

**CITY OF FORT PIERCE**  
**RETIREMENT AND BENEFIT SYSTEM**  
FIFTY-SIXTH ANNUAL ACTUARIAL VALUATION REPORT  
FOR THE YEAR ENDING SEPTEMBER 30, 2014

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**REPORT OF SEPTEMBER 30, 2014 ACTUARIAL VALUATION**

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March 10, 2015

The City Commission and  
Retirement Board  
Fort Pierce, Florida

Dear City Commission and Retirement Board Members:

The results of the September 30, 2014 annual actuarial valuation of the City of Fort Pierce Retirement and Benefit System are presented in this report. The purpose of the valuation was to measure the System's funding progress, provide actuarial information in connection with applicable Governmental Accounting Standards Board Statements and to determine the employer contribution rates for the 2015-2016 fiscal year. Information required by Statement No. 67 of the GASB that is first effective for the fiscal year 2014 was provided in a separate report, if applicable.

This report should not be relied upon for any other purpose. This report may be distributed to parties other than the System only in its entirety and only with the permission of the Board. This report should not be relied on for any purpose other than those described above. It 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 signing actuaries are independent of the plan sponsor.

The valuation was based upon information, furnished by the City, concerning Retirement System benefits, financial transactions, and individual members, terminated members, retirees and beneficiaries. Data was checked for internal and year to year consistency, but was not otherwise audited by us. As a result, we are unable to assume responsibility for the accuracy or completeness of the data provided.

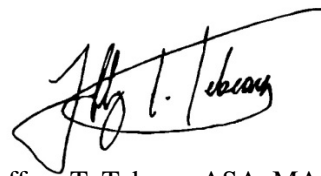
Future actuarial measurements may differ significantly from those presented in this report due to such factors as experience differing from that anticipated by actuarial assumptions, changes in plan provisions, actuarial assumptions/methods or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of future measurements.

To the best of our knowledge, this report is complete and accurate and the valuation was conducted in accordance with standards of practice prescribed by the Actuarial Standards Board and in compliance with the applicable state statutes. Brad Lee Armstrong and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. It is our opinion that the actuarial assumptions used for the valuation produce results which are reasonable.

Respectfully submitted,



Brad Lee Armstrong, ASA, EA, MAAA



Jeffrey T. Tebeau, ASA, MAAA

BLA/JTT:mrb

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## **SECTION A**

### **SUMMARY OF VALUATION RESULTS AND CERTIFICATION**

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# **SUMMARY OF VALUATION RESULTS**

## **SEPTEMBER 30, 2014**

### **FUNDING OBJECTIVE**

The basic funding objective of the Retirement and Benefit System is to avoid transfer of the cost of benefit obligations between generations of taxpayers. This objective is implemented by contributions sufficient to:

- Pay for costs allocated to the current year on account of service rendered by participants in the current year (Normal Cost).
- Pay for costs allocated to prior years on account of service rendered by participants in prior years (Unfunded Actuarial Accrued Liability) over a maximum 30-year period.

The annual actuarial valuation measures the relationship between Retirement and Benefit System obligations and assets and determines the contribution rates for the ensuing year. Several of the shortest amortization bases were combined in order to moderate scheduled contribution rate changes.

### **FUNDING PROGRESS INDICATORS**

The September 30, 2014 actuarial valuation indicates that the actuarial accrued liabilities of the Retirement and Benefit System are 92% funded by valuation assets. This is an increase from last year's funded ratio of 89%. Although not historically referred to, the ratio of the market value of assets to the Actuarial Accrued Liabilities is 98%. This is an increase from last year's 95%.

### **TRENDS TO MONITOR**

The market value of assets currently exceeds the funding value of assets by \$11.7 million. If losses from investment returns below the 8% assumed or losses from other sources do not emerge, this will create downward pressure on contribution requirements and a coinciding upward pressure on the funded ratios in next year's report.

Senate Bill 242 has been introduced in Tallahassee and would require the use of mortality tables from the most recently published actuarial valuation report of the Florida Retirement System. If this legislation becomes law, it will cause higher contribution requirements and lower funded ratios.

# SUMMARY OF VALUATION RESULTS

## SEPTEMBER 30, 2014

### OBSERVED EXPERIENCE

While the investment return on market value was 10.24%, the recognized rate of investment return was 10.98% due to averaging investment experience over the last 4 years. This is consistent with the long-term funding assumption of 8.0% expected. Note that each year's investment experience gain (loss) is spread over four years in equal dollar installments to reduce the effect of market volatility on contribution rates.

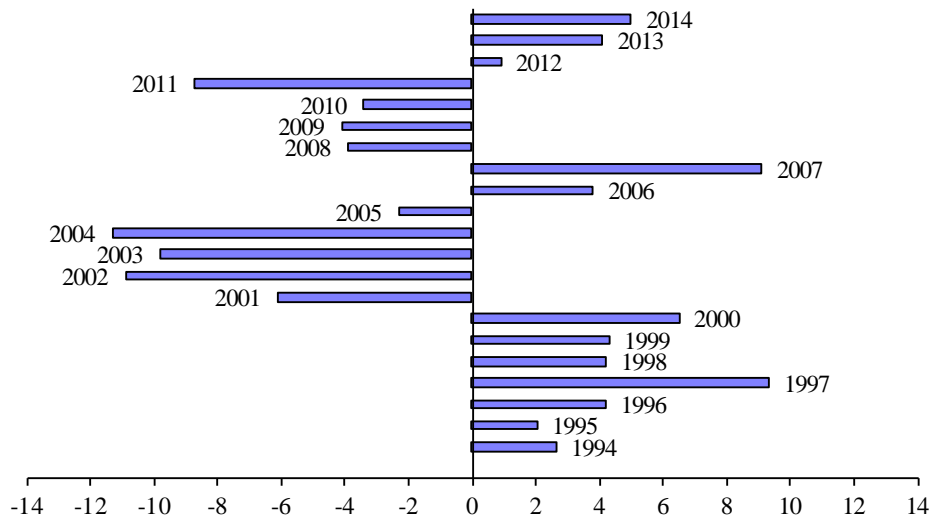
Demographic experience varied among the divisions. The principal deviations from projected experience were:

- 4.5% average pay increases across all the divisions vs. 5.9% expected (favorable)
- 32 retirements in all the divisions vs. 19 expected (unfavorable)
- 10-year average payroll growths were less than the 4.5% assumed (unfavorable for unfunded liability contribution rates)
- Reductions in active member workforce for Utilities Authority (favorable for normal cost; unfavorable for unfunded liability)

The net effect of the preceding experience factors was an aggregate experience gain of \$4,959,820.

Year-to-year experience variations are expected and normal in the operation of a retirement system as members vary their activities and economic conditions change. The expectation is that the plus years and minus years will tend to cancel over 5 to 10 year periods.

**Experience Gains and Losses  
(Amounts in Millions)**



Derivation of the current year's gain is located on Page B-3.

## SUMMARY OF VALUATION RESULTS SEPTEMBER 30, 2014

### VALUATION RESULTS - CONTRIBUTION REQUIREMENT

The percent-of-payroll contribution requirements for the 2015-2016 fiscal year are:

	<b>General</b>	<b>Utilities Authority</b>	<b>Police</b>
Members			
-Bargaining	5.16 %	6.16 %	5.16 %
-Non-Bargaining	5.16	6.16	5.16
Employer for			
-Bargaining	15.03 %	16.30 %	13.76 %
-Non-Bargaining	15.03	16.30	13.76
-Illustrative	\$1,298,758	\$1,970,808	\$926,443

For comparison, the percent of payroll contribution requirements for the 2014-2015 fiscal year based on last year's valuation are:

	<b>General</b>	<b>Utilities Authority</b>	<b>Police</b>
Members			
-Bargaining	5.16 %	6.16 %	5.16 %
-Non-Bargaining	5.16	6.16	5.16
Employer for			
-Bargaining	14.61 %	16.81 %	13.76 %
-Non-Bargaining	14.61	16.81	13.76
-Illustrative	\$1,238,918	\$2,117,334	\$886,424

Comparative contribution information is shown on page B-2. Composition of the current contribution rates is shown on page B-1.

# SUMMARY OF VALUATION RESULTS

## SEPTEMBER 30, 2014

### **COST-OF-LIVING ADJUSTMENT (COLA)**

Section 13 - 43 of the City's Code of Ordinances provides for a COLA if the investment return of the fund exceeds that required to satisfy the actuarial interest assumption, which did happen this year. In addition, the cumulative value of any COLA's granted since 1999 may not exceed the cumulative net actuarial gains since 1999. Page B-11 shows the cumulative value of COLA's and net actuarial gains/(losses) since 1999. The present balance is (\$32,119,951). So even though the recognized rate of investment return for the last fiscal year of 10.98% exceeded the actuarial interest assumption of 8%, no COLA could be provided under Section 13 - 43 until the Retirement and Benefit System's future actuarial gains exceed \$32,119,951 plus interest. Given the cumulative net actuarial loss balance, this COLA provision is not likely to operate for the indefinite future.

### **CERTIFICATION**

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. 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 report. 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 report.



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Brad Lee Armstrong, ASA, FCA, EA, MAAA  
Enrolled Actuary No. 14-5614



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**SECTION B**  
VALUATION RESULTS

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**CONTRIBUTIONS TO FINANCE BENEFITS OF THE  
RETIREMENT AND BENEFIT SYSTEM  
FOR THE PLAN YEAR BEGINNING OCTOBER 1, 2015  
TO BE CONTRIBUTED DURING THE FISCAL YEAR  
BEGINNING OCTOBER 1, 2015**

<b>Contributions for</b>	<b>Contributions Expressed as Percents of Active Member Payroll</b>		
	<b>General Members</b>	<b>Utilities Authority</b>	<b>Police Members</b>
Normal Cost			
Service pensions	11.29 %	10.64 %	16.43 %
Disability pensions	0.51	0.50	1.17
Death-in-service pensions	0.60	0.62	0.41
Deferred service pensions	2.16	2.14	0.90
Refunds of member contributions	0.55	0.66	0.37
Total Normal Cost	<u>15.11</u>	<u>14.56</u>	<u>19.28</u>
Unfunded Actuarial Accrued Liability (1)			
Retired members and beneficiaries	0.00	0.00	0.00
Active and vested terminated members	2.42	5.71	0.00
Total Unf'd. Actuarial Accrued Liability	<u>2.42</u>	<u>5.71</u>	<u>0.00</u>
Administrative Expenses	0.79	0.79	0.79
Total Unadjusted Computed Contribution	18.32	21.06	20.07
Adjustments to Computed Contribution			
FS 112.64 (5) Compliance	1.87	1.40	0.56
Full funding credit (2)	0.00	0.00	(1.71)
Total Adjustments (3)	<u>1.87</u>	<u>1.40</u>	<u>(1.15)</u>
Total Adjusted Contribution Requirement	20.19	22.46	18.92
Member portion	5.16	6.16	5.16
Employer portion	15.03	16.30	13.76

(1) Financing period schedules begin on page B-7.

(2) This is a temporary credit toward the contribution requirement; see pages B-7 and B-9.

(3) Florida Statutes do not allow adjustments to be less than zero.

FS 112.64 requires employer contributions to be deposited not less frequently than quarterly. Member contributions, which are in addition to the Employer contributions, must be deposited immediately after each pay period.

## RECOMMENDED AND ACTUAL CONTRIBUTIONS COMPARATIVE STATEMENT

Fiscal Date	Valuation Date	Percentage of Payroll Contributions			Dollar Contributions @	
		General Members	Utilities Authority	Police Members	Proj. Funding Requirement	Actual \$
79/80 (b)		7.75 %	8.05 %	10.21 %	\$ 700,500	\$ 785,821
84/85	9/83	7.61	7.82	9.59	1,189,618	1,349,378
89/90	9/88	6.02	7.76	9.17	1,779,600	2,021,209
94/95	9/93	4.99	6.80	4.77	1,846,977	2,386,067
95/96	9/94	4.74	6.41	4.54	1,737,080	2,328,501
96/97 (b)	9/95	4.79	5.34	4.98	1,877,033	2,270,176
97/98 (b)	9/96	4.67	6.77	3.03	1,875,979	2,062,431
98/99	9/97	3.58	5.18	0.00	1,513,090	1,275,077
99/00 (b)	9/98 #	0.51	1.20	1.45	709,194	982,054
00/01 (b)	9/99	0.00	0.26	0.00	801,012	1,195,351
01/02 (b)	9/00	0.00	0.26	0.00	906,649	2,158,784
02/03 (b)	9/01	2.91	1.10	0.00	2,048,079	2,271,079
03/04	9/02	4.67	3.23	1.38	2,893,397	3,610,663
04/05	9/03	6.15	4.93	3.76	3,948,626	5,634,357
05/06	9/04	8.01	6.23	6.76	6,283,117	8,975,380
06/07	9/05	11.05	11.94	14.14	3,624,157	4,114,963
07/08 (b)	9/06	11.59	11.01	14.88	3,939,766	4,082,846
08/09 (b)	9/07	9.71	10.06	12.26	3,517,935	3,580,089
09/10	9/08	10.36	10.67	12.79	3,964,443	3,377,350
10/11	9/09	11.06	11.86	12.97	3,999,560	3,181,447
11/12 (b)	9/10	12.59	14.08	13.51	3,937,037	3,566,751
12/13 (b)	9/11	16.50	18.51	15.83	4,860,538	4,266,803
13/14 (b)	9/12	16.20	17.41	15.33	4,676,221	4,356,127
14/15	9/13	14.61	16.81	13.76	4,242,676	
<b>15/16</b>	<b>9/14</b>	<b>15.03</b>	<b>16.30</b>	<b>13.76</b>	<b>4,196,009</b>	

\* Prior to 9/30/96 the minimum employer contribution required in accordance with Sec. 21.3 of the Retirement and Benefit System Ordinance was 7.60% for General and Utilities Authority, 9.61% for Police.

@ Actual Employer contributions are determined by applying the Employer's contribution rate to the emerging payroll. Projected funding requirement is derived from the City portion of the contribution rates on page B-1. The payroll was increased by a factor of 1.092 (1.045<sup>2</sup>) to reflect projected payroll growth to the beginning of the fiscal year during which the contribution will be made. Prior to the valuation date of 9/30/2005, dollar contributions included Fire members.

(a) Before changes in benefit provisions and/or actuarial assumptions and cost methods.

(b) After changes in benefit provisions and/or actuarial assumptions and cost methods.

# Prior to the 9/98 actuarial valuation reimbursement of investment expenses (approx. 2% of payroll) were included in the contribution requirement. The plan was amended 4/98 to allow payment of investment expenses out of investment income.

**EXPERIENCE GAIN/(LOSS)  
YEAR ENDED SEPTEMBER 30, 2014**

	<b>Divisions</b>			<b>Total</b>
	<b>General Members</b>	<b>Utilities Authority</b>	<b>Police Members</b>	
<b>DERIVATION</b>				
(1) UAAL* at start of year	\$6,378,954	\$10,608,080	\$3,372,736	\$20,359,770
(2) Employer normal cost for year	813,448	952,188	920,508	2,686,144
(3) Employer contributions	1,353,814	2,053,287	949,027	4,356,127
(4) Interest accrued: .08 x [(1) + ½ [(2) - (3)]]	488,702	804,602	268,678	1,561,982
(5) Expected UAAL before changes: [(1) + (2) - (3) + (4)]	6,327,290	10,311,583	3,612,895	20,251,769
(6) Effect of assumption changes	0	0	0	0
(7) Effect of cost method changes/ accounting and timing differences	(166,093)	0	(169,853)	(335,946)
(8) Effect of benefit changes	0	0	0	0
(9) Expected UAAL after changes	6,161,197	10,311,583	3,443,042	19,915,823
(10) Actual UAAL	4,678,721	8,271,823	2,005,459	14,956,003
(11) Gain/(loss): (9) - (10)	1,482,476	2,039,760	1,437,583	4,959,820

\* UAAL represents Unfunded Actuarial Accrued Liability

## DEVELOPMENT OF FUNDING VALUE OF RETIREMENT SYSTEM ASSETS

Year Ended September 30:	2011	2012	2013	2014	2015	2016	2017
A. Funding Value Beginning of Year	\$148,690,936	\$142,462,557	\$147,618,123	\$157,144,811			
B. Market Value End of Year	134,533,659	154,199,397	168,762,698	179,120,149			
C. Market Value Beginning of Year	138,853,804	134,533,659	154,199,397	168,762,698			
D. Non-Investment Net Cash Flow	(6,003,229)	(6,034,911)	(6,119,220)	(6,582,335)			
E. Investment Income							
E1. Market Total: B - C - D	1,683,084	25,700,649	20,682,521	16,939,786			
E2. Amount for Immediate Recognition (8.0%)	11,655,146	11,155,608	11,564,681	12,308,292			
E3. Amount for Phased-In Recognition: E1 - E2	(9,972,062)	14,545,041	9,117,840	4,631,494			
F. Phased-In Recognition of Investment Income							
F1. Current Year: 0.25 x E3	(2,493,016)	3,636,260	2,279,460	1,157,874			
F2. First Prior Year	658,525	(2,493,016)	3,636,260	2,279,460	\$1,157,874		
F3. Second Prior Year	(1,766,899)	658,525	(2,493,016)	3,636,260	2,279,460	\$1,157,874	
F4. Third Prior Year	<u>(8,278,906)</u>	<u>(1,766,900)</u>	<u>658,523</u>	<u>(2,493,014)</u>	<u>3,636,261</u>	<u>2,279,460</u>	<u>\$1,157,872</u>
F5. Total Recognized Investment Gain	(11,880,296)	34,869	4,081,227	4,580,580	7,073,595	3,437,334	1,157,872
G. Funding Value End of Year: A + D + E2 + F5	142,462,557	147,618,123	157,144,811	167,451,348			
H. Difference between Market & Funding Value	(7,928,898)	6,581,274	11,617,887	11,668,801			
I. Recognized Rate of Return	(0.15)%	8.03%	10.82%	10.98%			
J. Market Value Return	1.24%	19.54%	13.68%	10.24%			

The Funding Value of Assets recognizes assumed investment income (Line E2) fully each year. Differences between actual and assumed investment income (Line E3) are phased-in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, the Funding Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to Market Value.

**FUNDING INDICATORS # – HISTORICAL COMPARISON**  
**(\$ AMOUNTS IN THOUSANDS)**

Valuation Date	Indicator (1)		Indicator (2)			Indicator (3)	
	Gain/ (Loss)	Valuation Assets	AAL*	Funded Ratio	Unfunded AAL	Member Payroll	Ratio to Payroll
9/93	\$ 4,360	\$ 75,833	\$ 72,883	104 %	\$ (2,950)	\$23,602	(12) %
9/94	2,627	83,023	77,060	108	(5,963)	24,137	(25)
9/95 (b)	2,031	92,515	86,560	107	(5,955)	26,174	(23)
9/96 (b)	4,188	103,164	93,874	110	(9,290)	27,529	(34)
9/97	9,324	119,224	100,121	119	(19,103)	29,986	(64)
9/98 (b)	4,181	132,975	109,210	122	(23,765)	30,296	(78)
9/99 (b)	4,315	146,903	120,514	122	(26,389)	31,688	(83)
9/00 (b)	6,465	162,020	129,969	125	(32,051)	33,312	(96)
9/01 (b)	(6,086)	165,023	137,067	120	(27,955)	35,600	(79)
9/02 (b)	(10,908)	167,050	149,437	112	(17,610)	37,037	(48)
9/03	(9,845)	168,943	162,127	104	(6,816)	40,313	(17)
9/04	(11,328)	171,558	186,671	92	15,113	43,544	35
9/05	(2,296)	185,776	216,534	86	30,758	48,880	63
9/06 (b)	3,801	120,062	130,861	92	10,800	30,532	35
9/07 (b)	9,087	135,944	138,610	98	2,666	30,984	9
9/08	(3,888)	143,467	150,475	95	7,008	32,952	21
9/09	(4,060)	147,094	158,755	93	11,661	31,016	38
9/10 (b)	(3,429)	148,691	164,865	90	16,174	26,779	60
10/11 (b)	(8,690)	142,463	167,683	85	25,220	25,744	98
11/12 (a)	854	147,618	173,314	85	25,696	25,842	99
11/12 (b)	854	147,618	171,745	86	24,127	25,842	93
12/13	4,086	157,145	177,505	89	20,360	25,199	81
<b>13/14</b>	<b>4,960</b>	<b>167,451</b>	<b>182,407</b>	<b>92</b>	<b>14,956</b>	<b>25,150</b>	<b>59</b>

# Excludes Fire after 9/05 valuation date.

\* Actuarial Accrued Liabilities.

(a) Before changes in benefit provisions and/or actuarial assumptions.

(b) After changes in benefit provisions and/or actuarial assumptions.

**UNFUNDED ACTUARIAL ACCRUED LIABILITY**  
**(\$ AMOUNTS IN THOUSANDS)\***

	September 30, 2014			September 30, 2013		
	General Members	Utilities Authority	Police Members	General Members	Utilities Authority	Police Members
A. Actuarial present value of future benefits	\$64,327	\$93,078	\$56,296	\$63,238	\$91,275	\$54,549
B. Actuarial present value of future normal costs	8,910	12,080	10,391	9,010	12,432	10,115
C. Actuarial accrued liability	55,417	80,998	45,905	54,228	78,843	44,434
D. Actuarial value of assets	50,752	72,762	43,937	47,849	68,235	41,061
E. Unfunded actuarial accrued liability	4,665	8,236	1,968	6,379	10,608	3,373
F. Funded Ratio	91.6%	89.8%	95.6%	88.2%	86.5%	92.4%

\* Totals may be off due to rounding.

# SOURCES AND FINANCING OF UNFUNDED ACTUARIAL ACCRUED LIABILITY GENERAL MEMBERS

Year Established	Initial Years	Years Remaining	Unfd. Act. Accr. Liab.		Amortization Factor	Amortization Payment*	% of Payroll Contribution*
			Initial Amount	Current Amount			
<b>Initial Unfunded</b>							
1981	34	5	\$ 838,282	\$ (342,750)	4.1504	\$ (82,583)	(1.05) %
<b>Experience Changes</b>							
1990	30	6	292,576	217,493	4.8054	45,260	0.57
1991	30	7	(8,308)	(6,881)	5.4120	(1,271)	(0.02)
1992	30	8	(260,310)	(234,035)	5.9736	(39,179)	(0.50)
1993	30	9	(1,200,305)	(1,149,551)	6.4936	(177,029)	(2.24)
1994	30	10	(298,407)	(299,988)	6.9750	(43,009)	(0.54)
1995	30	11	(571,245)	(597,556)	7.4209	(80,524)	(1.02)
1996	30	12	(328,506)	(354,268)	7.8337	(45,224)	(0.57)
1997	30	13	(1,697,188)	(1,872,099)	8.2159	(227,864)	(2.88)
1998	30	14	(1,095,283)	(1,227,584)	8.5698	(143,246)	(1.81)
1999	30	15	(888,248)	(1,005,870)	8.8975	(113,051)	(1.43)
2000	30	16	(1,366,921)	(1,556,339)	9.2009	(169,151)	(2.14)
2001	30	17	1,108,179	1,267,235	9.4818	133,649	1.69
2002	30	18	2,074,314	2,373,517	9.7420	243,639	3.08
2003	30	19	2,097,459	2,393,693	9.9828	239,781	3.03
2004	30	20	2,013,373	2,285,026	10.2058	223,894	2.83
2005	30	21	208,003	234,159	10.4123	22,489	0.28
2006	30	22	(1,561,550)	(1,739,630)	10.6035	(164,061)	(2.07)
2007	30	23	(3,153,776)	(3,469,535)	10.7806	(321,832)	(4.07)
2008	30	24	1,535,312	1,664,588	10.9445	152,093	1.92
2009	30	25	1,306,244	1,393,395	11.0963	125,573	1.59
2010	30	26	301,258	315,647	11.2368	28,090	0.35
2011	30	27	3,140,943	3,227,788	11.3670	283,962	3.59
2012	30	28	(171,717)	(172,844)	11.4875	(15,046)	(0.19)
2013	30	29	(1,386,129)	(1,364,888)	11.5990	(117,673)	(1.49)
2014	30	30	(1,482,476)	(1,482,476)	11.7023	(126,682)	(1.60)
<b>Benefit Changes</b>							
1990	30	6	919,717	683,691	4.8054	142,275	1.80
1996	30	12	(126,041)	(135,927)	7.8337	(17,352)	(0.22)
1998	30	14	(4,204)	(4,712)	8.5698	(550)	(0.01)
2000	30	16	416,125	473,789	9.2009	51,494	0.65
2004	30	20	603,572	685,008	10.2058	67,119	0.85
2005	30	21	2,422,727	2,727,387	10.4123	261,938	3.31
2006	30	22	1,820,155	2,027,725	10.6035	191,231	2.42
2010	30	26	421,454	441,585	11.2368	39,298	0.50
2011	30	27	(604,106)	(620,809)	11.3670	(54,615)	(0.69)
2012	30	28	(520,387)	(523,800)	11.4875	(45,598)	(0.58)
<b>Assumption Changes</b>							
1990	30	6	84,603	62,892	4.8054	13,088	0.17
1995	30	11	822,391	860,271	7.4209	115,926	1.47
2001	30	17	(571,357)	(653,365)	9.4818	(68,907)	(0.87)
2011	30	27	154,468	158,739	11.3670	13,965	0.18
<b>Totals</b>				<b>\$4,678,721</b>		<b>\$340,317</b>	<b>4.29 %</b>

\* Actual wage growth over the past 10 years has been (1.65)%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. Because the 10-year average is less than 0, 0 has been used in the above calculation as required.



**SOURCES AND FINANCING OF  
UNFUNDED ACTUARIAL ACCRUED LIABILITY  
UTILITIES AUTHORITY MEMBERS**

Year Established	Initial Years	Years Remaining	Unfd. Act. Accr. Liab.		Amortization Factor	Amortization Payment*	% of Payroll Contribution*
			Initial Amount	Current Amount			
<b>Initial Unfunded</b>							
1981	34	3	\$3,595,371	\$ 1,096,048	2.7454	\$ 399,236	3.61 %
<b>Experience Changes</b>							
1988	30	4	(246,244)	130,378	3.5560	36,664	0.33
1989	30	5	280,129	(76,063)	4.3194	(17,610)	(0.16)
1990	30	6	(130,266)	278,566	5.0383	55,290	0.50
1991	30	7	407,412	(183,902)	5.7153	(32,177)	(0.29)
1992	30	8	(238,416)	(328,716)	6.3528	(51,743)	(0.47)
1993	30	9	(388,969)	(1,272,213)	6.9532	(182,967)	(1.65)
1994	30	10	(1,360,632)	(936,355)	7.5187	(124,537)	(1.12)
1995	30	11	(978,978)	(973,663)	8.0512	(120,934)	(1.09)
1996	30	12	(974,186)	(972,511)	8.5526	(113,709)	(1.03)
1997	30	13	(940,560)	(2,325,506)	9.0249	(257,678)	(2.33)
1998	30	14	(2,192,535)	(2,738,239)	9.4696	(289,161)	(2.61)
1999	30	15	(2,534,640)	(1,249,116)	9.8884	(126,321)	(1.14)
2000	30	16	(1,141,977)	(1,442,350)	10.2828	(140,268)	(1.27)
2001	30	17	(1,309,143)	1,766,329	10.6542	165,787	1.50
2002	30	18	1,593,737	3,175,913	11.0040	288,614	2.61
2003	30	19	2,859,829	2,985,981	11.3334	263,467	2.38
2004	30	20	2,692,574	1,738,490	11.6436	149,308	1.35
2005	30	21	1,574,647	247,573	11.9358	20,742	0.19
2006	30	22	225,846	(2,926,354)	12.2109	(239,651)	(2.16)
2007	30	23	(2,695,199)	(3,410,853)	12.4700	(273,525)	(2.47)
2008	30	24	(3,178,605)	1,887,245	12.7140	148,439	1.34
2009	30	25	1,783,264	2,367,428	12.9437	182,902	1.65
2010	30	26	2,272,126	2,732,881	13.1601	207,664	1.88
2011	30	27	2,668,679	4,715,801	13.3639	352,876	3.19
2012	30	28	(1,001,517)	(986,342)	13.5558	(72,762)	(0.66)
2013	30	29	(1,332,212)	(1,284,118)	13.7365	(93,482)	(0.84)
2014	30	30	(2,039,760)	(2,039,760)	13.9067	(146,675)	(1.32)
<b>Benefit Changes</b>							
1996	30	12	1,797,497	1,858,555	8.5526	217,308	1.96
1998	30	14	(6,868)	(7,420)	9.4696	(784)	(0.01)
2000	30	16	217,608	239,748	10.2828	23,315	0.21
2005	30	21	5,714,128	6,263,858	11.9358	524,797	4.74
2007	30	23	879,772	944,054	12.4700	75,706	0.68
2011	30	27	(859,973)	(864,240)	13.3639	(64,670)	(0.58)
2012	30	28	(837,844)	(825,149)	13.5558	(60,871)	(0.55)
<b>Assumption Changes</b>							
1990	30	6	(71,195)	(48,678)	5.0383	(9,662)	(0.09)
1995	30	11	1,262,801	1,262,129	8.0512	156,764	1.42
2001	30	17	(1,106,750)	(1,226,604)	10.6542	(115,128)	(1.04)
2011	30	27	695,546	698,998	13.3639	52,305	0.47
<b>Totals</b>				<b>\$8,271,823</b>		<b>\$786,869</b>	<b>7.11 %</b>

\* Actual wage growth over the past 10 years has been 1.71%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. This has been used in the above calculation as required.

# SOURCES AND FINANCING OF UNFUNDED ACTUARIAL ACCRUED LIABILITY POLICE MEMBERS

Year Established	Initial Years	Years Remaining	Unf'd. Act. Accr. Liab.		Amortization Factor	Amortization Payment*	% of Payroll Contribution*
			Initial Amount	Current Amount			
<b>Initial Unfunded</b>							
1981	34	5	\$ (412,024)	\$ (705,374)	4.3619	\$ (161,712)	(2.62) %
<b>Experience Changes</b>							
1990	30	6	125,313	106,121	5.0973	20,819	0.34
1991	30	7	(203,783)	(188,569)	5.7927	(32,553)	(0.53)
1992	30	8	(212,982)	(210,961)	6.4502	(32,706)	(0.53)
1993	30	9	(924,672)	(995,595)	7.0720	(140,779)	(2.28)
1994	30	10	(461,122)	(500,861)	7.6600	(65,386)	(1.06)
1995	30	11	(631,047)	(708,273)	8.2160	(86,206)	(1.40)
1996	30	12	(985,977)	(1,134,323)	8.7418	(129,758)	(2.10)
1997	30	13	(2,131,299)	(2,495,862)	9.2390	(270,143)	(4.38)
1998	30	14	769,031	911,295	9.7092	93,859	1.52
1999	30	15	(1,200,250)	(1,431,954)	10.1538	(141,027)	(2.29)
2000	30	16	(597,465)	(714,471)	10.5742	(67,567)	(1.10)
2001	30	17	578,886	693,387	10.9717	63,198	1.03
2002	30	18	1,258,164	1,504,364	11.3477	132,570	2.15
2003	30	19	1,317,638	1,567,994	11.7032	133,980	2.17
2004	30	20	2,033,822	2,402,299	12.0393	199,537	3.24
2005	30	21	(40,822)	(47,746)	12.3572	(3,864)	(0.06)
2006	30	22	455,702	526,636	12.6578	41,606	0.67
2007	30	23	(2,754,392)	(3,138,952)	12.9421	(242,539)	(3.93)
2008	30	24	569,652	638,972	13.2109	48,367	0.78
2009	30	25	481,424	530,677	13.4650	39,411	0.64
2010	30	26	458,881	496,306	13.7054	36,212	0.59
2011	30	27	856,807	907,993	13.9327	65,170	1.06
2012	30	28	319,593	331,431	14.1476	23,427	0.38
2013	30	29	(1,367,523)	(1,386,175)	14.3508	(96,592)	(1.57)
2014	30	30	(1,437,583)	(1,437,583)	14.5430	(98,850)	(1.60)
<b>Benefit Changes</b>							
1996	30	12	(52,503)	(60,404)	8.7418	(6,910)	(0.11)
1998	30	14	866,643	1,026,965	9.7092	105,773	1.72
2000	30	16	154,856	185,182	10.5742	17,513	0.28
2002	30	18	(2,757)	(3,297)	11.3477	(291)	(0.00)
2005	30	21	3,376,647	3,949,403	12.3572	319,603	5.18
2006	30	22	21,867	25,271	12.6578	1,996	0.03
2010	30	26	144,060	155,809	13.7054	11,368	0.18
2011	30	27	(576,034)	(610,446)	13.9327	(43,814)	(0.71)
2012	30	28	(211,273)	(219,099)	14.1476	(15,487)	(0.25)
<b>Assumption Changes</b>							
1990	30	6	194,195	164,455	5.0973	32,263	0.52
1995	30	11	576,369	646,902	8.2160	78,736	1.28
2000	30	16	93,418	111,712	10.5742	10,565	0.17
2001	30	17	418,050	500,738	10.9717	45,639	0.74
2011	30	27	577,020	611,492	13.9327	43,889	0.71
<b>Totals</b>				<b>\$2,005,459</b>		<b>\$(70,683)</b>	<b>(1.15) %</b>

\* Actual wage growth over the past 10 years has been 2.13%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. This has been used in the above calculation as required.

**ACTUARIAL BALANCE SHEET - SEPTEMBER 30, 2014**  
**(\$ AMOUNTS IN THOUSANDS)\***

**PRESENT RESOURCES AND EXPECTED FUTURE RESOURCES**

	Utilities			Total
	General Members	Authority Members	Police Members	
A. Funding value of plan assets:				
1. Net assets from plan financial statements (Market)	\$54,289	\$77,832	\$46,999	\$179,120
2. Funding value adjustment	(3,537)	(5,070)	(3,062)	(11,669)
3. Funding value of assets	\$50,752	\$72,762	\$43,937	\$167,451
B. Actuarial present value of expected future employer contributions:				
1. For normal costs	\$ 5,779	\$ 6,766	\$ 7,480	\$20,025
2. For unfunded actuarial accrued liability	4,679	8,272	2,005	14,956
3. Total	\$10,458	\$15,038	\$9,485	\$34,981
C. Actuarial present value of expected future member contributions	3,117	5,277	2,874	11,268
D. Total Present and Future Resources	\$64,327	\$93,077	\$56,296	\$213,700

**ACTUARIAL PRESENT VALUE OF EXPECTED FUTURE  
BENEFIT PAYMENTS AND RESERVES**

	Utilities			Total
	General Members	Authority Members	Police Members	
A. To retired members and beneficiaries	\$36,328	\$54,714	\$27,414	\$118,456
B. To vested terminated members	1,076	1,092	231	2,399
C. To present active members:				
1. Allocated to service rendered prior to valuation date	\$18,013	\$25,191	\$18,260	\$61,464
2. Allocated to service likely to be rendered after valuation date	8,910	12,080	10,391	31,381
3. Total	\$26,923	\$37,271	\$28,651	\$92,845
D. Total actuarial present value of expected future benefit payments	\$64,327	\$93,077	\$56,296	\$213,700

\* Totals may be off due to rounding.

## CUMULATIVE EXPERIENCE GAINS/(LOSSES)

Year Ended September 30	Balance at Beginning of Year	Interest	Gain/(Loss) During Year	Value of Cost- of-Living Adjustment During Year	Balance at End of Year
1999	\$ -	\$ -	\$ 4,314,699	\$ 709,305	\$ 3,605,394
2000	3,605,394	288,432	6,465,035	1,219,607	9,139,254
2001	9,139,254	731,140	(6,086,030)	1,186,656	2,597,708
2002	2,597,708	207,817	(10,907,939)	-	(8,102,414)
2003	(8,102,414)	(648,193)	(9,844,539)	-	(18,595,145)
2004	(18,595,145)	(1,487,612)	(11,328,205)	-	(31,410,961)
2005	(31,410,961)	(2,512,877)	(2,296,402)	-	(36,220,240)
2006*	(18,683,996)	(1,494,720)	3,801,047	-	(16,377,668)
2007	(16,377,668)	(1,310,213)	9,086,773	-	(8,601,108)
2008	(8,601,108)	(688,089)	(3,888,228)	-	(13,177,425)
2009	(13,177,425)	(1,054,194)	(4,059,794)	-	(18,291,413)
2010	(18,291,413)	(1,463,313)	(3,428,818)	-	(23,183,544)
2011	(23,183,544)	(1,854,684)	(8,690,267)	-	(33,728,495)
2012	(33,728,495)	(2,698,280)	853,641	-	(35,573,134)
2013	(35,573,134)	(2,845,851)	4,085,864	-	(34,333,121)
2014	(34,333,121)	(2,746,650)	4,959,820	-	(32,119,951)

\* After removing the estimated impact of Fire members.

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## **SECTION C**

**SUMMARY OF BENEFIT PROVISIONS AND  
VALUATION DATA SUBMITTED BY THE  
RETIREMENT AND BENEFIT SYSTEM**

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## SUMMARY OF BENEFIT PROVISIONS (SEPTEMBER 30, 2014)

**Participation:** Participation in the retirement and benefit system begins upon employment.

**Normal Retirement** (no reduction factor for age):

- Eligibility** - Original members: 20 or more years of service.
- All members** - General, Utilities Authority: 25 or more years of service regardless of age, or age 60 with 5 or more years of service.
- Police: 25 or more years of service, regardless of age, or age 55 with 5 or more years of service.

**Mandatory Retirement Age** - None.

**Annual Amount** - All members: Total service times 3.0% of final average salary.

*For members hired prior to October 1, 2012:*

- The maximum pension benefit is \$100,000 annually.

*For members hired on or after October 1, 2012:*

- The maximum annual pension benefit shall not exceed 75% of final average salary
- The maximum pension benefit is \$100,000 annually.

The normal form of benefit is a benefit payable for life. Optional forms are available on an actuarial equivalent basis.

**Type of Final Average Salary** - General: Highest 5 consecutive years out of last 10. Police, Utilities Authority: Highest 5 years out of last 10. Overtime hours included in compensation are limited to 300 hours per fiscal year.

*For members hired prior to October 1, 2012:* Payments for unused sick and vacation time included in compensation are limited to unused sick and vacation time accrued through September 20, 2012 for General and Police, and July 1, 2011 for Utilities Authority.

*For members hired on or after October 1, 2012:* Payments for unused sick and vacation time are not included in compensation.

### **Deferred Retirement Option Plan (DROP) Retirement:**

**Eligibility** – General, Police, and Utilities Authority members: Same as Normal Retirement, election may be made on or after normal retirement eligibility, but not after reaching 30 years of service. Participation in the DROP ends after five years.

**Annual Amount** – Computed as a normal retirement but based upon service and final average salary at time of DROP election. Member contributions cease and monthly benefits (and post-retirement increases, if any) accumulate in a self-directed DROP account and are payable to the member upon termination of employment.

**Deferred Retirement** (vested benefit):

**Eligibility** – *For Members hired prior to October 1, 2012: 5 or more years of service.*  
*For Members hired on or after October 1, 2012: 10 or more years of service.*  
Benefit begins upon attaining age 60.

**Annual Amount** – Computed as a normal retirement but based upon service and final average salary at time of termination.

**Duty Disability Retirement:**

**Eligibility** - No age or service requirements if the retirement board finds the member to be in receipt of weekly workers' compensation on account of disability in the course of duty.

**Annual Amount** - Computed as a normal retirement based upon service projected to the end of the duty disability period and final average salary at time of disability. Minimum benefit is 75% of final average salary during the duty disability period. The duty disability period ends on the earlier of the 25th anniversary of the member's hire date or the date the member attains age 65 but not prior to 5 years from the date of duty disability retirement.

**Non-Duty Disability Retirement:**

**Eligibility** – 5 or more years of service.

**Annual Amount** - Computed as a normal retirement but based upon service and final average salary at time of disability.

**Duty Death Before Retirement:**

**Eligibility** - No age or service requirements. Benefits begin upon termination of workers' compensation.

**Annual Amount** - A benefit equal to the same amount that was paid by workers' compensation to the spouse until death, to unmarried children under 18 and dependent parents.

**Non-Duty Death Before Retirement:**

**Eligibility** - 5 or more years of service.

**Annual Amount** - Computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

**Post-Retirement Increases:** COLA may be granted from investment returns in excess of actuarial interest assumption, not to exceed 3%.

**Military Service:** May be purchased by members who meet the eligibility conditions.

**Member Contributions:**     General: 5.16% of annual salary  
                                  Police : 5.16% of annual salary  
                                  Utilities Authority: 6.16% of annual salary

**Employer Contributions:** Actuarially determined amounts which together with member contributions are sufficient to at least cover the requirements of the funding objective stated on page A-1.

**Changes in Plan Provisions:** There were no changes in Plan Provisions since the last valuation.



# ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

## REVENUES AND EXPENDITURES

	Year Ended	
	9/30/2014	9/30/2013
<b>REVENUES:</b>		
a. Member contributions:		
General	\$ 444,452	\$ 437,136
Police	321,321	313,447
Utilities Authority	727,756	729,017
b. Employer contributions:		
General	1,353,814	1,344,557
Police	949,027	884,708
Utilities Authority	2,053,287	2,037,538
c. Investment income:		
1. Interest and dividends	2,987,722	3,169,475
2. Gain or loss on sales	12,435,565	4,653,692
3. Unrealized gain/loss	2,063,638	13,339,748
d. Total revenues	\$ 23,336,581	\$ 26,909,318
<b>EXPENDITURES:</b>		
a. Refunds of member contributions:		
General	166,309	110,774
Police	89,976	136,484
Utilities Authority	51,551	257,407
b. Benefits paid:		
General	3,809,452	3,639,067
Police	2,675,582	2,455,575
Utilities Authority	5,392,014	5,067,855
c. Investment expenses	547,139	480,393
d. Administrative expenses	199,552	45,765
e. Other	47,555	152,696
f. Total expenditures	\$ 12,979,130	\$ 12,346,017
<b>ADJUSTMENTS:</b>	\$ -	\$ -
<b>RESERVE INCREASE:</b>	\$ 10,357,451	\$ 14,563,302

## MARKET VALUE OF ASSETS

	9/30/2014	9/30/2013
Cash	\$ 29,996	\$ 30,896
Receivables & Accruals	758,235	755,689
Other short-term	8,182,472	959,596
Bonds - government	19,924,053	18,559,492
- corporate	28,115,588	31,145,881
Stocks - common	14,718,711	15,019,168
- mutual funds	107,438,518	102,327,641
Other - limited partnership	-	-
Other - prepaid expenses	-	-
Total assets	179,167,573	168,798,363
Less accounts payable	47,424	35,665
Net assets	\$ 179,120,149	\$ 168,762,698
<b>Increase in assets</b>	<b>\$ 10,357,451</b>	<b>\$ 14,563,302</b>

**RETIRED MEMBER AND BENEFICIARY DATA SEPTEMBER 30, 2014**  
**TABULATED BY VALUATION DIVISIONS**

Valuation Divisions	No.	Annual Benefits	Average Benefit	Actuarial Value of Benefits
General Members	196	\$ 3,926,025	\$ 20,031	\$ 36,327,901
Utilities Authority Members	214	5,609,763	26,214	54,714,426
Police Members	79	2,756,987	34,899	27,413,714
<b>Totals</b>	<b>489</b>	<b>\$12,292,775</b>	<b>\$25,139</b>	<b>\$118,456,041</b>

Divisions	All Retirement's Averages			New Age and Service Retired Members Added During Year Ended 9-30-2014		
			Current	Averages		
	Attained Retirement Age	Retirement Age	Annual Benefits	No.	Age	Annual Benefits
General Members	69.8	60.0	\$20,031	11	60.2	\$21,981
Utilities Authority Members	67.4	57.8	26,214	18	59.1	26,918
Police Members	64.9	54.0	34,899	5	55.4	34,483

## RETIRED MEMBER AND BENEFICIARY DATA HISTORICAL COMPARISON

Period	Added		Removed		Net Increase		End of Period		Expected Removals	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Benefits
9/30/80	14	\$ 68,014	6	\$ 13,899	8	\$ 54,115	125	\$ 468,927	N/A	N/A
9/30/81	8	51,167	4	9,914	4	41,253	129	510,180	N/A	N/A
9/30/82	15	102,964	3	10,568	12	92,396	141	602,576	3.6	\$ 10,800
9/30/83	15	94,040	9	17,784	6	76,256	147	678,832	4.2	12,930
9/30/84	16	74,505	6	14,486	10	60,019	157	738,851	4.3	15,103
9/30/85	11	87,916	6	16,055	5	71,861	162	810,712	4.8	17,129
9/30/86	21	237,533	8	34,936	13	202,597	175	1,013,309	5.3	20,394
9/30/87	17	182,208	7	18,904	10	163,304	185	1,176,613	5.7	25,092
9/30/88	16	176,569	6	18,144	10	158,425	195	1,335,038	6.0	29,181
9/30/89	18	210,866	7	29,378	11	181,488	206	1,516,526	6.6	34,395
9/30/90	19	284,294	8	50,713	11	233,581	217	1,750,107	7.2	40,904
9/30/91	12	166,933	12	40,397	-	126,536	217	1,876,643	7.8	48,142
9/30/92	19	279,791	6	12,185	13	267,606	230	2,144,249	7.4	46,602
9/30/93	26	505,107	8	102,192	18	402,915	248	2,547,164	8.1	53,142
9/30/94	20	319,610	8	59,627	12	259,983	260	2,807,147	8.7	58,237
9/30/95	22	481,651	9	41,888	13	439,763	273	3,246,910	9.2	64,542
9/30/96	12	177,476	9	54,301	3	123,175	276	3,370,085	8.4	61,052
9/30/97	20	311,526	11	62,949	9	248,577	285	3,618,662	8.9	66,449
9/30/98	35	833,113	9	47,534	27	785,579	311	4,404,241	9.1	72,632
9/30/99	25	507,447	15	126,797	10	380,650	321	4,784,891	9.7	82,380
9/30/00	27	646,116	14	129,198	13	516,918	334	5,301,809	9.9	90,589
9/30/01	23	628,192	15	97,296	8	530,896	342	5,832,705	9.9	97,991
9/30/02	23	526,601	3	33,319	20	493,282	362	6,325,987	9.7	109,931
9/30/03	17	313,250	5	42,129	12	271,121	374	6,597,108	10.6	121,871
9/30/04	25	705,692	3	44,505	22	661,187	396	7,258,295	11.2	132,981
9/30/05	11	354,475	22	266,853	(11)	87,622	385	7,345,917	12.4	149,279
9/30/06 *	37	1,017,845	99	2,907,201	(62)	(1,889,356)	323	5,456,561	10.0	109,462
9/30/07	32	820,021	18	202,924	14	617,097	337	6,073,658	11.0	126,496
9/30/08	23	635,039	12	184,195	11	450,844	348	6,524,502	11.2	138,459
9/30/09	55	1,551,148	16	182,856	39	1,368,292	387	7,892,794	11.7	149,577
9/30/10	56	2,229,035	14	177,196	42	2,051,839	429	9,944,633	12.3	170,609
9/30/11	26	672,328	16	239,318	10	433,010	439	10,377,643	12.9	197,045
9/30/12	27	746,421	14	251,747	13	494,674	452	10,872,317	13.5	196,990
9/30/13	32	927,561	15	134,978	17	792,583	469	11,664,900	14.2	214,174
<b>9/30/14</b>	<b>40</b>	<b>890,500</b>	<b>20</b>	<b>262,625</b>	<b>20</b>	<b>627,875</b>	<b>489</b>	<b>12,292,775</b>	<b>14.2</b>	<b>232,649</b>

\*Removed 90 Fire retirees and beneficiaries and \$2,811,761 annual benefits in the 9/30/2006 valuation.

**RETIRED MEMBERS AND BENEFICIARIES  
HISTORICAL COMPARISON**

Valuation Date	% Increase in Annual Benefits	No. of Active Per Retired	Annual Benefits as % of Active Payroll	Average Benefits
9/30/80	13.0 %	5.0	5.6 %	\$ 3,751
9/30/81	5.4	5.1	5.4	3,955
9/30/82	8.1	5.0	5.3	4,274
9/30/83	8.0	4.9	5.5	4,618
9/30/84	8.8	4.7	5.5	4,706
9/30/85	9.7	4.7	5.4	5,004
9/30/86	25.0	4.4	6.1	5,790
9/30/87	16.1	4.2	6.6	6,360
9/30/88	13.5	4.2	6.8	6,846
9/30/89	13.6	4.0	7.5	7,362
9/30/90	15.4	3.9	7.8	8,065
9/30/91	7.2	3.9	7.9	8,648
9/30/92	14.3	3.6	8.6	9,323
9/30/93	18.8	3.1	10.8	10,271
9/30/94	10.2	3.0	11.6	10,797
9/30/95	15.7	3.0	12.4	11,893
9/30/96	3.8	3.0	12.2	12,210
9/30/97	7.4	3.2	12.1	12,697
9/30/98	21.7	2.8	14.5	14,162
9/30/99	8.6	2.7	15.1	14,906
9/30/00	10.8	2.7	15.9	15,874
9/30/01	10.0	2.7	16.4	17,055
9/30/02	8.5	2.5	17.1	17,475
9/30/03	4.3	2.5	16.4	17,639
9/30/04	10.0	2.4	16.7	18,329
9/30/05	1.2	2.6	15.0	19,080
9/30/06 *	20.3	2.0	17.9	16,893
9/30/07	11.3	2.0	19.6	18,023
9/30/08	7.4	2.0	19.8	18,749
9/30/09	21.0	1.7	25.4	20,395
9/30/10	26.0	1.3	37.1	23,181
9/30/11	4.4	1.3	40.3	23,639
9/30/12	4.8	1.2	42.1	24,054
9/30/13	7.3	1.1	46.3	24,872
<b>9/30/14</b>	<b>5.4</b>	<b>1.1</b>	<b>48.9</b>	<b>25,139</b>

\* Removed 90 Fire retirees and beneficiaries, and \$2,811,761 annual benefits in the 9/30/2006 valuation.

**RETIRED MEMBER AND BENEFICIARY DATA AS OF SEPTEMBER 30, 2014**  
**BY TYPE OF BENEFIT BEING PAID**

<u>Type of Benefit Being Paid</u>	<u>No.</u>	<u>Annual Benefits</u>	<u>Average Benefits</u>
Age and Service Benefits			
Straight Life - benefit terminating at death of retirant	159	\$ 4,130,704	\$25,979
Option A - 100% joint and survivor benefit	103	2,999,938	29,126
Option B/D/E - 50%/75%/67% joint and survivor benefit	92	2,945,423	32,015
Option C - 10-year certain and life	29	577,651	19,919
Surviving beneficiaries	69	821,133	11,900
Other Age and Service Benefits	<u>1</u>	<u>13,155</u>	<u>13,155</u>
Total Age and Service Benefits	453	11,488,004	25,360
Casualty Benefits			
Duty disability	12	356,559	29,713
Non-duty disability	8	123,251	15,406
Duty death	2	47,846	23,923
Non-duty death	10	222,335	22,234
Surviving beneficiaries	<u>4</u>	<u>54,780</u>	<u>13,695</u>
Total Casualty Benefits	36	804,771	22,355
<b>Total Benefits Being Paid</b>	<b>489</b>	<b>\$12,292,775</b>	<b>\$25,139</b>

**RETIRED MEMBERS AND BENEFICIARIES AS OF SEPTEMBER 30, 2014**  
**BY ATTAINED AGE**

Age Last Birthday	Age and Service		Casualty		Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 45	6	\$ 116,309	1	\$ 33,018	7	\$ 149,327
45-49	7	278,477	7	202,775	14	481,252
50-54	23	914,380	3	53,581	26	967,961
55-59	52	2,146,077	7	140,065	59	2,286,142
60-64	90	2,443,867	7	181,207	97	2,625,074
65-69	91	2,500,316	5	94,950	96	2,595,266
70-74	70	1,666,651	2	37,218	72	1,703,869
75-79	41	567,499	3	29,942	44	597,441
80-84	35	511,420	0	-	35	511,420
85-89	25	279,826	1	32,015	26	311,841
90 & Over	13	63,182	0	-	13	63,182
<b>Totals</b>	<b>453</b>	<b>\$ 11,488,004</b>	<b>36</b>	<b>\$ 804,771</b>	<b>489</b>	<b>\$ 12,292,775</b>

**INACTIVE VESTED MEMBERS AS OF SEPTEMBER 30, 2014  
BY ATTAINED AGE**

<b>Attained Age</b>	<b>General Members</b>		<b>Utilities Authority*</b>		<b>Police Members</b>		<b>TOTAL</b>	
	<b>No.</b>	<b>Estimated Annual Benefits</b>	<b>No.</b>	<b>Estimated Annual Benefits</b>	<b>No.</b>	<b>Estimated Annual Benefits</b>	<b>No.</b>	<b>Estimated Annual Benefits</b>
30-34	1	\$ 10,456					1	\$ 10,456
40-44			3	\$ 39,022	1	\$ 19,764	4	58,786
45-49	5	123,385	2	43,737			7	167,122
50-54	3	25,239	3	36,698			6	61,937
55-59	5	50,410	7	76,651	1	19,754	13	146,815
<b>TOTALS</b>	<b>14</b>	<b>\$209,490</b>	<b>15</b>	<b>\$196,108</b>	<b>2</b>	<b>\$39,518</b>	<b>31</b>	<b>\$445,116</b>

\* Deferred annuities were estimated for 6 members who terminated during the 2013-2014 plan year.

**ACTIVE MEMBERS INCLUDED IN VALUATION  
GENERAL MEMBERS**

Valuation September 30	Active Members	Vested		Valuation Payroll	Average		
		Term. Members			Age	Service	Pay
1995	221	5		\$ 5,476,618	44.9 yrs.	9.0 yrs.	\$ 24,781
1996	242	4		6,231,691	44.3	8.7	25,751
1997	254	4		6,751,233	44.3	8.3	26,580
1998	249	3		6,868,334	44.6	8.5	27,584
1999	242	2		6,892,761	45.3	8.6	28,482
2000	260	2		7,717,224	45.8	8.5	29,682
2001	268	3		8,308,758	45.1	8.3	31,003
2002	275	7		8,901,179	45.5	8.1	32,368
2003	302	5		9,994,351	46.5	7.7	33,094
2004	294	7		10,546,747	46.1	8.1	35,873
2005	297	7		11,854,374	46.4	8.6	39,914
2006	287	6		11,206,771	46.5	8.0	39,048
2007	289	6		11,131,329	47.3	8.3	38,517
2008	281	6		11,949,389	47.9	9.0	42,525
2009	265	8		11,108,762	47.5	8.6	41,920
2010	226	13		8,874,396	46.8	8.0	39,267
2011	219	16		8,488,894	47.1	8.2	38,762
2012	216	16		8,625,945	47.8	8.9	39,935
2013	198	17		7,765,325	48.2	9.4	39,219
<b>2014</b>	<b>198</b>	<b>14</b>		<b>7,912,918</b>	<b>48.3</b>	<b>9.3</b>	<b>39,964</b>

**NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP  
GENERAL MEMBERS**

Year Ended September 30	Number Added During Year		Normal Retirement		Disability Retirement		Died In Service		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Withdrawal			Totals	
									A	A	A		
2005	43	40	3	9.9	0	0.4	0	0.5	33	4	37	21.8	297
2006	62	72	7	12.3	0	0.4	1	0.5	61	3	64	16.0	287
2007	40	38	5	16.1	0	0.4	2	0.5	31*	0	31	21.3	289
2008	19	27	7	14.8	0	0.4	0	0.5	19	1	20	19.7	281
2009	20	36	23	18.2	0	0.4	1	0.5	10	2	12	17.0	265
2010	10	49	23	12.9	0	0.4	0	0.5	21	5	26	16.1	226
2011	17	24	11	7.5	1	0.4	1	0.5	8	3	11	12.3	219
2012	10	13	4	7.0	0	0.5	3	0.3	5	1	6	12.3	216
2013	9	27	10	9.8	0	0.5	1	0.4	13	3	16	11.0	198
<b>2014</b>	<b>23</b>	<b>23</b>	<b>10</b>	<b>8.4</b>	<b>0</b>	<b>0.5</b>	<b>0</b>	<b>0.4</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>9.5</b>	<b>198</b>
<b>10 Year Totals</b>	<b>253</b>	<b>349</b>	<b>103</b>	<b>116.9</b>	<b>1</b>	<b>4.3</b>	<b>9</b>	<b>4.6</b>	<b>214</b>	<b>22</b>	<b>236</b>	<b>157.0</b>	

A represents actual number; E represents expected number.  
\* Includes 47 General Fire members.



**ACTIVE MEMBERS INCLUDED IN VALUATION  
UTILITIES AUTHORITY MEMBERS**

Valuation September 30	Active Members	Vested		Valuation Payroll	Average		
		Term. Members			Age	Service	Pay
1995	252	3		\$ 8,491,889	42.5 yrs.	9.6 yrs.	\$ 33,698
1996	250	2		8,697,097	43.0	10.0	34,788
1997	260	2		9,272,216	43.3	9.8	35,662
1998	230	12		8,481,126	43.7	10.0	36,874
1999	247	10		9,431,774	44.0	9.3	38,185
2000	244	12		9,750,426	44.1	9.5	39,961
2001	257	13		10,236,646	44.1	9.0	39,831
2002	253	9		10,675,070	44.9	9.7	42,194
2003	248	10		10,744,695	45.3	10.0	43,325
2004	245	11		11,193,220	45.8	10.1	45,687
2005	256	12		12,754,845	46.5	10.1	49,824
2006	263	11		12,551,346	46.6	9.6	47,724
2007	278	10		13,494,349	46.5	9.3	48,541
2008	282	12		13,970,069	46.5	9.1	49,539
2009	266	7		13,244,000	46.0	9.3	49,789
2010	248	8		12,119,371	46.2	9.3	48,868
2011	237	10		11,893,916	47.0	9.9	50,185
2012	237	10		11,801,344	47.2	9.9	49,795
2013	232	9		11,534,243	46.7	9.6	49,717
<b>2014</b>	<b>219</b>	<b>15</b>		<b>11,071,951</b>	<b>46.4</b>	<b>9.3</b>	<b>50,557</b>

**NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP  
UTILITIES AUTHORITY MEMBERS**

Year Ended September 30	Number Added		Normal		Disability		Died In		Terminations				Active Members End of Year
	During Year		Retirement		Retirement		Service		Withdrawal		Totals		
	A	E	A	E	A	E	A	E	A	A	A	E	
2005	30	19	5	6.2	0	0.4	0	0.5	8	6	14	14.3	256
2006	36	29	12	7.6	0	0.5	0	0.6	17	0	17	15.2	263
2007	40	25	6	6.7	1	0.5	0	0.6	18	0	18	17.0	278
2008	27	23	11	9.2	0	0.5	0	0.6	9	3	12	18.7	282
2009	11	27	13	8.2	2	0.5	1	0.5	10	1	11	18.3	266
2010	11	29	19	9.7	0	0.5	0	0.5	9	1	10	15.3	248
2011	5	16	7	5.8	0	0.5	0	0.5	7	2	9	13.4	237
2012	20	20	8	8.6	0	0.6	0	0.4	11	1	12	11.0	237
2013	25	30	14	9.0	0	0.6	1	0.5	15	0	15	12.0	232
<b>2014</b>	<b>23</b>	<b>36</b>	<b>18</b>	<b>8.8</b>	<b>0</b>	<b>0.6</b>	<b>0</b>	<b>0.4</b>	<b>12</b>	<b>6</b>	<b>18</b>	<b>13.3</b>	<b>219</b>
<b>10 Year Totals</b>	<b>228</b>	<b>254</b>	<b>113</b>	<b>79.8</b>	<b>3</b>	<b>5.2</b>	<b>2</b>	<b>5.1</b>	<b>116</b>	<b>20</b>	<b>136</b>	<b>148.5</b>	

*A represents actual number; E represents expected number.*

**ACTIVE MEMBERS INCLUDED IN VALUATION  
POLICE MEMBERS**

Valuation September 30	Active Members	Vested Term. Members	Payroll	Average		
				Age	Service	Pay
1995	103	0	\$ 3,626,231	39.2 yrs.	9.6 yrs.	\$ 35,206
1996	103	2	3,663,859	38.8	9.3	35,571
1997	105	2	3,717,397	39.0	9.2	35,404
1998	111	3	4,234,703	37.7	7.9	38,150
1999	106	2	4,224,186	38.1	8.4	39,851
2000	112	2	4,503,739	38.6	7.9	40,212
2001	107	1	4,418,980	38.5	8.1	41,299
2002	102	2	4,567,931	39.7	9.0	44,784
2003	103	3	4,921,744	39.9	9.1	47,784
2004	103	3	5,496,631	40.3	9.9	53,365
2005	105	3	5,943,309	40.9	10.6	56,603
2006	111	2	6,773,879	39.3	9.4	61,026
2007	106	2	6,358,225	38.9	9.4	59,983
2008	117	2	7,032,172	39.2	9.4	60,104
2009	111	3	6,663,530	38.6	9.2	60,032
2010	102	3	5,785,106	38.4	9.0	56,717
2011	101	4	5,361,391	38.9	9.7	53,083
2012	99	3	5,415,125	39.0	9.8	54,698
2013	106	3	5,899,165	39.2	9.2	55,653
<b>2014</b>	<b>109</b>	<b>2</b>	<b>6,165,492</b>	<b>38.4</b>	<b>8.9</b>	<b>56,564</b>

**NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP  
POLICE MEMBERS**

Year Ended September 30	Number Added During Year		Normal Retirement		Disability Retirement		Died In Service		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Withdrawal		Totals		
									A	A	A	E	
2005	4	2	0	4.5	0	0.2	0	0.1	2	0	2	3.8	105
2006	16	10	6	5.9	0	0.2	1	0.1	3	0	3	3.5	111
2007	5	10	6	5.3	0	0.2	1	0.1	3	0	3	4.9	106
2008	13	2	0	4.7	0	0.2	0	0.1	2	0	2	4.2	117
2009	12	18	5	5.1	0	0.2	0	0.1	12	1	13	5.1	111
2010	4	13	9	4.4	0	0.2	0	0.1	4	0	4	5.3	102
2011	5	6	1	1.7	0	0.2	0	0.1	4	1	5	5.3	101
2012	14	16	1	0.9	3	0.3	0	0.1	12	0	12	3.7	99
2013	17	10	2	1.4	0	0.2	0	0.1	8	0	8	4.4	106
<b>2014</b>	<b>19</b>	<b>16</b>	<b>4</b>	<b>2.0</b>	<b>0</b>	<b>0.2</b>	<b>0</b>	<b>0.1</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>5.3</b>	<b>109</b>
<b>10 Year Totals</b>	<b>109</b>	<b>103</b>	<b>34</b>	<b>35.9</b>	<b>3</b>	<b>2.1</b>	<b>2</b>	<b>1.0</b>	<b>62</b>	<b>2</b>	<b>64</b>	<b>45.5</b>	

*A represents actual number; E represents expected number*

**GENERAL MEMBERS  
AS OF SEPTEMBER 30, 2014  
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	1							1	\$ 20,800
25-29	8	4						12	391,239
30-34	4	6	4					14	499,358
35-39	5	4	6	1				16	626,123
40-44	7	7	5	10				29	1,271,159
45-49	6	9	7	3	2			27	1,112,455
50-54	7	11	12	2	3			35	1,433,938
55-59	7	8	11	9	2			37	1,586,276
60	1	2			1			4	172,286
61	3	1	1					5	128,395
62		2						2	159,863
63		1	1					2	65,465
64	1	2						3	135,292
65		2						2	113,305
67		1	1					2	77,205
69	1							1	7,516
70			1					1	8,708
71		1						1	68,266
73		1						1	8,307
77				1				1	8,926
78				1				1	8,957
79				1				1	9,079
<b>Totals</b>	<b>51</b>	<b>62</b>	<b>49</b>	<b>28</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>198</b>	<b>\$7,912,918</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 48.3 years  
Service: 9.3 years  
Annual Pay: \$39,964

**UTILITIES AUTHORITY MEMBERS  
AS OF SEPTEMBER 30, 2014  
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	2							2	\$ 52,494
25-29	11	3						14	515,482
30-34	11	9	5					25	1,258,050
35-39	8	7	4	2				21	952,870
40-44	5	9	3	2	3			22	1,260,148
45-49	12	8	7	6	3	1		37	1,816,262
50-54	8	14	3	10	4	1		40	2,044,930
55-59	9	15	8	7	2	1	1	43	2,315,615
60	2	1		4				7	389,606
62	1							1	47,542
63			1					1	97,918
64			2					2	81,391
65		1						1	16,393
66		1		1				2	182,969
70		1						1	40,281
<b>Totals</b>	<b>69</b>	<b>69</b>	<b>33</b>	<b>32</b>	<b>12</b>	<b>3</b>	<b>1</b>	<b>219</b>	<b>\$11,071,951</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 46.4 years  
Service: 9.3 years  
Annual Pay: \$50,557

**POLICE MEMBERS  
AS OF SEPTEMBER 30, 2014  
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	8							8	\$ 307,361
25-29	15							15	590,020
30-34	9	7						16	768,448
35-39	5	7	5	1				18	1,011,213
40-44	4	4	4	6	2			20	1,244,000
45-49	3	2	3	8	7			23	1,614,999
50-54			1	2	2			5	350,845
55-59		1	1	1	1			4	278,606
<b>Totals</b>	<b>44</b>	<b>21</b>	<b>14</b>	<b>18</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>109</b>	<b>\$6,165,492</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 38.4 years  
Service: 8.9 years  
Annual Pay: \$56,564

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## **SECTION D**

ACTUARIAL COST METHOD, ACTUARIAL  
ESTIMATES AND DEFINITIONS OF TECHNICAL  
TERMS

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## ACTUARIAL COST METHOD USED FOR THE VALUATION

The actuarial cost method is a procedure for allocating the actuarial present value of future benefits and expenses to time periods. The method used for this valuation is the individual entry-age actuarial cost method, and has the following characteristics:

**Actuarial Present Value of Future Benefits.** Actuarial present values are calculated using the benefit provisions applicable to active members, vested terminated members, and retirees and beneficiaries as of the valuation date using the assumptions summarized elsewhere in this report.

**Normal Costs.** The actuarial present values for each year of service rendered before and after the valuation date are determined so that:

- (i) the annual normal costs for each individual active member, payable from the member's effective date of employment (or entry age) to projected date of retirement, are 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 active member's year-by-year projected pensionable pay.

**Actuarial Accrued Liabilities.** The actuarial present value of future benefits minus the actuarial present value of normal costs rendered after the valuation date are the Actuarial Accrued Liabilities.

**Funding Value of Assets.** The accrued assets recognized as of the valuation date for the purpose of determining contribution requirements.

**Unfunded Actuarial Accrued Liabilities.** The Actuarial Accrued Liabilities minus the funding value of assets are the Unfunded Actuarial Accrued Liabilities.

**Amortization of Unfunded Actuarial Accrued Liabilities.** Unfunded Actuarial Accrued Liabilities were amortized by level (principal & interest combined) percent-of-payroll contributions over periods shown elsewhere in this report. Active member payroll was assumed to increase 4.5% a year for the purpose of determining the level percent contributions.

**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL  
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY\*  
(\$ AMOUNTS IN THOUSANDS)  
GENERAL MEMBERS**

Year	Pay		Unfunded		Contribution	
	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars
2014	\$ 7,913	\$7,913	\$ 4,845	\$4,845	\$ 226	\$ 226
2015	8,269	7,913	4,993	4,778	236	226
2016	8,641	7,913	5,141	4,708	246	226
2017	9,030	7,913	5,291	4,636	258	226
2018	9,436	7,913	5,440	4,562	269	226
2023	11,759	7,913	6,703	4,511	400	269
2028	14,654	7,913	6,507	3,514	1,133	612
2033	18,262	7,913	1,047	453	906	393
2043	28,360	7,913	(274)	(77)	(279)	(78)
2044	29,636	7,913	0	0	0	0

\$ (1,482,476)	over 30 years	\$ (1,005,870)	over 15 years
(1,364,888)	over 29 years	(1,232,296)	over 14 years
(696,644)	over 28 years	(1,872,099)	over 13 years
2,765,718	over 27 years	(490,195)	over 12 years
757,232	over 26 years	262,715	over 11 years
1,393,395	over 25 years	(299,988)	over 10 years
1,664,588	over 24 years	(1,149,551)	over 9 years
(3,469,535)	over 23 years	(234,035)	over 8 years
288,095	over 22 years	(6,881)	over 7 years
2,961,546	over 21 years	964,076	over 6 years
2,970,034	over 20 years	(176,657)	over 5 years
2,393,693	over 19 years	0	over 4 years
2,373,517	over 18 years	0	over 3 years
613,870	over 17 years	0	over 2 years
(1,082,550)	over 16 years	0	over 1 year
		<b>\$ 4,844,814</b>	<b>TOTAL</b>

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.



**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL  
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY\*  
(\$ AMOUNTS IN THOUSANDS)  
UTILITY AUTHORITY MEMBERS**

Year	Pay		Unfunded		Contribution	
	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars
2014	\$11,072	\$11,072	\$8,272	\$8,272	\$ 632	\$ 632
2015	11,570	11,072	8,262	7,906	661	632
2016	12,091	11,072	8,220	7,528	691	632
2017	12,635	11,072	8,144	7,137	284	249
2018	13,204	11,072	8,494	7,123	255	214
2023	16,454	11,072	10,684	7,190	636	428
2028	20,505	11,072	10,634	5,742	1,633	882
2033	25,553	11,072	3,565	1,545	1,378	597
2043	39,682	11,072	(377)	(105)	(384)	(107)
2044	41,468	11,072	0	0	0	0

* \$ (2,039,760)	over 30 years	\$ (1,249,116)	over 15 years
(1,284,118)	over 29 years	(2,745,659)	over 14 years
(1,811,491)	over 28 years	(2,325,506)	over 13 years
4,550,559	over 27 years	886,044	over 12 years
2,732,881	over 26 years	288,466	over 11 years
2,367,428	over 25 years	(936,355)	over 10 years
1,887,245	over 24 years	(1,272,213)	over 9 years
(2,466,799)	over 23 years	(328,716)	over 8 years
(2,926,354)	over 22 years	(183,902)	over 7 years
6,511,431	over 21 years	229,888	over 6 years
1,738,490	over 20 years	(76,063)	over 5 years
2,985,981	over 19 years	130,378	over 4 years
3,175,913	over 18 years	1,096,048	over 3 years
539,725	over 17 years	0	over 2 years
(1,202,602)	over 16 years	0	over 1 year
		<b>\$ 8,271,823</b>	<b>TOTAL</b>

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.

**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL  
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY\*  
(\$ AMOUNTS IN THOUSANDS)  
POLICE MEMBERS**

Year	Pay		Unfunded		Contribution	
	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars
2014	\$ 6,165	\$6,165	\$2,175	\$2,175	\$ (69)	\$ (69)
2015	6,443	6,165	2,422	2,318	(72)	(69)
2016	6,733	6,165	2,692	2,465	(75)	(69)
2017	7,036	6,165	2,987	2,617	(78)	(69)
2018	7,352	6,165	3,309	2,775	(82)	(69)
2023	9,163	6,165	4,772	3,211	276	186
2028	11,418	6,165	3,730	2,014	806	435
2033	14,229	6,165	(719)	(312)	638	276
2043	22,097	6,165	(266)	(74)	(270)	(75)
2044	23,092	6,165	0	0	0	0

* \$ (1,437,583)	over 30 years	\$ (1,431,954)	over 15 years
(1,386,175)	over 29 years	1,938,260	over 14 years
112,332	over 28 years	(2,495,862)	over 13 years
909,039	over 27 years	(1,194,727)	over 12 years
652,115	over 26 years	(61,371)	over 11 years
530,677	over 25 years	(500,861)	over 10 years
638,972	over 24 years	(995,595)	over 9 years
(3,138,952)	over 23 years	(210,961)	over 8 years
551,907	over 22 years	(188,569)	over 7 years
3,901,657	over 21 years	270,576	over 6 years
2,402,299	over 20 years	(535,521)	over 5 years
1,567,994	over 19 years	0	over 4 years
1,501,067	over 18 years	0	over 3 years
1,194,125	over 17 years	0	over 2 years
(417,577)	over 16 years	0	over 1 year
		<b>\$ 2,175,312</b>	<b>TOTAL</b>

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.

## ACTUARIAL ESTIMATES USED FOR THE VALUATION

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future activities (actuarial estimates) to the benefit provisions and people information of the System.

The principal areas of risk which require estimates of future activities are:

- (i) long-term rates of investment return to be generated by the assets of the System
- (ii) patterns of pay increases to members
- (iii) rates of mortality among members, retirants, and beneficiaries
- (iv) rates of withdrawal of active members
- (v) rates of disability among active members
- (vi) the age patterns of actual retirements

In a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives - - - a period of time which can be as long as a century.

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Actual activities of the System will not coincide exactly with estimated activities, due to the nature of the activities. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activities to date. The result is a continual series of adjustments (usually small) to the computed contribution rate.

From time to time one or more of the estimates are modified to reflect experience trends (but not random or temporary year to year fluctuations).

In accordance with Chapter 112, Florida Statutes, 112.661(9), the Board of Trustees adopts the assumed rate of return assumption used for actuarial valuation purposes. The actuarial assumptions are set by the Board. The rationale for the actuarial assumptions is described in the October 1, 1995 through September 30, 2000 experience study report. All actuarial assumptions are estimates of future experience.

Actuarial estimates regarding the net investment return, inflation, real investment return, and salary increase rates are used, in combination with the other assumptions, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of total valuation payroll.

**Net Rate of Investment Return.** 8% per annum, compounded annually, net of investment expenses.

**Inflation.** 4.5% per annum, (5.0% prior to 10-1-95), compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate, as measured by the Consumer Price Index, has been:

	<b>Year Ended September 30</b>					<b>Average for Period</b>
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
Actual	1.7%	1.2%	2.0%	3.9%	1.1%	2.0%
Assumed	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

**Real Investment Return.** 3.5% per annum, compounded annually. This is the rate of return assumed to be produced by investing a pool of assets in an inflation-free environment. Recent real investment return for the Retirement System has been:

	<b>Year Ended September 30</b>					<b>Average for Period</b>
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
Total Rate of Return	11.0%	10.8%	8.0%	(0.2%)	4.2%	6.8%
Less Inflation Rate	1.7%	1.2%	2.0%	3.9%	1.1%	2.0%
Actual Real Rate of Return	9.3%	9.6%	6.0%	(4.1%)	3.1%	4.8%
Assumed Real Rate of Return	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Assumed Net Rate of Return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

The total investment return rate was computed using the approximate formula  $i = I$  divided by  $1/2 (A + B - I)$ , where  $I$  is actual realized investment income plus market value adjustments,  $A$  is the beginning of year asset value, and  $B$  is the end of year asset value.

The preceding investment return rates reflect the particular characteristics of this Retirement System and should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

**Salary Increases.** Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel.

A schedule of estimated rates of increases in individual salaries for sample ages follows:

<b>Annual Rates of Salary Increases For Sample Ages</b>						
<b>Age</b>	<b>General &amp; Utilities Authority</b>			<b>Police Officers</b>		
	<b>Merit &amp; Seniority</b>	<b>Inflation</b>	<b>Total</b>	<b>Merit &amp; Seniority</b>	<b>Inflation</b>	<b>Total</b>
20	4.2 %	4.5 %	8.7 %	4.0 %	4.5 %	8.5 %
30	2.5 %	4.5 %	7.0 %	2.8 %	4.5 %	7.3 %
40	1.8 %	4.5 %	6.3 %	2.2 %	4.5 %	6.7 %
50	0.9 %	4.5 %	5.4 %	1.2 %	4.5 %	5.7 %
55	0.5 %	4.5 %	5.0 %	0.7 %	4.5 %	5.2 %
60	0.1 %	4.5 %	4.6 %	0.2 %	4.5 %	4.7 %

These rates were first used in the September 30, 2001 valuation.

It is estimated that the group size will remain constant and that total payroll for the group will increase at the rate of the general increase in wage levels due to inflation, which in this case is 4.5%.

A schedule of recent salary change experience follows:

	<b>% Change in Salaries</b>					
	<b>Year Ended September 30</b>					<b>Average</b>
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>5-Year</b>
<b>Rate of Change in Salaries</b>						
- Total	<b>4.5</b> %	4.2 %	3.2 %	0.1 %	1.0 %	2.6 %
- General	<b>3.5</b>	3.7	3.9	(0.6)	0.8	2.2
- U.A.	<b>4.0</b>	2.8	1.6	2.8	1.9	2.6
- Police	<b>6.9</b>	7.9	5.4	(4.7)	(0.7)	2.8
<b>Expected</b>						
- Total	<b>5.9</b>	5.8	5.8	5.9	5.9	5.9 %
- General	<b>5.6</b>	5.6	5.6	5.7	5.7	5.6
- U.A.	<b>5.7</b>	5.7	5.7	5.7	5.7	5.7
- Police	<b>6.8</b>	6.7	6.8	6.8	6.8	6.8

	<b>% Change in Total Payroll</b>						
	<b>Year Ended September 30</b>					<b>Average</b>	
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>5-Year</b>	<b>10-Year</b>
- Total	<b>(0.2)</b> %	(2.5) %	0.4 %	(3.9) %	(13.7) %	(4.1) %	(0.8) %
- General	<b>1.9</b>	(10.0)	1.6	(4.3)	(20.1)	(6.6)	(2.8)
- U.A.	<b>(4.0)</b>	(2.3)	(0.8)	(1.9)	(8.5)	(3.5)	(0.1)
- Police	<b>4.5</b>	8.9	1.0	(7.3)	(13.2)	(1.6)	1.2

*Does not include DROP payroll.*

In order to achieve the funding objective of a contribution rate which remains level as a percent-of-payroll, the total rate of investment return must exceed the rate of average increase in salaries by an amount equal to the estimated real investment return rate.

**Mortality Table.** The mortality tables used to measure retired life mortality were the RP-2000 Combined healthy mortality table for males and the RP-2000 Combined healthy mortality table for females. The mortality rates used in evaluating disability allowances were the RP-2000 Combined mortality tables, set forward 10 years for males and females. No margin for future mortality improvements are included in these tables.

Sample Ages	RP-2000 Combined Healthy Table			
	Value of		Future	
	\$1 Monthly for Life		Expectancy (Years)	
	Men	Women	Men	Women
50	\$135.60	\$138.81	30.80	33.59
55	128.15	132.41	26.18	28.91
60	118.59	124.05	21.74	24.38
65	107.04	113.86	17.61	20.12
70	93.87	102.05	13.88	16.23
75	79.25	88.78	10.57	12.74
80	63.99	74.38	7.75	9.68

This estimate is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. 100% of the death-in-service retirements were assumed to be non-duty.

**Rates of separation from active membership.** The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This estimate measures the probabilities of members remaining in employment.

Samples Ages	Years of Service	<u>Percent Separating Within Next Year</u>	
		General and Utilities Authority	Police
ALL	0	20.00 %	15.00 %
	1	15.00	12.00
	2	10.00	10.00
	3	8.00	8.00
	4	7.00	6.00
20	5 & Over	7.00	5.80
25		7.00	5.80
30		7.00	4.20
35		7.00	2.10
40		7.00	1.40
45		4.50	1.00
50		2.00	1.00
55		2.00	1.00
60		2.00	1.00
65		2.00	1.00

The rates for all divisions were first used in the September 30, 2001 valuation.

**Rates of Disability.** These estimates represent the probabilities of active members becoming disabled.

Sample Ages	<u>Percent Becoming Disabled Within Next Year</u>	
	General and Utilities Authority	Police
20	0.04 %	0.07 %
25	0.04	0.09
30	0.04	0.10
35	0.05	0.14
40	0.10	0.21
45	0.17	0.32
50	0.36	0.52
55	0.59	0.92
60	0.90	1.53
65	1.00	1.65

The mortality table was set forward ten years for projecting disability costs. 100% of the disability retirements were assumed to be non-duty related for General and Utilities Authority members. 75% of the disability retirements were assumed to be non-duty for Police members.



**Rates of Retirement.** These rates are used to measure the probabilities of an eligible member retiring during the next year.

Service Years	Service Based		Age Based		
	General and Utilities Authority	Police	Retirement Ages	General and Utilities Authority	Police
25	40 %	75 %	55		35 %
26	40	75	56		30
27	40	75	57		30
28	40	75	58		30
29	40	75	59		30
30	40	100	60	10 %	30
31	40	100	61	5	30
32	40	100	62	12	30
33	40	100	63	6	30
34	40	100	64	14	40
35	100	100	65	65	100
			66	25	
			67	30	
			68	40	
			69	50	
			70	100	

These rates were first used for the September 30, 1995 valuation with the exception of the Police service based rates, which were first used for the September 30, 2000 valuation, Police age based rates which were first used for the September 30, 2001 valuation, and Utilities Authority service based rates which were first used for the September 30, 2007 valuation.

**Marital Status.** It is estimated that 80% of active members who meet the age and service requirements for pre-retirement survivor benefits are married. Female spouses are estimated to be 3 years younger than the male participant. Male spouses are estimated to be 3 years older than the female participant.

*Vested members* who terminate with a benefit worth less than 100% of their own accumulated contributions were presumed to elect a refund of accumulated contributions and forfeit the vested benefit.

*Lump sum payments* included in the calculation of the average pay upon which benefits are computed were estimated to increase benefits by the following percents.

General and Police members	4.0 %
Utilities Authority members	3.5

*Administrative Expenses.* Administrative expenses for the next year are assumed to be equal to the previous year's amount.

*Investment Expenses.* Investment expenses are paid out of investment income.

*Active Member Group Size.* The valuation was based on a constant active member group size.

## DEFINITIONS OF TECHNICAL TERMS

**Accrued Service.** Service credited under the system which was rendered before the date of the actuarial valuation.

**Actuarial Accrued Liability.** The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as "accrued liability" or "past service liability."

**Actuarial Cost Method.** A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal costs and actuarial accrued liability. Sometimes referred to as the "actuarial valuation cost method."

**Actuarial Equivalent.** A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial activities.

**Actuarial Present Value.** The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as "present value."

**Amortization.** Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with lump sum payment.

**Experience Estimates (Assumptions).** Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

**Experience Gain (Loss).** The difference between actual actuarial costs and estimated actuarial costs -- during the period between two valuation dates.

**Funding Value of Assets.** The actuarial value of assets used to determine contribution amounts.

**Normal Cost.** The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as "current service cost."

**Unfunded Actuarial Accrued Liability.** The difference between the actuarial accrued liability and the actuarial value of system assets. Sometimes referred to as "unfunded past service liability," "unfunded accrued liability" or "unfunded supplemental present value."

Most retirement systems have an unfunded actuarial accrued liability. They arise each time new benefits are added and each time an experience loss is realized.

Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to control the amount of unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar).

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## **SECTION E**

### **DISCLOSURES AND SUPPLEMENTARY INFORMATION REQUIRED BY STATEMENT NO. 25 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

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**This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements. Future valuation reports will not include GASB Statement No. 25 disclosures.**

# GASB STATEMENT NO. 25

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF FUNDING PROGRESS (DOLLAR AMOUNTS IN THOUSANDS)

Valuation Date	Valuation Assets	AAL*	Funded Ratio	Unfunded AAL*	Member Payroll	Ratio to Payroll
9/05	\$ 185,776	\$ 216,534	86	\$ 30,758	\$48,880	63
9/06 (b)	120,062	130,861	92	10,799	30,532	35
9/07 (b)	135,944	138,610	98	2,666	30,984	9
9/08	143,467	150,475	95	7,008	32,952	21
9/09	147,094	158,755	93	11,661	31,016	38
9/10 (b)	148,691	164,865	90	16,174	26,779	60
10/11 (b)	142,463	167,683	85	25,220	25,744	98
11/12 (b)	147,618	171,745	86	24,127	25,842	93
12/13	157,145	177,505	89	20,360	25,199	81
<b>13/14</b>	<b>167,451</b>	<b>182,407</b>	<b>92</b>	<b>14,956</b>	<b>25,150</b>	<b>59</b>

\* Actuarial Accrued Liabilities.

(a) Before changes in benefit provisions and/or actuarial assumptions.

(b) After changes in benefit provisions and/or actuarial assumptions.

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Aggregate Contribution Rates as Percents of Valuation Payroll	Projected Dollar Contribution Based on Valuation Payroll #	Actual Contribution Based on Actual Payroll@
06/07	12.75	\$ 3,624,157	\$ 4,114,963
07/08	12.08	3,939,766	4,082,846
08/09	10.40	3,517,935	3,580,089
09/10	11.06	3,978,173	3,377,350
10/11	11.81	3,999,560	3,181,447
11/12	13.46	3,937,037	3,566,751
12/13	17.29	4,860,538	4,266,803
13/14*	16.57	4,676,221	4,356,127
14/15	15.42	4,242,676	
<b>15/16</b>	<b>15.28</b>	<b>4,196,009</b>	

# Contribution for 07/08 fiscal year and beyond excludes general fire district.

@ Actual Employer contributions are determined by applying the Employer's contribution rate to the emerging payroll. Projected funding requirement is based on a stable work force and projected salary increases.

## GASB STATEMENT NO. 25

### REQUIRED SUPPLEMENTARY INFORMATION

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 follows:

Valuation Date	September 30, 2014
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Percent-of-Payroll, Closed
Remaining Amortization Periods#	1-30 years
Asset Valuation Method	4-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return*	8.00%
Projected Salary Increases*	General & U.A.: 4.5% - 8.7%
	Police: 4.5% - 8.5%
*Includes Inflation and other general increases at Cost-of-living adjustments	4.50% None
Retirees and beneficiaries receiving benefits	489
Terminated plan members entitled to but not yet receiving benefits	31
Active plan members	
- Vested	361
- Non-vested	165
	1,046
Total	1,046

# The periods are in compliance with Florida Statutes and Actuarial Standards of Practice, but do not necessarily produce an Annual Required Contribution with an aggregate amortization of the unfunded actuarial accrued liability under 30 years.

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**SECTION F**  
STATE REQUIRED DATA

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## ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS (\$ IN THOUSANDS)\*

	September 30, 2014				September 30, 2013			
					After Amendment			
	General Members	Utilities Authority	Police Members	Total	General Members	Utilities Authority	Police Members	Total
(i) Actuarial present value of active member benefits:								
Service retirement	\$22,625	\$31,521	\$26,170	\$ 80,315	\$22,307	\$33,736	\$25,891	\$ 81,934
Vested termination benefits	2,536	3,295	790	6,622	2,621	3,468	785	6,875
Disability retirement	703	916	1,126	2,744	703	959	1,076	2,738
Survivor benefits (pre-retirement)	941	1,298	458	2,697	953	1,336	441	2,730
Termination benefits - refunds	118	241	108	468	80	196	73	348
Total	26,923	37,271	28,651	92,846	26,664	39,695	28,266	94,625
(ii) Actuarial present value of terminated vested members	1,076	1,092	231	2,399	1,652	628	320	2,600
(iii) Actuarial present value of retired members & beneficiaries:								
Present value of benefits	36,328	54,714	27,414	118,456	34,922	50,953	25,962	111,838
Reserve	0	0	0	0	0	0	0	0
Total	36,328	54,714	27,414	118,456	34,922	50,953	25,962	111,838
(iv) Total actuarial present value of future benefit payments	64,327	93,078	56,296	213,701	63,238	91,275	54,549	209,062
(v) Present value of active member future payroll	60,415	85,663	55,707	201,786	60,739	88,102	52,264	201,105
(vi) Present value of future active member contributions	3,117	5,277	2,874	11,269	3,134	5,427	2,697	11,258
(vii) Active member accumulated contributions	4,241	7,067	3,495	14,803	4,187	7,631	3,486	15,304
(viii) Plan costs for fiscal year beginning October 1, 2015								
Normal costs								
Service pensions	11.29%	10.64%	16.43%		11.36%	10.62%	17.06%	
Disability pensions	0.51%	0.50%	1.17%		0.51%	0.50%	1.15%	
Death-in-service pensions	0.60%	0.62%	0.41%		0.61%	0.61%	0.41%	
Deferred service pensions	2.16%	2.14%	0.90%		2.26%	2.22%	0.94%	
Refunds of member contributions	0.55%	0.66%	0.37%		0.52%	0.63%	0.35%	
Total normal cost	15.11%	14.56%	19.28%		15.26%	14.58%	19.91%	
Payment to amortize unf'd act. accr. liab.	2.42%	5.71%	0.00%		1.61%	6.50%	0.00%	
Administrative expenses	0.79%	0.79%	0.79%		0.18%	0.18%	0.18%	
FS112.64(5) Requirement/Temporary Funding Credits	1.87%	1.40%	-1.15%		2.72%	1.71%	-1.17%	
Amount to be paid by participants	5.16%	6.16%	5.16%		5.16%	6.16%	5.16%	
Expected plan sponsor contribution								
% of payroll	15.03%	16.30%	13.76%	15.28%	14.61%	16.81%	13.76%	15.42%
dollars	1,299	1,971	926	4,196	1,239	2,117	886	4,243

\* Totals may be off due to rounding.

**ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS**  
**(\$ IN THOUSANDS)\***

	September 30, 2014				September 30, 2013			
	General Members	Utilities Authority	Police Members	Total	General Members	Utilities Authority	Police Members	Total
Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35)								
(i) Vested accrued benefits								
Retired members and beneficiaries	\$ 36,328	\$ 54,714	\$ 27,414	\$ 118,456	\$ 34,922	\$ 50,953	\$ 25,962	\$ 111,837
Terminated members	1,076	1,092	231	2,399	1,652	628	320	2,600
Active members (includes non-forfeitable accum. member contributions)	11,440	18,153	13,406	42,999	11,189	20,368	13,300	44,857
Total	\$ 48,844	\$ 73,959	\$ 41,051	\$ 163,854	\$ 47,763	\$ 71,949	\$ 39,582	\$ 159,294
(ii) Non-vested accrued benefits	748	1,442	1,224	3,414	669	1,105	1,280	3,054
(iii) Total actuarial p.v. of accrued benefits	\$ 49,592	\$ 75,401	\$ 42,275	\$ 167,268	\$ 48,432	\$ 73,054	\$ 40,862	\$ 162,348
(iv) Actuarial p.v. of accrued benefits at begin. of year	\$ 48,432	\$ 73,054	\$ 40,862	\$ 162,348	\$ 47,912	\$ 70,561	\$ 38,990	\$ 157,463
(v) Changes attributable to:								
Amendments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assumption change	-	-	-	-	-	-	-	-
Operation of decrements	5,136	7,791	4,179	17,106	4,270	7,818	4,464	16,552
Benefit payments	(3,976)	(5,444)	(2,766)	(12,186)	(3,750)	(5,325)	(2,592)	(11,667)
Other	-	-	-	-	-	-	-	-
(vi) Net change	1,160	2,347	1,413	4,920	520	2,493	1,872	4,885
(vii) Actuarial p.v. of Accr. benefits at end of year	\$ 49,592	\$ 75,401	\$ 42,275	\$ 167,268	\$ 48,432	\$ 73,054	\$ 40,862	\$ 162,348
Actuarial Present Value of Accrued Benefits Using FRS Interest Rate								
(i) Vested	\$ 49,994	\$ 75,697	\$ 42,090	\$ 167,781	\$ 48,909	\$ 73,655	\$ 40,594	\$ 163,158
(ii) Non-Vested	770	1,486	1,274	3,530	697	1,137	1,332	3,166
(iii) Total	50,764	77,183	43,364	171,311	49,606	74,792	41,926	166,324
(iv) Market Value of Assets (MVA)	54,289	77,832	46,999	179,120	51,386	73,280	44,097	168,763
(v) Funded Ratio Using FRS Interest Rate and MVA	106.94%	100.84%	108.38%	104.56%	103.59%	97.98%	105.18%	101.47%

\* Totals may be off due to rounding.

## RECONCILIATION OF MEMBERSHIP DATA

	<u>From 10/1/13</u> <u>To 9/30/14</u>	<u>From 10/1/12</u> <u>To 9/30/13</u>
<b>A. Active Members</b>		
1. Number Included in Last Valuation	536	552
2. New Members Included in Current Valuation	65	51
3. Non-Vested Employment Terminations	(37)	(36)
4. Vested Employment Terminations	(6)	(3)
5. Service Retirements	(32)	(26)
6. Disability Retirements	0	0
7. Deaths	0	(2)
8. Other	0	0
9. Number Included in this Valuation	526	536
<b>B. Terminated Vested Members</b>		
1. Number Included in Last Valuation	29	29
2. Additions from Active Members	6	3
3. Lump Sum Payments	(2)	(2)
4. Payments Commenced	(2)	0
5. Deaths	0	0
6. Other	0	(1)
7. Number Included in this Valuation	31	29
<b>C. Service Retirees, Disability Retirees and Beneficiaries</b>		
1. Number Included in Last Valuation	469	452
2. Additions from Active Members	32	28
3. Additions from Terminated Vested Members	2	0
4. Removals Resulting in No Further Payments	(20)	(15)
5. Deaths Resulting in New Survivor Benefits	6	4
6. Other	0	0
7. Number Included in this Valuation	489	469

March 10, 2015

Ms. Gloria J. Johnson  
Finance Director  
City of Fort Pierce Retirement and Benefit System  
100 North U.S. Highway 1  
Fort Pierce, Florida 34954-1480

Dear Gloria:

Enclosed are 25 copies of the September 30, 2014 Annual Actuarial Valuation of the City of Fort Pierce Retirement and Benefit System.

As directed by the Board, we have sent a copy directly to the following:

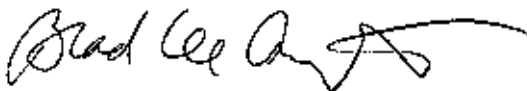
DiBartolomeo, McBee, Hartley & Barnes, P.A.

One copy should be sent, within 60 days to:

Bureau of Local Retirement Systems	Office of Municipal Police Officers'
Division of Retirement	& Firefighters' Retirement Funds
P.O. Box 9000	P.O. Box 3010
Tallahassee, Florida 32315-9000	Tallahassee, Florida 32315-3010

We welcome your questions and comments.

Sincerely yours,



Brad Lee Armstrong, ASA, FCA, EA, MAAA

BLA:mr  
Enclosures