

CITY OF LEESBURG
RETIREMENT PLAN FOR GENERAL EMPLOYEES

ACTUARIAL VALUATION REPORT
AS OF OCTOBER 1, 2013

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2015



December 2, 2013

Board of Trustees
City of Leesburg
Retirement Plan for General Employees
c/o Barbara Cooper
Post Office Box 296
Danville, IN 46122

Re: City of Leesburg
Retirement Plan for General Employees

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Leesburg Retirement Plan for General Employees. 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(s).

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

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

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

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Leesburg, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Leesburg Retirement Plan for General Employees. 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: 
Patrick T. Donlan, ASA, EA, MAAA
Enrolled Actuary #11-6595

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Leesburg Retirement Plan for General Employees, performed as of October 1, 2013, 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, 2015.

The funding requirements, compared with the amounts developed in the October 1, 2012 actuarial valuation report, are as follows:

Valuation Date	10/1/2012	10/1/2013
Applicable Plan/Fiscal Year End	<u>9/30/2014</u>	<u>9/30/2015</u>
Total Required Contribution	\$1,456,725	\$1,198,576
Valuation Date	10/1/2014	10/1/2015
Applicable Plan/Fiscal Year End	<u>9/30/2016</u>	<u>9/30/2017</u>
<u>Estimated</u> Projected Contribution *	\$1,173,576	\$1,078,576

* Because the Board utilizes use a 4-year smoothing technique on the Actuarial Value of Assets, it is likely that there will be small investment gains relative to the assumption during the next three years. Please see Page 20. If the Fund earns 7.5% for each of fiscal 2014, 2015, and 2016, then the rounded 4-year rolling averages would be 8.1%, 9.7% and 8.1% for each of those respective years. Because the 4-year rolling averages are what is used in the valuations, this would produce investment gains (relative to the 7.5% assumption) of approximately \$180,000, \$670,000 and \$180,000 in the October 1, 2014, October 1, 2015 and October 1, 2016 valuation reports. The 10-year amortizations for these gains would reduce the Plan's funding requirements by approximately \$25,000, \$95,000 and \$25,000 respectively. Therefore, at the end of the 3-year period, the funding requirements will be approximately \$145,000 per year lower than they are now, which represents approximately 0.8% of the current department payroll. It is very important to point out that turnover, retirements, deaths, etc influence the actual funding requirements on an annual basis. The reduction of 0.8% of payroll is only resulting from deferred investment gains and makes the assumption that each of the next 3 years the Fund will experience exactly 7.5% returns.

Please note that in addition to the above requirements, the City has to make a contribution of \$152,564.42 in order to satisfy a shortfall for fiscal 2013 (see Page 11).

The pensionable payroll for the fiscal year ended September 30, 2013 was \$11,912,454. If we assume that that amount would drop by 5.0% each year (when Members retire they are not replaced in the defined benefit plan), then the dollar amounts stated above would represent approximately the following percentages of the pensionable payroll (please note that the dollar amounts shown above are what is legally required. These percentages are shown only for comparative purposes):

Valuation Date	10/1/2012	10/1/2013
Applicable Plan/Fiscal Year End	<u>9/30/2014</u>	<u>9/30/2015</u>
Total Required Contribution	12.9%	11.2%

The approximate total payroll for the City for the fiscal year ended September 30, 2014 is \$17,760,345 (this does not include the fire department). If we assume that this amount would stay the same for next year, then the dollar amounts stated above would represent approximately the following percentages of the total payroll of the City's Police and General Employees (please note that the dollar amounts shown above are what is legally required. These percentages are shown only for comparative purposes):

Valuation Date	10/1/2012	10/1/2013
Applicable Plan/Fiscal Year End	<u>9/30/2014</u>	<u>9/30/2015</u>
Total Recommended Contribution	8.2%	6.8%

Net actuarial experience has been favorable during the past 12 months. The primary sources of favorable experience included larger than expected retiree mortality, lower than expected retirements and an 8.13% investment return (Actuarial Asset Value basis) that exceeded the 7.5% assumption.

One gauge of the funded status of the Plan is to compare the Market Value of Assets to the Total Present Value of Accrued Benefits. On this basis, the funded ratio as of October 1, 2012 was 78.9% and as of October 1, 2013 it had become 85.4%.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 
Christine M. O'Neal, EA, ASA, MAAA

By: 
Patrick T. Donlan, EA, ASA, MAAA

Plan Changes Since Prior Valuation

There have been no changes to the Plan since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

There have been no changes to the assumptions or methods since the prior valuation. However, the software utilized in valuing future benefits was change to Proval.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2013</u>	<u>10/1/2012</u>
A. Participant Data		
Number Included		
Actives	266	290
Service Retirees	158	155
Beneficiaries	33	36
Terminated Vested	212	201
Disability Retirees	4	5
Total	<u>673</u>	<u>687</u>
Total Annual Payroll	\$11,912,454	\$12,742,737
Payroll Under Assumed Ret. Age	11,545,209	12,742,737
Annual Rate of Payments to:		
Service Retirees	2,040,927	1,979,152
Beneficiaries	173,092	186,294
Terminated Vested	1,074,711	1,040,742
Disability Retirees	43,315	58,195
B. Assets		
Actuarial Value	32,493,882	31,172,936
Market Value	32,983,622	31,112,567
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	9,413,391	7,352,373
Disability Benefits	1,269,964	1,368,730
Death Benefits	182,490	221,581
Vested Benefits	1,434,448	3,888,076
Refund of Contributions	0	0
Service Retirees	20,494,855	20,578,406
Beneficiaries	1,323,829	1,533,947
Terminated Vested	4,121,802	3,901,261
Disability Retirees	384,432	596,648
Funding Credit Balance	0	111,770
Total	<u>38,625,211</u>	<u>39,552,792</u>

C. Liabilities - (Continued)	<u>10/1/2013</u>	<u>10/1/2012</u>
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	0	0
EAN Normal Cost (Retirement)	73,867	103,879
EAN Normal Cost (Disability)	30,696	37,785
EAN Normal Cost (Death)	6,610	5,174
EAN Normal Cost (Vesting)	49,670	39,862
EAN Normal Cost (Refunds)	0	0
Total Normal Cost	<u>160,843</u>	<u>186,700</u>
Present Value of Future Normal Costs (Entry Age)	666,361	619,875
Accrued Liability (Retirement)	9,098,981	7,101,206
Accrued Liability (Disability)	1,113,373	1,224,791
Accrued Liability (Death)	152,159	199,143
Accrued Liability (Vesting)	1,269,419	3,685,745
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	26,324,918	26,610,262
Actuarial Accrued Liability	<u>37,958,850</u>	<u>38,821,147</u>
Unfunded Actuarial Accrued Liability (UAAL)	5,464,968	7,648,211
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Retirement Benefits		
Inactives	26,324,918	26,610,262
Actives	11,408,525	12,781,448
Member Contributions	20,102	20,102
Total	<u>37,753,545</u>	<u>39,411,812</u>
Non-vested Accrued Ret. Benefits	<u>871,666</u>	<u>29,210</u>
Total Present Value Accrued Benefits	38,625,211	39,441,022
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	(1,333,466)	
Benefits Paid	(2,352,214)	
Interest	2,869,869	
Other	0	
Total:	<u>(815,811)</u>	

Valuation Date	10/1/2013	10/1/2012
Applicable Fiscal Year End	<u>9/30/2015</u>	<u>9/30/2014</u>
E. Pension Cost		
Normal Cost (with int.)	\$167,233	\$194,117
Administrative Expenses (with int.)	66,127	68,518
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 24 years (with int.) (as of 10/1/13)	965,216	1,194,090
Total Required Contribution	1,198,576	1,456,725
Expected Member Contributions	0	0
Required City Contribution	1,198,576	1,456,725
F. Past Contributions		
Plan Years Ending:	<u>9/30/2013</u>	
Total Recommended Contribution	1,362,439	
Actual Contributions Made:		
City	1,250,669	
Members	0	
G. Net Actuarial Gain (Loss)	1,736,556	

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2013	\$5,464,968
2014	4,876,877
2015	4,244,680
2020	768,848
2025	(275,513)
2030	(859,568)
2037	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	N/A	N/A
Year Ended	9/30/2012	N/A	N/A
Year Ended	9/30/2011	N/A	N/A

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	8.1%	7.5%
Year Ended	9/30/2012	6.9%	7.5%
Year Ended	9/30/2011	-0.5%	7.5%

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.


Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #11-6595

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

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

CITY CONTRIBUTION RECONCILIATION

(A) City's Required Contributions for Fiscal 2013 (Already accounts for interest on Funding Credit Balance)	\$1,362,439.00
(B) Less Actual City Contributions for Fiscal 2013	\$1,098,104.58
(C) Less October 1, 2012 Funding Credit Balance	\$111,770.00
(D) Equals Shorfall Balance as of October 1, 2013 (A) - (B) - (C)	\$152,564.42

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability (UAAL) Plus Credit Balance as of October 1, 2012	\$7,759,981
(2) Sponsor Normal Cost Applicable for the year ¹	252,600
(3) Interest on (1) and (2)	600,944
(4) Sponsor Contributions to the System during the year ending September 30, 2013	1,362,439
(5) Interest on (4)	49,562
(6) Expected UAAL as of October 1, 2013 (1)+(2)+(3)-(4)-(5)	7,201,524
(7) Actual UAAL as of October 1, 2013	5,464,968
(8) Change in UAAL due to Actuarial (Gain)/Loss (7)-(6)	(1,736,556)

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2013 Amount</u>	<u>Amortization Amount</u>
"A"	10/1/1978	5	\$451,669	\$103,848
"B"	10/1/1990	7	243,772	42,813
"C"	10/1/1991	8	172,135	27,338
"D"	10/1/1993	10	204,284	27,685
"E"	10/1/1995	12	285,423	34,325
"F"	10/1/1999	16	292,547	29,769
"G"	10/1/2000	17	(255,654)	(25,209)
"H"	10/1/2001	18	(2,373,286)	(227,458)
Method Change	10/1/2004	21	(161,523)	(14,429)
Benefit Change	10/1/2005	22	617,962	54,143
Benefit Change	10/1/2006	23	3,523,814	303,328
Method & Assum	10/1/2007	24	4,177,869	353,856
Prior Losses ²	10/1/2007	15	3,131,111	329,967
Benefit Changes	10/1/2007	24	(9,382,349)	(794,664)

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2013 Amount</u>	<u>Amortization Amount</u>
Actuarial Loss	10/1/2008	5	47,256	10,865
Method Change	10/1/2008	15	1,344,804	141,720
Actuarial Loss	10/1/2009	6	1,012,618	200,682
Assum Change	10/1/2009	16	144,064	14,660
Actuarial Loss	10/1/2010	7	767,933	134,871
Actuarial Loss	10/1/2011	8	2,458,388	390,431
Actuarial Gain	10/1/2012	9	(409,008)	(59,646)
Assumption Change	10/1/2012	19	907,693	84,783
Actuarial Gain	10/1/2013	10	<u>(1,736,556)</u>	<u>(235,341)</u>
			\$5,464,968	\$928,337

¹ \$186,700 Normal Cost plus \$65,900 Administrative Expenses from 10/1/12 Val.

² It is assumed that 50% of the cost method portion of the change base from 2007 was attributable to unfavorable actuarial experience prior to that date. This loss will be amortized over a 20 year period effective October 1, 2008 (compared to 29 years). Additionally, prior gain and loss bases are amortized over 20 years, and new gain and loss bases on and after October 1, 2008 will be amortized over 10 years.

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates RP 2000 Combined Healthy (sex distinct), projected to valuation date using scale AA. Disabled lives set forward 5 years.

Termination Rates See Table below.

Disability Rates See Table below.

<u>Retirement Rates</u>	<u>Age</u>	<u>Rate Per Year</u>
	50 – 54	2.0%
	55 – 58	20.0%
	59 – 61	20.0%
	62	50.0%
	63 – 64	25.0%
	65	100.0%

Interest Rate 7.5% per year, compounded annually, net of investment related expenses.

Salary Increases None.

Payroll Increase None.

Cost of Living Increases 2.0% per year after 3 years (no VT's).

Administrative Expenses \$63,600 added to Normal Cost.

Funding Method Entry Age Normal Method

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	25.0%	0.05%
30	12.4	0.05
40	9.5	0.09
50	7.5	0.40
60	5.5	1.74

Actuarial Asset Method Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value.

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on 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.

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

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

(a) The normal cost accrual rate equals

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

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

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

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

future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

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

BALANCE SHEET
September 30, 2013

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	855,836.65	855,836.65
Pending Trades Payable	(25,057.91)	(25,057.91)
Cash	82,328.53	82,328.53
Total Cash and Equivalents	913,107.27	913,107.27
Receivable:		
City Contributions in Transit	40,474.54	40,474.54
Additional City Contributions	152,564.42	152,564.42
Accrued Income	90,774.05	90,774.05
Total Receivable	283,813.01	283,813.01
Investments:		
U. S. Bonds and Bills	2,441,459.06	2,475,791.77
Federal Agency Guaranteed Securities	2,289,854.82	2,244,265.83
Corporate Bonds	2,074,818.56	2,106,311.19
Stocks	12,849,445.54	15,848,825.36
Mutual Funds:		
Fixed Income	731,345.65	753,039.83
Equity	1,600,123.07	1,731,435.75
Pooled/Common/Commingled Funds:		
Alternative Investments	5,945,353.61	6,638,074.81
Total Investments	27,932,400.31	31,797,744.54
TOTAL ASSETS	29,129,320.59	32,994,664.82
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Payable:		
Benefit Payments	663.68	663.68
PLOP Benefit Payments	10,378.82	10,378.82
Total Liabilities	11,042.50	11,042.50
Net Assets	29,118,278.09	32,983,622.32
TOTAL LIABILITIES AND NET ASSETS	29,129,320.59	32,994,664.82

ACTUARIAL ASSET VALUATION
September 30, 2013

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

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2010	7.63%	
09/30/2011	1.38%	
09/30/2012	13.94%	
09/30/2013	9.94%	
Annualized Rate of Return for prior four (4) years:		8.13%
(A) 10/01/2012 Actuarial Assets:		\$31,172,935.96
(I) Net Investment Income:		
1. Interest and Dividends	763,522.74	
2. Realized Gains (Losses)	1,339,377.44	
3. Change in Actuarial Value	556,307.29	
4. Investment Related Expenses	(173,117.26)	
Total		2,486,090.21
(B) 10/01/2013 Actuarial Assets:		\$32,493,881.92
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		8.13%
10/01/2013 Limited Actuarial Assets:		\$32,493,881.92

*Market Value Basis, net of investment related expenses.

STATISTICAL DATA

	<u>10/1/2010</u>	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>
Number	350	316	290	266
Average Current Age	45.2	46.3	46.8	47.5
Average Age at Employment	35.7	36.6	36.9	37.4
Average Past Service	9.5	9.8	9.8	10.1
Average Annual Salary	\$40,999	\$42,881	\$43,940	\$44,784

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	9	1	0	0	0	0	10
30 - 34	0	0	0	0	0	23	5	0	0	0	0	28
35 - 39	0	0	0	0	0	10	14	3	0	0	0	27
40 - 44	0	0	0	0	0	14	13	11	4	0	0	42
45 - 49	0	0	0	0	0	13	6	5	12	6	0	42
50 - 54	0	0	0	0	0	15	14	5	14	9	1	58
55 - 59	0	0	0	0	0	4	10	2	4	1	4	25
60 - 64	0	0	0	0	0	13	5	2	3	1	1	25
65+	0	0	0	0	0	5	1	1	1	0	1	9
Total	0	0	0	0	0	106	69	29	38	17	7	266

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/12	290
b. Terminations	
i. Vested (partial or full) with deferred benefits	15
ii. Non-vested or full lump sum distribution received	3
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	6
f. Voluntary withdrawal	0
g. Continuing participants	266
h. New entrants	0
i. Total active life participants in valuation	266

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

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	155	36	5	201	397
b. In	9	0	0	15	24
c. Out	6	3	1	4	14
d. Number current valuation	158	33	4	212	407

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 12-24)

<u>Eligibility</u>	Regular, full-time employees who are not certified Firefighters enter on date of employment (Optional for City Attorney, Assistant City Attorney, Mayor and City Commissioners). Employees hired on or after October 1, 2008 are not eligible.
<u>Salary</u>	Basic compensation, excluding overtime pay, shift differential, stand-by pay, lump sum vacation pay, accrued sick leave pay, severance pay, bonuses, expense allowances and all other extraordinary compensation, and including all tax deferred, tax sheltered or tax exempt items of income.
<u>Average Compensation</u>	Average Salary of the 3 highest consecutive years of the last 10 years of Credited Service (not including any Salary paid after September 30, 2008.)
<u>Credited Service</u>	Years and months of service with the City as a General Employee. For Members who retire after October 1, 1993 with at least 15 years of service, service also includes up to 4 years of prior military service if not receiving a continuing military service pension. For purposes of determining a Member's Normal Retirement Benefit, Credited Service shall not include service with the City after September 30, 2008. Credited Service after September 30, 2008, shall, however, be taken into consideration for vesting and benefit entitlement purposes.
<u>Normal Retirement</u>	
Date	The attainment of age 65 with 5 years of Credited Service.
Benefit	2.0% of Average Compensation <u>times</u> Credited Service prior to October 1, 2008, with a maximum of 45 years of Credited Service.
Form of Benefit	Lifetime benefits, ceasing upon death (options available).
<u>Early Retirement</u>	
Date	Attainment of age 50 with 15 years of Credited Service.
Benefit	Accrued Benefit on Early Retirement Date, reduced 3.33% for each year that Early Retirement precedes Age 65.
Form of Benefit	Lifetime benefits, ceasing upon death (options available).

Pre-Retirement Death Benefit

Requirement	Death while in active service.
Benefit	Monthly benefit provided by the greater of (i) or (ii), where (i) is the single sum value of the deferred monthly retirement income commencing at normal retirement date which has accrued to the date of death, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of death and (b) 100 times the anticipated monthly retirement income at Normal Retirement.

Disability

Eligibility	10 years of Credited Service.
Amount	Prior to normal retirement date, the benefit payable is the lesser of 50% of Average Final Compensation or \$1,500. At normal retirement date, the benefit payable is 2% times Average Final Compensation times year and months of Credited Service (to a maximum of 45 years) as if employment had continued from date of disability to normal retirement date.

Death Benefit

The greater of (i) or (ii), where (i) is equal to the single- sum value, as of the date of the participant's death, of the deferred monthly retirement income commencing at normal retirement date that the disabled participant would have accrued to the date of termination of service due to disability, and (ii) is the smaller of (a) 18 times Average Final Compensation at the date of termination due to disability and (b) 100 times the participant's anticipated monthly retirement income at Normal Retirement.

Termination of Employment

Vesting Schedule	<u>Years of Service</u>	<u>Vested %</u>
	Less than 5	0%
	5 or more	100%
Benefit	Vested Accrued benefit payable at age 65 (unreduced) or, if completed 15 years of Credited Service, Early Retirement Date (reduced).	

Cost of Living Adjustment

Retirees (other than vested terminated members) and their beneficiaries receive a 2.0% increase in benefits each October 1st commencing 3 years after their otherwise Normal Retirement Date.

Board of Trustees

1 City of Leesburg resident appointed by Commission, City Manager (or designee), Human Resources Director, one other department head appointed by the City Manager, 2 Members of the Plan who are not certified Police Officers and one Member of the Plan who is a certified Police Officer.

Deferred Retirement Option Plan

Eligibility

Satisfaction of Normal Retirement requirements.

Participation

Not to exceed 60 months.

Rate of Return

At Member's election:

(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or

(2) 6.5% per annum compounded quarterly.

Form of Distribution

Cash lump sum (options available) at termination of employment.

DISCLOSURE INFORMATION PER STATEMENT NO. 25 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

The schedule provided below has been prepared in accordance with the requirements
of paragraph 37 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/13	32,493,882	37,958,850	5,464,968	85.60%	11,912,454	45.88%
10/01/12	31,172,936	38,821,147	7,648,211	80.30%	12,742,737	60.02%
10/01/11	30,735,796	37,570,673	6,834,877	81.81%	13,550,400	50.44%
10/01/10	32,543,273	36,539,202	3,995,930	89.06%	14,349,754	27.85%
10/01/09	33,138,960	36,090,413	2,951,453	91.82%	15,069,783	19.59%
10/01/08	33,832,920	35,542,768	1,709,848	95.19%	16,547,145	10.33%

The schedule provided below has been prepared in accordance with the requirements
of paragraph 38 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	Percentage Contributed
2013	1,362,439	1,250,669	91.80%
2012	986,422	525,643	53.29%
2011	924,086	564,298	61.07%
2010	852,340	801,286	94.01%
2009	737,974	649,908	88.07%
2008	2,388,162	2,113,487	88.50%

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2013

City	11.2%
Plan Members	0.0%
Annual Pension Cost	1,312,787
Contributions made	1,250,669
Actuarial valuation date	10/1/2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	26 Years (as of 10/1/2011)
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increase	0.0%
Post Retirement COLA	2.0% for Service Retirees beginning 3 years after Normal Retirement

THREE YEAR TREND INFORMATION

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of (A)</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/2013	1,312,787	95%	882,515
9/30/2012	963,255	55%	820,397
9/30/2011	922,605	61%	382,785

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

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

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

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

	<u>9/30/08</u>	<u>9/30/09</u>	<u>9/30/10</u>	<u>9/30/11</u>	<u>9/30/12</u>	<u>9/30/13</u>
Actuarially Determined						
Contribution (A)	2,388,162	737,974	852,340	924,086	986,422	1,362,439
Interest on NPO	(30,216)	(8,528)	(2,122)	1,836	28,709	61,530
Adjustment to (A)	19,534	5,881	3,833	(3,317)	(51,876)	(111,182)
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Annual Pension Cost	2,377,480	735,327	854,051	922,605	963,255	1,312,787
Contributions Made	2,113,487	649,908	801,286	564,298	525,643	1,250,669
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Increase in NPO	263,993	85,419	52,765	358,307	437,612	62,118
NPO Beginning of Year	(377,699)	(113,706)	(28,287)	24,478	382,785	820,397
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NPO End of Year	(113,706)	(28,287)	24,478	382,785	820,397	882,515