

**CITY OF MIAMI BEACH EMPLOYEES' RETIREMENT PLAN**  
ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2015

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017



April 11, 2016

Board of Trustees  
City of Miami Beach Employees'  
Retirement Plan  
Miami Beach, Florida

Dear Board Members:

The results of the October 1, 2015 Actuarial Valuation of the City of Miami Beach Employees' Retirement Plan are presented in this report.

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

This report was prepared at the request of the Board and is intended for use by the Retirement Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purpose of the valuation is to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2017 and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67 for the fiscal year ending September 30, 2015. This report also includes estimated GASB Statement No. 67 information for the fiscal year ending September 30, 2016. This report should not be relied on for any purpose other than the purpose described above. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The findings in this report are based on data or other information through September 30, 2015. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such measurements.

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

The valuation was based upon information furnished by the City concerning Retirement Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the City.

In addition, this report was prepared using certain assumptions approved by the Board as described in the Actuarial Assumptions and Cost Method Section.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Melissa R. Algayer and Jeffrey Amrose are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate. In my opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

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**SECTION A**  
**DISCUSSION OF VALUATION RESULTS**

## DISCUSSION OF VALUATION RESULTS

### Comparison of Required Employer Contributions

A comparison of the required employer contribution developed in this and the last actuarial valuation is shown below.

	Required City Contribution			Non-DROP Covered Payroll	Total Covered Payroll
	Amount	% of Non-DROP Payroll	% of Total Payroll		
For FYE 9/30/17 Based on 10/1/15 Valuation	\$ 29,358,098	40.85 %	36.48 %	\$ 71,863,150	\$ 80,473,472
For FYE 9/30/16 Based on 10/1/14 Valuation	27,783,852	43.33 %	38.86 %	\$ 64,115,083	\$ 71,501,306
Increase (Decrease)	1,574,246	(2.48)	(2.38)	7,748,067	8,972,166

The contribution has been adjusted for interest on the basis that the employer contribution is made in a single payment on the first day of the fiscal year. The actual employer contribution for the year ending September 30, 2015 was \$26,456,580. The minimum required contribution was \$26,317,983.

### Revisions in Benefits

There have been no revisions in benefits since the last valuation.

### Revisions in Actuarial Assumptions and Methods

The investment return assumption was lowered from 7.85% to 7.70%. This rate will continue to be lowered by 0.15% each year until 7.4% is reached. This change has increased the required employer contribution by approximately \$1.2 million, or 1.65% of non-DROP payroll.

There have been no other changes in assumptions or methods since the prior valuation. It is important to note that under Florida Statutes, the Plan will be required to use the same mortality assumption used by the Florida Retirement System beginning with the October 1, 2016 Actuarial Valuation. Please see the attachment to this report for details on this assumption.

### **Actuarial Experience**

There was a net actuarial gain of \$664,417 for the year which means actual experience was more favorable than expected. The actuarial gains were primarily due to more than expected retiree deaths (45 expected versus 55 actual including data corrections) and more than expected employment terminations (42 expected versus 59 actual). The actuarial gains were partially offset by greater than expected retirements and lower than expected recognized return on investments. The return on the Actuarial Value of Assets was 7.7% and the return on the Market Value of Assets was (1.0)%. The actuarial gain translates into a decrease in the employer contribution equal to 0.08% of non-DROP payroll.

### **Funded Ratio**

The funded ratio this year is 69.9% compared to 69.2% last year. The funded ratio was 71.0% before the change in assumptions. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

### **Analysis of Change in Employer Contribution**

The components of change in the required employer contribution as a percent of non-DROP payroll are as follows:

Contribution rate last year	43.33 %
Change in assumptions/methods	1.65
Payment on unfunded liability	(2.82)
Change in employer normal cost rate	(1.12)
Experience gain/loss	(0.08)
Change in administrative expense	<u>(0.11)</u>
Contribution rate this year	40.85 %

### **Variability of Future Contribution Rates**

It is important to keep in mind that under the asset smoothing method, the difference between actual and expected return is recognized over five years. As of September 30, 2015 the actuarial value of assets exceeded the market value by \$7,998,057. Once all the gains and losses through September 30, 2015 are fully recognized in the actuarial asset values, the contribution rate will increase by roughly \$0.7 million or 1.0% of non-DROP payroll unless there are further gains or losses.

Additionally, there are amortization charges of approximately \$1,300,000 that will expire next year. As a result, the required contribution will decrease by approximately \$1,400,000 in next year's report.



If we were not using an asset smoothing method, the City contribution rate would have been 41.81% and the funded ratio would have been 68.8%.

### **Projections of Required Contributions and Funded Ratio**

The following three pages show the estimated City contributions and funded ratios over the next ten years, and a projection of the unfunded accrued liability and amortization payments over the next thirty years. The projections are based on these assumptions:

- A 7.70% return on market value of assets for 2016, a 7.55% return for 2017, and 7.40% for each year thereafter.
- Use of the same Mortality Tables from the most recent actuarial valuation for regular class employees of the Florida Retirement System starting with the October 1, 2016 valuation
- Cash flow remains constant
- No future gains or losses other than the recognition of prior investment experience
- 3% payroll growth

The projections reflect the expiration of amortization bases. For example, for the 2016 valuation, the amortization payments will decrease by \$1,329,107.

### **Conclusion**

It is important to note that system assets are insufficient to cover the liabilities for inactive members. As of October 1, 2015, the assets are \$496.7 million and the liability for current inactive members is \$524.1 million. Additionally, the funded ratio has dropped from over 100% in 2000 to the current level of 69.9%. Some steps have been taken to address these issues, such as strengthening the actuarial assumptions and lowering the investment return rate. Given the low funded ratio, it is advisable to consider further steps, such as a shortening of the amortization period and/or further strengthening of the actuarial assumptions. Any of these steps would result in higher contributions in the short-term for the City. For each additional \$5 million contributed, the funded ratio will increase by 0.69%.

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.

**10-Year Projection of Actuarially Determined Contribution (ADC)**

**Total ADC  
Current Assumptions**

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Fiscal Year Ending 9/30	Dollar	
	Amount (thousands)	% of Payroll
2017	\$ 29,358	40.85 %
2018	33,017	44.61
2019	34,473	45.22
2020	35,004	44.58
2021	35,807	44.27
2022	35,870	43.06
2023	35,908	41.85
2024	35,922	40.64
2025	35,924	39.46
2026	35,956	38.35
2027	35,972	37.25

Assumptions

*7.70% investment return assumption as of  
10/1/2015; further lowered by 0.15% each  
year until 7.40% is reached*

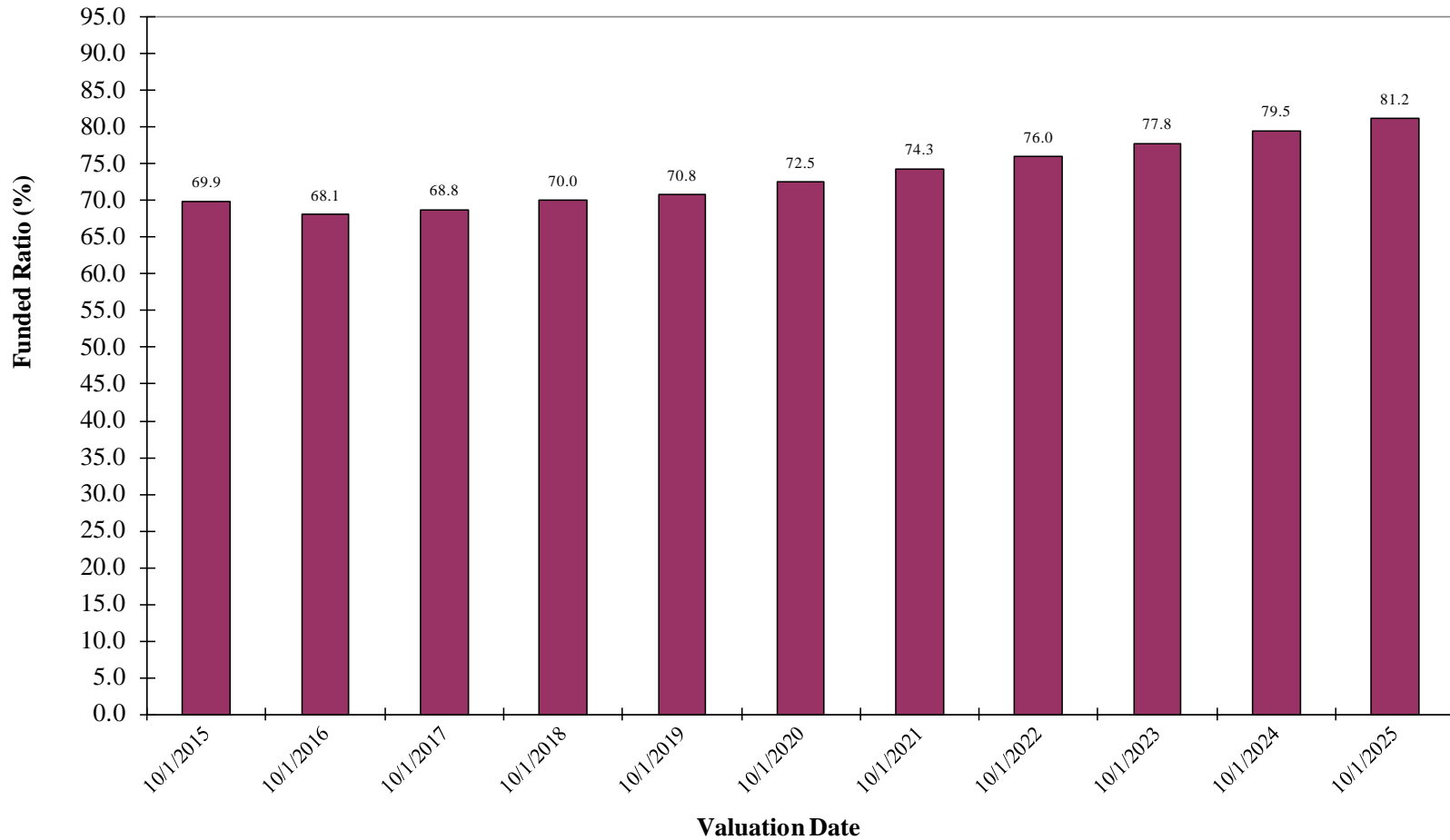
*Beginning 10/1/2016, use of the same mortality  
tables from the most recent actuarial valuation  
for regular class employees of the Florida  
Retirement System*

*No gains or losses other than recognition  
of prior investment experience*

*Constant cash flow*

*3.0% payroll growth*

### City of Miami Beach Employees' Retirement Plan 10-Year Projection of Funded Ratio

**Assumptions**

7.70% investment return assumption as of 10/1/2015; further lowered by 0.15% each year until 7.40% is reached

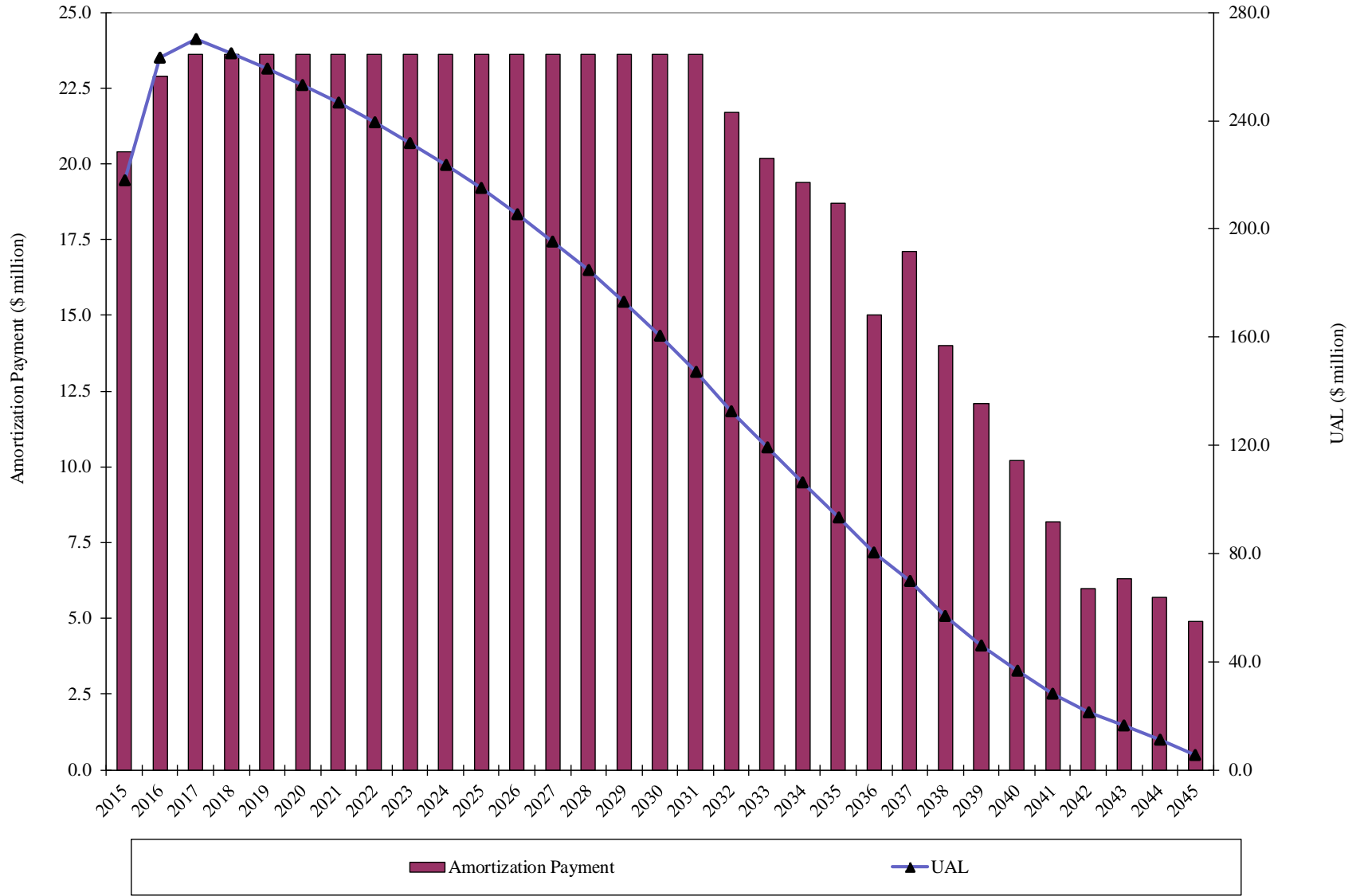
Beginning 10/1/2016, use of the same mortality tables from the most recent actuarial valuation for regular class employees of the Florida Retirement System

No gains or losses other than recognition of prior investment experience

Constant cash flow

3.0% payroll growth

**30-Year Projection of Unfunded Actuarial Accrued Liability (UAL) and Amortization Payments  
Reflecting only Current UAL Bases**



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

<b>PARTICIPANT DATA</b>		
	<b>October 1, 2015</b>	<b>October 1, 2014</b>
<b>ACTIVE MEMBERS</b>		
Number (Non-DROP)	1,082	1,011
Covered Annual Non-DROP Payroll	\$ 71,863,150	\$ 64,115,083
Average Annual Non-DROP Pay	\$ 66,417	\$ 63,417
Total Covered Annual Payroll	\$ 80,473,472	\$ 71,501,306
Average Total Annual Pay	\$ 67,286	\$ 64,766
Average Age (Non-DROP)	44.5	45.0
Average Past Service (Non-DROP)	9.4	10.1
Average Age at Hire (Non-DROP)	35.1	34.9
<b>DROP PARTICIPANTS</b>		
Number	114	93
Annual Benefits	\$ 5,353,331	4,523,237
Average Annual Benefit	\$ 46,959	48,637
Average Age	59.7	60.0
<b>RETIREES &amp; BENEFICIARIES</b>		
Number	1,008	1,025
Annual Benefits	\$ 37,580,912	\$ 36,442,769
Average Annual Benefit	\$ 37,283	\$ 35,554
Average Age	71.5	71.7
<b>DISABILITY RETIREES</b>		
Number	38	41
Annual Benefits	\$ 1,065,905	\$ 1,102,121
Average Annual Benefit	\$ 28,050	\$ 26,881
Average Age	65.9	65.4
<b>TERMINATED VESTED MEMBERS</b>		
Number	93	88
Annual Benefits	\$ 2,156,080	\$ 2,066,666
Average Annual Benefit	\$ 23,184	\$ 23,485
Average Age	46.2	46.0

<b>ACTUARIALLY DETERMINED CONTRIBUTION (ADC)</b>			
A. Valuation Date	October 1, 2015 <i>After Assumption Change</i>	October 1, 2015 <i>Before Assumption Change</i>	October 1, 2014
B. ADC to Be Paid During Fiscal Year Ending	9/30/2017	9/30/2017	9/30/2016
C. Assumed Date of Employer Contrib.	10/1/2016	10/1/2016	10/1/2015
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 20,412,968	\$ 19,694,018	\$ 19,299,055
E. Employer Normal Cost	6,846,176	6,425,410	6,462,514
F. ADC if Paid on the Valuation Date: D+E	27,259,144	26,119,428	25,761,569
G. ADC Adjusted for Frequency of Payments	29,358,098	28,169,803	27,783,852
H. ADC as % of Covered Payroll			
- Non-DROP Payroll	40.85 %	39.20 %	43.33 %
- Total Payroll	36.48 %	35.01 %	38.86 %
I. Expected Covered Payroll			
- Non-DROP Payroll	71,863,150	71,863,150	64,115,083
- Total Payroll	80,473,472	80,473,472	71,501,306

<b>ACTUARIAL VALUE OF BENEFITS AND ASSETS</b>			
A. Valuation Date	October 1, 2015 <i>After Assumption Change</i>	October 1, 2015 <i>Before Assumption Change</i>	October 1, 2014
<b>B. Actuarial Present Value of All Projected Benefits for</b>			
1. Active Members			
a. Service Retirement Benefits	\$ 264,473,207	\$ 257,019,017	\$ 249,399,311
b. Vesting Benefits	32,404,992	31,298,882	30,545,116
c. Disability Benefits	7,949,372	7,753,522	6,996,610
d. Preretirement Death Benefits	3,942,728	3,840,787	3,648,675
e. Return of Member Contributions	1,188,857	1,182,955	844,353
f. Total	<u>309,959,156</u>	<u>301,095,163</u>	<u>291,434,065</u>
2. Inactive Members			
a. Service Retirees & Beneficiaries	492,014,187	485,571,469	463,081,150
b. Disability Retirees	11,939,346	11,785,602	12,232,025
c. Terminated Vested Members	20,178,548	19,714,415	18,630,104
d. Total	<u>524,132,081</u>	<u>517,071,486</u>	<u>493,943,279</u>
3. Total for All Members	834,091,237	818,166,649	785,377,344
C. Actuarial Accrued (Past Service) Liability (under Entry Age Normal)	722,488,087	711,073,969	687,011,560
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	687,192,884	676,311,276	651,159,799
E. Plan Assets			
1. Market Value	496,718,840	496,718,840	509,100,178
2. Actuarial Value	504,716,897	504,716,897	475,203,581
F. Unfunded Actuarial Accrued Liability: C-E2	217,771,190	206,357,072	211,807,979
G. Actuarial Present Value of Projected Covered Payroll	644,113,265	638,343,458	551,518,628
H. Actuarial Present Value of Projected Member Contributions	60,281,042	59,784,427	51,703,177
I. Accumulated Contributions of Active Members	62,289,667	62,289,667	61,646,599



**CALCULATION OF EMPLOYER NORMAL COST**

A. Valuation Date	October 1, 2015 <i>After Assumption Change</i>	October 1, 2015 <i>Before Assumption Change</i>	October 1, 2014
<b>B. Normal Cost for</b>			
1. Service Retirement Benefits	\$ 10,051,669	\$ 9,723,170	\$ 9,184,638
2. Vesting Benefits	2,152,958	2,077,934	1,998,514
3. Disability Benefits	601,312	588,976	525,002
4. Preretirement Death Benefits	270,121	263,669	250,098
5. Return of Member Contributions	251,517	253,062	222,597
6. Total for Future Benefits	<u>13,327,577</u>	<u>12,906,811</u>	<u>12,180,849</u>
7. Assumed Amount for Administrative Expenses	<u>687,567</u>	<u>687,567</u>	<u>681,181</u>
8. Total Normal Cost	14,015,144	13,594,378	12,862,030
% of Covered Payroll			
- Non-DROP Payroll	19.50 %	18.92 %	20.06 %
- Total Payroll	17.42 %	16.89 %	17.99 %
<b>C. Expected Member Contribution</b>			
% of Covered Payroll			
- Non-DROP Payroll	9.98 %	9.98 %	9.98 %
- Total Payroll	8.91 %	8.91 %	8.95 %
<b>D. Employer Normal Cost: B8-C</b>			
% of Covered Payroll			
- Non-DROP Payroll	9.53 %	8.94 %	10.08 %
- Total Payroll	8.51 %	7.98 %	9.04 %

**LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY**

<b>A. Derivation of the Current UAAL</b>	
1. Last Year's UAAL	\$ 211,807,979
2. Employer Normal Cost for Contribution Year	6,601,767
3. Last Year's Contributions	26,456,580
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	17,145,165
b. 3 from dates paid	<u>2,076,842</u>
c. a - b	15,068,323
5. This Year's Expected UAAL Prior to Revision: 1 + 2 - 3 + 4c	207,021,489
6. Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	11,414,118
7. This Year's Expected UAAL After Revisions: 5 + 6	218,435,607
8. This Year's Actual UAAL After Revisions	217,771,190
9. This Year's Gain (Loss): 7 - 8	664,417
10. Gain (Loss) Due to Investments	(881,933)
11. Gain (Loss) Due to Other Causes	1,546,350

<b>B. UAAL Amortization Period and Payments</b>							
<b>Original UAAL</b>				<b>Current UAAL</b>			
<b>Date Established</b>	<b>Source</b>	<b>Amortization Period (Years)</b>	<b>Amount</b>	<b>Years Remaining</b>	<b>Amount</b>	<b>Payment</b>	
						<i>After Assumption Change</i>	<i>Before Assumption Change</i>
10/1/01	(Gain) Loss	15	\$ 4,182,294	1	\$ 438,904	\$ 438,904	\$ 438,904
10/1/01	Plan Change	15	8,482,719	1	890,203	890,203	890,203
10/1/02	(Gain) Loss	30	24,017,296	17	19,375,303	1,932,949	1,949,836
10/1/03	(Gain) Loss	30	16,972,622	18	15,357,970	1,490,044	1,503,675
10/1/04	(Gain) Loss	30	9,682,048	19	8,634,632	816,888	824,686
10/1/05	(Gain) Loss and Assum. Change*	30	9,377,578	20	8,185,183	756,875	764,390
10/1/06	(Gain) Loss	30	11,796,972	21	10,375,942	939,742	949,420
10/1/06	(Gain) Loss	30	34,747,408	21	30,561,842	2,767,965	2,796,471
10/1/07	(Gain) Loss	30	(14,036,710)	22	(12,554,141)	(1,115,738)	(1,127,625)
10/1/07	Assum. and Method Change**	30	(12,143,754)	22	(10,861,121)	(965,272)	(975,557)
10/1/08	(Gain) Loss	30	29,844,325	23	28,393,102	2,480,305	2,507,580
10/1/08	Assum. Change	30	8,228,994	23	7,828,846	683,896	691,417
10/1/09	(Gain) Loss	30	28,291,986	24	26,913,965	2,314,385	2,340,598
10/1/09	Assum. Change	30	8,975,372	24	8,538,208	734,218	742,533
10/1/09	Assum. Change	30	(7,968,884)	24	(7,580,743)	(651,883)	(659,266)
10/1/09	Plan Change	30	(6,161,412)	24	(5,861,309)	(504,026)	(509,734)
10/1/10	(Gain) Loss	30	15,123,488	25	14,852,126	1,258,913	1,273,570
10/1/10	Assum. Change	30	8,061,915	25	7,917,258	671,092	678,905
10/1/11	(Gain) Loss	30	22,163,141	26	21,820,489	1,825,355	1,847,161
10/1/11	Assum. Change	30	1,658,668	26	1,633,024	136,608	138,240
10/1/12	***	29	869,791	26	846,424	70,806	71,652
10/1/12	(Gain) Loss	30	23,859,099	27	23,279,913	1,924,047	1,947,595
10/1/12	Assum. Change	30	10,160,600	27	9,913,949	819,372	829,400
10/1/12	Plan Change	30	(5,160,035)	27	(5,034,774)	(416,116)	(421,209)
10/1/13	(Gain) Loss	30	(3,358,961)	28	(3,270,833)	(267,347)	(270,694)
10/1/13	Plan Change	30	(1,053,975)	28	(1,026,324)	(83,888)	(84,939)
10/1/14	(Gain) Loss	30	(3,236,333)	29	(3,197,710)	(258,721)	(262,029)
10/1/14	Assum. Change	30	10,779,808	29	10,651,161	861,765	872,785
10/1/15	(Gain) Loss	30	(664,417)	30	(664,417)	(53,255)	(53,950)
10/1/15	Assum. Change	30	11,414,118	30	11,414,118	914,882	N/A
			244,905,761		217,771,190	20,412,968	19,694,018

\* Loss of 7,060,041 plus assumption change of 2,317,537.

\*\* Assumption change of 5,311,398 plus method change of (17,455,152).

\*\*\* Charge Base established to reflect excess contribution for fiscal year ending 9/30/11 that was included in assets. This base is established as of 10/1/12.

**C. Amortization Schedule**

The UAAL is being liquidated as a level dollar amount over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

<b>Amortization Schedule</b>	
<b>Year</b>	<b>Expected UAAL</b>
2015	\$ 217,771,190
2016	212,554,821
2017	208,368,223
2018	203,859,258
2019	199,003,103
2020	193,773,024
2025	160,924,769
2030	113,326,539
2035	55,306,598
2040	11,441,023
2045	-

### ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified.

Net actuarial gains in previous years are as follows:

Year Ended	Gain (Loss)
9/30/1990	\$ (9,106,524)
9/30/1991	2,727,904
9/30/1992	4,954,823
9/30/1993	5,370,894
9/30/1994	(1,696,061)
9/30/1995	6,661,918
9/30/1996	7,568,621
9/30/1997	13,539,264
9/30/1998	6,894,790
9/30/1999	16,168,137
9/30/2000	6,540,306
9/30/2001	(6,572,791)
9/30/2002	(32,586,068)
9/30/2003	(18,414,901)
9/30/2004	(9,682,048)
9/30/2005	(7,060,041)
9/30/2006	(11,796,971)
9/30/2007	14,036,710
9/30/2008	(29,844,325)
9/30/2009	(28,291,986)
9/30/2010	(15,123,488)
9/30/2011	(22,163,141)
9/30/2012	(23,859,099)
9/30/2013	3,358,961
9/30/2014	3,236,333
9/30/2015	664,417

**HISTORY OF INVESTMENT RETURNS AND SALARY INCREASES**

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are consistent with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last several years:

Year Ending	General Plan				Unclassified Plan			
	Investment Return		Salary Increases		Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed	Actual	Assumed	Actual	Assumed
9/30/1989	11.6 %	8.0 %	1.9 %	6.0 %	14.6 %	8.0 %	3.2 %	6.0 %
9/30/1990	7.3	8.5	7.5	6.0	(2.3)	8.0	12.3	6.0
9/30/1991	8.1	8.5	3.0	6.0	21.6	8.5	3.4	6.0
9/30/1992	13.7	8.5	2.0 *	6.0	5.8	9.0	2.4	6.0
9/30/1993	11.4	8.5	3.1	6.0	14.1	9.0	6.3	6.0
9/30/1994	6.8	8.5	3.9	6.0	4.8	9.0	6.0	6.0
9/30/1995	11.4	8.5	8.8	6.0	24.1	9.0	7.6	6.0
9/30/1996	15.3	8.5	4.2	6.0	13.9	9.0	8.6	6.0
9/30/1997	13.8	8.5	6.0	6.0	19.1	9.0	7.4	6.0
9/30/1998	12.5	8.5	5.0	6.0	4.3	9.0	4.1	6.0
9/30/1999	14.4	8.5	7.3	6.0	18.8	9.0	7.1	6.0
9/30/2000	10.7	8.5	6.7	6.0	16.5	9.0	6.7	6.0
9/30/2001	7.2	8.5	9.3	6.0	9.7	9.0	7.0	6.0
9/30/2002	0.3	8.5	8.9	6.0	1.7	9.0	9.2	6.0
9/30/2003	4.3	8.5	8.1	6.0	4.6	9.0	7.5	6.0
9/30/2004	4.1	8.5	3.1	6.0	9.7	9.0	5.7	6.0
9/30/2005	4.4	8.5	4.7	6.0	10.7	9.0	6.8	6.0
9/30/2006	7.7	8.5	11.9	6.0	10.2	8.75	7.9	6.0
9/30/2007 **	12.0	8.75	(3.6)	6.0	NA	NA	NA	NA
9/30/2008 **	5.2	8.65	11.3	6.0	NA	NA	NA	NA
9/30/2009 **	1.1	8.50	4.8	6.0	NA	NA	NA	NA
9/30/2010 **	5.0	8.35	2.5	6.0	NA	NA	NA	NA
9/30/2011 **	1.1	8.25	0.8	6.8	NA	NA	NA	NA
9/30/2012 **	2.1	8.15	1.7	5.7	NA	NA	NA	NA
9/30/2013 **	7.4	8.00	2.3	5.6	NA	NA	NA	NA
9/30/2014 **	9.9	8.00	3.6	5.6	NA	NA	NA	NA
9/30/2015 **	7.7	7.85	6.0	5.7	NA	NA	NA	NA
Averages	7.9 %	---	4.9 %	---	11.0 %	---	6.6 %	---

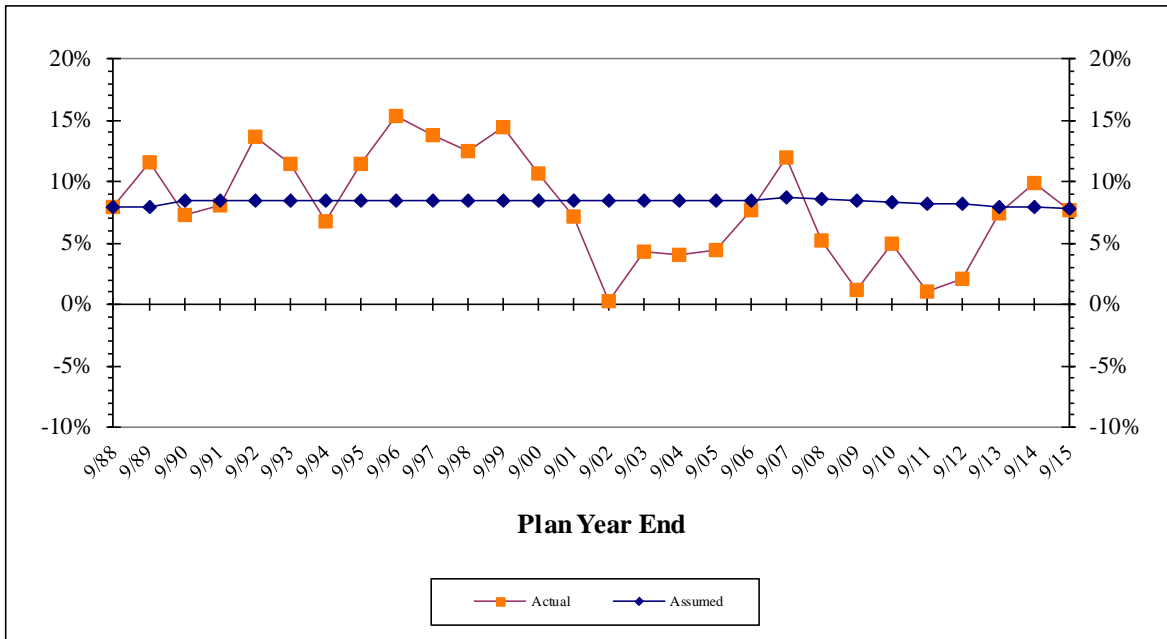
\* Approximate rate

\*\* Represents salary increases and investment return for the total group

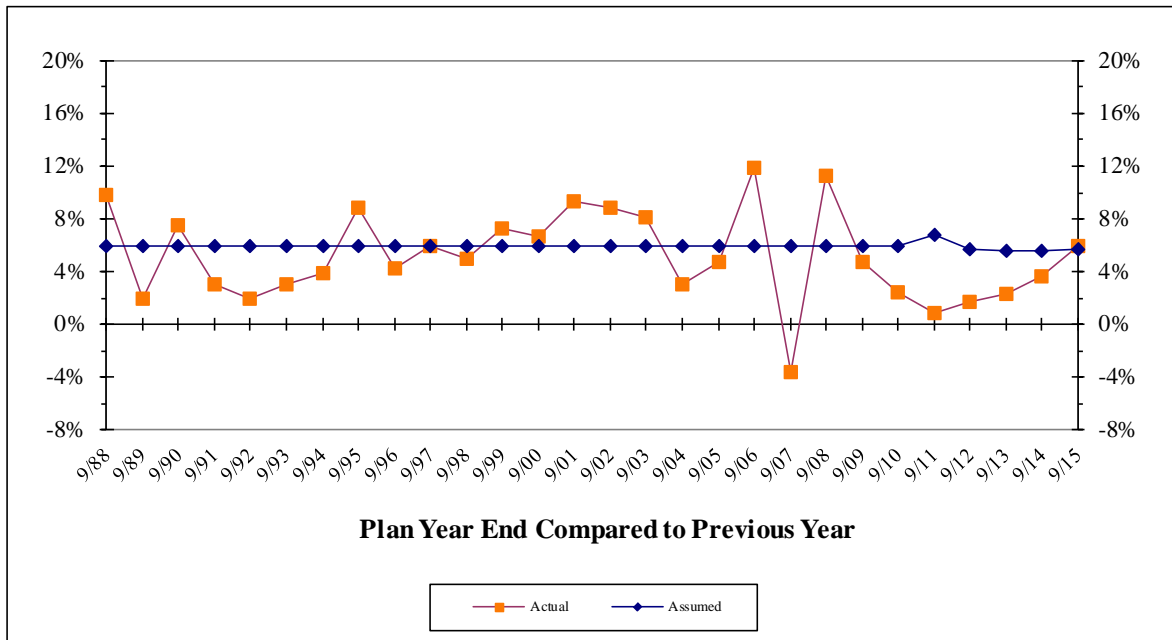
Note: Figures before 1992 were taken from Reports of Buck Consultants.

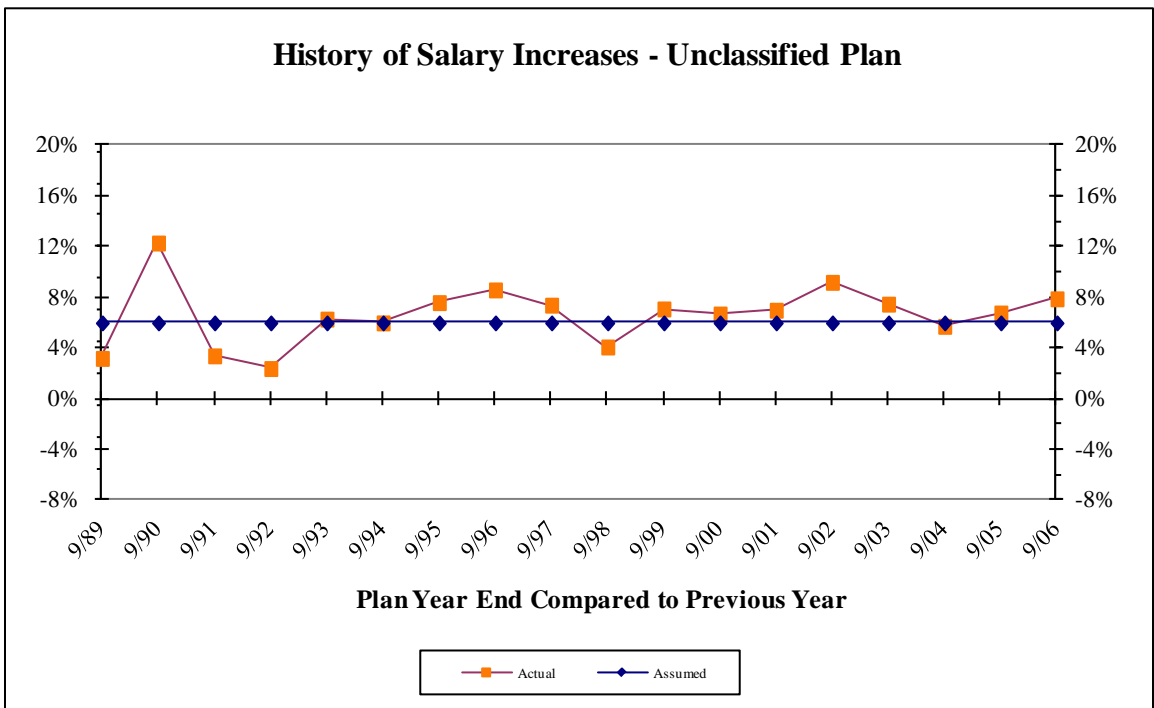
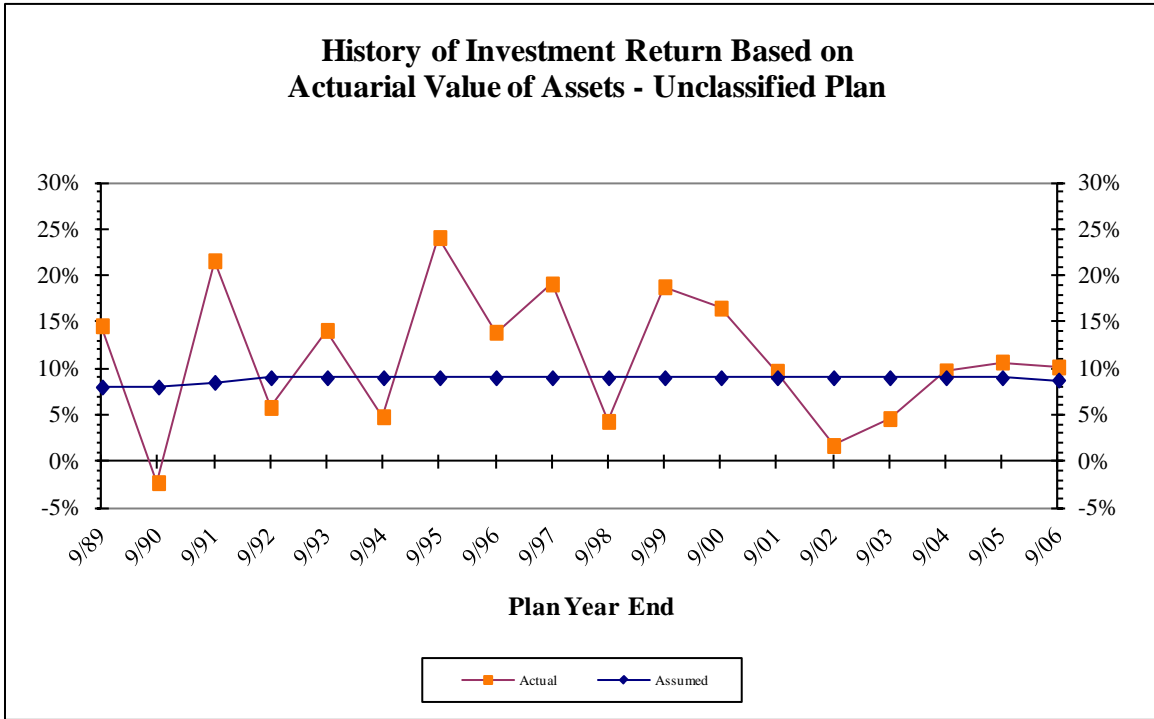
The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuation both at the beginning and the end of each period. The exhibits that follow illustrate the table above in graphic form.

**History of Investment Return Based  
on Actuarial Value of Assets – General Plan  
and Combined Plan after 2006**



**History of Salary Increases – General Plan  
and Combined Plan after 2006**







**Actual (A) Compared to Expected (E) Decrements  
Among Active Employees**

Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
									A	A	A	E	
9/30/2003	109	46	20	40	0	3	2	1	15	9	24	33	<b>714</b>
9/30/2004	65	54	24	37	2	3	1	1	18	9	27	35	<b>725</b>
9/30/2005	73	62	16	43	2	3	2	1	23	19	42	37	<b>736</b>
9/30/2006 *	357	75	40	40	0	3	1	1	21	13	34	37	<b>1018</b>
9/30/2007	149	106	40	86	2	3	1	2	17	46	63	49	<b>1061</b>
9/30/2008	182	85	29	92	1	3	1	2	24	30	54	61	<b>1158</b>
9/30/2009	78	29	55	123	2	3	1	2	12	12	24	64	<b>1154</b>
9/30/2010	35	72	31	114	0	3	1	2	10	30	40	69	<b>1117</b>
9/30/2011	37	82	27	38	3	1	3	2	9	40	49	43	<b>1072</b>
9/30/2012	60	83	41	46	2	1	1	2	16	23	39	39	<b>1049</b>
9/30/2013	52	87	37	45	2	1	1	2	21	26	47	38	<b>1014</b>
9/30/2014	113	116	62	41	0	1	1	2	34	19	53	37	<b>1011</b>
9/30/2015	180	109	49	30	0	1	1	1	21	38	59	42	<b>1082</b>
9/30/2016				25		1		1				48	
13 Yr Totals **	1490	1006	471	775	16	29	17	21	241	314	555	584	

\* Includes 401a transfers

\*\* Totals are through current Plan Year only

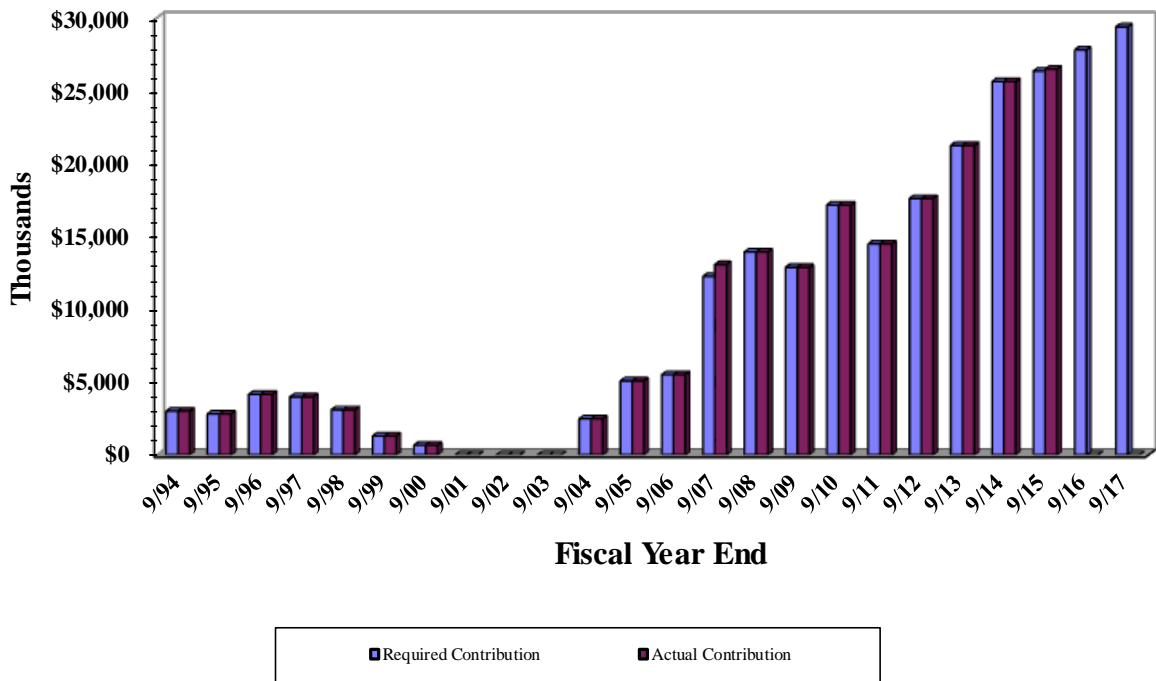
RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS						
Valuation Date	End of Year To Which Valuation Applies	Required Employer Contribution		Actual Employer Contribution	Expected Employee Contribution	
		Amount	% of Payroll <sup>1</sup>	Amount	Amount	% of Payroll
10/1/92	9/30/94	\$ 3,004,556	13.59 %	\$ 3,004,556	2,210,760	10.00 %
10/1/93	9/30/95	2,809,509	13.32	2,809,509	2,109,411	10.00
10/1/94	9/30/96	4,151,807	18.92	4,151,807	2,194,453	10.00
10/1/95	9/30/97	3,982,477	16.97	3,982,477	2,346,131	10.00
10/1/96	9/30/98	3,091,359	12.29	3,091,359	2,514,836	10.00
10/1/97	9/30/99	1,293,920	4.99	1,293,920	2,593,998	10.00
10/1/98	9/30/00	666,897	2.66	666,897	2,507,033	10.00
10/1/99	9/30/01	-	-	-	2,541,861	10.00
10/1/00	9/30/02	-	-	-	2,588,940	10.00
10/1/01	9/30/03	-	-	-	2,766,409	10.00
10/1/02	9/30/04	2,476,702	8.16	2,476,702	3,035,064	10.00
10/1/03	9/30/05	5,082,595	14.74	5,082,595	3,448,863	10.00
10/1/04	9/30/06	5,500,329	15.89	5,500,329	3,461,920	10.00
10/1/05	9/30/07	12,234,519 *	23.11	13,053,231	4,550,013 *	8.59
10/1/06	9/30/08	13,911,545	24.24	13,911,545	4,901,855	8.54
10/1/07	9/30/09	12,863,823	21.57	12,863,823	4,987,739	8.36
10/1/08	9/30/10	17,137,394	25.20	17,137,394	5,627,519	8.27
10/1/09	9/30/11	14,474,678	20.65	14,474,678	7,146,837	10.20
10/1/10	9/30/12	17,583,191	25.54	17,583,191 **	6,995,774	10.16
10/1/11	9/30/13	21,222,051	31.99	21,222,051	6,613,338	9.97
10/1/12	9/30/14	25,602,030 ***	39.36	25,602,030	6,504,355 ***	10.00
10/1/13	9/30/15	26,317,983	41.43	26,456,580	6,363,367	10.02
10/1/14	9/30/16	27,783,852	43.33	NA	6,399,516	9.98
10/1/15	9/30/17	29,358,098	40.85	NA	7,168,968	9.98
Average % of Payroll			19.12 %			9.75 %

\* From February 28, 2006 Actuarial Impact Statement.

\*\* Reflects use of \$1,271,123 prepaid contribution

\*\*\* From September 6, 2013 Actuarial Impact Statement.

**Recent History of Required and Actual Employer Contributions**



## RECENT HISTORY OF UAAL AND FUNDED RATIO

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) - Entry Age (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c
10/1/1993	\$ 185,721,855	\$ 187,130,465	\$ 1,408,610	99.2 %	\$ 21,094,111	6.7 %
10/1/1994	188,997,087	202,078,377	13,081,290	93.5	21,944,531	59.6
10/1/1995	208,877,297	213,844,465	4,967,168	97.7	23,461,309	21.2
10/1/1996	226,633,680	222,221,064	(4,412,616)	102.0	25,148,361	(17.5)
10/1/1997	251,171,973	232,871,332	(18,300,641)	107.9	25,939,981	(70.5)
10/1/1998	266,716,007	240,760,472	(25,955,535)	110.8	25,070,334	(103.5)
10/1/1999	305,344,213	263,462,059	(41,882,154)	115.9	25,418,614	(164.8)
10/1/2000	326,816,322	277,933,325	(48,882,997)	117.6	25,889,403	(188.8)
10/1/2001	336,024,366	292,748,088	(43,276,278)	114.8	27,664,085	(156.4)
10/1/2002	322,181,146	319,831,292	(2,349,854)	100.7	30,350,644	(7.7)
10/1/2003	320,053,468	338,904,200	18,850,732	94.4	34,488,630	54.7
10/1/2004	320,735,755	352,105,058	31,369,303	91.1	34,619,199	90.6
10/1/2005	325,727,087	368,096,409	42,369,322	88.5	36,680,110	115.5
10/1/2006	358,458,949	448,933,278	90,474,329	79.8	57,390,894	157.6
10/1/2007	412,824,235	478,067,829	65,243,594	86.4	59,632,425	109.4
10/1/2008	425,714,565	526,481,586	100,767,021	80.9	68,009,550	148.2
10/1/2009	420,520,122	545,536,965	125,016,843	77.1	70,097,549	178.3
10/1/2010	431,479,305	580,246,165	148,766,860	74.4	68,844,264	216.1
10/1/2011	425,781,050	602,577,503	176,796,453	70.7	66,346,904	266.5
10/1/2012	421,376,041	632,203,739	210,827,698	66.7	65,053,945	324.1
10/1/2013	440,912,751	648,743,246	207,830,495	68.0	63,526,903	327.2
10/1/2014	475,203,581	687,011,560	211,807,979	69.2	64,115,083	330.4
10/1/2015 (b)	504,716,897	711,073,969	206,357,072	71.0	71,863,150	287.2
10/1/2015 (a)	504,716,897	722,488,087	217,771,190	69.9	71,863,150	303.0

(a) After Changes

(b) Before Changes

## **ACTUARIAL ASSUMPTIONS AND COST METHOD**

Both the economic and decrement assumptions were established following the Experience Study Report as of October 1, 2010. The investment return and salary increase assumptions have been adjusted in accordance with subsequent analyses. The covered group is too small to provide statistically significant experience on which to base the mortality assumption. Mortality is based on a commonly used mortality table and projection scale.

### **Valuation Methods**

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

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

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

**Financing of Unfunded Actuarial Accrued Liabilities** - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over a reasonable period of future years.

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

### **Valuation Assumptions**

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

### **Economic Assumptions**

**The investment return rate** assumed in the valuation is 7.70% per year, compounded annually (net after investment expenses). The reduction in the assumed investment return rate from 8.00% to 7.40% is being phased-in over a four-year period starting October 1, 2014.

**The Wage Inflation Rate** assumed in this valuation was 3.00% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

The assumed **real rate of return** over wage inflation is defined to be the portion of total investment return that is more than the assumed wage inflation rate. Considering other economic assumptions, the 7.70% investment return rate translates to an assumed real rate of return over wage inflation of 4.70%.

*Rates of salary increases* used are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

Years of Service	% Increase in Salary		
	Merit and Seniority	Base (Economic)	Total Increase
1	4.0%	3.0%	7.0%
2	3.9%	3.0%	6.9%
3	3.8%	3.0%	6.8%
4	3.7%	3.0%	6.7%
5	3.6%	3.0%	6.6%
6	3.5%	3.0%	6.5%
7	3.0%	3.0%	6.0%
8	2.9%	3.0%	5.9%
9	2.8%	3.0%	5.8%
10	2.7%	3.0%	5.7%
11	2.6%	3.0%	5.6%
12	2.5%	3.0%	5.5%
13	2.4%	3.0%	5.4%
14	2.3%	3.0%	5.3%
15	2.2%	3.0%	5.2%
16	2.1%	3.0%	5.1%
17	2.0%	3.0%	5.0%
18	1.9%	3.0%	4.9%
19	1.8%	3.0%	4.8%
20	1.7%	3.0%	4.7%
21+	1.5%	3.0%	4.5%

#### Demographic Assumptions

*The mortality table* was the RP-2000 Combined Healthy Participant Mortality Tables for males and females projected to the year 2010 using Scale AA. There is no provision for future mortality improvements after 2010. Sample values of the current life expectancies are shown below. It is important to note that under Florida Statutes, the Plan will be required to use the same mortality assumption used by the Florida Retirement System beginning with the October 1, 2016 Actuarial Valuation.

This assumption is used to measure the probabilities of each benefit being made after retirement. For active members, the probabilities of dying before retirement were based upon the same mortality table as members dying after retirement (25% of deaths are assumed to be service-connected).

#### Current Mortality Assumption

Sample Attained Ages	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.18 %	0.14 %	31.85	34.16
55	0.30	0.25	27.17	29.44
60	0.57	0.48	22.66	24.89
65	1.11	0.92	18.44	20.61
70	1.91	1.59	14.60	16.69
75	3.29	2.59	11.12	13.15
80	5.82	4.28	8.13	10.00

*The rates of retirement* used to measure the probability of eligible members retiring during the next year are shown in the table below.

<b>Normal Retirement Rates</b>		
<b>Years of Service</b>	<b>Age</b>	<b>Assumed Rate of Retirement</b>
5-9	50-54	5.0 %
	55-59	5.0
	60-64	10.0
	65-69	20.0
	70+	100.0
10-14	50-54	5.0
	55-59	5.0
	60-64	10.0
	65-69	10.0
	70+	100.0
15-19	50-54	15.0
	55-59	15.0
	60-64	20.0
	65-69	25.0
	70+	100.0
20-24	50-54	25.0
	55-59	25.0
	60-64	35.0
	65-69	50.0
	70+	100.0
25-29	50-54	70.0
	55-59	40.0
	60-64	50.0
	65-69	50.0
	70+	100.0
30+	50-54	100.0
	55-59	100.0
	60-64	100.0
	65-69	100.0
	70+	100.0

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

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

<b>Sample Ages</b>	<b>Years of Service</b>	<b>% of Active Members Separating Within Next Year</b>
ALL	0	9.80 %
	1	7.70
	2	6.20
	3	5.00
	4	4.00
20	5 & Over	7.00
25		6.64
30		6.16
35		5.28
40		4.20
45		3.44
50		2.84
55		2.60

*Rates of disability* among active members are shown in the table below (50% of disabilities are assumed to be service connected).

<b>Sample Ages</b>	<b>% Becoming Disabled Within Next Year</b>
25	0.03 %
30	0.03
35	0.05
40	0.07
45	0.11
50	0.17
55	0.23
60	0.37
65	0.56

### *Changes Since Previous Valuation*

The investment return assumption was lowered from 7.85% to 7.70%. This rate will continue to be lowered by 0.15% each year until 7.4% is reached.



### Miscellaneous and Technical Assumptions

<i>Administrative &amp; Investment Expenses</i>	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be the average of non-investment related expenses averaged over the last two years. Assumed administrative expenses are added to the Normal Cost.
<i>Benefit Service</i>	Service rounded to the nearest month is used to determine the amount of benefit payable.
<i>Decrement Operation</i>	Disability and mortality decrements operate during retirement eligibility.
<i>Decrement Timing</i>	Decrements of all types are assumed to occur at the beginning of the year.
<i>Eligibility Testing</i>	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
<i>Forfeitures</i>	For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
<i>Incidence of Contributions</i>	Employer contributions are assumed to be made in full on the first day of the fiscal year. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
<i>Marriage Assumption</i>	85% of males and 85% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
<i>Normal Form of Benefit</i>	50% joint and survivor annuity; life annuity for members hired after September 30, 2010.
<i>Pay Increase Timing</i>	Middle of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
<i>Cost of Living Increase</i>	2.5% per year for Tier A and Tier B members; 1.5% per year for Tier C members. Increases are assumed to begin 4 years after retirement. This assumption reflects the COLA delay for DROP members.
<i>Maximum Benefits</i>	Benefits calculated for valuation purposes are limited to the maximum allowable benefits under Section 415 of the Internal Revenue Code.

## GLOSSARY

<b><i>Actuarial Accrued Liability (AAL)</i></b>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<b><i>Actuarial Assumptions</i></b>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<b><i>Actuarial Cost Method</i></b>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<b><i>Actuarial Equivalent</i></b>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<b><i>Actuarial Present Value (APV)</i></b>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<b><i>Actuarial Present Value of Future Benefits (APVFB)</i></b>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<b><i>Actuarial Valuation</i></b>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.
<b><i>Actuarial Value of Assets</i></b>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution (ADC).

<b><i>Amortization Method</i></b>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<b><i>Amortization Payment</i></b>	That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<b><i>Amortization Period</i></b>	The period used in calculating the Amortization Payment.
<b><i>Actuarially Determined Contribution (ADC)</i></b>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADC consists of the Employer Normal Cost and Amortization Payment.
<b><i>Closed Amortization Period</i></b>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
<b><i>Employer Normal Cost</i></b>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<b><i>Equivalent Single Amortization Period</i></b>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<b><i>Experience Gain/Loss</i></b>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

<b><i>Funded Ratio</i></b>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<b><i>GASB</i></b>	Governmental Accounting Standards Board.
<b><i>GASB No. 67 and GASB No. 68</i></b>	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
<b><i>Normal Cost</i></b>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<b><i>Open Amortization Period</i></b>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<b><i>Unfunded Actuarial Accrued Liability</i></b>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<b><i>Valuation Date</i></b>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

**SECTION C**

**PENSION FUND INFORMATION**

## STATEMENT OF PLAN ASSETS AT MARKET VALUE

Item	September 30	
	2015	2014
A. Cash and Cash Equivalents (Operating Cash)	\$ -	\$ -
B. Receivables:		
1. Member Contributions	\$ -	\$ -
2. Employer Contributions	-	-
3. Investment Income and Other Receivables	68,249	94,096
4. Total Receivables	\$ 68,249	\$ 94,096
C. Investments		
1. Short Term Investments	\$ 4,526,360	\$ 1,179,625
2. Domestic Equities	206,778,561	262,508,080
3. International Equities	73,795,023	85,158,862
4. Domestic Fixed Income*	154,832,630	159,989,139
5. International Fixed Income	-	-
6. Real Estate	56,866,879	-
7. Private Equity	-	-
8. ICMA Account (for DROP)**	10,865,693	7,598,683
9. Total Investments	\$ 507,665,146	\$ 516,434,389
D. Liabilities		
1. Benefits	\$ -	\$ -
2. Prepaid Employer Contribution	-	-
3. Expenses	(148,862)	(140,700)
4. Other	-	-
5. Total Liabilities	\$ (148,862)	\$ (140,700)
E. Total Market Value of Assets Available for Benefits	\$ 507,584,533	\$ 516,387,785
F. Reserves		
1. DROP Accounts**	\$ (10,865,693)	\$ (7,598,683)
2. Total Reserves	\$ (10,865,693)	\$ (7,598,683)
G. Adjustments		
1. Receivables from Excess Benefit Plan	\$ -	\$ 311,076
2. Prepaid Contribution	-	-
3. Total Adjustments	\$ -	\$ 311,076
H. Market Value Net of Reserves and Adjustments	\$ 496,718,840	\$ 509,100,178
I. Allocation of Investments		
1. Short Term Investments	0.89%	0.23%
2. Domestic Equities	40.73%	50.83%
3. International Equities	14.54%	16.49%
4. Domestic Fixed Income*	30.50%	30.98%
5. International Fixed Income	0.00%	0.00%
6. Real Estate	11.20%	0.00%
7. Private Equity	0.00%	0.00%
8. ICMA Account (for DROP)	2.14%	1.47%
9. Total Investments	100.00%	100.00%

\* The breakdown of this amount between domestic and international fixed income was not provided.

\*\* Includes outstanding loan balances.

**RECONCILIATION OF PLAN ASSETS**

Item	September 30	
	2015	2014
A. Market Value of Assets at Beginning of Year	\$ 516,387,785	\$ 470,952,819
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions (Including Buybacks)	\$ 7,310,183	\$ 7,373,407
b. Employer Contributions	26,456,580	25,602,030
c. Other	-	-
d. Total	<u>\$ 33,766,763</u>	<u>\$ 32,975,437</u>
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 5,433,273	\$ 5,097,103
b. Net Realized and Unrealized Gains/(Losses)*	(9,806,578)	47,490,489
c. Investment Expenses	<u>(675,101)</u>	<u>(813,946)</u>
d. Net Investment Income	\$ (5,048,406)	\$ 51,773,646
3. Benefits and Refunds		
a. Refunds	\$ (941,310)	\$ (1,143,866)
b. Regular Monthly Benefits	(34,001,557)	(36,011,685)
c. DROP Disbursements	<u>(1,872,459)</u>	<u>(1,489,715)</u>
d. Total	\$ (36,815,326)	\$ (38,645,266)
4. Administrative and Miscellaneous Expenses	\$ (706,283)	\$ (668,851)
C. Market Value of Assets at End of Year	\$ 507,584,533	\$ 516,387,785
D. Reserves		
1. DROP Accounts**	<u>\$ (10,865,693)</u>	<u>\$ (7,598,683)</u>
2. Total Reserves	\$ (10,865,693)	\$ (7,598,683)
E. Adjustments		
1. Receivables from Excess Benefit Plan	\$ -	\$ 311,076
2. Prepaid Contribution	-	-
3. Total Adjustments	<u>\$ -</u>	<u>\$ 311,076</u>
F. Market Value Net of Reserves and Adjustments	\$ 496,718,840	\$ 509,100,178

\* We were not provided with the breakdown of this amount between realized gains/(losses) and unrealized gains/(losses).

\*\* Includes outstanding loan balances.

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**Reconciliation of DROP Accounts**

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Value at Beginning of Year	\$	7,598,683
Payments Credited to Accounts		5,194,954
Investment Earnings Credited to Accounts		(55,485)
Withdrawals from Accounts*		(1,872,459)
Value at End of Year		10,865,693

\*Reflects change in outstanding loan balance.



## DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

Valuation Date – September 30	2014	2015	2016	2017	2018	2019
A. Actuarial Value of Assets Beginning of Year	\$ 445,126,434	\$ 482,491,188				
B. Market Value End of Year	516,387,785	507,584,533				
C. Market Value Beginning of Year	470,987,376	516,387,785				
D. Non-Investment/Administrative Net Cash Flow	(6,373,237)	(3,754,846)				
E. Investment Income						
E1. Actual Market Total: B-C-D	51,773,646	(5,048,406)				
E2. Assumed Rate of Return	8.00%	7.85%	7.70%	7.55%	7.40%	7.40%
E3. Assumed Amount of Return	35,355,185	37,728,181				
E4. Amount Subject to Phase-In: E1-E3	16,418,461	(42,776,587)				
F. Phase-In Recognition of Investment Income						
F1. Current Year: 0.20 x E4	3,283,692	(8,555,317)				
F2. First Prior Year	4,227,619	3,283,692	\$ (8,555,317)			
F3. Second Prior Year	7,916,898	4,227,619	3,283,692	\$ (8,555,317)		
F4. Third Prior Year	(7,754,825)	7,916,898	4,227,619	3,283,692	\$ (8,555,317)	
F5. Fourth Prior Year	709,422	(7,754,825)	7,916,898	4,227,619	3,283,692	\$ (8,555,317)
F6. Total Phase-Ins	8,382,806	(881,933)	6,872,892	(1,044,006)	(5,271,625)	(8,555,317)
<b>G. Actuarial Value of Assets End of Year</b>						
G1. Preliminary Actuarial Value of Assets	\$ 482,491,188	\$ 515,582,590				
G2. Upper Corridor Limit: 120%*B	619,665,342	609,101,440				
G3. Lower Corridor Limit: 80%*B	413,110,228	406,067,626				
G4. Funding Value End of Year	482,491,188	515,582,590				
G5. Less: DROP Account Balances	7,598,683	10,865,693				
G6. Plus: Adjustments	311,076	-				
G7. Less: Prepaid Contribution	-	-				
G8. Final Funding Value End of Year	475,203,581	504,716,897				
H. Difference between Market & Actuarial Value	\$ 33,896,597	\$ (7,998,057)				
<b>I. Actuarial Rate of Return</b>	9.90%	7.67%				
<b>J. Market Value Rate of Return</b>	11.07%	-0.98%				
<b>K. Ratio of Actuarial Value to Market Value</b>	93.44%	101.58%				

## INVESTMENT RATE OF RETURN

Year Ended	General Plan **		Unclassified Plan	
	Market Value	Actuarial Value	Market Value	Actuarial Value
9/30/89	NA %	11.6 %	14.6 %	14.6 %
9/30/90	NA	7.3	(2.3)	(2.3)
9/30/91	NA	8.1	21.6	21.6
9/30/92	12.2	13.7	5.8	5.8
9/30/93	14.6	11.4	14.6	14.1
9/30/94	1.4	6.8	5.3	4.8
9/30/95	20.0	11.4	25.9	24.1
9/30/96	9.8	15.3	22.7	13.9
9/30/97	23.0	13.8	35.2	19.1
9/30/98	8.4	12.5	(0.3)	4.3
9/30/99	13.1	14.4	19.1	18.8
9/30/00	10.8	10.7	11.5	16.5
9/30/01	(7.4)	7.2	(8.1)	9.7
9/30/02	(5.9)	0.3	(9.8)	1.7
9/30/03	17.4	4.3	16.9	4.6
9/30/04	11.4	4.1	13.0	9.7
9/30/05	12.8	4.4	13.8	10.7
9/30/06	7.4 *	7.7	7.5 *	10.2 *
9/30/07	15.3	12.0	NA	NA
9/30/08	(13.6)	5.2	NA	NA
9/30/09	(0.8)	1.1	NA	NA
9/30/10	11.3	5.0	NA	NA
9/30/11	(0.9)	1.1	NA	NA
9/30/12	20.5	2.1	NA	NA
9/30/13	13.0	7.4	NA	NA
9/30/14	11.1	9.9	NA	NA
9/30/15	(1.0)	7.7	NA	NA
<b>Average Returns:</b>				
Last 5 Years	8.2 %	5.6 %	NA %	NA %
Last 10 Years	5.8 %	5.9 %	NA %	NA %
All Years	8.1 %	7.9 %	10.9 %	11.0 %

\* Note: Effective 10/1/06, the former General and Unclassified Plans were merged and assets were combined. Investment returns after this date are for the total group.

\*\* Combined Plan after 2006

**SECTION D**

**FINANCIAL ACCOUNTING INFORMATION**

<b>FASB NO. 35 INFORMATION</b>		
A. Valuation Date	October 1, 2015	October 1, 2014
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 503,953,533	\$ 475,313,175
b. Terminated Vested Members	20,178,548	18,630,104
c. Other Members	150,097,415	149,165,783
d. Total	<u>674,229,496</u>	<u>643,109,062</u>
2. Non-Vested Benefits	12,963,388	8,050,737
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	687,192,884	651,159,799
4. Accumulated Contributions of Active Members	62,289,667	61,646,599
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	651,159,799	611,078,480
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	(851,318)
b. Change in Actuarial Assumptions	10,881,608	10,211,228
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	65,289,298	71,918,922
d. Benefits Paid (Net Basis)	<u>(40,137,821)</u>	<u>(41,197,513)</u>
e. Net Increase	36,033,085	40,081,319
3. Total Value at End of Period	687,192,884	651,159,799
D. Market Value of Assets	496,718,840	509,100,178
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

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

Fiscal year ending September 30,	<b>2016*</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>			
Service Cost	\$ 12,906,811	\$ 11,795,411	\$ 12,306,795
Interest	56,078,211	53,832,182	51,809,378
Benefit Changes	-	(1,277,929)	-
Difference between actual & expected experience	(2,210,692)	5,603,144	(278,357)
Assumption Changes	11,677,687	11,026,357	-
Benefit Payments	(44,806,950)	(35,874,016)	(37,501,400)
Refunds	(241,343)	(941,310)	(1,143,866)
Other (Change in Receivable from Excess Benefit Plan)	-	311,076	311,077
<b>Net Change in Total Pension Liability</b>	<b>33,403,724</b>	<b>44,474,915</b>	<b>25,503,627</b>
<b>Total Pension Liability - Beginning</b>	<b>723,989,446</b>	<b>679,514,531</b>	<b>654,010,904</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 757,393,170</b>	<b>\$ 723,989,446</b>	<b>\$ 679,514,531</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 27,783,852	\$ 26,456,580	\$ 25,602,030
Contributions - Non-Employer Contributing Entity	-	-	-
Contributions - Member (includes buybacks)	7,168,968	7,310,183	7,373,407
Net Investment Income	39,738,540	(5,048,406)	51,773,646
Benefit Payments	(44,806,950)	(35,874,016)	(37,501,400)
Refunds	(241,343)	(941,310)	(1,143,866)
Administrative Expense	(687,567)	(706,283)	(668,851)
Other	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>28,955,500</b>	<b>(8,803,252)</b>	<b>45,434,966</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>507,584,533</b>	<b>516,387,785</b>	<b>470,952,819</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 536,540,033</b>	<b>\$ 507,584,533</b>	<b>\$ 516,387,785</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>220,853,137</b>	<b>216,404,913</b>	<b>163,126,746</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>70.84 %</b>	<b>70.11 %</b>	<b>75.99 %</b>
<b>Covered Employee Payroll</b>	<b>\$ 80,473,472</b>	<b>\$ 82,359,302</b>	<b>\$ 76,362,960</b>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>274.44 %</b>	<b>262.76 %</b>	<b>213.62 %</b>

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

**SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**  
**GASB Statement No. 67**

FY Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Employee Payroll	Net Pension Liability as a % of Covered Employee Payroll
2014	\$679,514,531	\$516,387,785	\$ 163,126,746	75.99%	\$ 76,362,960	213.62%
2015	723,989,446	507,584,533	216,404,913	70.11%	82,359,302	262.76%
2016*	757,393,170	536,540,033	220,853,137	70.84%	80,473,472	274.44%

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

**NOTES TO SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**  
**GASB Statement No. 67**

**Valuation Date:** October 1, 2015  
**Measurement Date:** September 30, 2016

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Inflation	3.0%
Salary Increases	4.5% to 7.0% depending on service, including inflation
Investment Rate of Return	7.7%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected after 2000 to the year 2010 using Scale AA

**Other Information:**

Notes See Discussion of Valuation Results on page 1.

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

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
2014	\$ 25,602,030	\$ 25,602,030	\$ -	\$ 76,362,960	33.53%
2015	26,317,983	26,456,580	(138,597)	82,359,302	32.12%
2016*	27,783,852	27,783,852	-	80,473,472	34.53%

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



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

**Valuation Date:** October 1, 2014  
**Notes** Actuarially determined contributions are calculated as of , which is two years prior to the end of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	4.5% to 7.0% depending on age, including inflation
Investment Rate of Return	7.85%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected after 2000 to the year 2010 using Scale AA

**Other Information:**

**Notes** See Discussion of Valuation Results in the October 1, 2014 and the October 1, 2015 Actuarial Valuation Reports; effective as of October 1, 2015 the investment return assumption was lowered from 7.85% to 7.70%.

**SINGLE DISCOUNT RATE**  
**GASB Statement No. 67**

A single discount rate of 7.70% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.70%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.70%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.70%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

**Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption\***

1% Decrease 6.70%	Current Single Discount Rate Assumption 7.70%	1% Increase 8.70%
\$ 307,242,598	\$ 220,853,137	\$ 148,430,129

**\* These figures are estimates projected to September 30, 2016. Actual figures will be provided after the end of the fiscal year.**

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

<b>RECONCILIATION OF MEMBERSHIP DATA</b>		
	<b>From 10/1/14 To 10/1/15</b>	<b>From 10/1/13 To 10/1/14</b>
<b>A. Active Members</b>		
1. Number Included in Last Valuation	1,011	1,014
2. New Members Included in Current Valuation	140	113
3. Employment Terminations	(59)	(53)
4. Service Retirements	(8)	(12)
5. DROP Retirements	(41)	(50)
6. Disability Retirements	0	0
7. Deaths	(1)	(1)
8. Other - Data Adjustments	40	0
9. Number Included in This Valuation	<u>1,082</u>	<u>1,011</u>
<b>B. Terminated Vested Members</b>		
1. Number Included in Last Valuation	88	69
2. Additions from Active Members	21	34
3. Lump Sum Payments/Refund of Contributions	(9)	(10)
4. Payments Commenced	(7)	(5)
5. Deaths	0	0
6. Other - Data Adjustments	0	0
7. Number Included in This Valuation	<u>93</u>	<u>88</u>
<b>C. DROP Plan Members</b>		
1. Number Included in Last Valuation	93	56
2. Additions from Active Members	41	50
3. Retirements	(20)	(13)
4. Deaths	0	0
5. Other	0	0
6. Number Included in This Valuation	<u>114</u>	<u>93</u>
<b>D. Service Retirees, Disability Retirees and Beneficiaries</b>		
1. Number Included in Last Valuation	1,066	1,055
2. Additions from Active Members	8	12
3. Additions from Terminated Vested Members	7	5
4. Additions from DROP Plan	20	13
5. Deaths Resulting in No Further Payments	(44)	(22)
6. Deaths Resulting in New Survivor Benefits	0	1
7. End of Certain Period - No Further Payments	0	0
8. Other - Data Adjustments	(11)	2
9. Number Included in This Valuation	<u>1,046</u>	<u>1,066</u>

## ACTIVE MEMBERS ON OCTOBER 1, 2015

Age Group	Years of Service							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	
20-24	11							11
Total Pay	464,809							464,809
Avg Pay	42,255							42,255
25-29	70	14						84
Total Pay	3,521,860	616,909						4,138,769
Avg Pay	50,312	44,065						49,271
30-34	66	66	6					138
Total Pay	3,495,289	3,071,314	338,280					6,904,883
Avg Pay	52,959	46,535	56,380					50,035
35-39	44	40	38	9				131
Total Pay	2,334,692	2,204,458	2,253,433	523,291				7,315,874
Avg Pay	53,061	55,111	59,301	58,143				55,846
40-44	41	41	48	32	6			168
Total Pay	2,751,335	2,196,447	2,991,607	2,346,445	508,686			10,794,520
Avg Pay	67,106	53,572	62,325	73,326	84,781			64,253
45-49	41	23	38	27	16	7	1	153
Total Pay	3,099,908	1,235,645	2,591,174	1,938,516	1,436,581	580,244	72,689	10,954,757
Avg Pay	75,608	53,724	68,189	71,797	89,786	82,892	72,689	71,600
50-54	43	29	54	55	36	3		220
Total Pay	4,849,494	1,686,512	3,485,760	4,018,783	3,034,378	189,290		17,264,217
Avg Pay	112,779	58,156	64,551	73,069	84,288	63,097		78,474
55-59	23	21	24	20	11			99
Total Pay	1,618,666	1,264,854	1,370,147	1,253,194	842,391			6,349,252
Avg Pay	70,377	60,231	57,089	62,660	76,581			64,134
60-64	14	8	10	12	9			53
Total Pay	1,383,655	477,339	689,895	822,156	682,480			4,055,525
Avg Pay	98,833	59,667	68,990	68,513	75,831			76,519
65-99	5	6	8	3	1	1	1	25
Total Pay	314,392	301,652	637,708	155,868	53,760	67,851	70,955	1,602,186
Avg Pay	62,878	50,275	79,714	51,956	53,760	67,851	70,955	64,087
Total No.	358	248	226	158	79	11	2	1,082
Total Pay	23,834,100	13,055,130	14,358,004	11,058,253	6,558,276	837,385	143,644	69,844,792
Avg Pay	66,576	52,642	63,531	69,989	83,016	76,126	71,822	64,552

## INACTIVE MEMBERS ON OCTOBER 1, 2015

Age	Terminated Vested		Disabled		Retirees, Beneficiaries & DROP		Grand Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 45	30	\$ 486,052	1	\$ 23,464	6	74,260	37	\$ 583,776
45-49	35	908,106	1	17,064	2	40,944	38	966,114
50-54	26	684,004	5	134,177	75	4,153,806	106	4,971,987
55-59	2	77,918	8	271,249	141	7,038,814	151	7,387,981
60-64	0	-	5	125,801	188	7,839,391	193	7,965,192
65-69	0	-	5	173,034	199	8,953,872	204	9,126,906
70-74	0	-	5	185,637	133	4,888,988	138	5,074,625
75-79	0	-	3	73,072	116	3,541,344	119	3,614,416
80-84	0	-	0	-	111	3,165,679	111	3,165,679
85-89	0	-	3	37,462	87	1,953,871	90	1,991,333
90 & Up	0	-	2	24,945	64	1,283,274	66	1,308,219
<b>Total</b>	<b>93</b>	<b>\$ 2,156,080</b>	<b>38</b>	<b>\$1,065,905</b>	<b>1122</b>	<b>\$ 42,934,243</b>	<b>1,253</b>	<b>\$ 46,156,228</b>

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

## SUMMARY OF PLAN PROVISIONS

### Effective Date

September 30, 2010 under Ordinance No. 2010-3693 and Ordinance No. 2010-3706. Most recent amendments were Ordinance No. 2015-3946 effective June 10, 2015 and Ordinance No. 2014-3864 effective May 21, 2014.

### Eligibility

Each general employee who works more than 30 hours per week is eligible for membership on his date of employment

### Creditable Service

Service credited under the predecessor system plus service after such date with respect to which member contributions are made.

### Tiers of Employees

Tier C – All members hired on or after September 30, 2010 (October 27, 2010 for members of CWA)

Tier B – Members of AFSCME hired on or after April 30, 1993; members classified as GSA or "Other" hired on or after August 1, 1993; members of CWA hired on or after February 21, 1994; and Unclassified members hired on or after October 18, 1992.

Tier A – All other members

### Earnings

For Tier B and C members, base pay including longevity, but excluding overtime, shift differential or extra compensation allowances. For Tier A members, actual salary or wages received. Earnings do not include lump sum payments of unused sick or vacation time. Overtime pay for Classified Tier A members is limited to 10% of regular pay.

### Final Average Monthly Earnings (FAME)

One-twelfth of average annual Earnings during the two highest paid years of Creditable Service, not less than the average monthly earnings for the 12 months as of March 8, 2006 for Unclassified Tier A members

Effective September 30, 2010 averaging period is five years except for members who are less than five years away from normal retirement eligibility. Members who are eligible for normal retirement within two years or less as of September 30, 2010 will have average earnings of two years. Members who are eligible for normal retirement in within three years as of September 30, 2010 will have average earnings of three years. Members who are eligible for normal retirement within four years as of September 30, 2010 will have average earnings of four years.



**Normal Retirement**

<b>Eligibility</b>	Age 50 and five years of Creditable Service for those in Tier A  Age 55 and five years of Creditable Service for those in Tier B  Age 55 with 30 years of service or age 62 with 5 years of service for those in Tier C
<b>Benefit</b>	3% of FAME multiplied years of Creditable Service with the total not to exceed 80% of FAME. There is a 90% cap for certain Tier A members.  2.5% of FAME multiplied years of Creditable Service with the total not to exceed 80% of FAME for Tier C members.
<b>Form of Benefit</b>	50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage.  Life annuity for Tier C members
<b>COLA</b>	2.5% for Tier A and Tier B members; 1.5% for Tier C members

**Early Retirement**

<b>Eligibility</b>	Tier B members of the General Plan whose total of age plus service is 75, not earlier than age 50  Tier C members whose total of age plus service is 75, not earlier than age 55
<b>Benefit</b>	Accrued pension actuarially reduced for number of years by which Early Retirement Date precedes Normal Retirement Date.
<b>Form of Benefit</b>	50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage.  Life annuity for Tier C members
<b>COLA</b>	2.5% for Tier A and Tier B members; 1.5% for Tier C members

**Delayed Retirement**

<b>Eligibility</b>	Any time after the Normal Retirement Date.
<b>Benefit</b>	Calculated in the same manner as the Normal Retirement Benefit but using the FAME and Creditable Service as of the actual retirement date.

**Form of Benefit** 50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage.

Life annuity for Tier C members

**COLA** 2.5% for Tier A and Tier B members; 1.5% for Tier C members

### **Disability Benefits**

**Eligibility** A total and permanent disability which renders a member incapacitated for the further performance of duty. Five years of Creditable Service is also required unless the disability is service-connected.

**Benefit** Ordinary Disability: Accrued retirement benefit, without reduction, with a minimum of 35% of FAME.

Service-Connected Disability: Accrued retirement benefit without reduction, with a minimum of 65% of FAME; 75% of FAME minimum for General Tier A members.

Such amounts are reduced by workers' compensation benefits and, in certain cases, earned income will be considered in offsetting the benefit. The period of disability shall be included in Creditable Service for purposes of computing normal retirement benefits when a disability retiree reaches normal retirement age.

**Form of Benefit** 50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage.

Life annuity for Tier C members

**COLA** 2.5% for Tier A and Tier B members; 1.5% for Tier C members

### **Preretirement Death Benefits**

For a member who has at least three years of Creditable Service but who dies before commencement of retirement benefits, a monthly benefit is payable to the spouse or, if no spouse, to the children until age 21. The benefit is equal to 50% of the accrued normal retirement benefit without reduction with the result being a minimum of 30% of FAME and a maximum of 40% of FAME for General members.

### **Termination Benefits**

Any member who terminates employment and does not request a refund of his own contributions and has completed at least five years of Creditable Service will be eligible to receive his accrued benefit upon reaching his normal retirement age.

**Contributions**

**Tier A Members** 12% of Earnings.

**Tier B and Tier C Members** 10% of Earnings.

Employees who have reached the applicable benefit accrual cap (90% for General Tier A employees and 80% for all others) but have not yet reached retirement age will continue to contribute to the pension Plan, but only on the amount by which pay increases after reaching the cap

**From the City** The amount necessary to fund the Plan properly according to the Plan's actuary.

**Deferred Retirement Option Plan (DROP)**

**Eligibility** Members who are eligible for Normal Retirement

**Benefit** The member's Credited Service and AFC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AFC.

**Maximum DROP Period** 60 months

**Interest Credited** The investment return is determined by the self-directed investments.

**Normal Form of Benefit** Lump Sum

**COLA** None

**Changes Since Last Valuation**

There have been no changes since the last valuation.