H	98,182,705	93,681,544
2. Final Actuarial Value Within 80% to 120% of Market Value	98,182,705	93,681,544
J. Recognized Investment Earnings	6,927,969	5,946,379
K. Recognized Rate of Return	7.5%	6.8%

\* Net of Investment Related Expenses.

Note: Actuarial Value of Assets by group is distributed in the same ratio as market value.

Year Ending September 30th	Investment Rate of Return	
	Market Value*	Actuarial Value
1990	1.1 %	1.1 %
1991	14.4	14.4
1992	16.2	16.2
1993	16.6	16.6
1994	2.2	2.2
1995	18.9	18.9
1996	12.4	9.5
1997	28.0	13.2
1998	0.8	10.8
1999	18.6	12.6
2000	4.3	11.4
2001	(3.8)	8.3
2002	(7.2)	(3.0)
2003	13.7	3.7
2004	8.7	1.5
2005	9.0	2.3
2006	7.0	6.3
2007	11.5	6.8
2008	(6.8)	3.9
2009	(1.8)	1.8
2010	7.9	5.3
2011	2.4	3.8
2012	16.7	6.0
2013	10.1	6.8
2014	10.6	7.5
<b>Average Returns:</b>		
Last 5 Years	9.4 %	5.9 %
Last 10 Years	6.5 %	5.0 %
All Years	8.1 %	7.4 %

\* Net of investment expenses after 2005.

The above rates are based on financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.

**SECTION D**  
**FINANCIAL ACCOUNTING INFORMATION**

<b>FASB NO. 35 INFORMATION</b>				
	<b>General</b>	<b>Police</b>	<b>Fire</b>	<b>Total</b>
A. Valuation Date	10/1/2014	10/1/2014	10/1/2014	10/1/2014
B. Actuarial Present Value of Accumulated Plan Benefits				
1. Vested Benefits				
a. Members Currently Receiving Payments	\$ 68,181,463	\$ 4,237,170	\$ 3,096,560	\$ 75,515,193
b. Terminated Vested Members	1,519,866	-	-	1,519,866
c. Other Members	25,559,055	1,516,259	-	27,075,314
d. Total	<u>95,260,384</u>	<u>5,753,429</u>	<u>3,096,560</u>	<u>104,110,373</u>
2. Non-Vested Benefits	2,693,871	-	-	2,693,871
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	97,954,255	5,753,429	3,096,560	106,804,244
4. Accumulated Contributions of Active Members	6,493,771	199,992	-	6,693,763
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits				
1. Total Value at Beginning of Year	94,923,797	5,791,113	3,203,168	103,918,078
2. Increase (Decrease) During the Period Attributable to:				
a. Plan Amendment	-	-	-	-
b. Change in Actuarial Assumptions	-	-	-	-
c. Latest Member Data, Benefits Accumulated, and Decrease in the Discount Period	9,278,805	415,329	316,817	10,010,951
d. Benefits Paid	<u>(6,248,347)</u>	<u>(453,013)</u>	<u>(423,425)</u>	<u>(7,124,785)</u>
e. Net Increase	3,030,458	(37,684)	(106,608)	2,886,166
3. Total Value at End of Period	97,954,255	5,753,429	3,096,560	106,804,244
D. Market Value of Assets	89,205,167	5,939,595	3,009,375	98,154,137
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods				

**ANNUAL PENSION COST AND NET PENSION OBLIGATION  
(GASB STATEMENT NO. 27)**

<b>Employer FYE September 30</b>	<b>2014</b>	<b>2013</b>
Annual Required Contribution (ARC)*	\$ 4,196,181	\$ 4,525,712
Interest on Net Pension Obligation (NPO)	(354,179)	(378,411)
Adjustment to ARC	(658,702)	(701,505)
Annual Pension Cost (APC)	4,500,704	4,848,806
Contributions made	4,196,181	4,525,712
Increase (decrease) in NPO	304,523	323,094
NPO at beginning of year	(4,722,389)	(5,045,483)
NPO at end of year	(4,417,866)	(4,722,389)

\* Adjusted for timing of contributions made

**THREE-YEAR TREND INFORMATION**

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2012	\$ 5,915,566	\$ 5,646,907	95.5%	\$ (5,045,483)
9/30/2013	4,848,806	4,525,712	93.3%	(4,722,389)
9/30/2014	4,500,704	4,196,181	93.2%	(4,417,866)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**GASB Statement No. 27**

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, 2014
Contribution Rates:	
Employer (and State)	52.04%
Plan Members	7.00%
Actuarial Cost Method	Entry Age Normal
Amortization Method	General: Level percent of pay, closed Police and Fire: Level dollar, closed
Remaining amortization period	General: 20 years Police: 1 year Fire: 1 year
Asset valuation method	Recognition of 20% of difference between market value of assets and expected actuarial value of assets
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.0% to 7.5% based on service
Includes inflation and other general increases at	3.0%
Cost of Living adjustments	3.0% starting 5 years after retirement

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

Fiscal year ending September 30,	<u>2014</u>
<b>Total pension liability</b>	
Service Cost	\$ 2,250,457
Interest	8,638,765
Benefit Changes	-
Difference between actual & expected experience	-
Assumption Changes	-
Benefit Payments	(6,939,695)
Refunds	(185,090)
Other (Increase in State Contribution Reserve)	1,253
<b>Net Change in Total Pension Liability</b>	<u>3,765,690</u>
<b>Total Pension Liability - Beginning</b>	116,523,413
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 120,289,103</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 4,196,181
Contributions - Non-Employer Contributing Entity	1,253
Contributions - Member	789,599
Net Investment Income	9,493,224
Benefit Payments	(6,939,695)
Refunds	(185,090)
Administrative Expense	(284,291)
Other	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>7,071,181</u>
<b>Plan Fiduciary Net Position - Beginning</b>	91,112,152
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 98,183,333</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	22,105,770
<b>Plan Fiduciary Net Position as a Percentage</b>	
<b>of Total Pension Liability</b>	81.62 %
<b>Covered Employee Payroll</b>	\$ 11,279,986 *
<b>Net Pension Liability as a Percentage</b>	
<b>of Covered Employee Payroll</b>	195.97 %

\*Actual total covered payroll for the fiscal year ending September 30, 2014.

**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	\$ 120,289,103	\$ 98,183,333	\$ 22,105,770	81.62%	\$ 11,279,986	195.97%

**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	\$ 4,196,181	\$ 4,196,181	\$ -	\$ 11,279,986	37.20%

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

**Valuation Date:** October 1, 2012  
**Measurement Date:** September 30, 2014  
**Notes** Actuarially determined contributions are calculated as of October 1, which is two year(s) 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	General: Level Percentage of Payroll, Closed Police and Fire: Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	Recognition of 20% of difference between market value of assets and expected actuarial value of assets
Inflation	3.00%
Salary Increases	5.0% to 7.5% depending on service
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA

**Other Information:**

**Notes** See Discussion of Valuation Results in the October 1, 2013 Actuarial Valuation Report

**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 plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. 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 (7.50%) 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**

1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
\$ 37,686,804	\$ 22,105,770	\$ 9,223,122

**SECTION E**  
**MISCELLANEOUS INFORMATION**

<b>RECONCILIATION OF MEMBERSHIP DATA</b>				
	<b>From 10/1/2013 to 10/1/2014</b>			
	<b>General</b>	<b>Police</b>	<b>Fire</b>	<b>Total</b>
<b>A. Active Members</b>				
1. Number Included in Last Valuation	216	1	0	217
2. New Employees	38	0	0	38
3. Non-Vested Employment Terminations	(5)	0	0	(5)
4. Vested Employment Terminations	(5)	0	0	(5)
5. Service Retirements	(3)	0	0	(3)
6. Disability Retirements	0	0	0	0
7. Deaths	0	0	0	0
8. Transfers	0	0	0	0
9. Other - Rehires	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
10. Number Included in This Valuation	242	1	0	243
<b>B. Terminated Vested Members</b>				
1. Number Included in Last Valuation	3	0	0	3
2. Additions from Active Members	5	0	0	5
3. Lump Sum Payments/Refund of Contributions	(5)	0	0	(5)
4. Payments Commenced	0	0	0	0
5. Deaths	0	0	0	0
6. Other - Rehires	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>(1)</u>
7. Number Included in This Valuation	2	0	0	2
<b>C. Service Retirees, Disability Retirees and Beneficiaries</b>				
1. Number Included in Last Valuation	196	24	14	234
2. Additions from Active Members	3	0	0	3
3. Additions from Terminated Vested Members	0	0	0	0
4. Deaths Resulting in No Further Payments	(6)	(1)	0	(7)
5. Deaths Resulting in New Survivor Benefits	0	0	0	0
6. End of Certain Period - No Further Payments	0	0	0	0
7. Lump Sum Payments	<u>(2)</u>	<u>0</u>	<u>0</u>	<u>(2)</u>
8. Number Included in This Valuation	191	23	14	228

**ACTIVE PARTICIPANT SCATTER – GENERAL EMPLOYEES AND POLICE OFFICERS**

Age Group	Years of Service to Valuation Date												Totals
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
20-24 NO.	6	1	1	0	0	0	0	0	0	0	0	0	8
TOT PAY	179,733	25,824	36,013	0	0	0	0	0	0	0	0	0	241,570
AVG PAY	29,956	25,824	36,013	0	0	0	0	0	0	0	0	0	30,196
25-29 NO.	11	7	2	2	0	1	0	0	0	0	0	0	23
TOT PAY	383,802	247,639	61,928	53,713	0	37,405	0	0	0	0	0	0	784,487
AVG PAY	34,891	35,377	30,964	26,856	0	37,405	0	0	0	0	0	0	34,108
30-34 NO.	6	6	4	0	0	8	3	0	0	0	0	0	27
TOT PAY	217,547	290,870	141,150	0	0	355,268	141,801	0	0	0	0	0	1,146,636
AVG PAY	36,258	48,478	35,288	0	0	44,408	47,267	0	0	0	0	0	42,468
35-39 NO.	5	1	3	1	1	6	5	5	0	0	0	0	27
TOT PAY	211,994	81,733	186,563	92,570	58,071	272,094	211,789	268,732	0	0	0	0	1,383,546
AVG PAY	42,399	81,733	62,188	92,570	58,071	45,349	42,358	53,746	0	0	0	0	51,242
40-44 NO.	2	2	0	2	1	7	11	7	5	0	0	0	37
TOT PAY	104,063	57,004	0	81,785	40,741	262,098	506,858	355,901	299,623	0	0	0	1,708,073
AVG PAY	52,032	28,502	0	40,892	40,741	37,443	46,078	50,843	59,925	0	0	0	46,164
45-49 NO.	2	1	2	0	1	5	12	9	3	5	0	0	40
TOT PAY	158,579	48,610	83,921	0	42,854	196,965	537,236	416,523	164,465	281,788	0	0	1,930,941
AVG PAY	79,290	48,610	41,960	0	42,854	39,393	44,770	46,280	54,822	56,358	0	0	48,274
50-54 NO.	3	1	0	2	0	7	10	7	6	2	2	0	40
TOT PAY	143,874	45,169	0	63,818	0	262,791	514,997	499,893	290,901	75,444	104,160	0	2,001,047
AVG PAY	47,958	45,169	0	31,909	0	37,542	51,500	71,413	48,484	37,722	52,080	0	50,026
55-59 NO.	1	3	0	1	0	5	0	2	3	2	0	0	17
TOT PAY	89,440	86,075	0	73,809	0	243,484	0	83,168	137,293	67,240	0	0	780,509
AVG PAY	89,440	28,692	0	73,809	0	48,697	0	41,584	45,764	33,620	0	0	45,912
60-64 NO.	1	0	1	0	0	7	3	1	1	0	0	1	15
TOT PAY	98,530	0	23,388	0	0	319,706	147,139	42,854	48,149	0	0	107,105	786,871
AVG PAY	98,530	0	23,388	0	0	45,672	49,046	42,854	48,149	0	0	107,105	52,458
65 & Up NO.	1	1	0	0	0	2	5	0	0	0	0	0	9
TOT PAY	54,662	52,984	0	0	0	82,001	220,849	0	0	0	0	0	410,496
AVG PAY	54,662	52,984	0	0	0	41,000	44,170	0	0	0	0	0	45,611
TOT NO.	38	23	13	8	3	48	49	31	18	9	2	1	243
TOT AMT	1,642,224	935,908	532,963	365,695	141,666	2,031,812	2,280,669	1,667,071	940,431	424,472	104,160	107,105	11,174,176
AVG AMT	43,216	40,692	40,997	45,712	47,222	42,329	46,544	53,776	52,246	47,164	52,080	107,105	45,984

**INACTIVE PARTICIPANT SCATTER – GENERAL EMPLOYEES**

Age Group	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-
45-49	-	-	-	-	11	292,545	-	-
50-54	1	49,584	-	-	16	626,734	-	-
55-59	1	69,600	-	-	37	1,445,767	-	-
60-64	-	-	-	-	22	886,665	-	-
65-69	-	-	-	-	34	1,074,086	-	-
70-74	-	-	-	-	22	447,314	1	17,333
75-79	-	-	1	40,475	12	255,117	2	10,090
80-84	-	-	1	1,530	11	218,495	3	25,067
85-89	-	-	-	-	9	122,555	-	-
90-94	-	-	-	-	2	19,423	3	22,605
95-99	-	-	-	-	4	17,788	-	-
100 & Over	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>119,184</b>	<b>2</b>	<b>42,005</b>	<b>180</b>	<b>5,406,489</b>	<b>9</b>	<b>75,095</b>
<b>Average Age</b>		<b>55</b>		<b>79</b>		<b>66</b>		<b>83</b>

**INACTIVE PARTICIPANT SCATTER – POLICE OFFICERS**

Age Group	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	-	3	261,106	-	-
65-69	-	-	-	-	2	1,088	1	5,529
70-74	-	-	-	-	6	56,484	1	4,076
75-79	-	-	-	-	4	36,600	-	-
80-84	-	-	-	-	1	17,986	-	-
85-89	-	-	-	-	2	40,757	-	-
90-94	-	-	-	-	1	9,497	1	2,369
95-99	-	-	-	-	-	-	1	3,354
100 & Over	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	19	423,518	4	15,328
<b>Average Age</b>		N/A		N/A		75		82

**INACTIVE PARTICIPANT SCATTER – FIREFIGHTERS**

Age Group	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-
65-69	-	-	-	-	-	-	-	-
70-74	-	-	-	-	2	89,580	1	33,891
75-79	-	-	-	-	5	157,194	1	14,151
80-84	-	-	-	-	3	107,376	-	-
85-89	-	-	-	-	1	10,129	1	11,104
90-94	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	11	364,279	3	59,146
<b>Average Age</b>		N/A		N/A		79		80

**SECTION F**  
**SUMMARY OF PLAN PROVISIONS**

## SUMMARY OF PLAN PROVISIONS

### A. Ordinances

The Plan was established under the Code of Ordinances for the City of North Miami, Florida, Chapter 15, Article III, and was most recently amended under Ordinance No. 1375 passed and adopted on July 8, 2014. The Plan is also governed by certain provisions of Chapters 175 and 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

### B. Effective Date

January 1, 1968

### C. Plan Year

October 1 through September 30

### D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

### E. Eligibility Requirements

All full-time general employees are eligible.

### F. Credited Service

Service is measured as the total number of calendar years, or portions thereof, during which the member has served as an employee of the City and has made the required contributions to the Plan. No service is credited for any periods of employment for which the member received a refund of employee contributions.

### G. Compensation

Total compensation including member contributions which are "picked up" by the City, but excluding overtime, bonuses and other certain payments.

### H. Average Final Compensation (AFC)

AFC is the average of Compensation over the highest 2 years out of the last 10 years of Credited Service prior to termination or retirement. AFC excludes lump sum payment of unused leave.

### I. Normal Retirement

Eligibility: General employees may retire on the first day of the month coincident with or next following the earlier of:

- (1) age 62 and 10 years of Credited Service, or
- (2) age 55 and 20 years of Credited Service.

Police officers and firefighters may retire on the first day of the month coincident with or next following age 50 and 20 years of Credited Service.

Benefit: 2.5% of AFC multiplied by Credited Service up to July 1, 1969, plus 3.0% of AFC multiplied by Credited Service after July 1, 1969. However, for any year prior to October 1, 1968 during which less than 7% of compensation was contributed, the benefit percentage for each year shall be as follows:

Contribution Rate	Benefit Percent Per Year of Service
5%	1.4%
3	0.8

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: Members who retire after October 1, 2004 (not due to disability) and elect an annuity form of payment receive an annual cost of living adjustment each April 1st. These retirees may choose a 1.92% COLA with a one-year delay, a 2.50% COLA with a three-year delay, or a 3.00% COLA with a five-year delay.

#### J. Early Retirement

Eligibility: General employees may elect to retire earlier than the Normal Retirement Eligibility upon attainment of:

- (1) age 55 with 10 years of Credited Service, or
- (2) 14 years of Credited Service regardless of age.

Police officers and firefighters may elect to retire earlier than the Normal Retirement eligibility upon attainment of 14 years of Credited Service.

Benefit: The Normal Retirement Benefit is reduced by 4.0% for each year that the Early Retirement date precedes the Normal Retirement date.

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: Members who retire after October 1, 2004 (not due to disability) and elect an annuity form of payment receive an annual cost of living adjustment each April 1st. These retirees may choose a 1.92% COLA with a one-year delay, a 2.50% COLA with a three-year delay, or a 3.00% COLA with a five-year delay.

#### K. Delayed Retirement

Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

**L. Service Connected Disability**

**Eligibility:** Any member who incurs a mental or physical condition resulting from injury, disease, or mental disorder, which renders the member incapable of performing work for the City at a rate of 90% of the member's regular rate of Compensation is immediately eligible for a disability benefit.

**Benefit:** 75% of member's Compensation on the date of disability. The benefit will be reduced by amounts paid from other sources to the extent that, when combined with this benefit, they exceed 100% of the rate of pay in effect at the time of the disability.

**Normal Form of Benefit:** Payable for life, or until recovery from disability.

**COLA:** None

**M. Non-Service Connected Disability**

**Eligibility:** Any member who incurs a mental or physical condition resulting from injury, disease, or mental disorder, which renders the member incapable of performing work for the City at a rate of 75% of the member's regular rate of Compensation is immediately eligible for a disability benefit.

**Benefit:** The member's vested accrued benefit payable at the Normal Retirement date taking into account compensation earned and service credited on the date of disability with a maximum equal to 50% of Compensation. The benefit will be reduced by amounts paid from other sources to the extent that, when combined with this benefit, they exceed 100% of the rate of pay in effect at the time of the disability.

**Normal Form of Benefit:** Payable for life, or until recovery from disability.

**COLA:** None

**N. Death in the Line of Duty**

**Eligibility:** Any member who dies while performing, directly or indirectly, services for the City is eligible for survivor benefits regardless of Credited Service.

**Benefit:** 50% of the member's monthly Compensation at the time of death shall be paid to the member's spouse. In addition, 10% of the member's final Compensation shall be paid for each child under age 19. In no event shall the total benefit exceed 100% of the member's final Compensation; or 50% if there is no surviving spouse.

**Normal Form of Benefit:** Spouse benefits payable until the earlier of death or remarriage. Children's benefits are payable until age 19.

**COLA:** None

## **O. Other Pre-Retirement Death**

**Eligibility:** Any vested member who dies while employed by the City is eligible for survivor benefits.

**Benefit:** For members who were eligible for Early or Normal Retirement, the member's Retirement Benefit shall be payable to the member's beneficiary.

For members who were not eligible for Early or Normal Retirement, an amount equal to the member's vested accrued benefit and accumulated contributions with interest shall be payable to the member's beneficiary.

**Normal Form of Benefit:** For members who were eligible for Early or Normal Retirement, the Retirement Benefit shall be paid as though the member had elected a 10 Year Certain and Life annuity and retired immediately preceding death.

For members who were not eligible for Early or Normal Retirement, the benefit shall be paid in a lump sum.

**COLA:** None

The designated beneficiary of a plan member who was not vested will receive a refund of the member's accumulated contributions with interest.

## **P. Post Retirement Death**

Benefit determined by the form of benefit elected upon retirement.

## **Q. Optional Forms**

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are the Straight Life Annuity option, the 50%, 75%, and 100% Joint and Survivor options, or the 5 and 10 Years Certain and Life options. A Social Security option is also available for members retiring prior to the time they are eligible for Social Security retirement benefits if they are not retiring under Disability Retirement.

Alternatively, members can elect a partial lump sum with the remaining value of the benefit paid as a monthly annuity. A total lump sum distribution is also available for those who became members of the Plan prior to October 1, 2004.

**R. Vested Termination**

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service (see vesting table below).

Credited Service	Vested Percent
Less than 5	0%
5	25
6	40
7	55
8	70
9	85
10 or more	100

Benefit: Any member who is not eligible for any other benefits provided under the Plan will receive the vested portion of their accrued Normal Retirement Benefit as of the date of termination. Benefit begins at the member's Early or Normal Retirement date and will be reduced for Early Retirement if applicable.

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: Members who retire after October 1, 2004 (not due to disability) and elect an annuity form of payment receive an annual cost of living adjustment each April 1st. These retirees may choose a 1.92% COLA with a one-year delay, a 2.50% COLA with a three-year delay, or a 3.00% COLA with a five-year delay.

Members terminating employment with less than 5 years of Credited Service will receive a refund of their own accumulated contributions with interest.

**S. Refunds**

Eligibility: All members terminating employment with less than 5 years of Credited Service are eligible. Optionally, vested members (those with 5 or more years of Credited Service) may elect a refund in lieu of the vested benefits otherwise due.

Benefit: A refund of the member's contributions with interest.

**T. Member Contributions**

7.0% of Compensation.

**U. Employer Contributions**

Any additional amount determined by the actuary needed to fund the plan properly according to State laws.

**V. Cost of Living Increases**

Members who retire after October 1, 2004 (not due to disability) and elect an annuity form of payment receive an annual cost of living adjustment each April 1st. These retirees may choose a 1.92% COLA with a one-year delay, a 2.50% COLA with a three-year delay, or a 3.00% COLA with a five-year delay.

**W. 13<sup>th</sup> Check**

Not Applicable

**X. Deferred Retirement Option Plan (DROP)**

Not Applicable

**Y. Other Ancillary Benefits**

There are no ancillary benefits-retirement type benefits not required by statutes but which might be deemed a Clair T. Singerman Employees' Retirement System liability if continued beyond the availability of funding by the current funding source.

**Z. Changes from Previous Valuation**

Under Ordinance No. 1375, adopted on July 8, 2014, the Plan was amended to allow the City manager to be a member of the Plan.