

CITY OF HOLLY HILL
POLICE OFFICERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2013

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



January 11, 2014

Board of Trustees
City of Holly Hill
Police Officers' Pension Board
1065 Ridgewood Avenue
Holly Hill, FL 32117

Re: Holly Hill Police Officers' Retirement Trust Fund

Dear Board:

We are pleased to present this report of the annual actuarial valuation of the City of Holly Hill Police Officers' Retirement Trust Fund. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

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 185, 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 of Holly Hill 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.

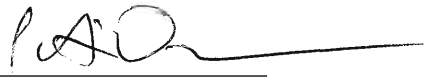
The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the 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 Holly Hill, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Holly Hill Police Officers' Retirement Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Patrick T. Donlan
Enrolled Actuary #11-6595

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Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Holly Hill Police Officers' Retirement Trust Fund, performed as of October 1, 2013, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2015.

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

Valuation Date	10/1/12	10/1/13
Applicable Plan/Fiscal Year End	<u>9/30/14</u>	<u>9/30/15</u>
Total Required Contribution	797,581	695,364
Member Contributions (Est.)	65,334	73,485
Required City and State Cont.	732,247	621,879
Applicable State Contribution ¹	59,865	59,865
Balance from City ¹	672,382	562,014

¹ The City may use up to \$224,193 in State Monies, if received, in determining their bottom line requirement.

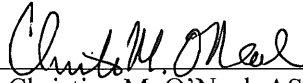
During the past 12 months, actuarial experience has been more favorable than expected, on the basis of the actuarial assumptions. The primary components of favorable experience included a 9.4% investment return (Actuarial Asset basis) that was greater than the 7.5% assumption, average increases in Pensionable Earnings that were less than the assumed rate, and larger than expected turnover. These gains were partially offset by the effect of lower than expected mortality. As allowed in Florida Statutes, the payroll growth assumption was increased from 1.27% to 2.32% based on the actual 10-year average which caused a reduction in the funding requirements.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

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

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

CHANGES SINCE PRIOR VALUATION

Plan Changes –Ordinance 2945 was adopted on 11/12/13 to comply with recent changes to the IRC. Our letter dated August 27, 2013 stated that this change did not affect the current funding requirements to the Plan.

Actuarial Assumption/Method Changes –The payroll growth assumption utilized in amortizing the Unfunded Actuarial Accrued Liability is limited to the historical 10-year average increase in pensionable payroll. Last year 1.27% was used and this year 2.32% was used. The software utilized in valuing the future benefits was changed to Proval.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

A. Participant Data	<u>10/1/2013</u>	<u>10/1/2012</u>
Number Included		
Actives	24	24
Service Retirees	13	12
Beneficiaries	2	2
Terminated Vested	5	3
Disability Retirees	2	2
DROP Members	1	2
Total	<u>47</u>	<u>45</u>
Total Annual Payroll	\$1,125,038	\$1,041,612
Payroll Under Assumed Ret. Age	1,125,038	1,041,612
Annual Rate of Payments to:		
Service Retirees	505,629	456,096
Beneficiaries	53,391	53,391
Terminated Vested	43,288	25,192
Disability Retirees	20,698	20,698
DROP Members	72,128	115,147
B. Assets		
Actuarial Value ¹	7,919,142	7,240,497
Limited Value ¹	7,919,142	7,240,497
Market Value ¹	8,419,236	7,515,903
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	3,690,028	3,492,688
Disability Benefits	40,248	56,202
Death Benefits	40,008	31,017
Vested Benefits	585,669	904,856
Refund of Contributions	54,534	37,889
Service Retirees	6,033,084	5,156,117
Beneficiaries	371,989	385,144
Terminated Vested	265,369	146,074
Disability Retirees	157,179	162,439
DROP Members ¹	1,419,347	2,169,792
Excess State Monies Reserve	0	0
Total	<u>12,657,455</u>	<u>12,542,218</u>

C. Liabilities - (Continued)	<u>10/1/2013</u>	<u>10/1/2012</u>
Present Value of Future Salaries	7,226,547	6,868,086
PV of Future Member Cont's	429,209	391,721
EAN Normal Cost (Retirement)	178,975	173,764
EAN Normal Cost (Disability)	4,387	4,294
EAN Normal Cost (Death)	4,043	2,129
EAN Normal Cost (Vesting)	38,855	59,344
EAN Normal Cost (Refunds)	10,184	5,111
Total Normal Cost (Entry Age Method)	<u>236,444</u>	<u>244,642</u>
Present Value of Future Normal Costs (Entry Age)	1,520,307	1,181,792
Accrued Liability (Retirement)	2,518,462	2,381,774
Accrued Liability (Disability)	12,733	51,908
Accrued Liability (Death)	18,336	28,888
Accrued Liability (Vesting)	330,485	845,512
Accrued Liability (Refunds)	10,164	32,778
Accrued Liability (Inactives) ¹	8,246,968	8,019,566
Excess State Monies Reserve	0	0
Total Actuarial Accrued Liability	<u>11,137,148</u>	<u>11,360,426</u>
Unfunded Actuarial Accrued Liability (UAAL)	3,218,006	4,119,929
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives ¹	8,246,968	8,019,566
Actives	1,276,852	1,049,680
Member Contributions	<u>456,050</u>	<u>422,876</u>
Total	9,979,870	9,492,122
Non-vested Accrued Benefits	<u>310,639</u>	<u>285,370</u>
Total Present Value Accrued Benefits	10,290,509	9,777,492
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	638,058	
Benefits Paid	(827,328)	
Interest	702,287	
Other	<u>0</u>	
Total:	513,017	

Valuation Date	10/1/2013	10/1/2012
Applicable to Fiscal Year Ending	<u>9/30/2015</u>	<u>9/30/2014</u>

E. Pension Cost

Normal Cost (with interest) % of Total Total Payroll	\$260,029	\$269,045
Administrative Expenses (with int.) % of Total Total Payroll	16,936	20,125
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 10/1/13) % of Total Total Payroll	418,399	508,411
Total Required Contribution % of Total Total Payroll	695,364	797,581
Expected Member Contributions % of Total Total Payroll	73,485	65,334
Expected City for Member Contribution % of Total Total Payroll	0	0
Expected City & State Contribution % of Total Total Payroll	621,879	732,247

F. Past Contributions

Plan Years Ending:	<u>9/30/2013</u>
Total Required Contribution	776,154
City and State Requirement	715,194
Actual Contributions Made:	
Members	126,335
City	655,333
State	59,865
Total	<u>841,533</u>

G. Net Actuarial Gain (Loss) 205,121

¹The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2013 and 9/30/2012.

² Contributions displayed above have been adjusted to account for assumed salary increase and interest components.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2013	3,218,006
2014	3,050,375
2015	2,860,680
2020	1,822,043
2025	1,044,205
2035	128,945
2038	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	4.2%	6.0%
Year Ended	9/30/2012	3.1%	6.0%
Year Ended	9/30/2011	1.0%	6.0%

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


		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	9.4%	7.5%
Year Ended	9/30/2012	8.6%	7.5%
Year Ended	9/30/2011	0.9%	7.5%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2013	\$1,125,038
	10/1/2003	894,861
(b) Total Increase		25.7%
(c) Number of Years		10.00
(d) Average Annual Rate		2.32%

STATEMENT BY ENROLLED ACTUARY

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


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

Please let us know when the report is approved by the Board and unless otherwise directed we will provide 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, 2012	4,119,929
(2) City and State Normal Cost Applicable for the year *	203,534
(3) Interest on (1) and (2)	324,260
(4) Sponsor Contributions to the System during the year ending September 30, 2013	715,198
(5) Interest on (4)	24,895
(6) Expected UAAL as of October 1, 2013 (1)+(2)+(3)-(4)-(5)	3,907,630
(7) Actual UAAL as of October 1, 2013	3,218,006
(8) New UAAL from software change	(484,503)
(9) Actuarial (Gain)/Loss as of October 1, 2013	(205,121)

	Date Established	Years Remaining	10/1/2013 Amount	Amortization Amount
Method Change	10/1/2002	15	538,392	49,579
Loss Portion **	10/1/2002	15	538,392	49,579
Actuarial Gain	10/1/2003	15	(396,988)	(36,558)
Actuarial Loss	10/1/2004	15	1,367,073	125,891
Actuarial Gain	10/1/2005	15	(80,108)	(7,377)
Actuarial Loss	10/1/2006	15	58,629	5,399
Benefit Change	10/1/2006	23	38,679	2,745
Assumption Change	10/1/2007	24	923,401	64,083
Actuarial Loss	10/1/2007	15	5,291	487
Actuarial Loss	10/1/2008	5	493,558	108,694
Method Change	10/1/2008	15	242,606	22,341
Benefit Change	10/1/2008	25	(257,226)	(17,480)
Actuarial Loss	10/1/2009	6	158,431	29,769
Actuarial Loss	10/1/2010	7	170,779	28,156
Actuarial Loss	10/1/2011	8	252,545	37,285
Actuarial Gain	10/1/2012	9	(145,824)	(19,582)
Software Change	10/1/2013	20	(484,503)	(37,201)
Actuarial Gain	10/1/2013	10	(205,121)	(25,361)
			3,218,006	380,449

* Includes \$18,300 for administrative expenses.

** Estimated portion of original Base attributable to prior accumulated actuarial losses.

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rate</u>	RP-2000 Table with no projection – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).
<u>Interest Rate</u>	7.5% per year compounded annually, net of investment related expenses.
<u>Retirement Age</u>	Earlier of age 55 and 6 years of service (10 years of service if hired after July 1, 2011), or the completion of 20 years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
<u>Early Retirement</u>	Commencing with eligibility for Early Retirement Age (age 50 with 6 years of Service (10 years of service if hired after July 1, 2011)), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
<u>Disability Rate</u>	See table below (1201), 75% of disablements are assumed to be service related.
<u>Termination Rate</u>	See table below (1305).
<u>Salary Increases</u>	6.0% per year until the assumed retirement age; see table below. Projected salary at retirement is increased 40% to account for non-regular compensation.
<u>Payroll Increase</u>	Up to 5.0% per year (2.32% for 10/1/13 Val).
<u>Cost of Living Adjustments</u>	2.0% per year for all retirees who retired after September 30, 2006 commencing 5 years after retirement (including disability retirees & beneficiaries of retirees).
<u>Administrative Expenses</u>	\$15,400 annually.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method.
<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. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 50</u>
20	17.2%	0.03%	17.4%
30	15.0	0.04	31.2
40	8.2	0.07	55.8
50	1.7	0.18	100.0

VALUATION NOTES

Total Annual Payroll is the annual rate of pay for the year beginning on the valuation date of all covered Members.

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

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.

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During <u>Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1992	40,235.97	_____%
1993	42,044.77	4.5%
1994	43,894.29	4.4%
1995	48,205.39	9.8%
1996	47,682.87	-1.1%
1997	51,189.90	7.4%
1998	51,838.81	1.3%
1999	48,759.83	-5.9%
2000	45,177.19	-7.3%
2001	45,612.78	1.0%
2002	51,038.21	11.9%
2003	60,740.83	19.0%
2004	71,624.61	17.9%
2005	74,699.30	4.3%
2006	74,699.30	0.0%
2007	74,699.30	0.0%
2008	0.00	-100.0%
2009	150,819.27	N/A
2010	69,797.43	-53.7%
2011	64,309.42	-7.9%
2012	61,153.14	-4.9%
2013	59,865.22	-2.1%

EXCESS STATE MONIES RESERVE

	<u>Actual</u> <u>StateContribution</u>	<u>Applicable</u> <u>"Frozen" Amount</u>	<u>Excess State</u> <u>Monies Reserve</u>
1998	\$51,838.81	\$51,838.81	\$0.00
1999	48,759.83	51,838.81	0.00
2000	45,177.19	107,245.81	0.00
2001	45,612.78	108,155.81	0.00
2002	51,038.21	108,155.81	0.00
2003	60,740.83	108,155.81	0.00
2004	71,624.61	108,155.81	0.00
2005	74,699.30	108,155.81	0.00
2006	74,699.30	250,591.81	0.00
2007	74,699.30	250,591.81	0.00
2008	0.00	250,591.81	0.00
2009	150,819.27	250,591.81	0.00
2010	69,797.43	224,192.81	0.00
2011	64,309.42	224,192.81	0.00
2012	61,153.14	224,192.81	0.00
2013	59,865.22	224,192.81	<u>0.00</u>
Total State Monies Reserve			\$0.00

BALANCE SHEET
September 30, 2013

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	48,028.79	48,028.79
Money Market	377,536.14	377,536.14
Pending Trades Receivable	11,091.86	11,091.86
Pending Trades Payable	(6,166.17)	(6,166.17)
Cash	4,320.40	4,320.40
Total Cash and Equivalents	434,811.02	434,811.02
Receivable:		
Accrued Income	30,332.40	30,332.40
Total Receivable	30,332.40	30,332.40
Investments:		
U. S. Bonds and Bills	1,091,282.53	1,111,231.02
Federal Agency Guaranteed Securities	223,672.33	227,877.89
Corporate Bonds	1,044,533.19	1,057,650.28
Stocks	3,726,290.34	4,747,782.84
Mutual Funds:		
Equity	792,563.25	809,550.50
Total Investments	6,878,341.64	7,954,092.53
TOTAL ASSETS	7,343,485.06	8,419,235.95
<u>LIABILITIES AND NET ASSETS</u>		
Total Liabilities	0.00	0.00
Net Assets, including DROP Account Balances	7,343,485.06	8,419,235.95
TOTAL LIABILITIES AND NET ASSETS	7,343,485.06	8,419,235.95

ACTUARIAL ASSET VALUATION
September 30, 2013

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

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*
09/30/2010	8.59%
09/30/2011	0.70%
09/30/2012	16.87%
09/30/2013	12.03%

Annualized Rate of Return for prior four (4) years: 9.39%

(A) 10/01/2012 Actuarial Assets: \$7,240,497.34

(I) Net Investment Income:

1. Interest and Dividends	188,483.16	
2. Realized Gains (Losses)	634,828.82	
3. Change in Actuarial Value	(86,735.35)	
4. Investment Related Expenses	(56,794.98)	
Total		679,781.65

(B) 10/01/2013 Actuarial Assets: \$7,919,141.62

Actuarial Asset Rate of Return = $2I/(A+B-I)$: 9.39%

10/01/2013 Limited Actuarial Assets: \$7,919,141.62

*Market Value Basis, net of investment related expenses.

Contributions:		
Member	63,671.55	
Buy-Back	62,663.01	
City	655,333.47	
State	59,865.22	
Total Contributions		841,533.25
Earnings from Investments		
Interest & Dividends	188,483.16	
Net Realized Gain (Loss)	634,828.82	
Change in Actuarial Value	(86,735.35)	
Total Earnings and Investment Gains		736,576.63
	EXPENDITURES	
Expenses:		
Investment Related ¹	56,794.98	
Administrative	15,342.21	
Total Expenses		72,137.19
Distributions to Members:		
Benefit Payments	563,416.08	
Lump Sum DROP Balances	243,880.34	
Termination Payments	20,031.99	
Total Distributions		827,328.41
Change in Net Assets for the Year		678,644.28
Net Assets Beginning of the Year		7,240,497.34
Net Assets End of the Year ²		7,919,141.62

²Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2012 to September 30, 2013

09/30/2012 Balance	467,597.36
Plus Additions	87,172.83
Investment Return Earned	33,329.66
Less Distributions	(243,880.34)
09/30/2013 Balance	344,219.51

STATISTICAL DATA

(Averages are salary weighted)

	<u>10/1/2010</u>	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>
<u>Active Members</u>				
Number	23	25	24	24
Average Current Age	37.4	37.4	37.9	38.8
Average Age at Employment	31.0	31.3	31.2	31.6
Average Past Service	6.4	6.1	6.7	7.2
Average Annual Salary	\$44,271	\$42,419	\$43,401	\$46,877

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	1	0	0	0	0	0	0	0	0	0	0	1
25 - 29	1	1	1	0	0	0	0	0	0	0	0	3
30 - 34	0	0	2	1	0	2	0	0	0	0	0	5
35 - 39	0	0	0	0	0	2	2	0	0	0	0	4
40 - 44	2	0	1	0	0	2	1	0	0	0	0	6
45 - 49	0	0	0	1	0	1	0	0	1	0	0	3
50 - 54	0	0	0	0	0	0	0	1	0	0	0	1
55 - 59	0	0	1	0	0	0	0	0	0	0	0	1
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	4	1	5	2	0	7	3	1	1	0	0	24

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/12	24
b. Terminations	
i. Vested (partial or full) with deferred benefits	2
ii. Non-vested or full lump sum distribution received	2
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Entered DROP	0
g. Continuing participants	20
h. New entrants	4
i. Total active life participants in valuation	24

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

	<u>Service Retirees, Vested Receiving Benefits</u>	<u>Receiving Death Benefits</u>	<u>Receiving Disability Benefits</u>	<u>Vested Deferred</u>	<u>DROP</u>	<u>Total</u>
a. Number prior valuation	12	2	2	3	2	21
b. In	1	0	0	2	0	3
c. Out	0	0	0	0	1	1
d. Number current valuation	13	2	2	5	1	23

SUMMARY OF CURRENT PLAN
(Through Ordinance No. 2945)

<u>Latest Amendment Date</u>	November 12, 2013.
<u>Eligibility</u>	Full-time employees who are classified as full-time sworn police officers shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of continuous employment with the City as a Police Officer.
<u>Earnings</u>	Total W-2 Earnings plus all tax deferred or tax exempt items of income. Additional 10.6% of Earnings included for calculating AFC if employed prior to 10/1/99.
<u>Average Final Compensation (AFC)</u>	Average Earnings for the highest 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	5.0% of Earnings, 8.0% if hired on or after July 1, 2011.
<u>Member Contributions by City</u>	8.0% of Earnings prior to October 1, 2005; 0.0% thereafter. Members hired on or after 10/1/99 vest in these contributions 16.66% for each complete year of Credited Service to 100% after 6 years of Credited Service. Members hired before 10/1/99 are 100% vested in these contributions.
<u>City and State Contributions</u>	Remaining amount necessary to pay current costs and amortize past service cost if any, over 30 years.
<u>Normal Retirement</u>	
Date	Earlier of Age 55 and 6 years of Credited Service or 20 years of Credited Service. For Members hired on or after July 1, 2011 the Earlier of age 55 and 10 years of Credited Service or 20 years of credited service regardless of age.
Benefit	3.0% of Average Final Compensation times Credited Service. Members retiring after 10/1/1999, receive \$150 per month, payable for life.

Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 and 6 Years of Credited Service. For Members hired on or after July 1, 2011 Age 55 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.
<u>Cost of Living Adjustment</u>	Annual 2.0% increase commencing 5 years after retirement for those Members who retire on or after October 6, 2009 (including disability retirees and beneficiaries, but not including those who terminate prior to reaching their Early or Normal Retirement Date and later begin drawing benefits).
<u>Vesting</u>	
Schedule	100% after 6 years of Credited Service. For Members hired on or after July 1, 2011 100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.
<u>Disability</u>	
Eligibility	Service Incurred: Covered from date of employment. Non-Service Incurred: 10 years of Credited Service.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).
Duration	Payable for life (with 120 months guaranteed) or until recovery (as determined by the Board). Options are available.
<u>Death Benefits</u>	
Pre-Retirement	Vested: Monthly accrued benefit payable to designated beneficiary for 10 years. Non-vested: Refund of accumulated contributions without interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

- a. Two Commission appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other 4 and appointed by Commission.

Deferred Retirement Option Plan

Eligibility

Eligibility for Normal Retirement.

Participation

Not to exceed 60 months.

Rate of Return

Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs).

Form of Distribution

Lump sum at termination of employment.

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

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2013	7,919,142	11,137,148	3,218,006	71.11%	1,125,038	286.04%
10/1/2012	7,240,497	11,360,426	4,119,929	63.73%	1,041,612	395.53%
10/1/2011	6,198,433	10,602,319	4,403,886	58.46%	1,060,484	415.27%
10/1/2010	6,291,928	10,378,081	4,086,153	60.63%	1,018,222	401.30%
10/1/2009	6,333,782	10,155,787	3,822,006	62.37%	1,154,107	331.17%

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

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2013	715,194	655,333	59,865	100.00%
2012	667,847	606,694	61,153	100.00%
2011	496,881	432,571	64,309	100.00%
2010	456,309	386,511	69,797	100.00%
2009	412,016	261,197	150,819	100.00%

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2013

City & State	65.7%
City for Members	0.0%
Plan Members	5.6%

Annual Pension Cost	716,547
Contributions made	715,198
Actuarial valuation date	10/1/2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay, Closed
Remaining amortization period	27 Years (as of 10/1/2011)
Asset valuation method	4 Year Smooth
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increase*	6.0%
* Includes inflation at	3.0%
Post Retirement COLA	2.0%

THREE YEAR TREND INFORMATION

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/2013	716,547	100%	(25,556)
9/30/2012	669,099	100%	(26,905)
9/30/2011	433,929	100%	(28,157)

Annual Pension Cost and Contributions made include State Monies beginning with the year ending 9/30/2012.

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

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

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

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

	<u>9/30/11</u>	<u>9/30/12</u>	<u>9/30/13</u>
Actuarially Determined			
Contribution (A)	432,572	667,847	715,194
Interest on NPO	(2,214)	(2,112)	(2,018)
Adjustment to (A)	3,571	3,364	3,371
	-----	-----	-----
Annual Pension Cost	433,929	669,099	716,547
Contributions Made	432,571	667,847	715,198
	-----	-----	-----
Increase in NPO	1,358	1,252	1,349
NPO Beginning of Year	(29,515)	(28,157)	(26,905)
	-----	-----	-----
NPO End of Year	(28,157)	(26,905)	(25,556)

Actuarially Determined Contribution and Contributions made include State Monies beginning with the fiscal year ending 9/30/12.