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CITY OF PALMETTO  
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT  
AS OF OCTOBER 1, 2013

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



January 13, 2014

Board of Trustees  
c/o Ms. Karen Simpson  
City of Palmetto General Employees' Retirement System  
P. O. Box 1209  
Palmetto, FL 34220

Re: City of Palmetto  
General Employees' Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Palmetto General Employees' Retirement System. 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 Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

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

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Palmetto, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Palmetto General Employees' Retirement System. 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:

  
Douglas H. Lozen, EAY, MAAA  
Enrolled Actuary #11-7778

DHL/lke

Enclosures

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## SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Palmetto General Employees' Retirement System, performed as of October 1, 2013, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2015.

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

Valuation Date Applicable to Plan/Fiscal Year Ending	10/1/2012 <u>9/30/2014</u>	10/1/2013 <u>9/30/2015</u>
Total Required Contribution % of Total Annual Payroll	36.30%	35.66%
Member Contributions (Est.) % of Total Annual Payroll	5.00%	5.00%
Balance from City % of Total Annual Payroll	31.30%	30.66%

The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
Douglas H. Lozen, EA, MAAA

By:   
Drew D. Ballard

Plan Changes Since Prior Valuation

Ordinance 2013-08, adopted August 5, 2013, provided for compliance with the Internal Revenue Code. A letter of No Actuarial Impact was submitted for this amendment.

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Actuarial Assumption/Method Changes Since Prior Valuation

In conjunction with this valuation of the Plan, mortality rates are based on the RP 2000 Combined Healthy Table, projected to October 1, 2013 using Scale AA. The prior valuation projected rates to October 1, 2012 using Scale AA.

## COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2013</u>	<u>10/1/2012</u>
A. Participant Data		
Number Included		
Actives	66	66
Service Retirees	43	42
DROP Retirees	7	9
Beneficiaries	8	7
Terminated Vested	3	2
Disability Retirees	3	3
Total	<u>130</u>	<u>129</u>
Total Annual Payroll	2,772,626	2,711,235
Payroll Under Assumed Ret. Age	2,733,174	2,672,643
Annual Rate of Payments to:		
Service Retirees	600,919	605,610
DROP Retirees	156,895	176,468
Beneficiaries	40,349	22,150
Terminated Vested	19,108	19,108
Disability Retirees	37,324	37,324
B. Assets		
Actuarial Value <sup>1</sup>	10,039,392	9,566,184
Market Value <sup>1</sup>	10,639,447	9,350,021
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	7,828,769	7,570,760
Disability Benefits	402,420	416,838
Death Benefits	95,646	99,176
Vested Benefits	527,365	558,579
Refund of Contributions	135,085	137,641
Service Retirees	5,763,330	5,992,145
DROP Retirees <sup>1</sup>	2,270,297	2,350,664
Beneficiaries	349,463	140,028
Terminated Vested	205,893	189,968
Disability Retirees	409,676	414,505
Total	<u>17,987,944</u>	<u>17,870,304</u>

C. Liabilities - (Continued)	<u>10/1/2013</u>	<u>10/1/2012</u>
Present Value of Future Salaries	22,332,375	23,084,466
Present Value of Future Member Cont.	1,116,619	1,154,223
Normal Cost (Entry Age Normal)		
Retirement Benefits	292,867	288,596
Disability Benefits	18,981	19,049
Death Benefits	4,921	4,775
Vested Benefits	25,537	25,802
Refund of Contributions	28,214	30,761
Total Normal Cost	<u>370,520</u>	<u>368,983</u>
Present Value of Future Normal Costs	2,923,882	3,057,135
Actuarial Accrued Liability		
Retirement Benefits	5,456,292	5,094,726
Disability Benefits	231,448	236,338
Death Benefits	56,390	58,415
Vested Benefits	297,676	313,463
Refund of Contributions	23,597	22,917
Inactives <sup>1</sup>	8,998,659	9,087,310
Total Actuarial Accrued Liability	<u>15,064,062</u>	<u>14,813,169</u>
Unfunded Actuarial Accrued Liability (UAAL)	5,024,670	5,246,985
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives <sup>1</sup>	8,998,659	9,087,310
Actives	2,537,871	1,993,742
Member Contributions	<u>945,367</u>	<u>893,731</u>
Total	12,481,897	11,974,783
Non-vested Accrued Benefits	387,381	556,021
Total Present Value Accrued Benefits	<u>12,869,278</u>	<u>12,530,804</u>
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	261,166	
Benefits Paid	(831,328)	
Interest	908,636	
Other	0	
Total:	<u>338,474</u>	

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

## E. Pension Cost

Normal Cost (with interest) % of Total Annual Payroll <sup>2</sup>	14.06	14.32
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Administrative Expense (with interest) % of Total Annual Payroll <sup>2</sup>	0.89	0.73
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Payment Required to Amortize Unfunded Actuarial Accrued Liability over 28 years (with interest) (as of 10/1/13) % of Total Annual Payroll <sup>2</sup>	20.71	21.25
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Total Required Contribution % of Total Annual Payroll <sup>2</sup>	35.66	36.30
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Expected Member Contributions % of Total Annual Payroll <sup>2</sup>	5.00	5.00
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Expected City Contribution % of Total Annual Payroll <sup>2</sup>	30.66	31.30
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## F. Past Contributions

Plan Years Ending:	<u>9/30/2013</u>
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Total Required Contribution	869,814
City Requirement	738,739

## Actual Contributions Made:

Members	131,075
City	746,435
Total	<u>877,510</u>

G. Actuarial Gain (Loss)	113,962
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<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/12 and 9/30/13.

<sup>2</sup> Contributions developed as of 10/1/13 are expressed as a percentage of Payroll Under Assumed Retirement Age at 10/1/13 of \$2,733,174

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2013	\$5,024,670
2014	4,814,890
2015	4,593,463
2025	2,579,019
2035	278,478
2041	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	3.9%	7.4%
Year Ended	9/30/2012	0.6%	7.4%
Year Ended	9/30/2011	-2.1%	7.4%

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

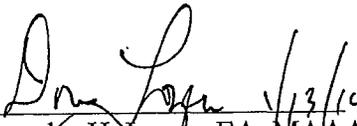
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	4.7%	7.5%
Year Ended	9/30/2012	2.3%	7.5%
Year Ended	9/30/2011	0.5%	7.5%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2013	\$2,772,626
	10/1/2003	2,752,396
(b) Total Increase		0.7%
(c) Number of Years		10.00
(d) Average Annual Rate		0.1%

## 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.

  
Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #11-7778

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

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

## RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2012	\$5,246,985
(2)	City Normal Cost Applicable for the Year	235,351
(3)	Expected Administrative Expenses for the Year	18,840
(4)	Interest on (1), (2), and (3)	411,882
(5)	Sponsor Contributions to the System during the year ending September 30, 2013	746,435
(6)	Interest on (5)	27,991
(7)	Expected Unfunded Accrued Liability as of October 1, 2013 (1)+(2)+(3)+(4)-(5)-(6)	5,138,632
(8)	New UAAL due to Experience (Gain)/Loss	(113,962)
(9)	UAAL as of October 1, 2013	5,024,670

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2013 Amount</u>	<u>Amortization Amount</u>
Assumption Change	10/1/1989	6	(11,168)	(2,213)
Amendment	10/1/1989	6	1,110	220
Assumption Change	10/1/1990	7	1,733	304
Amendment	10/1/1990	7	153,253	26,916
Assumption Change	10/1/1991	8	25,095	3,985
Funding Method Change	10/1/1992	9	253,709	36,998
Assumption Change	10/1/1992	9	(38,348)	(5,592)
Funding Method Change	10/1/1993	10	(248,145)	(33,629)
Amendment	10/1/1994	11	17	2
Amendment	10/1/1996	13	121,300	13,886
Assumption Change	10/1/1998	15	(150,501)	(15,860)
Amendment	10/1/1998	15	333,594	35,155
Experience Loss	10/1/1999	1	3,802	3,802
Experience Gain	10/1/2000	2	(65,312)	(33,836)
Experience Loss	10/1/2001	3	46,903	16,778
Assumption Change	10/1/2001	18	7,445	714
Experience Loss	10/1/2002	4	389,387	108,147
Experience Gain	10/1/2003	5	(7,318)	(1,683)
Experience Gain	10/1/2004	6	(62,425)	(12,371)
Experience Gain	10/1/2005	7	(90,596)	(15,911)
Experience Loss	10/1/2006	8	502,065	79,736
Experience Loss	10/1/2007	9	17,175	2,505
Assumption Change	10/1/2007	24	1,826,487	154,699
Experience Loss	10/1/2008	20	1,486,385	135,630
Assum. & Method Change	10/1/2008	25	(402,121)	(33,558)
Experience Loss	10/1/2009	21	355,603	31,766
Experience Gain	10/1/2010	22	(347,531)	(30,449)
Assumption Change	10/1/2010	22	(225,046)	(19,718)
Asset Method Change	10/1/2010	22	396,281	34,720
Experience Loss	10/1/2011	23	412,221	35,484

## RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

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(8)	New UAAL due to Experience (Gain)/Loss	(113,962)
(9)	UAAL as of October 1, 2013	5,024,670

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2013 Amount</u>	<u>Amortization Amount</u>
Amendment	10/1/2011	28	(38,688)	(3,110)
Experience Loss	10/1/2012	24	226,512	19,185
Assumption Change	10/1/2012	24	265,754	22,509
Experience Gain	10/1/2013	25	(113,962)	(9,510)
			<u>5,024,670</u>	<u>545,701</u>

## ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	RP-2000 Combined Healthy, projected to the valuation date with Schedule AA.
<u>Interest Rate</u>	7.5% per year compounded annually, net of investment related expenses.

<u>Normal Retirement Age</u>	Number of Years after First Eligibility for <u>Normal Retirement</u>	<u>Probability of Retirement</u>
	0-1	75%
	1-2	25%
	2-3	50%
	3+	100%

<u>Early Retirement Age</u>	Number of Years after First Eligibility for <u>Early Retirement</u>	<u>Probability of Retirement</u>
	0-1	25%
	1-2	10%
	2-3	10%
	3-4	10%
	4-5	10%

<u>Salary Increases</u>	<u>Years of Service</u>	<u>Rates</u>
	Less than 20	7.5%
	20-24	7.0%
	25-29	6.5%
	30 or more	6.0%

Terminal Leave Pay

<b>Credited Service as of October 1, 2012</b>	<b>Liability Load</b>
10 or more years	4.5%
At least 5, less than 10 years	3.0%
Less than 5 years	0.0%

Cost of Living Adjustments None.

Payroll Increases None.

Administrative Expenses \$23,501.

Funding Method Entry Age Normal Actuarial Cost Method.

Actuarial Value of Assets The Actuarial Value of Assets utilizes a four-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a four-year period.

Termination Rates Age and service based rates shown in table below.

<u>Sample Ages</u>	<u>Years of Service</u>	<u>% of Active Members Separating Within Next Year</u>
All	0-1	22.0%
	1-2	20.0%
	2-3	18.0%
	3-4	16.0%
	4-5	14.0%
	5-6	12.0%
	6-7	10.0%
	7-8	9.0%
	8-9	8.0%
	9-10	7.0%
30 and older	10 or more	2.0%

Disability Rates Age based table shown below.

<u>Age</u>	<u>Probability of Disability</u>
25	0.09%
30	0.12%
35	0.14%
40	0.25%
45	0.35%
50	0.55%
55	0.74%
60	0.97%
65 and older	1.19%

## VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the valuation year 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 determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

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.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the actuarial value of assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

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.

BALANCE SHEET  
September 30, 2013

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	369,013.43	369,013.43
Pending Trades Receivable	13,722.87	13,722.87
Pending Trades Payable	(7,757.04)	(7,757.04)
Cash	54,623.28	54,623.28
<b>Total Cash and Equivalents</b>	<b>429,602.54</b>	<b>429,602.54</b>
Receivable:		
Member Contributions in Transit	4,856.37	4,856.37
City Contributions in Transit	27,691.15	27,691.15
Accrued Income	22,334.32	22,334.32
<b>Total Receivable</b>	<b>54,881.84</b>	<b>54,881.84</b>
Investments:		
U. S. Bonds and Bills	529,863.11	537,731.05
Federal Agency Guaranteed Securities	421,530.95	420,763.30
Corporate Bonds	772,613.05	786,043.28
Stocks	4,689,281.05	6,027,295.17
Mutual Funds:		
Equity	484,403.00	544,110.00
Pooled/Common/Commingled Funds:		
Fixed Income	660,000.00	773,154.60
Real Estate	1,025,229.51	1,065,865.12
<b>Total Investments</b>	<b>8,582,920.67</b>	<b>10,154,962.52</b>
<b>TOTAL ASSETS</b>	<b>9,067,405.05</b>	<b>10,639,446.90</b>
<u>LIABILITIES AND NET ASSETS</u>		
Total Liabilities	0.00	0.00
Net Assets, including DROP Account Balances	9,067,405.05	10,639,446.90
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>9,067,405.05</b>	<b>10,639,446.90</b>

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
September 30, 2013  
Market Value Basis

REVENUES

Contributions:		
Member	131,075.07	
City	746,434.81	
Total Contributions		877,509.88

Earnings from Investments		
Interest & Dividends	220,244.27	
Net Realized Gain (Loss)	405,366.24	
Unrealized Gain (Loss)	708,409.61	
Total Earnings and Investment Gains		1,334,020.12

EXPENDITURES

Expenses:		
Investment Related <sup>1</sup>	67,275.94	
Administrative	23,500.57	
Total Expenses		90,776.51
Distributions to Members:		
Benefit Payments	671,717.14	
Lump Sum DROP Balances	64,025.63	
Termination Payments	95,585.27	
Total Distributions		831,328.04
Change in Net Assets for the Year		1,289,425.45
Net Assets Beginning of the Year		9,350,021.45
Net Assets End of the Year		10,639,446.90

<sup>1</sup>Investment Related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION  
September 30, 2013

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a four year period. In the first year, 25% of the gain or loss is recognized. In the second year 50%, in the third year 75%, and in the fourth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>			
		Amounts Not Yet Recognized by Valuation Year			
		2013	2014	2015	2016
09/30/2010	(1,573,858)	0	0	0	0
09/30/2011	(700,482)	(175,120)	0	0	0
09/30/2012	703,389	351,694	175,847	0	0
09/30/2013	564,642	423,481	282,321	141,160	0
Total		600,055	458,168	141,160	0

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets, 09/30/2012	9,350,021
Contributions Less Benefit Payments & Admin Expenses	22,681
Expected Investment Earnings *	702,102
Actual Net Investment Earnings	1,266,744
09/30/2013 Actuarial Investment Gain/Loss	<u>564,642</u>

\*Expected Investment Earnings =  $0.075 * (9,350,021 + 0.5 * 22,681)$

<u>Development of Actuarial Value of Assets</u>	
Market Value of Assets, 09/30/2013	10,639,447
(Gains)/Losses Not Yet Recognized	<u>(600,055)</u>
Actuarial Value of Assets, 09/30/2013	10,039,392
(A) 09/30/2012 Actuarial Assets:	9,566,184
(I) Net Investment Income:	
1. Interest and Dividends	220,244
2. Realized Gains (Losses)	405,366
3. Change in Actuarial Value	(107,808)
4. Investment Expenses	<u>(67,276)</u>
Total	450,526
(B) 09/30/2013 Actuarial Assets:	10,039,392
Actuarial Assets Rate of Return = $2I/(A+B-I)$ :	4.7%
Market Value of Assets Rate of Return:	13.5%
10/01/2013 Limited Actuarial Assets:	10,039,392

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
September 30, 2013  
Actuarial Asset Basis

REVENUES

Contributions:		
Member	131,075.07	
City	746,434.81	
Total Contributions		877,509.88

Earnings from Investments		
Interest & Dividends	220,244.27	
Net Realized Gain (Loss)	405,366.24	
Change in Actuarial Value	(107,808.39)	
Total Earnings and Investment Gains		517,802.12

EXPENDITURES

Expenses:		
Investment Related <sup>1</sup>	67,275.94	
Administrative	23,500.57	
Total Expenses		90,776.51
Distributions to Members:		
Benefit Payments	671,717.14	
Lump Sum DROP Balances	64,025.63	
Termination Payments	95,585.27	
Total Distributions		831,328.04
Change in Net Assets for the Year		473,207.45
Net Assets Beginning of the Year		9,566,184.45
Net Assets End of the Year <sup>2</sup>		10,039,391.90

<sup>1</sup>Investment Related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

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

09/30/2012 Balance	365,016.01
Plus Additions	164,347.49
Investment Return Earned	27,594.77
Less Distributions	(64,025.63)
09/30/2013 Balance	492,932.64

## STATISTICAL DATA

	<u>10/1/2010</u>	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>
Actives	69	64	66	66
Average Current Age	48.2	47.5	46.1	47.0
Average Age at Employment	38.8	38.5	37.9	38.5
Average Past Service	9.4	9.0	8.2	8.5
Average Annual Salary	\$41,327	\$41,693	\$41,079	\$42,009

## VALUATION PARTICIPANT RECONCILIATION

## 1. Active lives

a. Number in prior valuation 10/1/13	66
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	7
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	0
g. Voluntary withdrawal	0
h. Continuing participants	59
i. New entrants	7
j. Total active life participants in valuation	66

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

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	DROP	Vested Deferred	Total
a. Number prior valuation	42	7	3	9	2	63
b. In	2	1	0	0	1	4
c. Out	1	0	0	2	0	3
d. Number current valuation	43	8	3	7	3	64

SUMMARY OF PLAN PROVISIONS  
(Through Ordinance 2013-08)

<u>Latest Amendment</u>	August 5, 2013
<u>Eligibility</u>	Actively employed persons (except Police Officers) in the regular full-time service of the City.
<u>Salary</u>	Total compensation reportable on form W-2, plus tax deferred, tax sheltered, and tax exempt items of income.  Effective July 1, 2011, Salary shall not include overtime pay in excess of 300 hours per calendar year. Additionally, lump sum payments of unused sick and vacation pay shall not utilize hours in excess of those accrued as of July 1, 2011.
<u>Average Final Compensation</u>	Average of the five (5) best years of the final 10 years of service prior to termination or retirement.
<u>Credited Service</u>	Years and fractional parts of years of service with the City as a General Employee with Member Contributions, when required.
<u>Normal Retirement</u>	
Date	Earlier of: 1) the attainment of age 60 with 10 years of Credited Service (the service component is 5 years for participants hired prior to January 1, 1995), or 2) the completion of 30 years of Credited Service, regardless of age.
Benefit	2.5% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	Life Annuity (options available).

## 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	1	0	0	0	0	0	0	0	0	0	2
25 - 29	1	1	0	1	0	2	0	0	0	0	0	5
30 - 34	0	1	0	1	0	2	0	0	0	0	0	4
35 - 39	1	1	0	0	0	1	2	1	0	0	0	6
40 - 44	0	1	1	0	0	2	3	0	0	0	0	7
45 - 49	3	0	0	0	0	2	3	1	0	1	0	10
50 - 54	0	2	2	0	0	2	4	2	1	0	0	13
55 - 59	0	0	0	2	0	2	3	2	1	0	1	11
60 - 64	0	1	0	1	0	1	0	0	0	0	0	3
65+	1	0	0	0	0	2	1	1	0	0	0	5
Total	7	8	3	5	0	16	16	7	2	1	1	66

Early Retirement

Date Age 55 with the completion of 10 years of Credited Service. The service component is 5 years for participants hired prior to January 1, 1995.

Benefit Determined as for Normal Retirement and reduced 3% for each year the Early Retirement Date precedes the otherwise Normal Retirement Date, determined as if the Member had continued employment.

Form of Benefit Life Annuity (options available).

Death Benefit

## Pre-Retirement

Not Vested Refund of Member Contributions, with interest.

Vested Accrued benefit, payable for 10 years at the Member's otherwise Normal Retirement Date (unreduced), at the otherwise Early Retirement Date (reduced as for Early Retirement), or immediately (actuarially reduced from the Early Retirement Date).

Post-Retirement According to optional form of benefit selected at retirement.

Disability Benefit

Date Completions of 10 years of Credited Service (5 year requirement for participants hired prior to January 1, 1995).

Benefit 2.5% of Average Final Compensation times Credited Service, payable as of the date the Board determines such entitlement.

Form of Benefit Life Annuity (options available).

Termination of Employment

Less than ten years	Refund of Member Contributions with 4.0% interest per annum.
Ten or more years	Refund of Contributions, with interest, or vested accrued benefit payable at Normal (unreduced) or Early (reduced) Retirement Date, determined as if the Member had continued employment.

Member Contributions

Amount	5.0% of Salary.
Interest	4.0% per year.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements
Participation	Not to exceed the date which is 5 years from the date on which the Member first becomes eligible for Normal Retirement.
Rate of Return	At Member's election: (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 6.5% per annum compounded monthly.  Members may elect to change the form of return once while participating in the DROP.
Form of Distribution	Cash lump sum (options available) at termination of employment.

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

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/13	10,039,392	15,064,062	5,024,670	66.64%	2,772,626	181.22%
10/01/12	9,566,184	14,813,169	5,246,985	64.58%	2,711,235	193.53%
10/01/11	9,060,625	13,866,925	4,806,300	65.34%	2,629,733	182.77%
10/01/10	9,035,902	13,474,119	4,438,217	67.06%	2,979,233	148.97%
10/01/09	8,730,041	13,242,553	4,512,512	65.92%	3,194,420	141.26%
10/01/08	8,518,496	12,697,837	4,179,341	67.09%	3,857,700	108.34%

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

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	Percentage Contributed
2013	738,739	746,435	101.04%
2012	625,581	626,182	100.10%
2011	660,373	660,373	100.00%
2010	556,459	556,459	100.00%
2009	639,605	640,483	100.14%
2008	495,147	516,320	104.28%

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/13

City	28.18%
Plan Members	5.00%

Actuarially Determined Contribution	738,739
Contributions made	746,435
Actuarial valuation date	10/1/2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, closed
Remaining amortization period	30 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 - 7.5%
* Includes inflation at	3.0%
Post Retirement COLA	0.0%

THREE YEAR TREND INFORMATION

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/13	740,865	100.75%	(257,140)
9/30/12	627,720	99.76%	(251,570)
9/30/11	676,307	97.64%	(253,108)

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

	<u>9/30/11</u>	<u>9/30/12</u>	<u>9/30/13</u>
Actuarially Determined			
Contribution (A)	660,373	625,581	738,739
Interest on NPO	(20,178)	(18,983)	(18,868)
Adjustment to (A)	36,112	21,122	20,994
	-----	-----	-----
Annual Pension Cost	676,307	627,720	740,865
Contributions Made	660,373	626,182	746,435
	-----	-----	-----
Increase in NPO	15,934	1,538	(5,570)
NPO Beginning of Year	(269,042)	(253,108)	(251,570)
	-----	-----	-----
NPO End of Year	(269,042)	(253,108)	(257,140)