

CITY OF TAMARAC
FIREFIGHTERS' PENSION PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

DETERMINES THE CONTRIBUTION
FOR THE 2014/15 FISCAL YEAR



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February 26, 2015

Introduction

This report presents the results of the October 1, 2014 actuarial valuation of the City of Tamarac Firefighters' Pension Plan. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2014 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2014/15 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, accounting disclosures pursuant to Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27), statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table V-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the minimum required contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2014/15 plan year. The minimum required contribution rate is 45.11% of covered payroll, which represents a decrease of 7.50% of payroll from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 4.16% of payroll due to investment gains, decreased by another 4.69% of payroll due to demographic experience, and increased by 1.35% of payroll due to the assumption change described below. Although the market value of assets



earned 11.78% during the 2013/14 plan year, the actuarial value of assets is based on a three-year phase-in of the net investment appreciation. On this basis, the actuarial value of assets earned 13.80% during the 2013/14 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate. The demographic gain occurred primarily because compensation increases were less than assumed.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an amortization payment towards the unfunded liability, where the amortization period is no longer than 30 years and where both amounts are adjusted as necessary for administrative expenses and to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2014/15 minimum required contribution will be equal to 45.11% multiplied by the total pensionable earnings for the 2014/15 fiscal year for the active employees who are covered by the plan and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2014/15 plan year. As of the date of this report, the allowable portion of the Chapter 175/185 contribution is \$877,499 per year. However, this amount is subject to change depending on the amount of the Chapter 175/185 contribution for the 2014/15 plan year and whether additional qualifying benefit improvements have been adopted at that time.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$104,391,087. As illustrated in Table I-A, current assets are sufficient to cover \$68,397,540 of this amount, the employer's 2014/15 expected contribution will cover \$3,308,440 of this amount, and future employee contributions are expected to cover \$6,676,133 of this amount, leaving \$26,008,974 to be covered by future employer funding beyond the 2014/15 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Amortization of the Unfunded Liability

This plan uses the entry age normal cost method to develop an unfunded liability each year. The unfunded liability is then amortized or "paid off" over a period of time. The period over which the unfunded liability is amortized is often referred to as the "funding period" of the plan. Under Chapter 112 the maximum allowable funding period is 30 years and this is the funding period that is used for new components of the unfunded liability. Table I-I shows the various components of the unfunded liability and the respective funding period for each component.

Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2014, the advance employer contribution is \$1,768,626, which reflects the advance employer contribution as of October 1, 2013 as shown in Table III-F.



The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2014/15 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the City may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2014 would reduce the minimum required contribution for the 2014/15 plan year to 43.30% of payroll.

Excess Chapter 175 Contribution

As of October 1, 2014, the plan has not accumulated any excess Chapter 175 contributions as shown in Table III-F. The total Chapter 175 distribution received for the 2013/14 plan year was \$636,651, which consisted of a \$532,908 regular Chapter 175 distribution and a \$103,743 supplemental Chapter 175 distribution, and all of this distribution was allowed to be applied as an offset to the City's required contribution for the 2013/14 plan year. Any excess Chapter 175 contributions that accrue in the future cannot be used to pay for the current plan of benefits. Instead, the excess contributions may only be used to pay for qualifying benefit improvements in excess of the Chapter 175 minimum benefits. Tables III-G and III-H provide a history of the Chapter 175 contributions and the portion that is allowed to be recognized.

Contents of the Report

Tables I-D through I-H provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-C provide information needed by both the plan's and the employer's accountants in order to prepare the relevant financial statements that cover the period October 1, 2013 through September 30, 2014. Tables III-A through III-F provide information concerning the assets of the trust fund. Specifically, Table III-A shows the development of the actuarial value of assets, which is based on a three-year phase-in of the net investment appreciation in order to provide a more stable and predictable contribution rate for the employer. Tables IV-A through IV-G provide statistical information concerning the plan's participant population. In particular, Table IV-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables V-A through VI-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2014, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Assumption Change

Since the previous valuation was prepared, the mortality basis has been updated from a 2007 projection of the RP-2000 Mortality Table to a 2015 projection of the RP-2000 Mortality Table.



Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

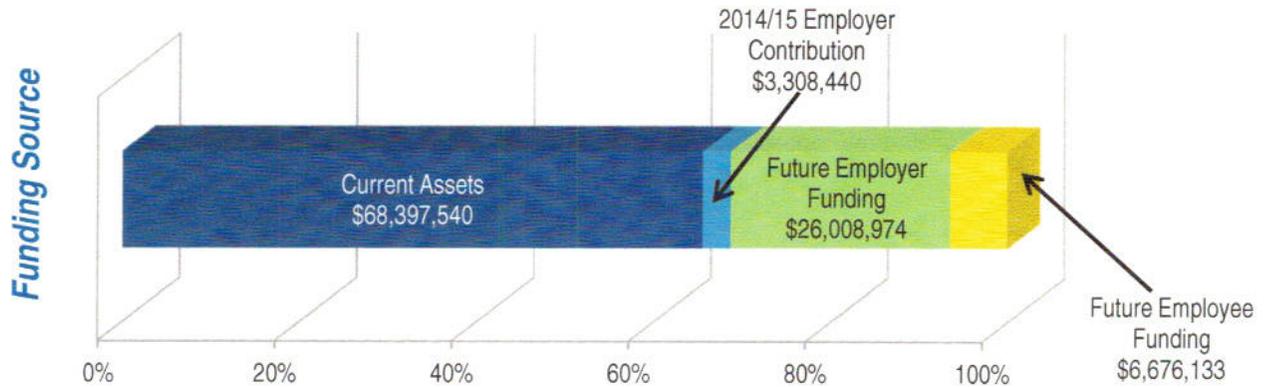
Enrolled Actuary No. 14-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



For the 2014/15 Plan Year

| | |
|---|---------------|
| Entry Age Normal Cost | \$2,335,610 |
| Unfunded Liability Amortization Payment | \$1,606,068 |
| Expense Allowance | \$136,795 |
| Expected Employee Contribution | (\$770,033) |
| | \$3,308,440 |
| Adjustment to Reflect Beginning-of-Year Employer Contribution | \$0 |
| Preliminary Employer Contribution for the 2014/15 Plan Year | \$3,308,440 |
| Expected Payroll for the 2014/15 Plan Year | ÷ \$7,333,643 |

Minimum Required Contribution Rate **45.11%**

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)

Additional Disclosures

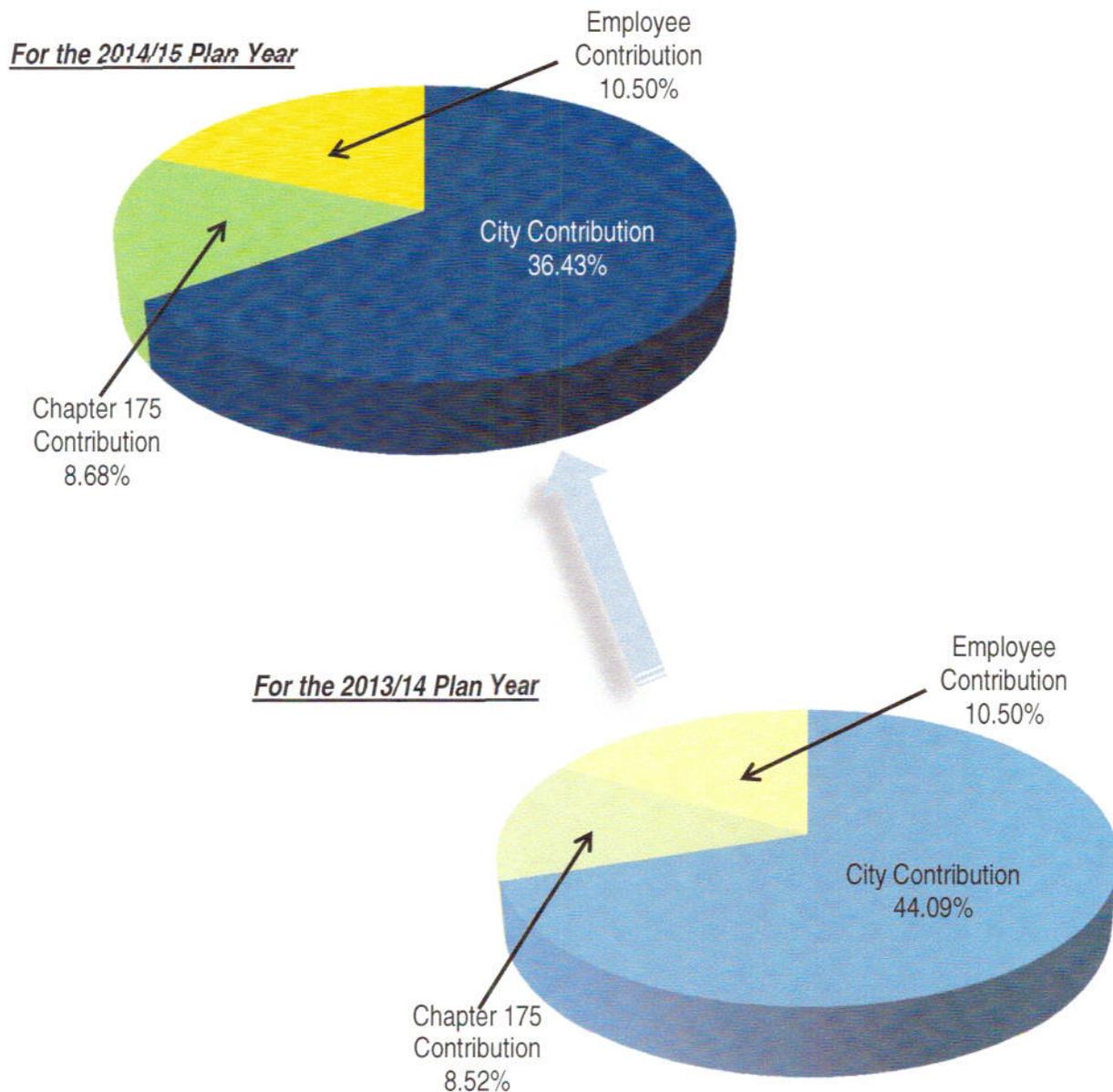
| | |
|--|--------------|
| Present Value of Future Compensation | \$63,582,173 |
| Present Value of Future Employer Contributions | \$29,317,414 |
| Present Value of Future Employee Contributions | \$6,676,133 |



Minimum Required Contribution

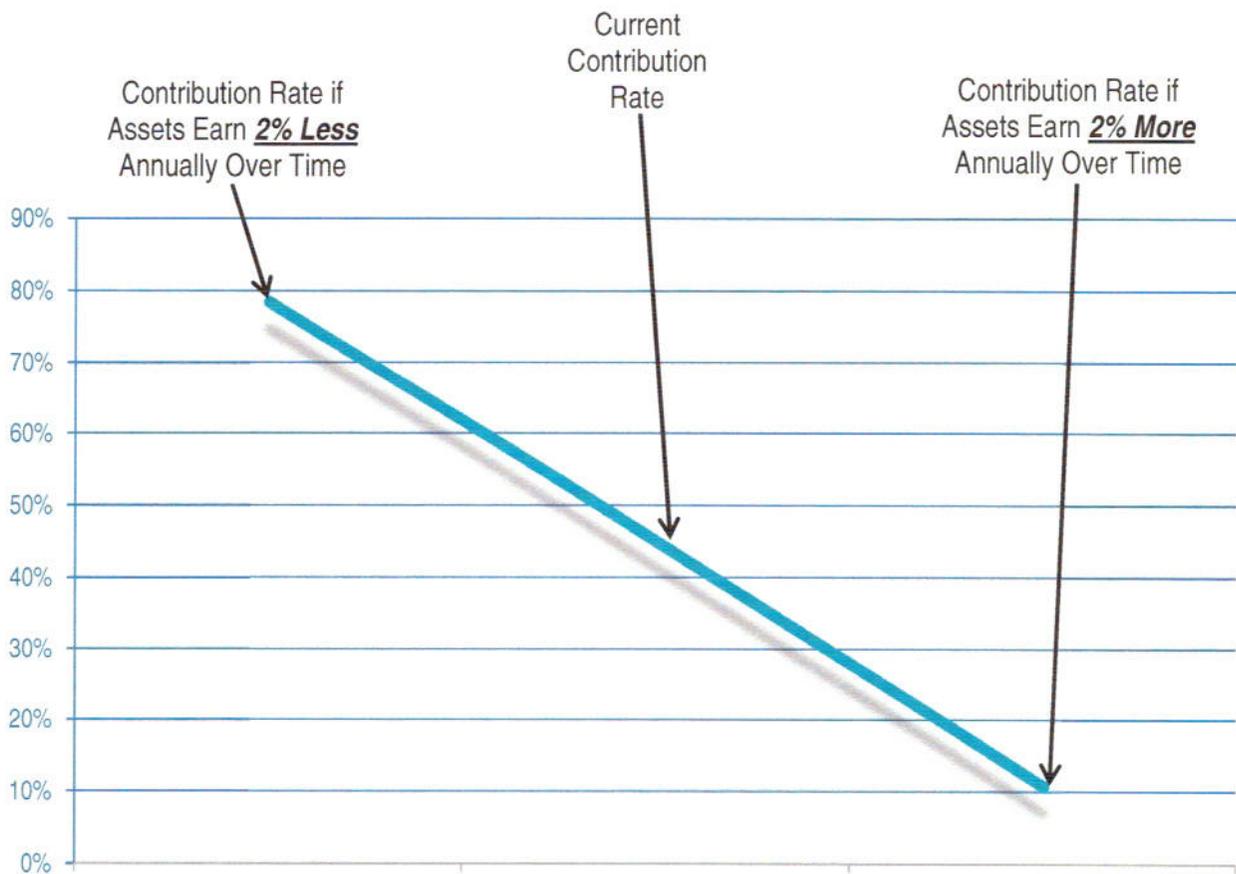
Table I-A
(continued)

The minimum required contribution rate of 45.11% includes both the City contribution and the allowable Chapter 175 contribution. In addition, employees are required to contribute 10.50% of pensionable earnings. The actual City contribution rate is expected to be approximately 36.43% based on the allowable Chapter 175 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2014/15 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan year.



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

| | |
|---|---------------|
| Previous minimum required contribution rate | 52.61% |
| Increase (decrease) due to investment gains and losses | -4.16% |
| Increase (decrease) due to demographic experience | -4.69% |
| Increase (decrease) due to plan amendments | 0.00% |
| Increase (decrease) due to actuarial assumption changes | 1.35% |
| Increase (decrease) due to actuarial method changes | 0.00% |
| Current minimum required contribution rate | <u>45.11%</u> |

Source of Change in the Unfunded Liability

| | |
|--|---------------------|
| Previous unfunded liability | \$23,261,273 |
| Increase due to employer normal cost for the prior year | \$1,747,767 |
| Increase due to interest on normal cost and unfunded liability | \$1,750,633 |
| Decrease due to employer contributions | (\$3,932,396) |
| Decrease due to interest on employer contributions | (\$275,266) |
| Expected unfunded liability | <u>\$22,552,011</u> |
| Increase (decrease) due to plan experience | (\$6,075,369) |
| Increase (decrease) due to plan amendments | \$0 |
| Increase (decrease) due to actuarial assumption changes | \$954,056 |
| Increase (decrease) due to actuarial method changes | \$0 |
| Current unfunded liability | <u>\$17,430,698</u> |



Present Value of Future Benefits

Table I-D

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|--|----------------------------------|---------------------------------|---------------------------------|
| <i><u>Actively Employed Participants</u></i> | | | |
| Retirement benefits | \$41,309,211 | \$41,309,211 | \$41,466,197 |
| Termination benefits | \$4,548,546 | \$4,548,546 | \$4,596,315 |
| Disability benefits | \$2,263,318 | \$2,263,318 | \$2,283,742 |
| Death benefits | \$455,770 | \$455,770 | \$773,295 |
| Refund of employee contributions | \$82,927 | \$82,927 | \$82,947 |
| Sub-total | \$48,659,772 | \$48,659,772 | \$49,202,496 |
| <i><u>Deferred Vested Participants</u></i> | | | |
| Retirement benefits | \$624,480 | \$624,480 | \$629,408 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$624,480 | \$624,480 | \$629,408 |
| <i><u>Due a Refund of Contributions</u></i> | \$0 | \$0 | \$0 |
| <i><u>Deferred Beneficiaries</u></i> | \$0 | \$0 | \$0 |
| <i><u>Retired Participants</u></i> | | | |
| Service retirements | \$33,255,526 | \$33,255,526 | \$33,623,391 |
| Disability retirements | \$4,065,139 | \$4,065,139 | \$4,097,508 |
| Beneficiaries receiving | \$257,451 | \$257,451 | \$257,451 |
| DROP participants | \$16,416,702 | \$16,416,702 | \$16,580,833 |
| Sub-total | \$53,994,818 | \$53,994,818 | \$54,559,183 |
| <i><u>Grand Total</u></i> | <u>\$103,279,070</u> | <u>\$103,279,070</u> | <u>\$104,391,087</u> |
| Present Value of Future Payroll | \$63,720,163 | \$63,720,163 | \$63,582,173 |
| Present Value of Future Employee Contribs. | \$6,690,618 | \$6,690,618 | \$6,676,133 |
| Present Value of Future Employer Contribs. | \$28,190,912 | \$28,190,912 | \$29,317,414 |



Present Value of Accrued Benefits

Table I-E

| | <u>Old Assumptions w/o Amendment</u> | <u>Old Assumptions w/ Amendment</u> | <u>New Assumptions w/ Amendment</u> |
|--|--|---|---|
| <i><u>Actively Employed Participants</u></i> | | | |
| Retirement benefits | \$15,128,461 | \$15,128,461 | \$15,195,915 |
| Termination benefits | \$2,495,801 | \$2,495,801 | \$2,521,587 |
| Disability benefits | \$1,460,668 | \$1,460,668 | \$1,473,721 |
| Death benefits | \$230,588 | \$230,588 | \$382,246 |
| Refund of employee contributions | \$43,608 | \$43,608 | \$43,607 |
| Sub-total | \$19,359,126 | \$19,359,126 | \$19,617,076 |
| <i><u>Deferred Vested Participants</u></i> | | | |
| Retirement benefits | \$624,480 | \$624,480 | \$629,408 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$624,480 | \$624,480 | \$629,408 |
| <i><u>Due a Refund of Contributions</u></i> | \$0 | \$0 | \$0 |
| <i><u>Deferred Beneficiaries</u></i> | \$0 | \$0 | \$0 |
| <i><u>Retired Participants</u></i> | | | |
| Service retirements | \$33,255,526 | \$33,255,526 | \$33,623,391 |
| Disability retirements | \$4,065,139 | \$4,065,139 | \$4,097,508 |
| Beneficiaries receiving | \$257,451 | \$257,451 | \$257,451 |
| DROP participants | \$16,416,702 | \$16,416,702 | \$16,580,833 |
| Sub-total | \$53,994,818 | \$53,994,818 | \$54,559,183 |
| <i><u>Grand Total</u></i> | <u>\$73,978,424</u> | <u>\$73,978,424</u> | <u>\$74,805,667</u> |



Present Value of Vested Benefits

Table I-F

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|--|----------------------------------|---------------------------------|---------------------------------|
| <i><u>Actively Employed Participants</u></i> | | | |
| Retirement benefits | \$13,867,654 | \$13,867,654 | \$13,925,259 |
| Termination benefits | \$2,329,292 | \$2,329,292 | \$2,354,676 |
| Disability benefits | \$1,460,668 | \$1,460,668 | \$1,473,721 |
| Death benefits | \$230,431 | \$230,431 | \$380,855 |
| Refund of employee contributions | \$236,474 | \$236,474 | \$236,658 |
| Sub-total | \$18,124,519 | \$18,124,519 | \$18,371,169 |
| <i><u>Deferred Vested Participants</u></i> | | | |
| Retirement benefits | \$624,480 | \$624,480 | \$629,408 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$624,480 | \$624,480 | \$629,408 |
| <i><u>Due a Refund of Contributions</u></i> | \$0 | \$0 | \$0 |
| <i><u>Deferred Beneficiaries</u></i> | \$0 | \$0 | \$0 |
| <i><u>Retired Participants</u></i> | | | |
| Service retirements | \$33,255,526 | \$33,255,526 | \$33,623,391 |
| Disability retirements | \$4,065,139 | \$4,065,139 | \$4,097,508 |
| Beneficiaries receiving | \$257,451 | \$257,451 | \$257,451 |
| DROP participants | \$16,416,702 | \$16,416,702 | \$16,580,833 |
| Sub-total | \$53,994,818 | \$53,994,818 | \$54,559,183 |
| <i><u>Grand Total</u></i> | <u>\$72,743,817</u> | <u>\$72,743,817</u> | <u>\$73,559,760</u> |



Entry Age Normal Accrued Liability

Table I-G

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|--|----------------------------------|---------------------------------|---------------------------------|
| <i><u>Actively Employed Participants</u></i> | | | |
| Retirement benefits | \$25,259,099 | \$25,259,099 | \$25,385,848 |
| Termination benefits | \$3,113,194 | \$3,113,194 | \$3,145,793 |
| Disability benefits | \$1,528,481 | \$1,528,481 | \$1,542,367 |
| Death benefits | \$306,725 | \$306,725 | \$518,257 |
| Refund of employee contributions | \$47,385 | \$47,385 | \$47,382 |
| Sub-total | \$30,254,884 | \$30,254,884 | \$30,639,647 |
| <i><u>Deferred Vested Participants</u></i> | | | |
| Retirement benefits | \$624,480 | \$624,480 | \$629,408 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$624,480 | \$624,480 | \$629,408 |
| <i><u>Due a Refund of Contributions</u></i> | \$0 | \$0 | \$0 |
| <i><u>Deferred Beneficiaries</u></i> | \$0 | \$0 | \$0 |
| <i><u>Retired Participants</u></i> | | | |
| Service retirements | \$33,255,526 | \$33,255,526 | \$33,623,391 |
| Disability retirements | \$4,065,139 | \$4,065,139 | \$4,097,508 |
| Beneficiaries receiving | \$257,451 | \$257,451 | \$257,451 |
| DROP participants | \$16,416,702 | \$16,416,702 | \$16,580,833 |
| Sub-total | \$53,994,818 | \$53,994,818 | \$54,559,183 |
| <i><u>Grand Total</u></i> | <u>\$84,874,182</u> | <u>\$84,874,182</u> | <u>\$85,828,238</u> |
| less Actuarial Value of Assets | (\$68,397,540) | (\$68,397,540) | (\$68,397,540) |
| <i><u>Unfunded Accrued Liability</u></i> | <u>\$16,476,642</u> | <u>\$16,476,642</u> | <u>\$17,430,698</u> |



Entry Age Normal Cost

Table I-H

| | Old Assumptions w/o Amendment | Old Assumptions w/ Amendment | New Assumptions w/ Amendment |
|--|----------------------------------|---------------------------------|---------------------------------|
| <i><u>Actively Employed Participants</u></i> | | | |
| Retirement benefits | \$1,851,119 | \$1,851,119 | \$1,858,824 |
| Termination benefits | \$282,215 | \$282,215 | \$285,160 |
| Disability benefits | \$134,715 | \$134,715 | \$135,900 |
| Death benefits | \$24,845 | \$24,845 | \$40,430 |
| Refund of employee contributions | \$15,297 | \$15,297 | \$15,296 |
| Sub-total | \$2,308,191 | \$2,308,191 | \$2,335,610 |
| <i><u>Deferred Vested Participants</u></i> | | | |
| Retirement benefits | \$0 | \$0 | \$0 |
| Termination benefits | \$0 | \$0 | \$0 |
| Disability benefits | \$0 | \$0 | \$0 |
| Death benefits | \$0 | \$0 | \$0 |
| Refund of employee contributions | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <i><u>Due a Refund of Contributions</u></i> | \$0 | \$0 | \$0 |
| <i><u>Deferred Beneficiaries</u></i> | \$0 | \$0 | \$0 |
| <i><u>Retired Participants</u></i> | | | |
| Service retirements | \$0 | \$0 | \$0 |
| Disability retirements | \$0 | \$0 | \$0 |
| Beneficiaries receiving | \$0 | \$0 | \$0 |
| DROP participants | \$0 | \$0 | \$0 |
| Sub-total | \$0 | \$0 | \$0 |
| <i><u>Grand Total</u></i> | <u>\$2,308,191</u> | <u>\$2,308,191</u> | <u>\$2,335,610</u> |



Unfunded Liability Bases

Table I-I

| <u>Description</u> | <u>Original Amount</u> | <u>Outstanding Balance</u> | <u>Amortization Payment</u> | <u>Years Rem.</u> |
|----------------------------------|------------------------|----------------------------|-----------------------------|-------------------|
| | Total | \$17,430,698 | \$1,606,068 | |
| | | ↓ | ↓ | |
| 10/1/1986 Fresh Start Unf. Liab. | \$378,914 | \$52,643 | \$27,212 | 2 |
| 10/1/1988 Base | \$334,335 | \$92,526 | \$25,529 | 4 |
| 10/1/1993 Base | \$475,246 | \$255,959 | \$36,716 | 9 |
| 10/1/1994 Base | (\$228,801) | (\$132,854) | (\$17,678) | 10 |
| 10/1/1996 Base | \$266,506 | \$174,557 | \$20,539 | 12 |
| 10/1/1997 Base | \$1,061,162 | \$730,429 | \$81,679 | 13 |
| 10/1/1999 Base | (\$907,223) | (\$658,505) | (\$67,570) | 15 |
| 10/1/2000 Base | \$495,352 | \$382,964 | \$37,888 | 16 |
| 10/1/2001 Base | (\$1,106,884) | (\$868,336) | (\$83,121) | 17 |
| 10/1/2002 Base | \$6,817,799 | \$5,252,837 | \$488,036 | 18 |
| 10/1/2003 Base | \$2,170,190 | \$1,731,886 | \$156,603 | 19 |
| 10/1/2004 Base | \$4,644,911 | \$3,859,237 | \$340,453 | 20 |
| 10/1/2005 Base | (\$314,169) | (\$266,897) | (\$23,020) | 21 |
| 10/1/2006 Base | \$613,631 | \$532,901 | \$45,026 | 22 |
| 10/1/2007 Base | \$2,301,594 | \$2,037,854 | \$168,959 | 23 |
| 10/1/2008 Base | \$2,529,584 | \$2,279,842 | \$185,773 | 24 |
| 10/1/2009 Base | \$4,668,600 | \$4,276,879 | \$342,992 | 25 |
| 2009/10 Experience Loss | \$2,746,489 | \$2,554,099 | \$201,848 | 26 |
| 2010/11 Experience Loss | \$2,366,985 | \$2,231,828 | \$174,011 | 27 |
| 2011/12 Experience Loss | \$3,503,384 | \$3,376,969 | \$260,033 | 28 |
| 1/1/2013 Amendment | (\$2,450,153) | (\$2,361,742) | (\$181,858) | 28 |
| 10/1/2012 Assumption Change | (\$1,414,341) | (\$1,363,307) | (\$104,977) | 28 |
| 2012/13 Experience Gain | (\$1,658,326) | (\$1,619,758) | (\$123,296) | 29 |
| 2013/14 Experience Gain | (\$6,075,369) | (\$6,075,369) | (\$457,563) | 30 |
| 10/1/2014 Assumption Change | \$954,056 | \$954,056 | \$71,854 | 30 |



GASB 25/27 Results

Table II-A

Development of the Net Pension Obligation (Asset)

| | |
|---|------------------------------------|
| Net Pension Obligation (Asset) as of October 1, 2013 | (\$1,431,706) |
| Annual Pension Cost for the 2013/14 Plan Year | \$3,643,602 |
| Employer Contributions for the 2013/14 Plan Year | (\$3,932,396) |
| Net Increase (Decrease) in NPO | <u>(\$288,794)</u> |
| Net Pension Obligation (Asset) as of October 1, 2014 | <u><u>(\$1,720,500)</u></u> |



Schedule of Employer Contributions

| Year Ended <u>September 30</u> | Annual | | Annual | |
|-----------------------------------|---------------------------------|----------------------|------------------------|----------------------|
| | Required <u>Contribution</u> | % <u>Contrib.</u> | Pension <u>Cost</u> | % <u>Contrib.</u> |
| 2009 | \$3,291,348 | 97% | \$3,295,056 | 97% |
| 2010 | \$3,585,160 | 108% | \$3,586,458 | 108% |
| 2011 | \$3,865,619 | 111% | \$3,868,429 | 111% |
| 2012 | \$4,202,764 | 105% | \$4,207,881 | 105% |
| 2013 | \$3,825,301 | 107% | \$3,831,612 | 106% |
| 2014 | \$3,635,993 | 108% | \$3,643,602 | 108% |

Schedule of Funding Progress

| Actuarial Valuation Date | (1) | (2) | (3) | (4) | (5) | (6) |
|--------------------------------|---------------------------------|--|---|-------------------------------------|--------------------|---|
| | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) (2) - (1) | Funded Ratio (1) ÷ (2) | Covered Payroll | UAAL as % of Covered Payroll (3) ÷ (5) |
| October 1, 2009 | \$39,571,421 | \$61,732,083 | \$22,160,662 | 64.10% | \$6,839,210 | 324.02% |
| October 1, 2010 | \$41,934,384 | \$66,529,729 | \$24,595,345 | 63.03% | \$6,971,283 | 352.81% |
| October 1, 2011 | \$45,934,902 | \$72,534,525 | \$26,599,623 | 63.33% | \$7,390,906 | 359.90% |
| October 1, 2012 | \$51,957,118 | \$77,521,376 | \$25,564,258 | 67.02% | \$7,077,620 | 361.20% |
| October 1, 2013 | \$59,013,538 | \$82,274,811 | \$23,261,273 | 71.73% | \$6,911,704 | 336.55% |
| October 1, 2014 | \$68,397,540 | \$85,828,238 | \$17,430,698 | 79.69% | \$7,333,643 | 237.68% |

Additional Information

Valuation Date **October 1, 2014**

Actuarial Cost Method **Entry age normal**

Amortization Method **Level dollar, closed**

Remaining Amortization Period **30 years**

Asset Valuation Method **Three-year smoothed market value**

Discount Rate **7.00%**

Salary Increase Rate **4.00%**



SFAS 35 Disclosures

Table II-C

Actuarial Present Value of Accrued Benefits

| | <u>As of October 1, 2013</u> | <u>As of October 1, 2014</u> |
|---|------------------------------|------------------------------|
| <u>Vested Benefits</u> | | |
| Participants currently receiving benefits | \$55,110,737 | \$54,559,183 |
| Other participants | \$15,941,526 | \$19,000,577 |
| Sub-total | <u>\$71,052,263</u> | <u>\$73,559,760</u> |
| <u>Non-Vested Benefits</u> | \$923,989 | \$1,245,907 |
| <u>Total Benefits</u> | <u><u>\$71,976,252</u></u> | <u><u>\$74,805,667</u></u> |
| <u>Funded Percentage</u> | 94.34% | 103.62% |
| (based on the market value of assets) | | |

Statement of Change in Actuarial Present Value of Accrued Benefits

| | |
|--|----------------------------|
| <u>Actuarial Present Value as of October 1, 2013</u> | <u>\$71,976,252</u> |
| <u>Increase (Decrease) Due To:</u> | |
| Interest | \$5,038,338 |
| Benefits accumulated | (\$126,645) |
| Benefits paid | (\$2,909,521) |
| Plan amendments | \$0 |
| Changes in actuarial methods and assumptions | \$827,243 |
| Net increase (decrease) | <u>\$2,829,415</u> |
| <u>Actuarial Present Value as of October 1, 2014</u> | <u><u>\$74,805,667</u></u> |



Actuarial Value of Assets

Table III-A

| <u>Net Investment Appreciation (Depreciation)</u> | | | <u>Unrecognized Gain (Loss)</u> | |
|---|-------------|-------|---------------------------------|--------------------|
| For the 2012/13 plan year | \$7,356,970 | x 1/3 | | \$2,452,323 |
| For the 2013/14 plan year | \$7,348,062 | x 2/3 | | \$4,898,708 |
| | | | | <u>\$7,351,031</u> |

| | |
|---|----------------------------|
| Market Value of Assets as of October 1, 2014 | \$81,074,172 |
| Minus DROP account balances | (\$3,556,975) |
| Minus advance employer contributions | (\$1,768,626) |
| Minus excess Chapter 175/185 contributions | \$0 |
| Adjustment for unrecognized gain or loss as shown above, but restricted to an amount that keeps the actuarial value of assets within an 80%-120% corridor of the market value | (\$7,351,031) |
| Actuarial Value of Assets as of October 1, 2014 | <u>\$68,397,540</u> |

| <u>Historical Actuarial Value of Assets</u> | |
|---|--------------|
| October 1, 2005 | \$26,370,033 |
| October 1, 2006 | \$30,210,509 |
| October 1, 2007 | \$34,978,331 |
| October 1, 2008 | \$37,279,328 |
| October 1, 2009 | \$39,571,421 |
| October 1, 2010 | \$41,934,384 |
| October 1, 2011 | \$45,934,902 |
| October 1, 2012 | \$51,957,118 |
| October 1, 2013 | \$59,013,538 |
| October 1, 2014 | \$68,397,540 |

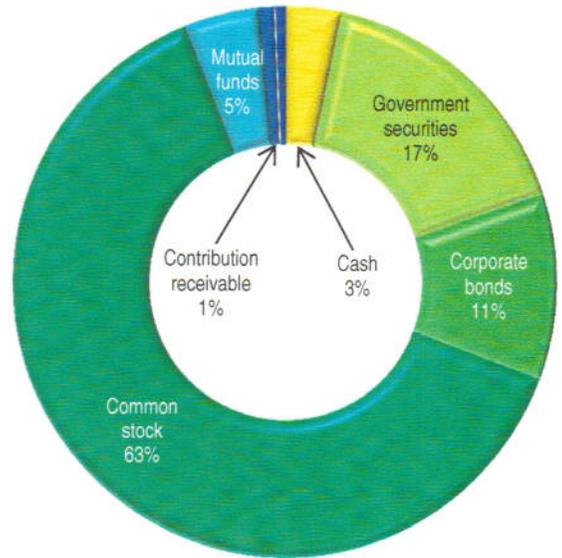


Market Value of Assets

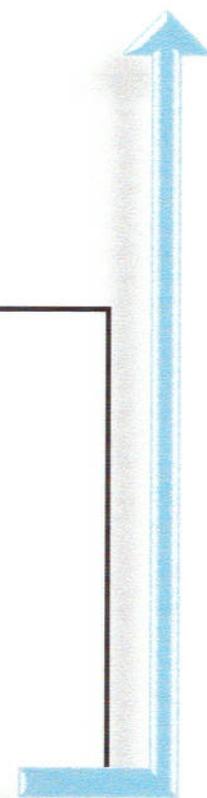
Table III-B

As of October 1, 2014

| | |
|-------------------------------|----------------------------|
| Market Value of Assets | <u>\$81,074,172</u> |
| Cash | \$2,661,223 |
| Government securities | \$13,618,885 |
| Corporate bonds | \$8,882,389 |
| Common stock | \$52,086,174 |
| Mutual funds | \$3,665,582 |
| Contribution receivable | \$722,579 |
| Benefits payable | (\$527,553) |
| Accounts payable | (\$35,107) |

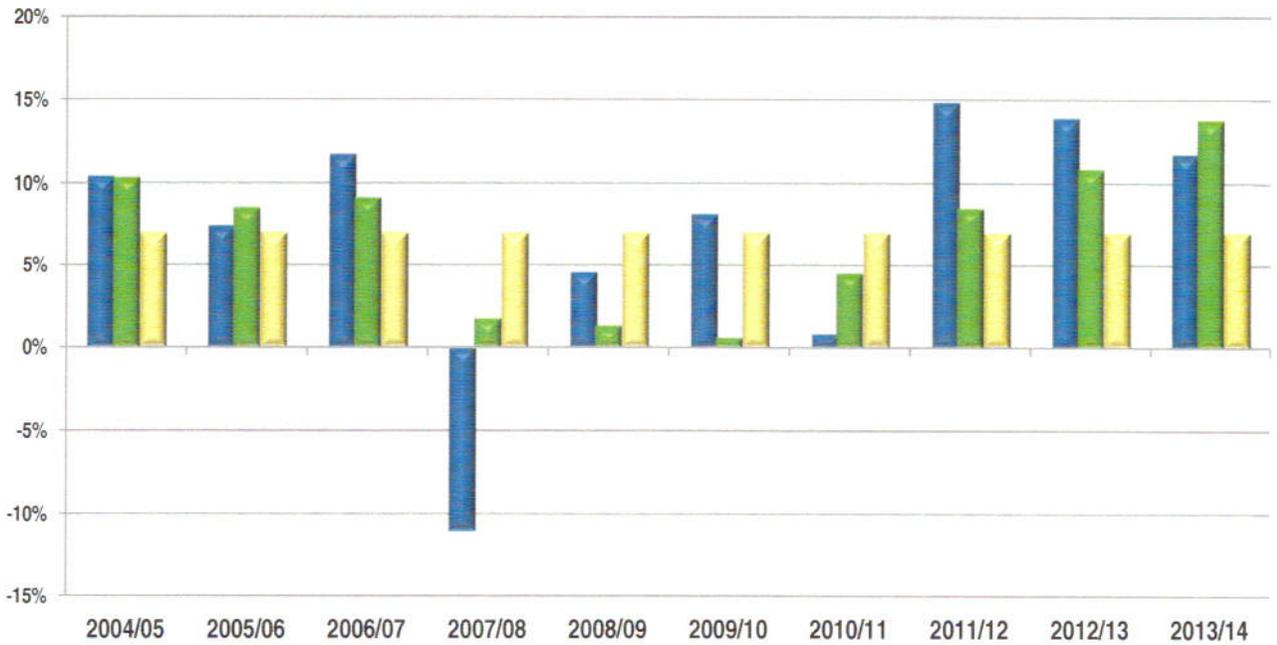


| Historical Market Value of Assets | |
|--|--------------|
| October 1, 2005 | \$28,204,677 |
| October 1, 2006 | \$32,167,130 |
| October 1, 2007 | \$39,171,915 |
| October 1, 2008 | \$37,577,824 |
| October 1, 2009 | \$41,804,534 |
| October 1, 2010 | \$47,892,191 |
| October 1, 2011 | \$49,853,912 |
| October 1, 2012 | \$60,317,386 |
| October 1, 2013 | \$70,921,507 |
| October 1, 2014 | \$81,074,172 |



Investment Return

Table III-C



Annual Investment Returns

- Market Value Return
- Actuarial Value Return
- Assumed Return

| Plan Year | Market Value Return | Actuarial Value Return | Assumed Return |
|------------|---------------------|------------------------|----------------|
| 2004/05 | 10.44% | 10.37% | 7.00% |
| 2005/06 | 7.39% | 8.51% | 7.00% |
| 2006/07 | 11.75% | 9.15% | 7.00% |
| 2007/08 | -11.02% | 1.74% | 7.00% |
| 2008/09 | 4.59% | 1.31% | 7.00% |
| 2009/10 | 8.14% | 0.60% | 7.00% |
| 2010/11 | 0.79% | 4.52% | 7.00% |
| 2011/12 | 14.83% | 8.49% | 7.00% |
| 2012/13 | 13.92% | 10.86% | 7.00% |
| 2013/14 | 11.78% | 13.80% | 7.00% |
| 10yr. Avg. | 6.99% | 6.85% | 7.00% |



Asset Reconciliation

Table III-D

| | <u>Market Value</u> | <u>Actuarial Value</u> |
|-------------------------------------|-----------------------------------|-----------------------------------|
| As of October 1, 2013 | \$70,921,507 | \$59,013,538 |
| <i>Increases Due To:</i> | | |
| Employer Contributions | \$3,295,745 | \$3,295,745 |
| Chapter 175/185 Contributions | \$636,651 | \$636,651 |
| Employee Contributions | \$784,835 | \$784,835 |
| Service Purchase Contributions | \$0 | \$0 |
| Total Contributions | <u>\$4,717,231</u> | <u>\$4,717,231</u> |
| Interest and Dividends | \$1,572,251 | |
| Realized Gains (Losses) | \$0 | |
| Unrealized Gains (Losses) | \$7,348,062 | |
| Total Investment Income | <u>\$8,920,313</u> | \$8,221,281 |
| Other Income | \$0 | |
| Total Income | <u>\$13,637,544</u> | <u>\$12,938,512</u> |
| <i>Decreases Due To:</i> | | |
| Monthly Benefit Payments | (\$2,909,521) | (\$2,909,521) |
| Refund of Employee Contributions | \$0 | \$0 |
| DROP Credits | | (\$534,354) |
| Total Benefit Payments | <u>(\$2,909,521)</u> | <u>(\$3,443,875)</u> |
| Investment Expenses | (\$464,723) | |
| Administrative Expenses | (\$110,635) | (\$110,635) |
| Advance Employer Contribution | | \$0 |
| Excess Chapter 175/185 Contribution | | \$0 |
| Total Expenses | <u>(\$3,484,879)</u> | <u>(\$3,554,510)</u> |
| As of October 1, 2014 | <u><u>\$81,074,172</u></u> | <u><u>\$68,397,540</u></u> |



Historical Trust Fund Detail

Table III-E

Income

| <u>Plan Year</u> | <u>Employer Contribs.</u> | <u>Chapter Contribs.</u> | <u>Employee Contribs.</u> | <u>Service Purchase Contribs.</u> | <u>Interest / Dividends</u> | <u>Realized Gains / Losses</u> | <u>Unrealized Gains / Losses</u> | <u>Other Income</u> |
|------------------|---------------------------|--------------------------|---------------------------|-----------------------------------|-----------------------------|--------------------------------|----------------------------------|---------------------|
| 2004/05 | \$1,799,349 | \$405,609 | \$568,242 | \$0 | \$659,947 | \$0 | \$2,045,093 | \$0 |
| 2005/06 | \$1,700,336 | \$429,886 | \$594,134 | \$0 | \$812,698 | \$0 | \$1,493,197 | \$0 |
| 2006/07 | \$2,513,894 | \$614,240 | \$697,273 | \$0 | \$976,943 | \$0 | \$3,155,819 | \$0 |
| 2007/08 | \$2,531,073 | \$688,142 | \$621,524 | \$0 | \$1,070,968 | \$0 | -\$5,309,367 | \$0 |
| 2008/09 | \$2,638,717 | \$599,378 | \$639,636 | \$0 | \$883,874 | \$0 | \$1,111,229 | \$0 |
| 2009/10 | \$3,927,689 | \$577,192 | \$659,401 | \$0 | \$969,647 | \$0 | \$2,796,716 | \$0 |
| 2010/11 | \$3,709,823 | \$593,971 | \$698,337 | \$0 | \$1,060,025 | \$0 | -\$380,851 | \$0 |
| 2011/12 | \$4,073,426 | \$592,148 | \$701,587 | \$0 | \$1,223,405 | \$0 | \$6,636,225 | \$0 |
| 2012/13 | \$3,459,317 | \$616,524 | \$761,376 | \$0 | \$1,571,215 | \$0 | \$7,356,970 | \$0 |
| 2013/14 | \$3,295,745 | \$636,651 | \$784,835 | \$0 | \$1,572,251 | \$0 | \$7,348,062 | \$0 |

Expenses

| <u>Plan Year</u> | <u>Monthly Benefit Payments</u> | <u>Contrib. Refunds</u> | <u>Admin. Expenses</u> | <u>Invest. Expenses</u> | <u>Other Actuarial Adjustments</u> | | |
|------------------|---------------------------------|-------------------------|------------------------|-------------------------|------------------------------------|-----------------------------------|---------------------------------|
| | | | | | <u>DROP Credits</u> | <u>Advance Employer Contribs.</u> | <u>Excess Chapter Contribs.</u> |
| 2004/05 | \$703,325 | \$0 | \$52,015 | \$134,620 | \$0 | \$0 | \$0 |
| 2005/06 | \$849,062 | \$0 | \$63,811 | \$154,925 | \$279,458 | \$0 | \$0 |
| 2006/07 | \$716,730 | \$0 | \$62,275 | \$174,379 | \$550,304 | \$580,735 | \$0 |
| 2007/08 | \$908,938 | \$0 | \$51,380 | \$236,113 | \$930,644 | \$270,607 | \$0 |
| 2008/09 | \$1,356,917 | \$0 | \$76,790 | \$212,417 | \$601,229 | \$49,106 | \$0 |
| 2009/10 | \$2,509,069 | \$0 | \$76,315 | \$257,604 | -\$172,976 | \$633,813 | \$0 |
| 2010/11 | \$3,339,435 | \$0 | \$86,019 | \$294,130 | -\$483,510 | \$1,262 | \$0 |
| 2011/12 | \$2,444,384 | \$0 | \$66,449 | \$252,484 | \$589,293 | \$233,103 | \$0 |
| 2012/13 | \$2,687,956 | \$0 | \$82,353 | \$390,972 | \$728,179 | \$0 | \$0 |
| 2013/14 | \$2,909,521 | \$0 | \$110,635 | \$464,723 | \$534,354 | \$0 | \$0 |

Note: Information was not available to separate the realized and unrealized gains and losses.

Monthly benefit payments include contribution refunds.



Other Reconciliations

Table III-F

Advance Employer Contribution

| | |
|---|---------------------------|
| Advance Employer Contribution as of October 1, 2013 | \$1,768,626 |
| Additional Employer Contribution | \$3,932,396 |
| Minimum Required Contribution | <u>(\$3,932,396)</u> |
| Net Increase in Advance Employer Contribution | \$0 |
| Advance Employer Contribution as of October 1, 2014 | <u><u>\$1,768,626</u></u> |

DROP Account Reconciliation

| | |
|------------------------------------|-----------------------------|
| DROP Balance as of October 1, 2013 | \$3,022,621 * |
| DROP Benefit Credits | \$996,211 * |
| DROP Investment Credits | \$144,689 * |
| DROP Benefits Paid Out | <u>(\$606,546) *</u> |
| Net DROP Credit | \$534,354 * |
| DROP Balance as of October 1, 2014 | <u><u>\$3,556,975 *</u></u> |

* estimated

Excess Chapter 175/185 Contribution

| | |
|---|--------------------|
| Excess Chapter 175/185 Contribution as of October 1, 2013 | \$0 |
| Additional Chapter 175/185 Contribution | \$636,651 |
| Allowable Chapter 175/185 Contribution | <u>(\$636,651)</u> |
| Net Increase in Excess Chapter 175/185 Contribution | \$0 |
| Excess Chapter 175/185 Contribution as of October 1, 2014 | <u><u>\$0</u></u> |



Allowable Chapter 175/185 Contribution

Table III-G

1997 Base Amounts

| | |
|---------------------------------------|-----------|
| Chapter 175 Regular Distribution | \$159,062 |
| Chapter 175 Supplemental Distribution | \$31,377 |
| Chapter 185 Distribution | \$0 |

Qualifying Benefit Improvements

| | |
|-------------------|-----------|
| Prior Ordinance | \$153,142 |
| Ordinance 2004-16 | \$369,379 |
| Ordinance 2007-07 | \$164,539 |



Historical Chapter 175/185 Contributions

Table III-H

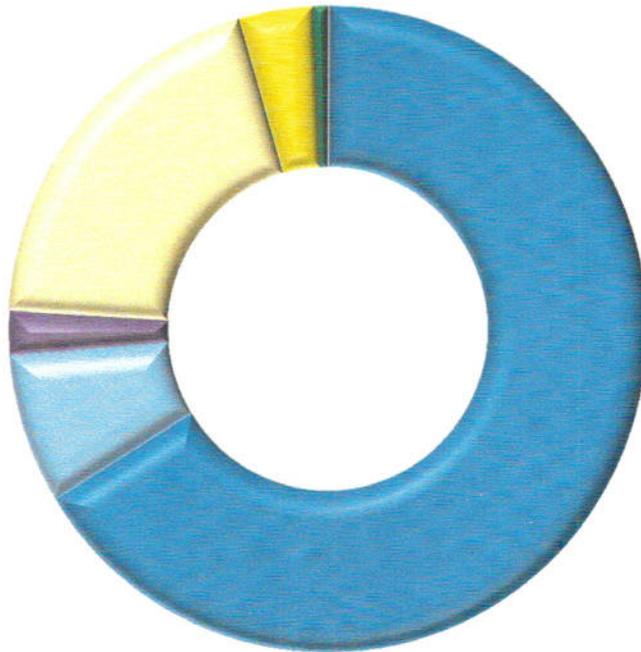
| | Total Accumulated Excess Chapter 175/185 Contribution | | | | \$0 |
|-------------------|--|--|-------------------------------------|-----------------------------|------------|
| | <u>Chapter 175 Regular Distribution</u> | <u>Chapter 175 Supplemental Distribution</u> | <u>Chapter 185 Distribution</u> | <u>Allowable Amount</u> | |
| 1998 Distribution | \$194,468 | \$0 | \$0 | (\$194,468) | |
| 1999 Distribution | \$208,819 | \$6,870 | \$0 | (\$215,689) | |
| 2000 Distribution | \$219,146 | \$0 | \$0 | (\$219,146) | |
| 2001 Distribution | \$255,576 | \$0 | \$0 | (\$255,576) | |
| 2002 Distribution | \$315,520 | \$0 | \$0 | (\$312,204) | |
| 2003 Distribution | \$341,940 | \$12,679 | \$0 | (\$357,935) | |
| 2004 Distribution | \$387,484 | \$18,125 | \$0 | (\$405,609) | |
| 2005 Distribution | \$410,196 | \$19,690 | \$0 | (\$429,886) | |
| 2006 Distribution | \$425,663 | \$7,101 | \$0 | (\$432,764) | |
| 2007 Distribution | \$513,756 | \$181,476 | \$0 | (\$695,232) | |
| 2008 Distribution | \$499,671 | \$99,707 | \$0 | (\$599,378) | |
| 2009 Distribution | \$512,691 | \$64,501 | \$0 | (\$577,192) | |
| 2010 Distribution | \$517,608 | \$76,363 | \$0 | (\$593,971) | |
| 2011 Distribution | \$536,443 | \$55,705 | \$0 | (\$592,148) | |
| 2012 Distribution | \$516,111 | \$100,413 | \$0 | (\$616,524) | |
| 2013 Distribution | \$532,908 | \$103,743 | \$0 | (\$636,651) | |



Summary of Participant Data

Table IV-A

As of October 1, 2014

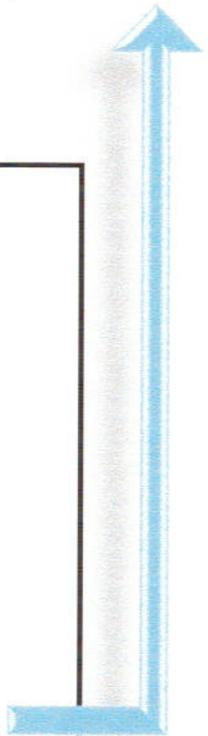


Participant Distribution by Status

| | | |
|---|-------------------------------|------------|
| <u>Actively Employed Participants</u> | | |
| ◆ | Active Participants | 88 |
| ◆ | DROP Participants | 10 |
| <u>Inactive Participants</u> | | |
| ◆ | Deferred Vested Participants | 3 |
| ◆ | Due a Refund of Contributions | 0 |
| ◆ | Deferred Beneficiaries | 0 |
| <u>Participants Receiving a Benefit</u> | | |
| ◆ | Service Retirements | 26 |
| ◆ | Disability Retirements | 5 |
| ◆ | Beneficiaries Receiving | 1 |
| Total Participants | | 133 |

Number of Participants Included in Prior Valuations

| | <i>Active</i> | <i>DROP</i> | <i>Inactive</i> | <i>Retired</i> | <i>Total</i> |
|-----------------|---------------|-------------|-----------------|----------------|--------------|
| October 1, 2005 | 99 | 0 | 2 | 12 | 113 |
| October 1, 2006 | 93 | 2 | 2 | 13 | 110 |
| October 1, 2007 | 89 | 11 | 2 | 13 | 115 |
| October 1, 2008 | 86 | 13 | 1 | 14 | 114 |
| October 1, 2009 | 84 | 13 | 2 | 16 | 115 |
| October 1, 2010 | 81 | 11 | 3 | 20 | 115 |
| October 1, 2011 | 85 | 5 | 3 | 27 | 120 |
| October 1, 2012 | 91 | 7 | 4 | 28 | 130 |
| October 1, 2013 | 81 | 12 | 3 | 30 | 126 |
| October 1, 2014 | 88 | 10 | 3 | 32 | 133 |



Data Reconciliation

Table IV-B

| | <u>Active</u> | <u>DROP</u> | <u>Deferred Vested</u> | <u>Due a Refund</u> | <u>Def. Benef.</u> | <u>Service Retiree</u> | <u>Disabled Retiree</u> | <u>Benef. Rec'v.</u> | <u>Total</u> |
|----------------------------|---------------|-------------|------------------------|---------------------|--------------------|------------------------|-------------------------|----------------------|--------------|
| <u>October 1, 2013</u> | 81 | 12 | 3 | 0 | 0 | 24 | 5 | 1 | 126 |
| <u>Change in Status</u> | | | | | | | | | |
| Re-employed | | | | | | | | | |
| Terminated | | | | | | | | | |
| Retired | | (2) | | | | 2 | | | |
| <u>Participation Ended</u> | | | | | | | | | |
| Transferred Out | | | | | | | | | |
| Cashed Out | | | | | | | | | |
| Died | | | | | | | | | |
| <u>Participation Began</u> | | | | | | | | | |
| Newly Hired | 7 | | | | | | | | 7 |
| Transferred In | | | | | | | | | |
| New Beneficiary | | | | | | | | | |
| <u>Other Adjustment</u> | | | | | | | | | |
| <u>October 1, 2014</u> | 88 | 10 | 3 | 0 | 0 | 26 | 5 | 1 | 133 |

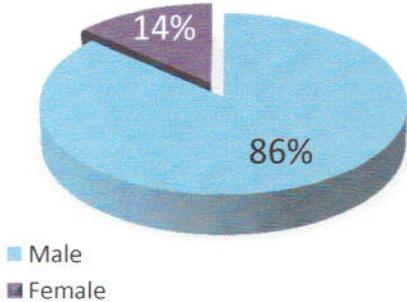


Active Participant Data

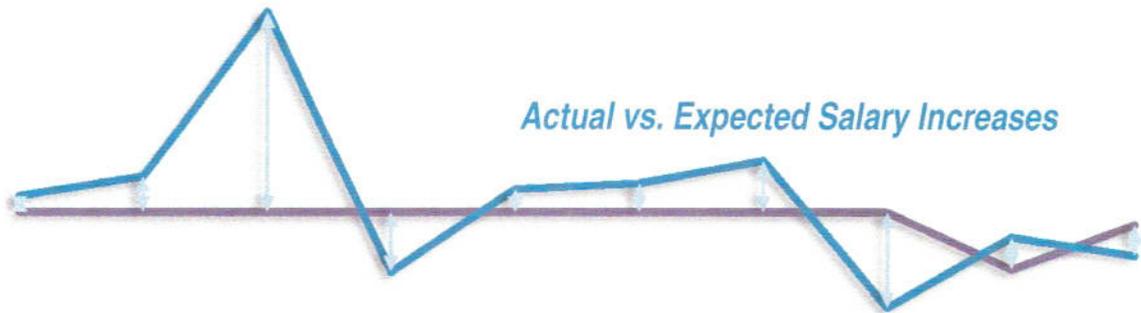
Table IV-C

As of October 1, 2014

Gender Mix



| | |
|--|-------------|
| Average Age | 37.8 years |
| Average Service | 8.8 years |
| Total Annualized Compensation for the Prior Year | \$7,474,620 |
| Total Expected Compensation for the Current Year | \$7,333,643 |
| Average Increase in Compensation for the Prior Year | 1.29% |
| Expected Increase in Compensation for the Current Year | 4.00% |
| Accumulated Contributions for Active Employees | \$6,935,865 |



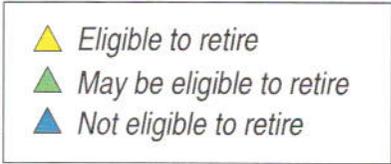
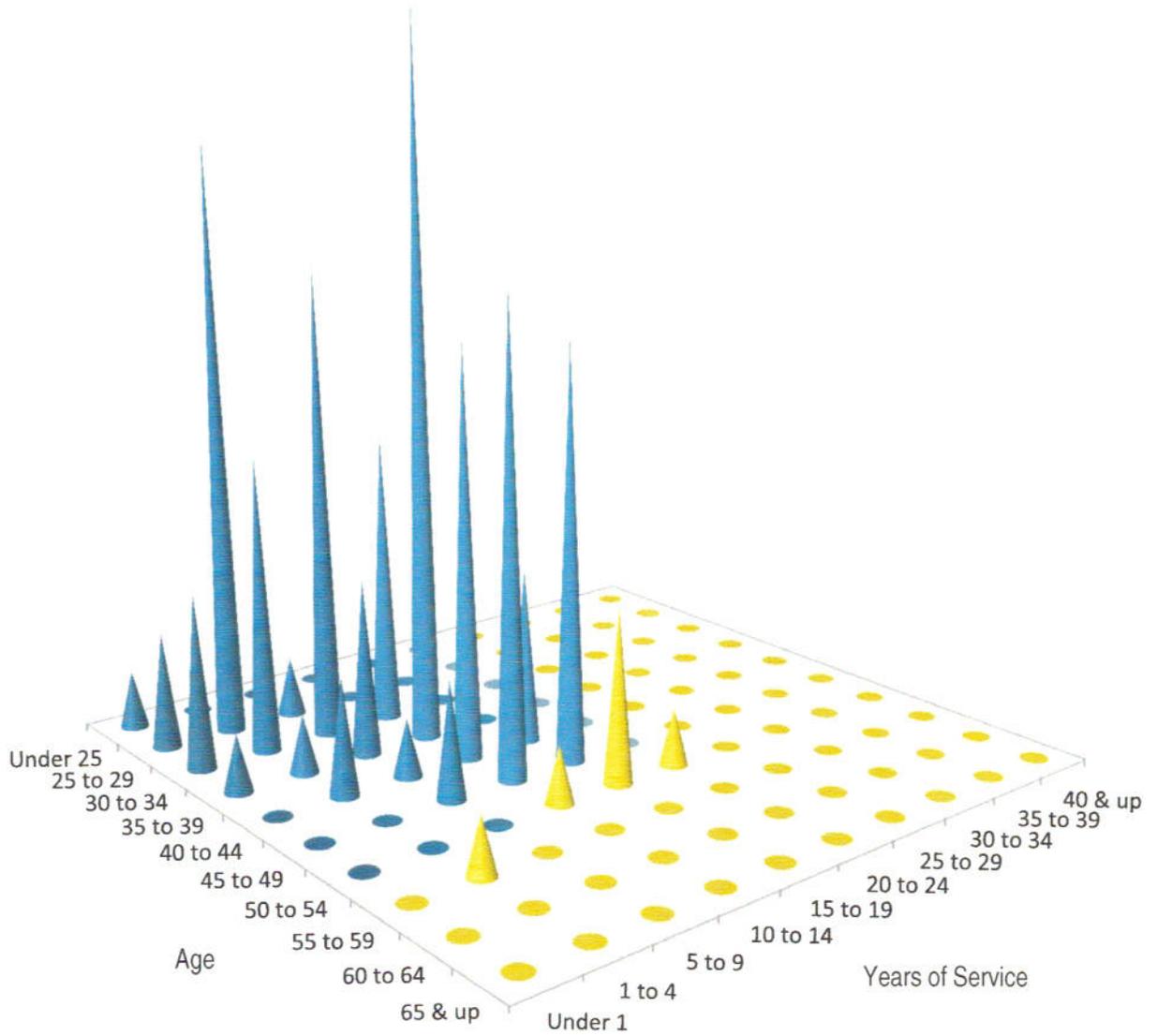
Active Participant Statistics From Prior Valuations

| | Average Age | Average Service | Average Salary | Average Expected Salary Increase | Average Actual Salary Increase |
|-----------------|-------------|-----------------|----------------|----------------------------------|--------------------------------|
| October 1, 2005 | 36.6 | 9.5 | \$63,040 | 5.00% | 6.42% |
| October 1, 2006 | 37.6 | 10.1 | \$68,054 | 5.00% | 8.09% |
| October 1, 2007 | 36.8 | 8.9 | \$79,097 | 5.00% | 22.14% |
| October 1, 2008 | 37.4 | 9.1 | \$77,904 | 5.00% | -0.14% |
| October 1, 2009 | 37.5 | 9.0 | \$82,069 | 5.00% | 7.01% |
| October 1, 2010 | 38.3 | 9.3 | \$88,483 | 5.00% | 7.49% |
| October 1, 2011 | 38.5 | 9.2 | \$89,816 | 5.00% | 9.48% |
| October 1, 2012 | 37.9 | 8.7 | \$83,924 | 5.00% | -3.18% |
| October 1, 2013 | 37.5 | 8.6 | \$87,127 | 0.10% | 2.86% |
| October 1, 2014 | 37.8 | 8.8 | \$84,939 | 4.00% | 1.29% |



Active Age-Service Distribution

Table IV-D



Active Age-Service-Salary Table

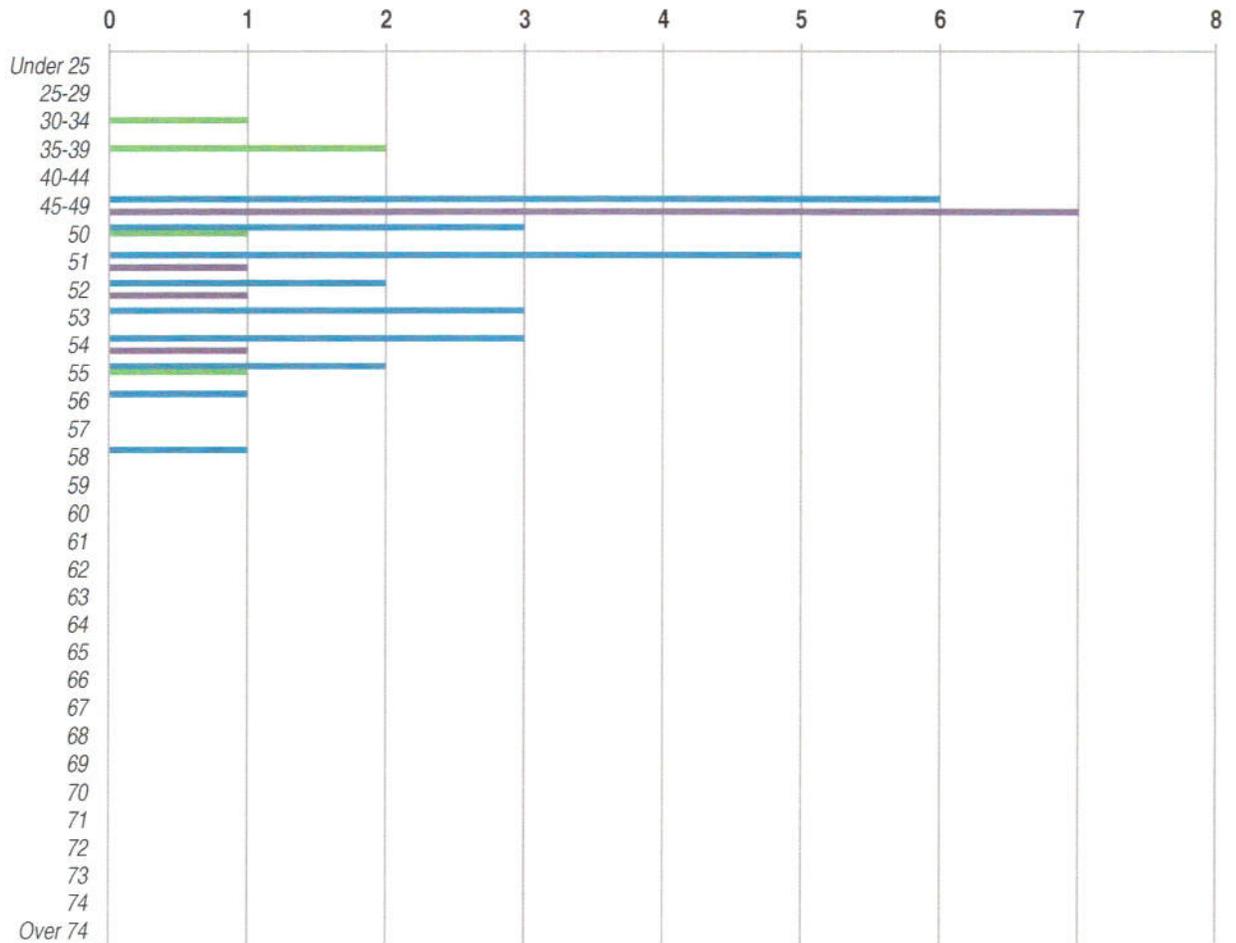
Table IV-E

| Attained Age | Completed Years of Service | | | | | | | | | | Total | |
|--------------------|----------------------------|---------|--------|----------|----------|----------|----------|----------|----------|---------|-------|---------|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up | | |
| Under 25 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Avg.Pay | 48,617 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 48,617 |
| 25 to 29 | 2 | 10 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 |
| Avg.Pay | 51,205 | 63,257 | 80,043 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 62,694 |
| 30 to 34 | 3 | 5 | 8 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21 |
| Avg.Pay | 49,856 | 63,423 | 79,842 | 92,903 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 74,759 |
| 35 to 39 | 1 | 1 | 3 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17 |
| Avg.Pay | 49,881 | 66,726 | 77,051 | 91,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85,186 |
| 40 to 44 | 0 | 2 | 1 | 7 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 13 |
| Avg.Pay | 0 | 64,159 | 83,151 | 99,373 | 106,068 | 0 | 0 | 0 | 0 | 0 | 0 | 94,253 |
| 45 to 49 | 0 | 0 | 2 | 8 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 17 |
| Avg.Pay | 0 | 0 | 84,947 | 92,544 | 109,590 | 0 | 0 | 0 | 0 | 0 | 0 | 98,669 |
| 50 to 54 | 0 | 0 | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 5 |
| Avg.Pay | 0 | 0 | 0 | 66,596 | 123,127 | 82,992 | 0 | 0 | 0 | 0 | 0 | 103,794 |
| 55 to 59 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Avg.Pay | 0 | 171,270 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 171,270 |
| 60 to 64 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Avg.Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 65 & up | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Avg.Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 7 | 19 | 15 | 33 | 13 | 1 | 0 | 0 | 0 | 0 | 0 | 88 |
| Avg.Pay | 50,068 | 69,263 | 80,198 | 92,954 | 111,901 | 82,992 | 0 | 0 | 0 | 0 | 0 | 84,939 |



Inactive Participant Data

Table IV-F



Age at Retirement

- Service Retirements
- Disability Retirements
- DROP Participants

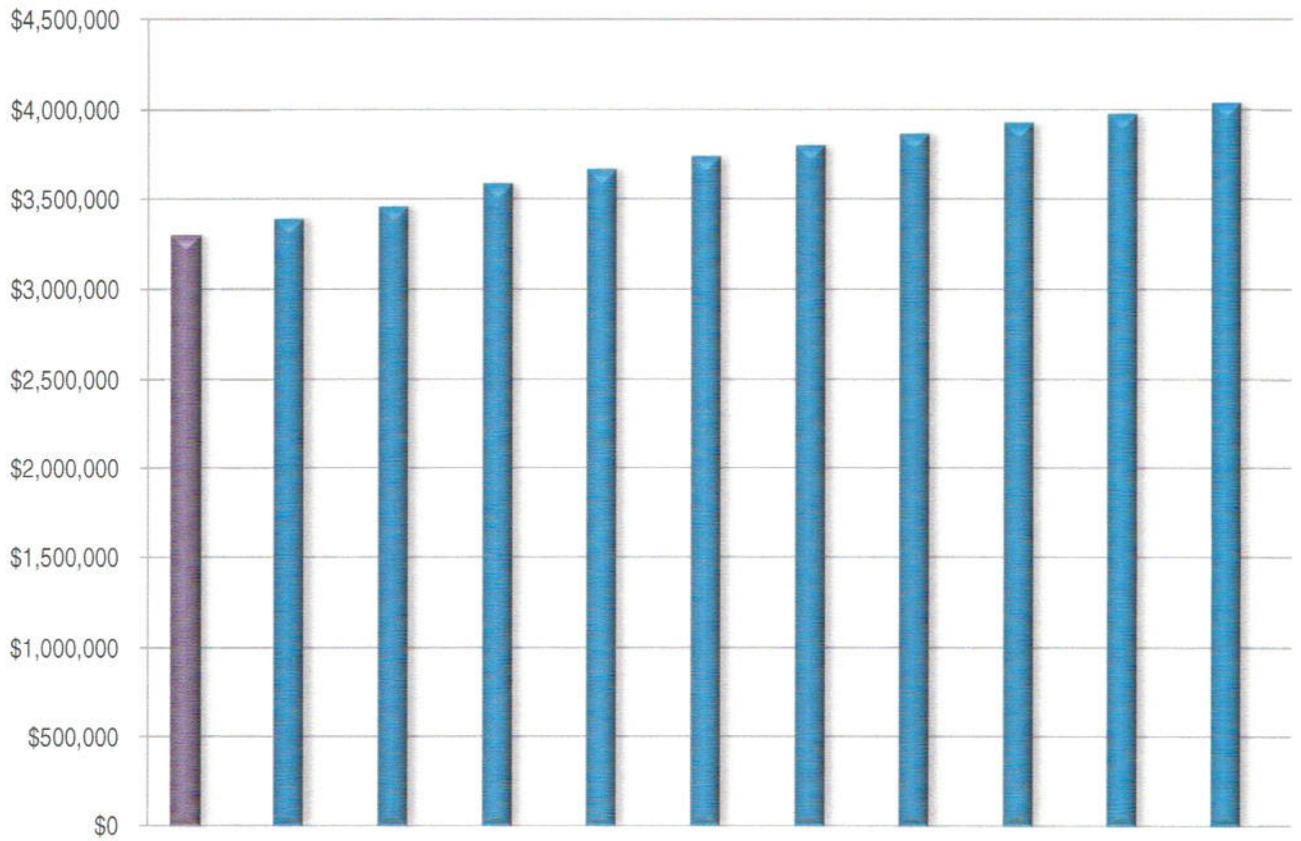
Average Monthly Benefit

| | |
|------------------------------|----------------|
| Service Retirements | \$6,881.69 |
| Disability Retirements | \$4,238.60 |
| Beneficiaries Receiving | \$6,518.91 |
| DROP Participants | \$7,300.07 |
| Deferred Vested Participants | \$1,306.57 |
| Deferred Beneficiaries | Not applicable |



Projected Benefit Payments

Table IV-G



Actual

For the period October 1, 2013 through September 30, 2014 \$3,299,186

Projected

For the period October 1, 2014 through September 30, 2015 \$3,389,823
 For the period October 1, 2015 through September 30, 2016 \$3,459,062
 For the period October 1, 2016 through September 30, 2017 \$3,588,649
 For the period October 1, 2017 through September 30, 2018 \$3,669,295
 For the period October 1, 2018 through September 30, 2019 \$3,742,007
 For the period October 1, 2019 through September 30, 2020 \$3,803,464
 For the period October 1, 2020 through September 30, 2021 \$3,868,151
 For the period October 1, 2021 through September 30, 2022 \$3,927,121
 For the period October 1, 2022 through September 30, 2023 \$3,980,661
 For the period October 1, 2023 through September 30, 2024 \$4,041,371



Summary of Actuarial Methods and Assumptions

Table V-A

1. **Actuarial Cost Method**

Individual entry age normal cost method. Under this actuarial cost method, a level funding cost is developed with respect to each benefit for each participant. The level funding cost for each benefit applies to the period beginning when the participant's service commences and ends when the participant is assumed to cease active participation due to each respective decrement. The actuarial accrued liability is equal to the accumulated level funding cost to the valuation date for all participants. The normal cost is equal to the level funding cost for the year immediately following the valuation date for all active participants.

2. **Amortization Method**

The unfunded actuarial accrued liability is amortized as a level dollar amount over a period of up to 30 years.

3. **Asset Method**

The actuarial value of assets is equal to the market value of assets, adjusted to reflect a three-year phase-in of the net investment appreciation (both realized and unrealized).

4. **Interest (or Discount) Rate**

7.00% per annum

5. **Salary Increases**

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

6. **Decrements**

- Pre-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.



Summary of Actuarial Methods and Assumptions

Table V-A

(continued)

- Disability: Age-based rates of disability were assumed, ranging from 0.14% at age 20, 0.16% at age 25, 0.18% at age 30, 0.24% at age 35, 0.30% at age 40, 0.65% at age 45, and 1.00% at age 50; 75% of future disabilities are assumed to be service-related.
- Termination: Age-based rates of termination were assumed, ranging from 6.00% at age 20 to 0.80% at age 50.
- Retirement: Eligible participants are assumed to retire at the earlier of age 55 or upon the attainment of 25 years of service.

7. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity.

8. Beneficiary Assumption

Beneficiaries are assumed to be three years older or younger than female or male participants, respectively.

9. Expenses

Administrative expenses are assumed to be 0.20% of the actuarial value of assets. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.

10. Accrued Sick Leave

For purposes of determining the amount of the supplemental pension, participants are assumed to have accumulated 1,080 hours of unused sick leave at retirement.



Changes in Actuarial Methods and Assumptions

Table V-B

Since the completion of the previous valuation, the following assumption was changed:

The mortality basis has been updated from a 2007 projection of the RP-2000 Mortality Table to a 2015 projection of the RP-2000 Mortality Table.



Summary of Plan Provisions

Table VI-A

1. Monthly Accrued Benefit

3% of Average Final Compensation multiplied by the first 15 years of Continuous Service, plus
 4% of Average Final Compensation multiplied by the next 10 years of Continuous Service, plus
 3% of Average Final Compensation multiplied by Continuous Service in excess of 25 years

2. Normal Retirement Age and Benefit

- **Age**

Age 55 (with at least eight years of Continuous Service for employees hired after December 31, 2012)
 or any age with at least 25 years of Continuous Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Actuarially-increased life annuity (optional);
 10-year certain and life annuity (normal form of payment);
 Any other actuarially equivalent form of payment approved by the Board of Trustees (optional); or
 Actuarially equivalent lump sum distribution (automatic at the discretion of the Board of Trustees if the
 value of the participant's benefit is less than or equal to \$5,000)

(Note: All forms of payment guarantee at least the return of the participant's Accumulated
 Contributions. In addition, the participant may change his joint annuitant or beneficiary up to
 two times after retirement under the conditions set forth in Plan.)

3. Early Retirement Age and Benefit

- **Age**

Age 50 with at least 10 years of Continuous Service

- **Amount**

Monthly Accrued Benefit (payable at age 55); or
 Monthly Accrued Benefit reduced by $\frac{1}{4}\%$ for each month by which the participant's Early Retirement
 Age precedes age 55 (payable at Early Retirement Age).

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

4. **Delayed Retirement Age and Benefit**

- **Age**
After Normal Retirement Age
- **Amount**
Monthly Accrued Benefit
- **Form of Payment**
Same as for Normal Retirement

5. **Service Incurred Disability Eligibility and Benefit**

- **Eligibility**
All participants are eligible.
- **Condition**
The participant must have sustained a service-connected illness, injury, disease, or disability which permanently and wholly prevents him from rendering useful and efficient service to the City as a firefighter. Any permanent disability caused by tuberculosis, hepatitis, meningococcal meningitis, hypertension, cancer, hardening of the arteries, or heart disease is presumed to be service-connected unless a physical examination conducted upon employment revealed such a condition at that time.
- **Amount Payable Until Normal Retirement Age**
A monthly benefit equal to the larger of (a) or (b), as follows, and payable as a 10-year certain and life annuity:
 - (a) Monthly Accrued Benefit;
 - (b) Average monthly compensation paid by the City for the participant's last position and pay step at the time of disability minus any worker's compensation and long-term disability benefits which are payable, limited to 42% of the participant's Average Final Compensation.
- **Amount Payable Upon Attainment of Normal Retirement Age**
A monthly benefit equal to the larger of (a) or (b), as follows, and payable under any of the optional forms of payment otherwise available upon Normal Retirement:
 - (a) The monthly disability benefit payable prior to Normal Retirement Age; or
 - (b) Monthly Accrued Benefit reflecting compensation and Continuous Service both before and during the participant's period of disability. For purposes of determining compensation during the participant's period of disability, compensation is based on the base wage rates paid by the City for the participant's last position and step.



Summary of Plan Provisions

Table VI-A

(continued)

6. **Non-Service Incurred Disability Eligibility and Benefit**

- **Eligibility**
Eight years of Continuous Service
- **Condition**
The participant must have sustained an illness, injury, disease, or disability which permanently incapacitates him physically or mentally from his regular and continuous duty for the City and from any other gainful full-time employment. In addition, the participant must have filed a claim for social security and long-term disability benefits, as applicable.
- **Amount Payable Until Normal Retirement Age**
A monthly benefit equal to the larger of (a) or (b), as follows, and payable as a 10-year certain and life annuity:
 - (a) Monthly Accrued Benefit;
 - (b) Average monthly compensation paid by the City for the participant's last position and pay step at the time of disability minus any long-term disability benefits which are payable, limited to 25% of the participant's Average Final Compensation.
- **Amount Payable Upon Attainment of Normal Retirement Age**
A monthly benefit equal to the larger of (a) or (b), as follows, and payable under any of the optional forms of payment otherwise available upon Normal Retirement:
 - (a) The monthly disability benefit payable prior to Normal Retirement Age; or
 - (b) Monthly Accrued Benefit.

7. **Deferred Vested Benefit**

- **Age**
Any age with at least five years of Continuous Service (eight years for employees hired after December 31, 2012)
- **Amount**
Monthly Accrued Benefit (payable at age 55);
Monthly Accrued Benefit reduced by ¼% for each month by which the participant's Early Retirement Age precedes age 55 (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

8. Pre-Retirement Death Benefits

- **Vested Participant**

Upon the death prior to retirement of a fully vested participant, the participant's beneficiary receives a Pre-Retirement Survivor Annuity equal to the participant's Monthly Accrued Benefit. At the beneficiary's election and upon approval by the Trustees, such annuity or an actuarially equivalent annuity is payable at any time following the participant's death. Notwithstanding the above, if the actuarially equivalent value of the Pre-Retirement Survivor Annuity is less than \$5,000, the beneficiary will automatically receive a lump sum payment in lieu of a monthly annuity. In any event, the Pre-Retirement Survivor Annuity guarantees at least the return of the participant's Accumulated Contributions.

- **Non-Vested Participant**

In the case of the death of a non-vested participant prior to retirement, his beneficiary will receive the participant's Accumulated Contributions.

9. Average Final Compensation

Average compensation for the highest five years of service prior to the determination, where compensation includes total cash remuneration paid for services rendered to the City; overtime in excess of 300 hours per year earned after December 31, 2012 and payments for unused sick and annual leave that accrue after that date are excluded from plan compensation for purposes of calculating pension benefits.

10. Continuous Service

The uninterrupted service, expressed in years and completed months, from the participant's date of hire until his date of termination, retirement, or death. Participants may purchase up to two years of credit for military or full-time firefighter service by paying the full actuarial cost thereof into the pension fund.

11. Participation Requirement

All full-time firefighters of the City of Tamarac, Florida automatically become a participant in the Plan on their date of hire.

12. Accumulated Contributions

The participant's Contributions accumulated with 5.00% interest per annum for the period prior to January 1, 2013 or 2.50% interest per annum for the period after December 31, 2012



Summary of Plan Provisions

Table VI-A

(continued)

13. Participant Contributions

10.50% of compensation per year (9.00% prior to January 1, 2013); participant Contributions are deemed to be “picked-up” by the City pursuant to Internal Revenue Code (IRC) §414(h)(2).

14. Definition of Actuarially Equivalent

- **Interest Rate**

7.00% per annum

- **Mortality Table**

Unisex mortality table promulgated by the Secretary of the Treasury for purposes of determining lump sum distributions pursuant to Internal Revenue Code (IRC) section 417(e)(3)

15. Plan Effective Date

The initial plan effective date is June 1, 1975; on October 1, 1999, the Plan was “spun-off” from the City of Tamarac Employees’ Pension Plan.

16. Retirement Subsidy

Effective for those individuals who are active employees on or after March 1, 2001, a monthly Retirement Subsidy is payable beginning at Early or Normal Retirement until age 65. The Retirement Subsidy is equal to \$10.00 for each year of Continuous Service to a maximum benefit of \$300.00 per month. In addition, the Retirement Subsidy is automatically increased by 2½% per annum to reflect increases in the cost-of-living.

17. Supplemental Pension

Effective for those individuals who retire on or after March 1, 2007, the plan provides a supplemental pension benefit equal to 3% of Average Final Compensation, proportionally reduced for less than 2,496 hours of accrued sick leave.



Summary of Plan Provisions

Table VI-A

(continued)

18. Automatic Cost-of-Living Adjustment

The plan provides an automatic 2.00% compounded annual cost-of-living adjustment effective each January 1 for all participants who retire from active service during the period October 1, 2002 through February 28, 2007 and who have been retired for at least three years. Alternatively, the plan provides an automatic 2.25% compounded annual cost-of-living adjustment effective each January 1 for all participants who retire from active service on or after March 1, 2007 and who have been retired for at least three years (five years with respect to participants who retire from active service on or after June 1, 2013).

19. Deferred Retirement Option Plan (DROP)

A DROP is available to those participants who have earned at least 25 years of service, with a five-year limit on participation in the DROP and an interest credit equal to the return on the market value of assets subject to a 5% to 9% corridor minus a ½% administrative charge (or the actual investment return for those participants who elect the self-directed option.)



Summary of Plan Amendments

Table VI-B

No significant plan changes have been made since the completion of the previous valuation.

