

CITY OF MILTON
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2016

December 3, 2014

Ms. Lori McCafferty, Secretary
City of Milton General
Employees' Retirement Board
P. O. Box 909
Milton, FL 32572

Re: City of Milton
General Employees' Retirement System

Dear Lori:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Milton General Employees' Retirement System. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Board of Trustees, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

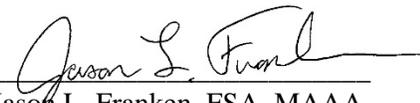
The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Milton, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Milton General Employees' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Jason L. Franken, FSA, MAAA
Enrolled Actuary #14-06888

JLF/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Milton General Employees' Retirement System, performed as of October 1, 2014, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2016.

The contribution requirements, compared with those developed in the October 1, 2013, actuarial valuation, are as follows:

Valuation Date	10/1/2013	10/1/2014
Applicable Plan/Fiscal Year End	<u>9/30/2015</u>	<u>9/30/2016</u>
Total Required Contribution % of Total Annual Payroll	31.9%	31.5%
Member Contributions (Est.) % of Total Annual Payroll	10.0%	10.0%
Balance from City * % of Total Annual Payroll	21.9%	21.5%

* At the request of the Division of Retirement, the required contribution from the City for the year ending September 30, 2016, is 21.5% of the actual pensionable payroll realized in that year. The City has a prepaid contribution of \$45,283.93 available to offset the current year's funding requirements.

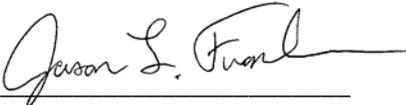
As can be seen, the Total Required Contribution has decreased as a percentage of Total Annual Payroll. Overall actuarial experience was more favorable during the past year. The principal components of favorable experience include average increases in pensionable pay that were lower than the 5.5% assumption, and a 9.2% investment return (Actuarial Asset Basis) that exceeded the 8.0% assumption.

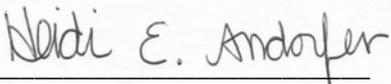
For informational purposes, the City's funding requirement, when expressed as a percentage of payroll, including an estimate of the annual pay for DROP participants, is approximately 18% for the fiscal year ending September 30, 2016. It is important to note that this funding rate is for illustration purposes only. The City should budget based on the information provided above, applied to non-DROP payroll only.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Jason L. Franken, FSA, EA, MAAA

By: 
Heidi E. Andorfer, FSA, EA

CHANGES SINCE PRIOR VALUATION

Plan Changes – Since the prior valuation, one ordinance was adopted amending the Plan.

- Ordinance 1405-14 was adopted which amended the language in Section 38-114, Finances and fund management, subsection (6)b.

Actuarial Assumption/Method Changes – Since the prior valuation, the following changes were made:

- The payroll growth assumption has been decreased from 0.29% to 0.02% in order to comply with the provisions of Part VII of Chapter 112, Florida Statutes.
- While not an explicit assumption change, the mortality table was updated to project mortality improvements for an additional year.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2014</u>	<u>10/1/2013</u>
A. Participant Data		
Number Included		
Actives	57	59
Service Retirees	26	26
Beneficiaries	4	3
Terminated Vested	5	6
Disability Retirees	3	3
DROP Members	10	7
Total	<u>105</u>	<u>104</u>
Total Annual Payroll	\$2,191,143	\$2,194,960
Payroll Under Assumed Ret. Age	2,191,143	2,194,960
Annual Rate of Payments to:		
Service Retirees	522,737	498,347
Beneficiaries	47,319	34,927
Terminated Vested	42,348	42,348
Disability Retirees	41,024	41,024
DROP Members	261,790	193,410
B. Assets		
Actuarial Value ¹	11,867,289	10,968,108
Market Value ¹	12,435,482	11,487,958
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	6,348,465	6,865,370
Disability Benefits	284,146	258,697
Death Benefits	67,722	76,567
Vested Benefits	253,462	256,722
Refund of Contributions	71,558	70,935
Service Retirees	4,857,045	4,689,516
DROP Members ¹	3,630,560	2,753,645
Beneficiaries	439,149	332,180
Terminated Vested	172,851	159,937
Disability Retirees	412,737	418,606
Total	<u>16,537,695</u>	<u>15,882,175</u>

C. Liabilities - (Continued)	<u>10/1/2014</u>	<u>10/1/2013</u>
Present Value of Future Salaries	18,506,011	17,447,562
Present Value of Future Member Contributions	1,850,601	1,744,756
EAN Normal Cost (Retirement)	247,003	244,859
EAN Normal Cost (Disability)	15,186	13,229
EAN Normal Cost (Death)	3,808	4,111
EAN Normal Cost (Vesting)	15,385	16,402
EAN Normal Cost (Refunds)	11,625	10,689
Total Normal Cost (Entry Age)	<u>293,007</u>	<u>289,290</u>
Present Value of Future Normal Costs (Entry Age)	2,391,336	2,240,526
Accrued Liability (Retirement)	4,283,180	4,941,533
Accrued Liability (Disability)	161,919	153,509
Accrued Liability (Death)	38,774	45,531
Accrued Liability (Vesting)	130,641	127,814
Accrued Liability (Refunds)	19,503	19,378
Accrued Liability (Inactives) ¹	9,512,342	8,353,884
Actuarial Accrued Liability	<u>14,146,359</u>	<u>13,641,649</u>
Unfunded Actuarial Accrued Liability (UAAL)	2,279,070	2,673,541
Funded Ratio	83.9%	80.4%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives ¹	9,512,342	8,353,884
Actives	597,920	959,500
Member Contributions	1,745,230	1,853,841
	<u>11,855,492</u>	<u>11,167,225</u>
Total	11,855,492	11,167,225
Non-vested Accrued Benefits	<u>762,198</u>	<u>970,132</u>
Total Present Value Accrued Benefits	12,617,690	12,137,357
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	351,964	
Benefits Paid	(810,211)	
Interest	938,580	
Other	0	
	<u>480,333</u>	
Total:	480,333	

Valuation Date Applicable to Fiscal Year Ending	10/1/2014 <u>9/30/2016</u>	10/1/2013 <u>9/30/2015</u>
E. Pension Cost		
Normal Cost (with interest) % of Total Annual Payroll ²	13.9	13.7
Administrative Expenses (with interest) % of Total Annual Payroll ²	1.5	1.0
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 23 years (as of 10/1/2014 with interest) % of Total Annual Payroll ²	16.1	17.2
Total Required Contribution % of Total Annual Payroll ²	31.5	31.9
Expected Member Contributions % of Total Annual Payroll ²	10.0	10.0
Expected City Contributions % of Total Annual Payroll ²	21.5	21.9

F. Past Contributions

Plan Years Ending:	<u>9/30/2014</u>
Total Required Contribution	731,725
City Requirement	515,239
Actual Contributions Made:	
Members	216,487
City	<u>515,239</u>
Total	731,726

G. Net Actuarial Gain (Loss) 169,198

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 10/1/2013 and 10/1/2014.

² Contributions developed as of 10/1/2014 are expressed as a percentage of total annual payroll at 10/1/2014 of \$2,191,143.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2014	2,279,070
2015	2,095,530
2016	1,897,233
2021	1,113,781
2026	804,140
2036	(19,188)
2037	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	4.1%	5.5%
Year Ended	9/30/2013	4.2%	5.5%
Year Ended	9/30/2012	1.7%	5.5%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	9.2%	8.0%
Year Ended	9/30/2013	9.2%	8.0%
Year Ended	9/30/2012	7.3%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2014	\$2,191,143
	10/1/2004	2,185,875
(b) Total Increase		0.2%
(c) Number of Years		10.00
(d) Average Annual Rate		0.02%

STATEMENT BY ENROLLED ACTUARY

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. 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.



Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #14-06888

Please let us know when the report is approved by the Board and unless otherwise directed we will provide a copy of the report to the following office to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2013	\$2,673,541
(2)	Sponsor Normal Cost Applicable for the year *	91,930
(3)	Interest on (1) and (2)	220,352
(4)	Sponsor Contributions to the System during the year ending September 30, 2014	515,239
(5)	Interest on (4)	22,316
(6)	Change to UAAL due to Actuarial (Gain)/Loss	(169,198)
(7)	Change to UAAL due to Assumption Change	0
(8)	Unfunded Accrued Liability as of October 1, 2014 (1)+(2)+(3)-(4)-(5)+(6)+(7)	2,279,070

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2014 Amount</u>	<u>Amortization Amount</u>
Method Change	10/1/2004	20	1,561,551	147,059
Actuarial Loss	10/1/2005	21	439,579	40,574
Actuarial Gain	10/1/2006	22	(455,577)	(41,291)
Actuarial Gain	10/1/2007	23	(214,967)	(19,162)
Actuarial Loss	10/1/2008	4	259,924	72,643
Method Change	10/1/2008	14	174,631	19,592
Actuarial Loss	10/1/2009	5	296,881	68,823
Assumption Change	10/1/2009	15	129,899	14,036
Actuarial Loss	10/1/2010	6	297,591	59,578
Actuarial Loss	10/1/2011	7	201,822	35,874
Actuarial Gain	10/1/2012	8	(40,897)	(6,585)
Assumption Change	10/1/2012	18	213,619	21,078
Software Change	10/1/2013	19	(221,098)	(21,288)
Actuarial Gain	10/1/2013	9	(194,690)	(28,837)
Actuarial Gain	10/1/2014	10	(169,198)	(23,330)
			<u>2,279,070</u>	<u>338,764</u>

* Includes \$22,136 for administrative expenses.

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2013	2,673,541
(2)	Expected UAAL as of October 1, 2014	2,448,268
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(135,178)
	Salary Increases	(80,391)
	Active Decrements	21,065
	Inactive Mortality	4,035
	Other	<u>21,271</u>
	Increase in UAAL due to (Gain)/Loss	(169,198)
(4)	Actual UAAL as of October 1, 2014	2,279,070

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate	RP 2000 Combined Healthy (sex distinct), projected to valuation year using scale AA. Disabled lives are set forward 5 years.
Interest Rate	8.00% per year compounded annually, net of investment related expenses.
Retirement Age	Earlier of Age 65 and 10 years of service or the completion of 25 years of service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.
Disability Rate	See table below (1201).
Termination Rate	See table below (T3A).
Salary Increases	5.50% per year until the assumed Retirement age; see table below.
Early Retirement	Commencing at eligibility for Early Retirement (age 55 with 10 years of service), Members are assumed to retire with an immediate benefit at the rate of 1% per year.
Administrative Expenses	\$30,596 added to Normal Cost.
Payroll Growth	0.02% (Utilized for amortizing the unfunded actuarial accrued liabilities).
Marital Status	100% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.
Funding Method	Entry Age Normal Actuarial Cost Method.
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 60</u>
20	6.6%	0.03%	11.7%
30	4.9	0.04	20.1
40	4.0	0.07	34.3
50	2.2	0.18	58.5

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

- (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
- (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	551,074.30	551,074.30
Total Cash and Equivalents	551,074.30	551,074.30
Receivables:		
Investment Income	36,576.09	36,576.09
Total Receivable	36,576.09	36,576.09
Investments:		
Fixed	4,708,108.98	4,673,193.07
Equities	6,244,366.92	7,219,922.82
Total Investments	10,952,475.90	11,893,115.89
Total Assets	11,540,126.29	12,480,766.28
<u>LIABILITIES</u>		
Prepaid City Contribution	45,283.93	45,283.93
Total Liabilities	45,283.93	45,283.93
NET POSITION RESTRICTED FOR PENSIONS	11,494,842.36	12,435,482.35
TOTAL LIABILITIES AND NET ASSETS	11,540,126.29	12,480,766.28

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014
Market Value Basis

ADDITIONS

Contributions:		
Member	216,486.78	
City	515,238.54	
Total Contributions		731,725.32
Investment Income:		
Net Increase in Fair Value of Investments	876,340.30	
Interest & Dividends	255,894.15	
Less Investment Expense ¹	(75,628.91)	
Net Investment Income		1,056,605.54
Total Additions		1,788,330.86

DEDUCTIONS

Distributions to Members:		
Benefit Payments	595,754.46	
Lump Sum DROP Distributions	169,947.27	
Refunds of Member Contributions	44,509.03	
Total Distributions		810,210.76
Administrative Expense		30,595.94
Total Deductions		840,806.70
Net Increase in Net Position		947,524.16
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		11,487,958.19
End of the Year		12,435,482.35

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2014
 Actuarial Asset Basis

REVENUES		
Contributions:		
Member	216,486.78	
City	515,238.54	
Total Contributions		731,725.32
Earnings from Investments:		
Interest & Dividends	255,894.15	
Net Realized Gain (Loss)	821,176.67	
Change in Actuarial Value	6,821.05	
Total Earnings and Investment Gains		1,083,891.87
EXPENDITURES		
Distributions to Members:		
Benefit Payments	595,754.46	
Lump Sum DROP Distributions	169,947.27	
Refunds of Member Contributions	44,509.03	
Total Distributions		810,210.76
Expenses:		
Investment Related ¹	75,628.91	
Administrative	30,595.94	
Total Expenses		106,224.85
Change in Net Assets for the Year		899,181.58
Net Assets Beginning of the Year		10,968,107.67
Net Assets End of the Year ²		11,867,289.25

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2014

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2011	0.00%	
09/30/2012	15.82%	
09/30/2013	12.60%	
09/30/2014	9.19%	
Annualized Rate of Return for prior four (4) years:		9.24%
(A) 10/01/2013 Actuarial Assets:		\$10,968,107.67
(I) Net Investment Income:		
1. Interest and Dividends	255,894.15	
2. Realized Gains (Losses)	821,176.67	
3. Change in Actuarial Value	6,821.05	
4. Investment Related Expenses	(75,628.91)	
Total		1,008,262.96
(B) 10/01/2014 Actuarial Assets:		\$11,867,289.25
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		9.24%
10/01/2014 Limited Actuarial Assets:		\$11,867,289.25

*Market Value Basis, net of investment related expenses.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2013 to September 30, 2014

09/30/2013 Balance	579,236.30
Plus Additions	222,666.71
Investment Return Earned	37,016.47
Less Distributions	(169,947.27)
09/30/2014 Balance	668,972.21

RECONCILIATION OF CITY'S PREPAID FOR THE
FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2014

(1) Prepaid Balance as of October 1, 2013	\$42,650.67
(2) City Required Contribution Rate (from the October 1, 2012 actuarial valuation)	23.8%
(3) FY 2014 Pensionable Payroll Derived from Member Contributions	2,164,867.80
(4) Required City Contribution [(2) x (3)] - (1)	472,587.87
(5) Less Actual City Contributions	<u>(517,871.80)</u>
(6) Equals City's Prepaid Contribution as of September 30, 2014	\$45,283.93

STATISTICAL DATA *

	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>
Number	65	64	59	57
Average Current Age	46.5	46.2	46.7	46.1
Average Age at Employment	35.0	34.8	34.5	36.0
Average Past Service	11.5	11.4	12.2	10.1
Average Annual Salary	\$34,044	\$33,977	\$37,203	\$38,441

* Prior to 10/1/2014, averages were salary weighted.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	2	0	0	1	0	0	0	0	0	3
30 - 34	1	0	0	1	1	3	4	0	0	0	0	10
35 - 39	0	0	0	1	0	2	2	1	0	0	0	6
40 - 44	0	0	1	0	1	2	1	0	0	0	0	5
45 - 49	2	2	0	0	0	1	2	0	0	0	0	7
50 - 54	2	0	0	0	0	4	3	3	2	0	0	14
55 - 59	0	0	0	0	0	0	3	2	1	0	1	7
60 - 64	0	0	0	0	0	1	1	3	0	0	0	5
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	5	2	3	2	2	14	16	9	3	0	1	57

MEMBER RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2013	59
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	4
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	4
g. Voluntary withdrawal	0
h. Continuing participants	51
i. New entrants	6
j. Total active life participants in valuation	57

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	DROP	Total
Participants, Prior valuation	26	3	3	6	7	45
Retired	1	0	0	0	(1)	0
DROP	0	0	0	0	4	4
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	(1)	1	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	(1)	0	(1)
Rehires	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
Participants, Current valuation	26	4	3	5	10	48

SUMMARY OF CURRENT PLAN
(Through Ordinance 1405-14)

ELIGIBILITY	Full-time employees who are classified as fulltime General Employees of the City enter the Plan on January 1 or July 1 after 6 months of employment.
CREDITED SERVICE	Total years and fractional parts of years of eligible service with the City as a General Employee.
SALARY	Total compensation, including overtime, but excluding bonuses, plus all tax-deferred, tax-sheltered and tax-exempt items of income. For service earned after July 1, 2011, Salary shall not include more than 300 hours of overtime per fiscal year. Salary will include the lesser of the amount of sick or annual leave time accrued on July 1, 2011 or the actual amount for which the retiree receives payment at retirement.
AVERAGE FINAL COMPENSATION	1/12 th of the arithmetic average of salary for the highest five of the ten years of service immediately preceding the retirement or termination of the Member.
NORMAL RETIREMENT	
Date	Earlier of age 65 and 10 years of Credited Service or 25 years of Credited Service, regardless of age.
Benefit Amount	2.50% of Average Final Compensation times Credited Service, with a maximum of 100% of Average Final Compensation.
Form of Benefit	Life Annuity (options available).
EARLY RETIREMENT	
Eligibility	Age 55 and 10 years of Credited Service.
Benefit	Accrued benefit, reduced actuarially to reflect early commencement of benefits.
VESTING (TERMINATION)	
Schedule	100% after 10 years of Credited Service.

Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date, or refund of Member Contributions. Non-vested terminated Members receive a refund of Member Contributions.
DISABILITY BENEFIT	
Eligibility	10 years of Credited Service, with total and permanent disability.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.
Benefit	Accrued benefit payable for life.
PRE-RETIREMENT DEATH	Refund of Accumulated Member Contributions.
MEMBER CONTRIBUTIONS	10% of Salary.
CITY CONTRIBUTIONS	Remaining amount necessary for payment of current costs and amortization of the past service liability, with a minimum of 6% of salaries.
BOARD OF TRUSTEES	<ul style="list-style-type: none"> a.) Two legal residents appointed by the City Council, b.) Three Members of the Plan. c.) All Board Members serve three-year terms.
DEFERRED RETIREMENT OPTION PLAN	
Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	At member's election either: a) 6.5% annual interest, compounded monthly, or b) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs) credited each fiscal quarter. Member may change election once during DROP period.
Distribution	Cash lump sum (options available) at termination of employment.

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2014	
City	23.8%
Plan Members	10.0%
Annual Pension Cost	526,829
Contributions made	515,239
Actuarial valuation date	10/1/2012
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay, Closed
Remaining amortization period	25 Years (as of 10/1/2012)
Asset valuation method	4 Year Smooth
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increase	5.50%
Includes inflation at	3.00%
Post Retirement COLA	0.00%

THREE YEAR TREND INFORMATION

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/2014	526,829	98%	(199,685)
9/30/2013	441,791	98%	(211,275)
9/30/2012	358,691	98%	(221,416)

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through the transition date, October 1, 1997. Thus, the NPO on October 1, 1997 is 0.

The development of the Net Pension Obligation to date is as follows:

	9/30/2012	9/30/2013	9/30/2014
Actuarially Determined			
Contribution (A)	350,068	431,650	515,239
Interest on NPO	(18,403)	(17,713)	(16,902)
Adjustment to (A)	27,026	27,854	28,492
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Annual Pension Cost	358,691	441,791	526,829
Contributions Made	350,068	431,650	515,239
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Increase in NPO	8,623	10,141	11,590
NPO Beginning of Year	(230,039)	(221,416)	(211,275)
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NPO End of Year	(221,416)	(211,275)	(199,685)