

CITY OF LEESBURG
MUNICIPAL FIREMEN'S RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

CONTRIBUTIONS APPLICABLE TO THE PLAN
YEAR ENDED SEPTEMBER 30, 2016



December 9, 2014

Board of Trustees
City of Leesburg
Municipal Firemen's Retirement Plan
PO Box 490630
Leesburg, FL 34749

Re: City of Leesburg
Municipal Firemen's Retirement Plan

Dear Board:

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

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the City, the Board's Administrator and Attorney, and the State of Florida, 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 Municipal Firemen's Retirement Plan. 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, M.A.A.A., A.S.A.
Enrolled Actuary #14-06595

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Leesburg Municipal Firemen's Retirement Plan, performed as of October 1, 2014, has been completed and the results are presented in this Report. The results of this valuation are applicable to the Plan year ending September 30, 2016.

The contribution requirements, compared with the amounts set forth in the October 1, 2013 actuarial valuation report, revised in March 2014, are as follows:

Valuation Date	10/1/2014	10/1/2013
Applicable Plan Year End	<u>9/30/2016</u>	<u>9/30/2015</u>
Total Required Contribution	\$924,592	\$989,384
% of Projected Annual Payroll	32.4%	32.7%
Members Contributions (Est.)	185,463	196,526
% of Projected Annual Payroll	6.5%	6.5%
Required City and State	739,129	792,858
% of Projected Annual Payroll	25.9%	26.2%
State Contribution ¹	110,449	110,449
% of Projected Annual Payroll	3.9%	3.9%
Balance from City ²	628,680	682,409
% of Projected Annual Payroll	22.0%	22.3%

¹ Reflects "traditional" interpretation of Chapter 175, Florida Statutes.

² As requested by the Division of Retirement, the required contribution from the City and State for the year ending September 30, 2016, is 25.9% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 22.0% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received.

*Please note the City has a prepaid contribution of \$32,518.36 (see Page 23), which may be used to help offset the above stated requirement for fiscal 2015.

** Please also note that the dollar amounts shown above reflect the required percentages of payroll multiplied by the valuation payroll determined as of the valuation date. These amounts are shown for illustrative purposes only. The required contributions are the City and State requirements shown above, as a percentage of payroll.

As can be seen, the Total Required Contribution has decreased slightly when expressed as a percentage of Projected Annual Payroll. The Projected Annual Payroll included in this determination only reflects anticipated pay of those participants under assumed retirement age. The plan had favorable experience.

The primary components of favorable experience included the effect of average increases in pensionable earnings that was less than the assumed rate, less turnover than anticipated and a 4-year rolling average investment return of 8.16% which was greater than the assumed rate of 7.50%. Please note that through the use of the smoothing technique, the Fund has some deferred investment gains that will be realized over the next 3 years. As of October 1, 2014, the deferred investment gains totaled \$1,128,906. For example, if the Plan earns 7.5% this year, then the 4-year rolling average investment return used in the October 1, 2015 actuarial valuation report will be 11.2%, which would provide an actuarial gain on the investments in next year's report.

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

Respectfully submitted,

FOSTER & FOSTER, INC.



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



By: _____
Heidi E. Andorfer, EA, FSA

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no plan changes since the prior valuation.

Actuarial Assumption/Method Changes

There have been no assumption changes since the prior valuation. To determine the percentage of payroll required to be contributed, only Projected Payroll under Assumed Retirement Age was considered. This amount will differ from Total Projected Payroll to the extent that there are active participants who have reached Normal Retirement Age.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

A. Participant Data	<u>10/1/2014</u>	<u>10/1/2013</u>
Number Included		
Actives	52	54
Service Retirees	22	20
Beneficiaries	2	2
Terminated Vested	2	3
Disability Retirees	1	1
Total	<u>79</u>	<u>80</u>
Total Annual Payroll	\$2,935,998	\$3,023,471
Payroll Under Assumed Ret. Age	2,853,270	3,023,471
Annual Rate of Payments to:		
Service Retirees	748,443	644,336
Beneficiaries	34,030	34,030
Terminated Vested	0	0
Disability Retirees	18,408	0
B. Assets		
Actuarial Value ¹	15,898,619	14,377,035
Market Value ¹	17,027,525	15,329,767
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	13,987,361	14,139,006
Disability Benefits	385,781	393,646
Death Benefits	264,524	268,888
Vested Benefits	1,046,741	1,077,060
Refund of Contributions	50,682	59,014
Service Retirees	7,429,328	6,516,972
Beneficiaries	286,203	294,061
Terminated Vested	27,853	30,852
Disability Retirees	202,836	206,181
Share Account Balances ¹	520,692	461,830
PLOP Balances	0	0
Total	<u>24,202,001</u>	<u>23,447,510</u>

C. Liabilities - (Continued)	<u>10/1/2014</u>	<u>10/1/2013</u>
Present Value of Future Salaries	25,141,228	26,121,448
Present Value of Future Member Contributions	1,634,180	1,697,894
EAN Normal Cost (Retirement)	400,787	423,966
EAN Normal Cost (Disability)	22,975	23,883
EAN Normal Cost (Death)	13,997	14,714
EAN Normal Cost (Vesting)	54,032	57,767
EAN Normal Cost (Refunds)	<u>13,318</u>	<u>14,234</u>
Total EAN Normal Cost	505,109	534,564
Present Value of Future Normal Costs (Entry Age)	4,248,154	4,426,318
Accrued Liability (Retirement)	10,516,919	10,527,182
Accrued Liability (Disability)	192,310	193,568
Accrued Liability (Death)	144,368	144,558
Accrued Liability (Vesting)	626,559	639,044
Accrued Liability (Refunds)	6,779	6,944
Accrued Liability (Inactives) ¹	7,946,220	7,048,066
Share Account Balances	<u>520,692</u>	<u>461,830</u>
Total Actuarial Accrued Liability	19,953,847	19,021,192
Unfunded Actuarial Accrued Liability	4,055,228	4,644,157
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	7,946,220	7,048,066
Actives	5,650,650	5,447,263
Share Account Balances	520,692	461,830
Member Contributions	<u>1,777,955</u>	<u>1,857,334</u>
Total	15,895,517	14,814,493
Non-vested Accrued Benefits	<u>787,441</u>	<u>994,198</u>
Total Present Value Accrued Benefits	16,682,958	15,808,691
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	556,406	
Benefits Paid	(836,425)	
Interest	<u>1,154,286</u>	
Total:	874,267	

Valuation Date	10/1/2014	10/1/2013
Applicable to Fiscal Year Ending	<u>9/30/2016</u>	<u>9/30/2015</u>

E. Pension Cost

Normal Cost (with interest) *	\$524,051	\$554,610
% of Projected Annual Payroll ²	18.4	18.3
Administrative Expenses (with interest) *	48,370	36,051
% of Projected Annual Payroll ²	1.7	1.2
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 26 years (as of 10/1/2014) *	352,171	398,723
% of Projected Annual Payroll ²	12.3	13.2
Total Required Contribution *	924,592	989,384
% of Projected Annual Payroll ²	32.4	32.7
Expected Member Contributions *	185,463	196,526
% of Projected Annual Payroll ²	6.5	6.5
Expected City & State Contrib. *	739,129	792,858
% of Projected Annual Payroll ²	25.9	26.2

F. Past Contributions

Plan Years Ending:	<u>9/30/2014</u>
Total Required Contribution City and State Requirement	\$1,167,235 977,084
Actual Contributions Made:	
Members	190,151
City	866,635
State	<u>110,449</u> ³
Total	1,167,235

G. Net Actuarial Gain (Loss) 327,555

¹ The asset values and liabilities include accumulated Share Account Balances as of 10/1/2013 and 10/1/2014.

² Contributions developed as of 10/1/2014 are expressed as a percentage of annual payroll under assumed retirement age at 10/1/2014 of \$2,853,270.

³ Frozen, per Chapter 175, Florida Statutes, as amended.

* Please note that the dollar amounts shown in section E are for illustrative purposes only. The required contributions are based upon % of payroll.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2014	4,055,228
2015	3,994,471
2016	3,918,207
2017	3,824,947
2027	1,339,830
2040	0

I. (i) 3 Year Comparison of Actual and Assumed Increases in Pensionable Compensation

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	1.30%	4.75%
Year Ended	9/30/2013	0.40%	5.00%
Year Ended	9/30/2012	0.95%	5.00%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2014	8.16%	7.50%
Year Ended	9/30/2013	7.52%	7.75%
Year Ended	9/30/2012	4.11%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2014	\$2,935,998
	10/1/2004	1,827,583
(b) Total Increase		60.6%
(c) Number of Years		10.00
(d) Average Annual Rate		4.9%

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 #14-06595

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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2013	\$4,644,157
(2)	Sponsor Normal Cost developed as of October 1, 2013	338,038
(3)	Expected Administrative expenses for the fiscal year ending September 30, 2014	34,748
(4)	Interest on (1), (2) and (3)	376,271
(5)	Sponsor contributions to the System during the fiscal year ending September 30, 2014	977,084
(6)	Interest on (5)	33,347
(7)	Change to UAAL due to Actuarial (Gain)/Loss	(327,555)
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Method Change	0
(10)	Unfunded Actuarial Accrued Liability as of September 30, 2014 (1)+(2)+(3)+(4)-(5)-(6)+(7)+(8)+(9)	4,055,228

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2014 Amount</u>	<u>Amortization Amount</u>
Initial Base	10/1/2007	13	\$3,148,088	\$309,020
Method Change	10/1/2008	14	(1,203,469)	(111,837)
Assumption Changes	10/1/2010	16	(212,007)	(17,911)
Benefit Change	10/1/2010	26	(10,617)	(662)
Assumption Changes	10/1/2013	19	151,328	11,388
Method Change	10/1/2013	19	2,509,460	188,852
Actuarial Gain	10/1/2014	10	<u>(327,555)</u>	<u>(39,408)</u>
			\$4,055,228	\$339,442

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2013	\$4,644,157
(2)	Expected UAAL as of October 1, 2014	4,382,783
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(95,515)
	Salary Increases	(327,495)
	Active Decrements	103,600
	Inactive Mortality	74,511
	Other	<u>(82,656)</u>
	Increase in UAAL due to (Gain)/Loss	(327,555)
(4)	Actual UAAL as of October 1, 2014	\$4,055,228

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	RP2000 Combined Healthy - Sex Distinct. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disability mortality is set forward five years.										
<u>Termination Rates</u>	25% in year one 10% in years 2 through 5 3% in years 6 through 10 2% in years 11 and up										
<u>Disability Rates</u>	<table> <thead> <tr> <th><u>Age</u></th> <th><u>% Becoming Disabled During the Year</u></th> </tr> </thead> <tbody> <tr> <td>20</td> <td>0.05%</td> </tr> <tr> <td>30</td> <td>0.06</td> </tr> <tr> <td>40</td> <td>0.12</td> </tr> <tr> <td>50</td> <td>0.43</td> </tr> </tbody> </table> <p>75% of disabilities are assumed to occur in the line of duty.</p>	<u>Age</u>	<u>% Becoming Disabled During the Year</u>	20	0.05%	30	0.06	40	0.12	50	0.43
<u>Age</u>	<u>% Becoming Disabled During the Year</u>										
20	0.05%										
30	0.06										
40	0.12										
50	0.43										
<u>Retirement Age</u>	50% at first eligibility for Normal Retirement. 50% in second year of eligibility. 100% in third year of eligibility.										
<u>Early Retirement</u>	3.00% per year eligible.										
<u>Interest Rate</u>	7.50% per year, compounded annually, net of investment-related expenses.										
<u>Salary Increases</u>	6.00% in years 1 – 5 5.00% in years 6-10 4.00% in years 11 and up										
<u>Payroll Growth</u>	3.00% for amortizing UAAL.										
<u>Administrative Expenses</u>	\$46,622 annually.										
<u>Funding Method</u>	Entry Age Normal Cost Method (20-Year Amortization of new Base).										
<u>Asset Valuation Method</u>	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 of Assets.										

VALUATION NOTES

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

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

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

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

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

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

- (a) The normal cost accrual rate equals:
- (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
 - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

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

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1993	56,751.58	____%
1994	63,955.26	12.7%
1995	63,314.22	-1.0%
1996	65,179.45	2.9%
1997	69,719.13	7.0%
1998	97,054.72	39.2%
1999	94,115.90	-3.0%
2000	98,330.96	4.5%
2001	94,572.00	-3.8%
2002	101,495.00	7.3%
2003	114,619.00	12.9%
2004	119,788.00	4.5%
2005	123,857.00	3.4%
2006	138,695.00	12.0%
2007	179,780.63	29.6%
2008	177,356.72	-1.3%
2009	151,617.38	-14.5%
2010	150,459.61	-0.8%
2011	148,365.97	-1.4%
2012	163,137.34	10.0%
2013	156,635.48	-4.0%
2014	161,481.42	3.1%

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	1,201,555.15	1,201,555.15
Cash	37,704.81	37,704.81
Total Cash and Equivalents	1,239,259.96	1,239,259.96
Receivables:		
Investment Income	29,336.82	29,336.82
Total Receivable	29,336.82	29,336.82
Investments:		
U. S. Bonds and Bills	314,544.14	311,121.65
Federal Agency Guaranteed Securities	209,843.60	219,193.34
Corporate Bonds	2,909,202.75	2,892,569.68
Stocks	5,255,114.15	6,107,324.78
Municipal Obligations	153,000.00	161,447.45
Mutual Funds:		
Fixed Income	1,423,328.73	1,699,718.10
Equity	3,590,493.31	4,175,473.46
Pooled/Common/Commingled Funds:		
Real Estate	341,445.01	352,575.42
Total Investments	14,196,971.69	15,919,423.88
Total Assets	15,465,568.47	17,188,020.66
<u>LIABILITIES</u>		
Payables:		
Benefit Payments	4,613.21	4,613.21
Lump Sum Share Distributions	22,537.42	22,537.42
Lump Sum PLOP Distributions	95,723.37	95,723.37
Share Payments to Current Retirees	5,103.22	5,103.22
Prepaid City Contribution	32,518.36	32,518.36
Total Liabilities	160,495.58	160,495.58
NET POSITION RESTRICTED FOR PENSIONS	15,305,072.89	17,027,525.08
TOTAL LIABILITIES AND NET ASSETS	15,465,568.47	17,188,020.66

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

ADDITIONS

Contributions:

Member	190,151.12
City	866,635.04
State	161,481.42

Total Contributions 1,218,267.58

Investment Income:

Net Increase in Fair Value of Investments	1,067,449.24
Interest & Dividends	396,431.64
Less Investment Expense ¹	(101,344.30)

Net Investment Income 1,362,536.58

Total Additions 2,580,804.16

DEDUCTIONS

Distributions to Members:

Benefit Payments	706,178.81
Lump Sum Share Distributions	31,523.08
Lump Sum PLOP Distributions	95,723.37
Refunds of Member Contributions	2,999.42

Total Distributions 836,424.68

Administrative Expense 46,621.83

Total Deductions 883,046.51

Net Increase in Net Position 1,697,757.65

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 15,329,767.43

End of the Year 17,027,525.08

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

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2014

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

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2011	-3.80%	
09/30/2012	15.26%	
09/30/2013	13.41%	
09/30/2014	8.82%	
Annualized Rate of Return for prior four (4) years:		8.16%
(A) 10/01/2013 Actuarial Assets:		\$14,377,034.88
(I) Net Investment Income:		
1. Interest and Dividends	396,431.64	
2. Realized Gains (Losses)	727,309.00	
3. Change in Actuarial Value	163,967.18	
4. Investment Related Expenses	(101,344.30)	
Total		1,186,363.52
(B) 10/01/2014 Actuarial Assets:		\$15,898,619.47
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		8.16%
10/01/2014 Limited Actuarial Assets:		\$15,898,619.47

*Market Value Basis, net of investment related expenses.

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

REVENUES		
Contributions:		
Member	190,151.12	
City	866,635.04	
State	161,481.42	
Total Contributions		1,218,267.58
Earnings from Investments:		
Interest & Dividends	396,431.64	
Net Realized Gain (Loss)	727,309.00	
Change in Actuarial Value	163,967.18	
Total Earnings and Investment Gains		1,287,707.82
EXPENDITURES		
Distributions to Members:		
Benefit Payments	706,178.81	
Lump Sum Share Distributions	31,523.08	
Lump Sum PLOP Distributions	95,723.37	
Refunds of Member Contributions	2,999.42	
Total Distributions		836,424.68
Expenses:		
Investment Related ¹	101,344.30	
Administrative	46,621.83	
Total Expenses		147,966.13
Change in Net Assets for the Year		1,521,584.59
Net Assets Beginning of the Year		14,377,034.88
Net Assets End of the Year ²		15,898,619.47

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

²Net Assets may be limited for actuarial consideration.

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

(1) City and State Required Contribution Rate (from the October 1, 2012 Actuarial Valuation Report)	33.4%
(2) Pensionable Payroll Derived from Member Contributions	\$2,925,401.85
(3) Required City and State Contribution (1) x (2)	977,084.22
(4) Less Allowable State Contribution	<u>(110,449.18)</u>
(5) Equals Required City Contribution	866,635.04
(6) Less Prepaid Contribution as of September 30, 2013	(3,063.00)
(6) Less Actual City Contributions	<u>(896,090.40)</u>
(7) Equals City's Prepaid Contribution as of September 30, 2014	\$32,518.36

STATISTICAL DATA *

	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>
Number	58	56	54	52
Average Current Age	39.6	40.5	40.9	40.0
Average Age at Employment	28.2	28.0	27.5	28.1
Average Past Service	11.4	12.5	13.3	11.9
Average Annual Salary	\$52,991	\$53,647	\$55,990	\$56,462

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

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	2	0	0	0	0	0	0	0	0	0	2
25 - 29	0	0	1	1	1	2	0	0	0	0	0	5
30 - 34	0	1	0	0	0	7	1	0	0	0	0	9
35 - 39	0	0	0	0	0	5	2	1	0	0	0	8
40 - 44	0	0	0	0	0	0	4	1	1	0	0	6
45 - 49	0	0	0	0	0	3	5	5	1	1	1	16
50 - 54	0	0	0	0	0	1	1	1	2	1	0	6
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	3	1	1	1	18	13	8	4	2	1	52

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2013	54
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>2</u>
f. Continuing participants	52
g. New entrants	<u>0</u>
h. Total active life participants in valuation	52

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 Deferred *	<u>Total</u>
a. Number prior valuation	20	2	1	3	26
Retired	2	0	0	0	2
DROP	0	0	0	0	0
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	(1)	(1)
Rehires	0	0	0	0	0
Data Corrections	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
b. Number current valuation	22	2	1	2	27

*Terminated non-vested awaiting refund of Member contributions.

SUMMARY OF PLAN PROVISIONS
(Through Ordinance 11-20)

<u>Credited Service</u>	Total years and completed months of service as a full-time firefighter with the City. No credit is received for service for which Member Contributions have been withdrawn.
<u>Basic Compensation</u>	Compensation actually paid to a participant in a calendar year, but excluding overtime pay, shift differential, commissions, bonus payments, accrued annual leave, accrued sick leave, accrued compensatory time, expense allowances, working out of class pay and all other forms of extraordinary compensation, plus all tax deferred or tax exempt items of compensation.
<u>Average Monthly Compensation</u>	Average of monthly rate of Basic Compensation during the highest 3 successive calendar years during the 5 years preceding termination.
<u>Normal Retirement</u>	
Date	Earlier of a.) Age 52 and the completion of 25 years of Credited Service, or b.) Age 55 and the completion of 10 years of Credited Service.
Benefit Amount	3.00% of Average Monthly Earnings <u>times</u> Credited Service.
Form of Benefit	10 Year Certain and Life thereafter.
<u>Early Retirement</u>	
Date	Age 50 and 10 years of Credited Service.
Benefit Amount	Accrued benefit, reduced 3.00% for each year prior to Normal Retirement Date.
<u>Disability</u>	
Eligibility	Total and permanent as determined by Board of Trustees, and for at least a period of 5 months if not service-incurred.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit Amount

Non-Line-of-Duty

Less than 10 Years

The monthly income which can be provided by the greater of (A) or (B), where:

(A) is the actuarial present value of the accrued benefit at date of disability, and

(B) is two times the Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 60% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

More than 10 Years

The monthly income which is the greater of (A) or (B), where:

(A) is the monthly income which can be provided by the actuarial present value of the accrued benefit at date of disability, and

(B) is 30% (.3) of the Participant's Basic Compensation paid in the calendar year preceding date of disability, but no greater than the actuarial present value of 100% of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Line-of-Duty

A monthly income equal to 50% of the Basic Compensation paid in the calendar year preceding the date of disability. This amount is limited to the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Duration

Benefit commences upon Board approval and is paid on a 10 year Certain and Life thereafter basis or until recovery if such recovery occurs prior to Normal Retirement Date. Optional forms available.

Death

Pre-Retirement

The monthly income, payable to designated Beneficiary for 10 years certain and life thereafter, which can be provided by the greater of (A) or (B), where:

(A) is the actuarial present value of the accrued benefit at date of death, and

(B) is two times the Basic Compensation paid in the calendar year preceding the date of death, but no greater than the actuarial present value of the Member's Anticipated Monthly Retirement Income at Normal Retirement Date.

Post-Retirement	According to option selected, if any.
<u>Vesting (Termination)</u>	
Less than 10 years of Credited Service	Refund of Member Contributions, with 5.00% interest.
10 years or more	Accrued benefit payable at the Member's election, at age 52 (unreduced) or as early as age 50 (reduced) or refund of Member Contributions, with 5.00% interest.
<u>Supplemental Benefit</u>	\$10.50 per month times the years of Credited Service, payable for life, with a maximum of 13 years.
<u>Contributions</u>	
Employee	6.50% of Basic Compensation.
Premium Tax	1.85% tax on fire insurance premiums.
City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability, as provided in Part VII of F.S. Chapter 112.

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2014	
City and State	33.4%
Plan Members	6.5%
Annual pension cost *	977,084
Contributions made *	977,084
Actuarial valuation date	10/1/2012
Actuarial cost method	Frozen Initial Liability (as of 10/1/2012)
Amortization method	Level Percent of Pay, Closed
Remaining amortization period	28 Years (as of 10/1/2012)
Asset valuation method	4-Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.75% (as of 10/1/2012)
Projected salary increase*	5.00% (as of 10/1/2012)
* Includes inflation at	3.00% (as of 10/1/2012)

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 APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/2014	977,084	100%	0
9/30/2013	938,370	100%	0
9/30/2012	823,105	100%	0

*Beginning with fiscal 2012 the Annual Pension Cost and contributions include both City and State sources.

SHARE ACCOUNT ACTIVITY
October 1, 2013 through September 30, 2014

09/30/2013 Balance	\$461,830
Plus Additions	51,032
Investment Return Earned	41,603
Less Expenses	(2,250)
Less Distributions	<u>(31,523)</u>
09/30/2014 Balance	\$520,692