

CITY OF TARPON SPRINGS
FIREFIGHTERS' PENSION TRUST FUND

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2015

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2017

February 16, 2016

Ms. Sara Rector,
City of Tarpon Springs
Firefighters' Pension Trust Fund
444 Huey Ave. S.
Tarpon Springs, FL 34689

Re: City of Tarpon Springs
Firefighters' Pension Trust Fund

Dear Sara:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Tarpon Springs Firefighters' Pension Trust Fund. 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. Please note that this valuation may not be applicable for any other purposes.

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 Chapters 112, and 175, 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. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City and the Board of Trustees, financial reports prepared by the Plan's 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 Tarpon Springs, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Tarpon Springs Firefighters' Pension Trust Fund. 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:  _____

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Tarpon Springs Firefighters' Pension Trust Fund, performed as of October 1, 2015, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2017.

The funding requirements developed in this valuation, compared with amounts set forth in the October 1, 2014 actuarial valuation report are as follows:

Valuation Date	10/1/2015	10/1/2014
Applicable Plan/Fiscal Year End	<u>9/30/2017</u>	<u>9/30/2016</u>
Total Required Contribution	\$1,128,642	\$1,127,037
Less Member Cont. (Est.)	196,237	181,737
Equals Required City and State	932,405	945,300
State Contribution ¹	238,429	238,429
Balance from City	\$693,976	\$706,871

¹ Under the traditional interpretation of Chapter 99-1, Florida Statutes, the City may use up to \$238,429 in State Contributions for determining its minimum funding requirements. As you are probably aware, Governor Scott signed into law Chapter 2015-39, which amends Chapter 175 and illustrates a default methodology for allocating future State Monies. Since the Members of the Plan are represented by a collective bargaining agreement, this default methodology will be implemented and effective upon entering into a collective bargaining agreement on or after July 1, 2015. However, please note that this default methodology can be superseded as long as there is mutual consent of the members' collective bargaining agreement and the City on how State Monies are to be allocated. Additionally, the City has access to a prepaid contribution of \$219,940 that may be utilized for the fiscal year ending September 30, 2016. Please refer to page 25 for additional details.

Experience during the past 12 months has been more favorable than expected, relative to the Plan's actuarial assumptions. The driver of this favorable experience was a 10.41% investment return (Actuarial Asset Basis), exceeding the 7.90% assumption. This gain was partially offset by less than expected inactive deaths and lower termination experience.

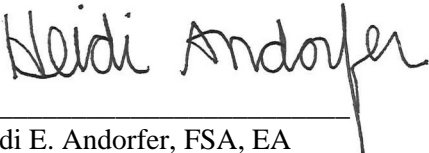
The balance of this Report presents additional details of the actuarial valuation and general operation of the fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.



By: _____
Douglas H. Lozen, EA, MAAA



By: _____
Heidi E. Andorfer, FSA, EA

CHANGES SINCE PRIOR VALUATION

Plan Changes

There were no plan changes since the prior valuation.

Actuarial Assumption/Method Changes

There were no assumption or method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data		
Number Included		
Actives	30	30
Service Retirees	19	19
DROP Retirees	5	5
Beneficiaries	3	3
Disability Retirees	3	2
Terminated Vested	<u>4</u>	<u>5</u>
Total	64	64
Total Annual Payroll	\$2,050,310	\$1,901,762
Payroll Under Assumed Ret. Age	1,878,572	1,740,424
Annual Rate of Payments to:		
Service Retirees	897,261	882,985
DROP Retirees	310,372	310,372
Beneficiaries	70,120	69,264
Disability Retirees	46,350	24,534
Terminated Vested	51,033	72,849
B. Assets		
Actuarial Value ¹	21,985,329	19,794,864
Market Value ¹	21,580,687	21,140,832
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	9,353,699	8,324,317
Disability Benefits	372,045	357,114
Death Benefits	60,783	58,485
Vested Benefits	570,093	536,253
Refund of Contributions	98,097	99,292
Service Retirees	11,415,221	11,304,585
DROP Retirees ¹	5,618,078	5,204,604
Beneficiaries	775,397	778,669
Disability Retirees	378,034	195,103
Terminated Vested	432,814	585,247
Excess State Monies Reserve	<u>68,720</u>	<u>64,367</u>
Total	29,142,981	27,508,036

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	14,730,479	14,363,959
Present Value of Future		
Member Contributions	1,392,030	1,357,394
Normal Cost (Retirement)	369,870	341,615
Normal Cost (Disability)	31,942	29,684
Normal Cost (Death)	5,397	5,023
Normal Cost (Vesting)	39,686	38,093
Normal Cost (Refunds)	<u>18,088</u>	<u>17,863</u>
Total Normal Cost	464,983	432,278
Present Value of Future		
Normal Costs	3,420,619	3,346,540
Accrued Liability (Retirement)	6,606,514	5,637,081
Accrued Liability (Disability)	135,743	122,204
Accrued Liability (Death)	20,784	18,645
Accrued Liability (Vesting)	250,528	233,074
Accrued Liability (Refunds)	20,529	17,917
Accrued Liability (Inactives) ¹	18,619,544	18,068,208
Excess State Monies Reserve	<u>68,720</u>	<u>64,367</u>
Total Actuarial Accrued Liability	25,722,362	24,161,496
Unfunded Actuarial Accrued		
Liability (UAAL)	3,737,033	4,366,632
Funded Ratio (AVA / AL)	85.5%	81.9%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives ¹	18,619,544	18,068,208
Actives	3,156,979	2,613,760
Member Contributions	<u>1,437,880</u>	<u>1,267,833</u>
Total	23,214,403	21,949,801
Non-vested Accrued Benefits	<u>825,796</u>	<u>761,314</u>
Total Present Value Accrued Benefits	24,040,199	22,711,115
Funded Ratio (MVA / PVAB)	89.8%	93.1%
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	563,969	
Benefits Paid	(989,960)	
Interest	1,755,075	
Other	<u>0</u>	
Total	1,329,084	

Valuation Date	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2017</u>	<u>9/30/2016</u>

E. Pension Cost

Normal Cost ²	\$513,994	\$477,662
Administrative Expenses ²	73,386	51,241
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 28 years (as of 10/1/2015) ²	541,262	598,134
Total Required Contribution	1,128,642	1,127,037
Expected Member Contributions ²	196,237	181,737
Expected City & State Contribution	932,405	945,300

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
Total Required Contribution	1,160,103
City and State Requirement	992,531
Actual Contributions Made:	
Members (excluding buyback)	183,224
City	754,102
State	<u>238,429</u> ³
Total	1,175,755

G. Net Actuarial (Gain)/Loss (282,252)

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015 and 9/30/2014.

² Contributions developed as of 10/1/2015 displayed above have been adjusted to account for assumed salary increase and interest components.

³ Reflects traditional interpretation of Chapter 99-1, Florida Statutes.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	3,737,033
2016	3,503,924
2017	3,251,342
2024	2,172,309
2030	866,372
2037	(12,623)
2043	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.64%	6.31%
Year Ended	9/30/2014	7.18%	6.40%
Year Ended	9/30/2013	-2.81%	6.40%

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


		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	10.41%	7.90%
Year Ended	9/30/2014	8.80%	7.90%
Year Ended	9/30/2013	8.44%	7.90%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	\$2,050,310
	10/1/2005	1,984,909
(b) Total Increase		3.29%
(c) Number of Years		10.00
(d) Average Annual Rate		0.32%

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.


Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

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

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

Ms. Sarah Carr
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$4,366,632
(2) Sponsor Normal Cost developed as of October 1, 2014	267,808
(3) Expected administrative expenses for the year ended September 30, 2015	46,372
(4) Expected interest on (1), (2) and (3)	367,952
(5) Sponsor contributions to the System during the year ended September 30, 2015	992,531
(6) Expected interest on (5)	36,948
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	4,019,285
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(282,252)
(10) Unfunded Accrued Liability as of October 1, 2015	3,737,033

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2015 Amount</u>	<u>Amortization Amount</u>
	10/1/1988	3	(\$19,156)	(\$6,863)
	10/1/2000	15	932,937	99,276
	10/1/2004	19	1,816,509	171,685
	10/1/2005	20	986,439	91,122
	10/1/2006	21	(313,026)	(28,321)
	10/1/2007	22	(10,954)	(972)
	10/1/2008	3	65,808	23,579
Method Change	10/1/2008	13	(315,794)	(36,463)
Actuarial Loss	10/1/2009	4	295,547	82,283
Actuarial Loss	10/1/2010	5	83,805	19,330
Assum. Change	10/1/2010	15	213,706	22,741
Actuarial Loss	10/1/2011	6	988,073	196,588
Assum. Change	10/1/2011	16	(21,229)	(2,183)
Actuarial Gain	10/1/2012	7	(26,535)	(4,682)
Actuarial Gain	10/1/2013	8	(348,517)	(55,647)
Benefit Change	10/1/2013	28	(29,527)	(2,410)
Actuarial Gain	10/1/2014	9	(278,801)	(40,904)
Actuarial Gain	10/1/2015	10	<u>(282,252)</u>	<u>(38,508)</u>
			3,737,033	489,651

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$4,366,632
(2) Expected UAAL as of October 1, 2015	4,019,285
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(498,023)
Salary Increases	22,191
Active Decrements	46,706
Inactive Mortality	54,346
Other	<u>92,528</u>
Increase in UAAL due to (Gain)/Loss	(282,252)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2015	\$3,737,033

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate RP 2000 Combined Healthy Mortality Table, Sex Distinct. Disabled lives are set forward 5 years. We feel this assumption sufficiently accommodates mortality improvements.

Interest Rate 7.90% per year, compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Normal Retirement Rates

<u>Number of Years after First Eligibility for Normal Retirement</u>	<u>Probability of Retirement</u>
0	50%
1 or more	100%

This assumption is supported by an experience study issued on June 28, 2012.

Termination Rates See Table below. This assumption is supported by an experience study issued on June 28, 2012.

Disability Rates See Table below. 75% of Disability and Pre-Retirement Death Retirements are assumed to be service-incurred. This assumption is supported by an experience study issued on June 28, 2012.

Salary Increases 7.00% per year for Members with less than 10 years of Service, 5.50% for those with 10 or more years of service. This assumption is supported by an experience study issued on June 28, 2012.

Projected Salary at retirement is increased according to the following table:

<u>Date of Plan Entry</u>	<u>Final Salary Load</u>
Before 10/1/2000	20.0%
10/1/2000 – 9/30/2011	10.0%
On and after 10/1/2011	0.0%

This is based on the expected amount of sick or annual leave time accrued at retirement.

Payroll Increase 0.20%, as capped by prior year amount. This is also potentially limited for compliance with Part VII of Chapter 112, Florida Statutes.

Cost-of-Living Increase 2.00% per year beginning on the October 1 following five years of payments, as defined by the plan provisions.

Administrative Expenses \$66,388 annually. This is equal to the actual non-investment related expenses paid out of the trust during the year.

Asset Smoothing Methodology The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

Cost Method Entry Age Normal Actuarial Cost Method.

Loads: Half of year of interest at 7.90% and a full year of salary at the current 6.34% assumption.

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Terminating During the Year</u>
20	0.14%	8.00%
30	0.18%	6.00%
40	0.30%	4.00%
50	1.00%	0.00%

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay as of 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 determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Percent of Compensation) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

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.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1993	55,260.93	_____%
1994	63,885.13	15.6%
1995	64,172.84	0.5%
1996	76,360.14	19.0%
1997	78,203.91	2.4%
1998	101,285.17	29.5%
1999	94,763.85	-6.4%
2000	90,154.92	-4.9%
2001	96,434.16	7.0%
2002	97,386.61	1.0%
2003	107,440.03	10.3%
2004	126,298.07	17.6%
2005	141,318.37	11.9%
2006	154,528.46	9.3%
2007	176,849.86	14.4%
2008	241,693.70	36.7%
2009	290,516.16	20.2%
2010	239,113.24	-17.7%
2011	212,236.13	-11.2%
2012	219,083.94	3.2%
2013	235,043.26	7.3%
2014	237,442.60	1.0%
2015	242,781.92	2.2%

EXCESS STATE MONIES RESERVE

	Regular Distribution			Special Distribution		
	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>	<u>Actual State Contribution</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve</u>
1998	\$79,343.94	\$79,343.94	\$0.00	N/A	N/A	N/A
1999	87,676.38	79,343.94	8,332.44	7,087.47	7,087.47	0.00
2000	85,727.04	231,341.94	0.00	4,427.88	7,087.47	0.00
2001	90,322.02	231,341.94	0.00	6,112.14	7,087.47	0.00
2002	96,472.68	231,341.94	0.00	913.93	7,087.47	0.00
2003	102,637.68	231,341.94	0.00	4,802.35	7,087.47	0.00
2004	118,348.74	230,480.08	0.00	7,949.33	7,949.33	0.00
2005	127,449.04	224,560.08	0.00	13,869.33	13,869.33	0.00
2006	135,773.82	219,674.77	0.00	18,754.64	18,754.64	0.00
2007	143,772.56	205,352.11	0.00	33,077.30	33,077.30	0.00
2008	153,505.58	150,241.29	3,264.29	88,188.12	88,188.12	0.00
2009	200,189.79	200,189.79	0.00	90,326.37	38,239.62	52,086.75
2010	208,978.54	208,978.54	0.00	30,134.70	29,450.87	683.83
2011	198,566.36	198,566.36	0.00	13,669.77	39,863.05	0.00
2012	202,278.77	202,278.77	0.00	16,805.17	36,150.64	0.00
2013	209,229.77	209,229.77	0.00	25,813.49	29,199.64	0.00
2014	221,322.05	221,322.05	0.00	16,120.55	17,107.36	0.00
2015	233,433.97	231,341.94	<u>2,092.03</u>	9,347.95	7,087.47	<u>2,260.48</u>
			13,688.76			55,031.06

Accumulated Regular Excess
Accumulated Special Excess

Total Excess State Monies

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	82,659.55	82,659.55
Money Market	1,236,500.00	1,236,500.00
Cash	3,012.59	3,012.59
 Total Cash and Equivalents	 1,322,172.14	 1,322,172.14
Receivables:		
Tax Reclaims	3,863.09	3,863.09
Investment Income	48,362.61	48,362.61
 Total Receivable	 52,225.70	 52,225.70
Investments:		
U. S. Bonds and Bills	204,903.00	202,062.00
Federal Agency Guaranteed Securities	946,922.00	962,046.00
Corporate Bonds	4,402,230.46	4,352,067.01
Municipal Obligations	45,000.00	57,604.00
Stocks	12,112,685.96	12,766,028.77
Pooled/Common/Commingled Funds:		
Real Estate	1,810,000.00	2,206,421.00
 Total Investments	 19,521,741.42	 20,546,228.78
 Total Assets	 20,896,139.26	 21,920,626.62
 <u>LIABILITIES</u>		
Payables:		
To Broker for Investments Purchased	120,000.00	120,000.00
Prepaid City Contribution	219,939.81	219,939.81
 Total Liabilities	 339,939.81	 339,939.81
 NET POSITION RESTRICTED FOR PENSIONS	 20,556,199.45	 21,580,686.81

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015
Market Value Basis

ADDITIONS

Contributions:

Member	183,224.15
City	754,101.59
State	242,781.92

Total Contributions 1,180,107.66

Investment Income:

Net Realized Gain (Loss)	1,020,521.36
Unrealized Gain (Loss)	(1,194,608.83)
Net Increase in Fair Value of Investments	(174,087.47)
Interest & Dividends	604,254.35
Less Investment Expense ¹	(114,071.61)

Net Investment Income 316,095.27

Total Additions 1,496,202.93

DEDUCTIONS

Distributions to Members:

Benefit Payments	976,782.72
Lump Sum DROP Distributions	0.00
Refunds of Member Contributions	13,177.37

Total Distributions 989,960.09

Administrative Expense 66,388.03

Total Deductions 1,056,348.12

Net Increase in Net Position 439,854.81

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 21,140,832.00

End of the Year 21,580,686.81

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2015

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 ¹	
09/30/2012	17.29%	
09/30/2013	13.04%	
09/30/2014	10.43%	
09/30/2015	1.49%	
Annualized Rate of Return for prior four (4) years:		10.41%
(A) 10/01/2014 Actuarial Assets:		\$19,794,863.60
(I) Net Investment Income:		
1. Interest and Dividends	604,254.35	
2. Realized Gains (Losses)	1,020,521.36	
3. Change in Actuarial Value	556,002.01	
4. Investment Related Expenses	(114,071.61)	
Total		2,066,706.11
(B) 10/01/2015 Actuarial Assets:		\$21,985,329.25
Actuarial Asset Rate of Return = 2I/(A+B-I):		10.41%
10/01/2015 Limited Actuarial Assets:		\$21,985,329.25
10/01/2015 Market Value of Assets:		\$21,580,686.81
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$498,023.38

¹Market Value Basis, net of investment related expenses.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2015
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	183,224.15	
City	754,101.59	
State	242,781.92	
 Total Contributions		 1,180,107.66
Earnings from Investments:		
Interest & Dividends	604,254.35	
Net Realized Gain (Loss)	1,020,521.36	
Change in Actuarial Value	556,002.01	
 Total Earnings and Investment Gains		 2,180,777.72

EXPENDITURES

Distributions to Members:		
Benefit Payments	976,782.72	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	13,177.37	
 Total Distributions		 989,960.09
Expenses:		
Investment related ¹	114,071.61	
Administrative	66,388.03	
 Total Expenses		 180,459.64
 Change in Net Assets for the Year		 2,190,465.65
 Net Assets Beginning of the Year		 19,794,863.60
 Net Assets End of the Year ²		 21,985,329.25

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

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2014 to September 30, 2015

Beginning of the Year Balance	954,594.91
Plus Additions	310,371.84
Investment Return Earned	83,848.15
Less Distributions	0.00
End of the Year Balance	1,348,814.90

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2015

(1) Required City and State Contributions	\$992,531.00
(2) Less Allowable State Contribution	<u>(238,429.41)</u>
(3) Required City Contribution for Fiscal 2015	754,101.59
(4) Less 2014 Prepaid Contribution	(142,304.86)
(5) Less Actual City Contributions	<u>(831,736.54)</u>
(6) Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2015	(\$219,939.81)

STATISTICAL DATA ¹

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	30	29	30	30
Average Current Age	39.4	40.2	40.2	39.6
Average Age at Employment	30.3	30.9	30.7	30.2
Average Past Service	9.1	9.2	9.5	9.4
Average Annual Salary	\$64,197	\$60,675	\$63,392	\$68,344
<u>Service Retirees</u>				
Number	20	21	19	19
Average Current Age	N/A	N/A	N/A	63.5
Average Annual Benefit	\$40,485	\$42,258	\$46,473	\$47,224
<u>DROP Retirees</u>				
Number	5	5	5	5
Average Current Age	N/A	N/A	N/A	54.7
Average Annual Benefit	\$62,021	\$62,074	\$62,074	\$62,074
<u>Beneficiaries</u>				
Number	2	2	3	3
Average Current Age	N/A	N/A	N/A	74.4
Average Annual Benefit	\$33,200	\$33,611	\$23,088	\$23,373
<u>Disability Retirees</u>				
Number	2	2	2	3
Average Current Age	N/A	N/A	N/A	59.2
Average Annual Benefit	\$12,267	\$12,267	\$12,267	\$15,450
<u>Terminated Vested</u>				
Number	4	4	5	4
Average Current Age	N/A	N/A	N/A	38.7
Average Annual Benefit ²	\$25,517	\$25,517	\$24,283	\$25,517

¹ Prior to 10/1/2015, averages were salary weighted.

² Excludes non-vested terminated participants awaiting refunds.

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	1	5	0	0	1	0	0	0	0	0	0	7
30 - 34	0	0	0	0	0	2	0	0	0	0	0	2
35 - 39	0	0	1	1	0	3	0	0	0	0	0	5
40 - 44	0	0	0	0	0	2	2	2	1	0	0	7
45 - 49	0	0	0	0	0	1	0	3	0	0	0	4
50 - 54	0	0	0	1	0	0	0	2	0	0	0	3
55 - 59	0	0	0	0	0	0	0	2	0	0	0	2
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	5	1	2	1	8	2	9	1	0	0	30

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2014	30
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	29
h. New entrants	<u>1</u>
i. Total active life participants in valuation	30

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

	Service Retirees, Vested Receiving <u>Benefits</u>	<u>DROP Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	<u>Vested Deferred</u>	<u>Total</u>
a. Number prior valuation	19	5	3	2	5	34
Retired	0	0	0	0	0	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	1	(1)	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	19	5	3	3	4	34

SUMMARY OF CURRENT PLAN
(Through Ordinance No. 2015-04)

CREDITED SERVICE

Years and fractional parts of years of service with the City as a Firefighter.

AVERAGE FINAL COMPENSATION

Average of total W-2 earnings (including tax deferred, tax sheltered, and tax exempt items of income) during the best five (5) years of the last ten (10).

For service earned on or after June 20, 2012 Salary shall not include more than 300 hours of overtime per calendar year. Salary will include the lesser of the amount of sick or annual leave time accrued on June 20, 2012 or the actual amount of sick or annual leave time for which the retiree received payment at the time of retirement.

NORMAL RETIREMENT

Eligibility

Earlier of:

- 1) Age 50 and the completion of 10 years of Credited Service, or
- 2) the completion of 25 years of Credited Service, regardless of age.

Benefit Amount

3.00% of Average Final Compensation times Credited Service prior to 10/1/1999, plus 3.25% of Average Final Compensation times Credited Service after 10/1/1999.

Form of Benefit

10 year certain and life thereafter.

Cost-of-Living Increase

All retirees, excluding disability retirees and vested terminated persons, who retire on or after October 1, 1999, and their joint pensioners and Beneficiaries, receive, beginning on the first October 1 following 5 years of retirement, a 2.00% per year cost-of-living increase.

DISABILITY

Eligibility

- a) 10 years of contributing service for non-service related; coverage from date of hire for service-incurred.
- b) Total and permanent disability prior to Normal Retirement Date.

Benefit Amount

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

BOARD OF TRUSTEES

- a) Two City Commission appointees,
- b) Two Members of the System elected by a majority of the other covered Firefighters, and
- c) A fifth Member elected by the other 4 and appointed by the Commission.