



**CITY OF POMPANO BEACH
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**Actuarial Valuation Report
as of
October 1, 2015**

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December 19, 2015

Board of Trustees
City of Pompano Beach General Employees' Retirement System
555 South Andrews Avenue, Suite 106
Pompano Beach, Florida 33069

Dear Members of the Board:

This report presents the results of the actuarial valuation of the City of Pompano Beach General Employees' Retirement System ("Plan") for the plan year beginning October 1, 2015. The purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2015 and to determine the minimum required contribution amount for the 2016/2017 fiscal year. In addition, this report provides a record of any plan amendments or other plan changes affecting the financial status of the fund. Our calculations were prepared based on member data and financial information provided by the Retirement System. All historical data before the October 1, 2010 valuation was provided by the prior actuary.

Summary of Valuation Results

The Retirement System receives contributions from the City of Pompano Beach, Broward Sheriff's Office (BSO) and from active members. Members hired prior to June 8, 2011 contribute 10% of compensation, while members hired on or after June 8, 2011 contribute 7.00% of compensation. In addition, the City contributes the required member contributions on behalf of the elected/appointed members who participate in the System. These contributions are considered member contributions and are not reflected in the required minimum City contribution. In determining the City's and the County's contribution requirement we have included two alternatives. The first includes interest to reflect that the City will make quarterly contributions throughout the fiscal year. The second reflects that the City will contribute a single lump sum payment on December 31, 2016. Both contribution alternatives anticipate that the BSO will make bi-weekly contributions throughout the fiscal year.

Quarterly Contributions

The total required annual contribution for the 2016/2017 fiscal year from all sources payable based on a quarterly payment schedule beginning October 1, 2015 is \$9,422,160. The amount of the City/BSO contributions varies from year to year. Member contributions are equal to 9.37% employees' projected payroll. After taking into account expected member contributions of \$2,592,122, the total required contribution from the City/BSO is \$6,830,038 or 24.69% of projected payroll. Of this amount the City is expected to contribute \$6,504,801 and BSO is expected to contribute \$325,237. In comparison, the required City/BSO contribution for the 2015/2016 fiscal year was \$6,610,106, or 24.78% of projected payroll.

Single Lump Sum Payment

The total required annual contribution for the 2016/2017 fiscal year from all sources payable as a single lump sum payment on December 31, 2016 is \$9,334,112. The amount of the City/BSO contributions varies from year to year. Member contributions are equal to 9.37% of employees' projected payroll. After taking into account expected member contributions of \$2,592,122, the total required contribution from the City/BSO is \$6,741,990 or 24.37% of projected payroll. Of this amount the City is expected to contribute \$6,417,918 and the BSO is expected to contribute \$324,072.

For members hired before June 8, 2011, the plan provides a 2% COLA each year and an additional 1% COLA if certain conditions are met. They are: if there is a cumulative net experience gain for the year, and the City's cost for the year is \$0 after payment of the additional COLA. In addition, the present value of the additional COLA cannot be more than the cumulative gains that occurred since inception of the COLA. Since there was a cumulative net experience loss for the year and a required City contribution is due, no variable COLA will be paid to these members this year.

For members hired on or after June 8, 2011, a member is eligible for a COLA on their fifth anniversary of retirement. No increase is given for eligible retirees under 55 on October 1st. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A variable increase (of not more than one percent) will be granted when the plan is sufficiently funded. Since the plan is not sufficiently funded, no variable increase will be paid to these members this year.

Actuarial gains and losses result when the actual experience of the plan (such as asset return, pay increases, turnover, deaths, etc.) is different from that expected by the actuarial assumptions. The plan's unfunded liability was projected to be \$55,781,835,320 as of October 1, 2015, taking into account contributions from the City and the County of \$6,669,132. The actual unfunded liability is \$56,161,696. The increase of \$379,861,430,376 is due to an experience loss for the 2014/2015 plan year, and a change in the plan provisions lowering the service requirement for vesting from 10 years to 7 years. This plan change accounted for \$50,515 of the loss. A detailed analysis of the gain and loss is presented in Table II. The total increase in City/County contribution to amortize the unfunded liability is \$126,696 per year. A summary of the amortization payments is presented in Table Va.

The valuation is based on a series of actuarial assumptions, including an interest rate of 8.00% per year and an annual payroll growth assumption of 2.40%. There have been no changes in the actuarial assumptions since the previous valuation.

A summary of the results of the valuation and the contribution requirements is presented in Table I. The disclosure information required by Chapter 112, Florida Statutes, is presented in Table V. Tables VII and X provide information about the fund's assets and historical contributions. Table VIIb provides an asset reconciliation between October 1, 2014 and October 1, 2015. Table VI provides a breakdown of the fund assets by investment type and the calculation of the actuarial value of assets. Tables VII, VIIa, VIII provide a historical record of the growth, expenses, revenues, annual returns and contributions of the fund. Tables IX and IXa through IXd provide a variety of useful information concerning the participant population. The assumptions used in the valuation are outlined in Table XI. Provisions of the plan are set forth in Table XII.

This actuarial valuation was prepared and completed by us or under our direct supervision and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate and, in our 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.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

Respectfully submitted,



Jose I. Fernandez, ASA, EA, FCA, MAAA
Principal and Consulting Actuary
Enrolled Actuary No. 14-4461



Todd B. Green, ASA, FCA, MAAA
Principal and Consulting Actuary

JIF/TBG:jmy

SUMMARY OF VALUATION RESULTS

TABLE I

	<u>As of October 1, 2014</u>	<u>As of October 1, 2015</u>
1. Number of Participants		
a. Active Participants		
i. City and BSO Employees	443	442
ii. Elected and Appointed Officials	8	7
iii. Senior Management	17	18
iv. Sub-total	<u>468</u>	<u>467</u>
b. Deferred Vested Participants	<u>25</u>	<u>27</u>
c. Retired Participants:		
i. Participants in DROP	47	44
ii. Non-disabled	271	290
iii. Disabled	21	19
iv. Beneficiaries	45	49
v. Sub-total	<u>384</u>	<u>402</u>
d. Total Participants	<u>877</u>	<u>896</u>
2. Total Annual Payroll		
a. Elected Officers	\$629,296	\$671,022
b. Non-elected members (Plan 1)	\$21,266,258	\$20,648,253
c. Non-elected members (Plan 2)	\$4,152,857	\$5,696,407
d. Total	<u>\$26,048,411</u>	<u>\$27,015,682</u>
3. Total Projected Payroll	<u>\$26,673,573</u>	<u>\$27,664,058</u>
4. Total Retired Member Benefits	<u>\$10,752,240</u>	<u>\$11,568,374</u>
5. Derivation of Unfunded Accrued Liability (UAL)		
a. Present Value of Future Benefits	\$230,316,134	\$239,190,433
b. Present Value of Future Normal Cost	(\$29,569,334)	(\$29,737,174)
<i>City Portion</i>	(\$10,916,609)	(\$10,968,720)
<i>Member Portion</i>	(\$18,652,725)	(\$18,768,454)
c. Actuarial Accrued Liability (AAL)	\$200,746,800	\$209,453,259
d. Actuarial Value of Assets	(\$144,640,159)	(\$153,291,563)
e. Unfunded Accrued Liability (c. + d.)	<u>\$56,106,641</u>	<u>\$56,161,696</u>

SUMMARY OF VALUATION RESULTS

TABLE I

	Fiscal Year 2016	Fiscal Year 2017
6. Annual Cost (Payable Quarterly 1st Payment 10/1)		
a. Normal Cost	\$3,971,996	\$4,065,485
b. Payment to Amortize Unfunded Liability	\$3,774,713	\$3,901,409
c. Administrative Expenses	\$485,888	\$511,104
d. Interest Adjustment	\$916,833	\$944,162
e. Total (a. + b.+ c.+ d.)	\$9,149,430	\$9,422,160
f. Expected Member Contributions	\$2,539,324	\$2,592,122
g. Expected City/County Contribution	\$6,610,106	\$6,830,038
h. Total (f. + g.)	\$9,149,430	\$9,422,160
7. Annual Cost (Payable as a Single Lump Sum on 12/31)		
a. Normal Cost	\$3,971,996	\$4,065,485
b. Payment to Amortize Unfunded Liability	\$3,774,713	\$3,901,409
c. Administrative Expenses	\$485,888	\$511,104
d. Interest Adjustment	\$831,333	\$856,114
e. Total (a. + b.+ c.+ d.)	\$9,063,930	\$9,334,112
f. Expected Member Contributions	\$2,539,324	\$2,592,122
g. Expected City/County Contribution	\$6,524,606	\$6,741,990
h. Total (f. + g.)	\$9,063,930	\$9,334,112
8. Annual Cost (as a % of projected payroll)		
a. Quarterly Basis		
i. Total Required Contribution	34.30%	34.06%
ii. Expected Member Contributions *	9.52%	9.37%
iii. Expected City/County Contribution	24.78%	24.69%
b. Single Lump Sum Basis		
i. Total Required Contribution	33.98%	33.74%
ii. Expected Member Contributions *	9.52%	9.37%
iii. Expected City/County Contribution	24.46%	24.37%

*Non-Elected members in Plan 1 contribute 10.0% of payroll, and 7% of payroll if in Plan 2. The City contributes 10.0% of payroll on behalf of elected/appointed members.

A. UNFUNDED ACCRUED ACTUARIAL LIABILITY (GAIN) / LOSS ANALYSIS

1. Actual Unfunded Accrued Actuarial Liability as of October 1, 2014	\$56,106,641
2. Plan Sponsor Normal Cost for this Plan Year (including expenses)	\$1,918,560
3. Interest on items 1 and 2 [(1+2) x 8%]	\$4,642,016
4. Plan Sponsor Contribution for this Plan Year:	(\$6,669,132)
5. Interest on item [4 x 8% x .5]	(\$266,765)
6. Changes due to:	
a. Assumption changes	\$0
b. Plan amendments	\$50,515
c. Funding Method	\$0
d. Actuarial (Gain) / Loss	\$379,861
7. Actual Unfunded Accrued Liability as of October 1, 2015: (1. + 2. + 3. + 4. + 5. + 6.)	<u>\$56,161,696</u>
8. Items Affecting Calculation of Unfunded Accrued Actuarial Liability:	
a. Plan provisions reflected in the unfunded accrued liability (see Table XII)	
b. Plan amendments reflected in item 4.c. above (see Table XIIa)	
c. Actuarial assumptions and methods used to determine actuarial accrued liability (see Table XI)	

B. ASSET (GAIN) / LOSS ANALYSIS

1. Actuarial Value of Assets as of October 1, 2014	\$144,640,159
2. Interest on item [1a. x 8%]	\$11,571,213
3. Contributions for the 2014/2015 Plan Year	\$9,232,033
4. Interest on item [1c. x 8% x .5]	\$369,281
5. Benefit Payments for 2014/2015 Plan Year (Including Expenses)	(\$13,055,075)
6. Interest on item [1e. x 8% x .5]	<u>(\$522,203)</u>
7. Expected Actuarial Value of Assets as of October 1, 2015	\$152,235,408
8. Actuarial Value of Assets as of October 1, 2015	<u>\$153,291,563</u>
9. (Gain) / Loss	<u>(\$1,056,155)</u>

1. Unfunded Accrued Liability Contribution as of October 1, 2014:	\$3,774,713
2. Net Actuarial (Gains)/Losses During the 2014/2015 Plan Year:	
a. Due to Salary	\$19,798
b. Due to Investment Performance	-\$68,664
c. Due to Turnover/Mortality	\$41,880
d. Due to New Retirements	\$13,251
e. Due to Difference and Timing in Contributions	-\$9,396
f. Due to Data/Service Adjustments/Benefit Payments	-\$3,977
g. Due to New Members	\$15,035
h. Total	\$7,927
3. Change in Unfunded Accrued Liability Contribution During the 2014/2015 Plan Year:	
a. Assumption changes (decrease in payroll growth assumption)	\$0
b. Method changes (valuation software/change in actuary)	\$0
c. Plan changes	\$3,284
d. Total change	\$3,284
4. Other Effects	\$115,485
5. Unfunded Accrued Liability Contribution as of October 1, 2015	\$3,901,409
6. Comments on Change in Unfunded Accrued Liability Contribution:	

Salary/Service: Actual average salary increase of 5.7% compared to expected increases of 5.8%.

Investment Performance: 8.7% actual vs. 8.0% expected return on the actuarial value of assets.

Turnover: Net effect on the valuation liabilities of actual deaths, terminations of employment and disabilities different from what was anticipated in the aggregate by the assumptions related to those events.

New retirements: Net effect of differences in expected vs. actual numbers of, and benefits for, new retirements and refund of employee contributions.

Due to Differences and Timing of Contributions: Due to the one year lag of when the required contribution is determined and when it is deposited into the fund.

Data/Service Adjustments: Effect of service adjustments for service purchases.

Assumption Changes: None

Method Changes: None

Plan Changes: Members become 100% vested upon completing 7 continuous years of service with the City.

Other Effects: 2.4% increase in unfunded liability payment, accompanied with a loss due to full amortization of prior base.

A. Schedule of Funding Progress

(\$'s in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1)/(2)	Covered Payroll (3)	UAAL as % of Covered Payroll [(2) - (1)]/(3)
10/1/2008	\$124,869	\$152,425	\$27,556	81.9%	\$27,478	100.3%
10/1/2009	\$118,955	\$161,585	\$42,630	73.6%	\$27,477	155.1%
10/1/2010	\$126,103	\$169,995	\$43,892	74.2%	\$26,597	165.0%
10/1/2011	\$125,170	\$179,688	\$54,518	69.7%	\$26,238	207.8%
10/1/2012	\$123,425	\$185,014	\$61,589	66.7%	\$25,833	238.4%
10/1/2013	\$132,248	\$191,554	\$59,306	69.0%	\$25,923	228.8%
10/1/2014	\$144,640	\$200,747	\$56,107	72.1%	\$26,048	215.4%
10/1/2015	\$153,292	\$209,453	\$56,162	73.2%	\$27,016	207.9%

Additional Information

Valuation date :	October 1, 2014	October 1, 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Amortization method:	Level Percent Closed	Level Percent Closed
Remaining amortization period:	1 to 30 years	1 to 30 years
Asset valuation method:	5 - Year Smoothed Market	5 - Year Smoothed Market
Actuarial assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	4.25 to 7.50%	4.25 to 7.50%
Includes inflation at	3.50%	3.50%
Cost of living adjustments	2.00%	2.00%

PRESENT VALUE OF ACCRUED BENEFITS

TABLE IVa

Shown below is the development of the Total Present Value of Accrued Benefit for the Plan. The calculations were performed in accordance with Chapter 2011-216 Laws of Florida (SB 1128) which requires the calculation of the present value of accrued benefits be calculated using the Florida Retirement System’s assumed rate of return of 7.75% in order to promote comparability of actuarial data between local plans.

1. Actuarial Present Value of Accrued Benefits

	<u>As of October 1, 2014</u>	<u>As of October 1, 2015</u>
a. Vested Accrued Benefits:		
i. Inactive members and beneficiaries	\$125,421,764	\$131,587,649
ii. Active members	<u>\$58,598,032</u>	<u>\$63,066,112</u>
iii. Sub-total	\$184,019,796	\$194,653,761
b. Non-vested Accrued Benefits	<u>\$1,819,268</u>	<u>\$195,928</u>
c. Total Benefits	<u>\$185,839,064</u>	<u>\$194,849,689</u>
d. Market Value of Assets	\$154,313,634	\$150,255,553
c. Percentage Funded	83.0%	77.1%

2. Statement of Changes in Total Actuarial Present Value of All Accrued Benefits

a. Actuarial Present Value as of October 1, 2014:	\$185,839,064
b. Increase (Decrease) During 2014/2015 Plan Year Attributable to:	
i. Interest	\$13,917,190
ii. Benefits accumulated/experience	\$7,557,442
iii. Benefits paid	(\$12,524,827)
iv. Plan amendments	\$60,820
v. Changes in actuarial assumptions or methods	<u>\$0</u>
vi. Net increase (decrease)	<u>\$9,010,625</u>
c. Actuarial Present Value as of October 1, 2015:	<u>\$194,849,689</u>

3. Items Affecting Calculation of Actuarial Present Value of Accrued Benefits

- a. Plan provisions reflected in the accrued benefits (see Table XII on page 33)
- b. Plan amendments reflected in item 2.b.iv. Above
- c. Actuarial assumptions and methods used to determine present values (see Table XI on page 29)
- d. Changes in actuarial assumptions and methods reflected in item 2.b.v. above

PRESENT VALUE OF ACCRUED BENEFITS**TABLE IVB**

Shown below is the development of the Total Present Value of Accrued Benefit for the Plan. The calculations were performed using the Plan's discount rate of 8.0%.

1. Actuarial Present Value of Accrued Benefits

	<u>As of October 1, 2014</u>	<u>As of October 1, 2015</u>
a. Vested Accrued Benefits:		
i. Inactive members and beneficiaries	\$122,365,463	\$128,517,777
ii. Active members	<u>\$56,751,309</u>	<u>\$61,027,012</u>
iii. Sub-total	\$179,116,772	\$189,544,789
b. Non-vested Accrued Benefits	<u>\$1,698,570</u>	<u>\$191,969</u>
c. Total Benefits	\$180,815,342	\$189,736,758
d. Market Value of Assets	\$154,313,634	\$150,255,553
c. Percentage Funded	85.3%	79.2%

2. Statement of Changes in Total Actuarial Present Value of All Accrued Benefits

a. Actuarial Present Value as of October 1, 2014:	\$180,815,342
b. Increase (Decrease) During 2014/2015 Plan Year Attributable to:	
i. Interest	\$13,964,234
ii. Benefits accumulated/experience	\$7,433,692
iii. Benefits paid	(\$12,524,827)
iv. Plan amendments	\$48,317
v. Changes in actuarial assumptions or methods	<u>\$0</u>
vi. Net increase (decrease)	\$8,921,416
c. Actuarial Present Value as of October 1, 2015:	\$189,736,758

3. Items Affecting Calculation of Actuarial Present Value of Accrued Benefits

- a. Plan provisions reflected in the accrued benefits (see Table XII on page 33)
- b. Plan amendments reflected in item 2.b.iv. Above
- c. Actuarial assumptions and methods used to determine present values (see Table XI on page 29)
- d. Changes in actuarial assumptions and methods reflected in item 2.b.v. above

	Actuarial valuation prepared as of:	
	October 1, 2014	October 1, 2015
1. Participant Data:		
a. Active members:		
i. Number	468	467
ii. Total annual payroll	\$26,048,411	\$27,015,682
iii. Projected annual payroll	\$26,673,573	\$27,664,058
b. Retirees and beneficiaries:		
i. Number	316	339
ii. Total annualized benefit	\$8,378,152	\$9,468,865
c. Disabled members receiving benefits:		
i. Number	21	19
ii. Total annualized benefit	\$512,127	\$472,532
d. Members in DROP:		
i. Number	47	44
ii. Total annualized benefit	\$1,861,961	\$1,626,977
e. Terminated vested members:		
i. Number	25	27
ii. Total annualized benefit	\$463,734	\$471,017
2. Assets:		
a. Actuarial value of assets	\$144,640,159	\$153,291,563
b. Market value of assets	\$154,313,634	\$150,255,553
3. Liabilities:		
a. Present value of all future expected benefit payments:		
i. Active members:		
Retirement benefits	\$98,899,781	\$101,442,966
Vesting benefits	\$2,384,604	\$2,647,619
Disability benefits	\$3,417,791	\$3,025,334
Death benefits	\$2,445,146	\$2,570,409
Return of member contributions	\$803,348	\$986,328
Sub-total	\$107,950,670	\$110,672,656
ii. Terminated vested members	\$3,961,971	\$3,803,724
iii. Retired members and beneficiaries:		
Retirees, members in DROP, and beneficiaries	\$112,696,812	\$119,589,854
Disabled members	\$5,706,679	\$5,124,199
Sub-total	\$118,403,491	\$124,714,053
iv. Total present value of all future expected ben. pmts.	\$230,316,134	\$239,190,433

	Actuarial valuation prepared as of:	
	October 1, 2014	October 1, 2015
b. Liabilities due and unpaid	\$0	\$0
c. Active actuarial accrued liability	\$78,381,339	\$80,935,482
d. Inactive actuarial accrued liability	\$122,365,461	\$128,517,777
e. Total actuarial accrued liability	\$200,746,800	\$209,453,259
f. Unfunded actuarial accrued liability (please reference Table Va for details concerning the unfunded liability bases and amortization periods)	\$56,106,641	\$56,161,696
4. Actuarial Present Value of Accrued Benefits: (please reference Table IV for details concerning the present value of accrued benefits)	\$185,839,064	\$194,849,689
5. Pension Cost (as a % of annual payroll):		
a. Normal cost plus projected administrative expenses	16.71%	16.54%
Dollar amount	\$4,457,884	\$4,576,589
b. Payment to amortize unfunded liability	14.15%	14.10%
Dollar amount	\$3,774,713	\$3,901,409
c. Interest adjustment	3.44%	3.42%
Dollar amount	\$916,833	\$944,162
d. Amount to be contributed by members	9.52%	9.37%
Dollar amount	\$2,539,324	\$2,592,122
e. City Minimum Contribution	24.78%	24.69%
Dollar amount	\$6,610,106	\$6,830,038

	Fiscal Year 2013/2014	Fiscal Year 2014/2015
6. Past Contributions:		
a. Required City & County contribution	\$6,674,256	\$6,669,132
b. Actual contribution made by:		
i. City	\$6,288,467	\$6,259,058
ii. County	\$409,395	\$410,074
iii. Members	\$2,515,665	\$2,562,901
	Actuarial valuation prepared as of:	
	October 1, 2014	October 1, 2015
7. Net actuarial (gain) / loss:	(3,043,110)	379,861
8. Other disclosures:		
a. Present value of active members':		
i. Future salaries:		
at attained age	\$197,994,659	\$204,220,693
at entry age	N/A	N/A
ii. Future contributions:		
at attained age	\$18,652,725	\$18,768,454
at entry age	N/A	N/A
b. Present value of future normal contributions from City	\$10,916,609	\$10,968,720
c. Present value of future expected benefit payments for active members at entry age	N/A	N/A
d. Amount of active members' accumulated contributions	\$25,460,675	\$26,520,864

UNFUNDED LIABILITY BASES

TABLE Va

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance as of October 1, 2014</u>	<u>BOY 2014/2015 Amortization Payment</u>	<u>Outstanding Balance as of October 1, 2015</u>	<u>BOY 2015/2016 Amortization Payment</u>	<u>Years Remaining October 1, 2015</u>
1985 Experience (Gain)/Loss	(\$630,842)	(\$60,186)	(\$60,186)	\$0	\$0	0 years
1986 Experience (Gain)/Loss	(\$2,085,244)	(\$372,870)	(\$191,397)	(\$195,991)	(\$195,991)	1 years
1987 Experience (Gain)/Loss	(\$3,460,275)	(\$920,874)	(\$323,439)	(\$645,230)	(\$331,202)	2 years
1988 Experience (Gain)/Loss	\$1,662,787	\$655,928	\$177,302	\$516,916	\$181,557	3 years
1989 Experience (Gain)/Loss	(\$180,749)	(\$85,312)	(\$18,926)	(\$71,697)	(\$19,380)	4 years
1990 Experience (Gain)/Loss	(\$376,257)	(\$213,787)	(\$40,536)	(\$187,111)	(\$41,509)	5 years
1991 Experience (Gain)/Loss	\$180,600	\$119,101	\$19,849	\$107,192	\$20,325	6 years
1992 Experience (Gain)/Loss	(\$248,979)	(\$183,146)	(\$27,379)	(\$168,228)	(\$28,036)	7 years
1993 Experience (Gain)/Loss	(\$304,735)	(\$246,515)	(\$33,574)	(\$229,976)	(\$34,379)	8 years
1994 Experience (Gain)/Loss	\$290,132	\$260,486	\$32,717	\$245,991	\$33,502	9 years
1995 Experience (Gain)/Loss	(\$1,175,801)	(\$1,104,565)	(\$129,205)	(\$1,053,389)	(\$132,306)	10 years
1996 Experience (Gain)/Loss	(\$1,384,333)	(\$1,404,608)	(\$154,257)	(\$1,350,379)	(\$157,959)	11 years
1997 Experience (Gain)/Loss	(\$4,825,881)	(\$5,663,658)	(\$587,912)	(\$5,481,806)	(\$602,022)	12 years
1998 Experience (Gain)/Loss	(\$3,450,637)	(\$3,826,221)	(\$377,563)	(\$3,724,551)	(\$386,624)	13 years
1999 Experience (Gain)/Loss	(\$4,863,161)	(\$5,252,995)	(\$495,167)	(\$5,138,454)	(\$507,051)	14 years
2000 Experience (Gain)/Loss	(\$1,480,206)	(\$1,568,340)	(\$141,823)	(\$1,540,638)	(\$145,226)	15 years
2001 Experience (Gain)/Loss	\$7,815,513	\$8,368,584	\$728,650	\$8,251,129	\$746,137	16 years
2002 Experience (Gain)/Loss	\$9,987,004	\$10,772,151	\$906,019	\$10,655,423	\$927,764	17 years
2003 Experience (Gain)/Loss	\$4,483,179	\$4,852,628	\$395,389	\$4,813,818	\$404,879	18 years
2004 Experience (Gain)/Loss	\$4,956,483	\$5,381,207	\$425,841	\$5,351,795	\$436,061	19 years
2005 Experience (Gain)/Loss	\$6,499,426	\$7,061,426	\$543,964	\$7,038,859	\$557,019	20 years
2006 Experience (Gain)/Loss	(\$3,577,856)	(\$3,871,021)	(\$290,872)	(\$3,866,561)	(\$297,853)	21 years
2007 Experience (Gain)/Loss	\$343,924	\$369,338	\$27,121	\$369,594	\$27,772	22 years
2008 Experience (Gain)/Loss	\$2,246,447	\$2,388,719	\$171,701	\$2,394,379	\$175,821	23 years
2009 Experience (Gain)/Loss	\$14,709,552	\$15,462,645	\$1,089,628	\$15,522,858	\$1,115,779	24 years
2010 Experience (Gain)/Loss	\$1,517,167	\$1,574,351	\$108,914	\$1,582,672	\$111,528	25 years
2011 Experience (Gain)/Loss	\$10,387,585	\$10,663,267	\$725,125	\$10,733,193	\$742,528	26 years
2012 Experience (Gain)/Loss	\$6,483,132	\$6,604,174	\$441,960	\$6,655,191	\$452,567	27 years
2013 Experience (Gain)/Loss	(\$3,009,142)	(\$3,038,590)	(\$200,328)	(\$3,065,323)	(\$205,135)	28 years
2014 Experience (Gain)/Loss	(\$3,745,256)	(\$3,745,256)	(\$243,489)	(\$3,781,908)	(\$249,333)	29 years
2015 Experience (Gain)/Loss	(\$407,300)			(\$407,300)	(\$26,480)	30 years

UNFUNDED LIABILITY BASES

TABLE Va

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance as of October 1, 2014</u>	<u>BOY 2014/2015 Amortization Payment</u>	<u>Outstanding Balance as of October 1, 2015</u>	<u>BOY 2015/2016 Amortization Payment</u>	<u>Years Remaining October 1, 2015</u>
1987 Plan Amendment Eliminate Age 55 Restriction	\$410,774	\$109,319	\$38,396	\$76,597	\$39,318	2 years
1988 Plan Amendment 10 Year Cliff Vesting	\$417,435	\$164,665	\$44,510	\$129,767	\$45,578	3 years
1990 Plan Amendment 10 Year Svc for Non-Svc Disability	\$62,149	\$35,321	\$6,697	\$30,914	\$6,858	5 years
1992 Plan Amendment Tax Compliance/Pick-Up Plan	(\$132,092)	(\$97,164)	(\$14,525)	(\$89,250)	(\$14,874)	7 years
1994 Plan Amendment Change Pre-Retirement Death Benefits	\$91,138	\$81,826	\$10,277	\$77,273	\$10,524	9 years
2000 Plan Amendment COLA	\$13,628,631	\$14,382,615	\$1,300,598	\$14,128,578	\$1,331,813	15 years
2004 Plan Amendment DROP	\$2,820,380	\$3,062,060	\$242,316	\$3,045,324	\$248,131	19 years
2004 Plan Amendment Elected Officials/Appointees	\$1,220,245	\$1,324,810	\$104,839	\$1,317,569	\$107,355	19 years
2006 Plan Amendment 2.75% Multiplier	\$6,510,457	\$7,043,917	\$529,287	\$7,035,800	\$541,990	21 years
2008 Plan Amendment Senior Managers	\$383,377	\$407,657	\$29,302	\$408,623	\$30,006	23 years
2009 Plan Amendment Senior Managers	\$134,409	\$140,451	\$10,096	\$140,783	\$10,119	24 years
2015 Plan Amendment 7 Year Vesting	\$50,515			\$50,515	\$3,284	30 years
1986 Assumption Change	\$748,707	\$133,879	\$68,721	\$70,371	\$70,371	1 years
1992 Assumption Change	(\$806,413)	(\$593,181)	(\$88,675)	(\$544,866)	(\$90,804)	7 years
1994 Assumption Change	\$1,260,489	\$1,131,673	\$142,138	\$1,068,698	\$145,550	9 years
1995 Assumption Change	\$697,180	\$654,935	\$76,610	\$624,591	\$78,449	10 years
1996 Assumption Change	\$365,331	\$370,677	\$40,708	\$356,367	\$41,686	11 years
1997 Assumption Change	\$73,638	\$86,422	\$8,971	\$83,647	\$9,186	12 years
2000 Assumption Change	(\$10,001,095)	(\$10,554,389)	(\$954,418)	(\$10,367,969)	(\$977,324)	15 years
2002 Assumption Change	\$1,136,132	\$1,225,449	\$103,070	\$1,212,169	\$105,543	17 years
2008 Assumption Change	(\$117,474)	(\$124,915)	(\$8,979)	(\$125,211)	(\$9,194)	23 years

UNFUNDED LIABILITY BASES

TABLE Va

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance as of October 1, 2014</u>	<u>BOY 2014/2015 Amortization Payment</u>	<u>Outstanding Balance as of October 1, 2015</u>	<u>BOY 2015/2016 Amortization Payment</u>	<u>Years Remaining October 1, 2015</u>
1987 Method Change	\$1,183,328	\$314,920	\$110,610	\$220,655	\$113,264	2 years
2002 Method Change	(\$5,539,505)	(\$5,975,000)	(\$502,543)	(\$5,910,254)	(\$514,604)	17 years
2010 Method Change	(\$696,223)	(\$722,463)	(\$49,980)	(\$726,282)	(\$51,180)	25 years
2000 Variable Benefit	\$226,471	\$233,591	\$22,019	\$228,498	\$21,539	15 years
2001 Variable Benefit	\$280,869	\$293,505	\$26,541	\$288,321	\$26,072	16 years
Total		\$56,106,641	\$3,774,713	\$56,161,696	\$3,901,409	

<u>Date</u>	<u>Projected Unfunded Liability</u>
October 1, 2015	\$56,161,696
October 1, 2016	\$56,441,110
October 1, 2017	\$56,502,828
October 1, 2018	\$56,260,317
October 1, 2045	\$0

* The total experience loss/(gain) for the 2014/2015 plan year of \$379,861 is adjusted by contribution timing differences adjusted with interest equal to (\$787,161).

DEVELOPMENT OF MARKET ASSET (GAIN)/LOSS

TABLE VIa

	<u>As of October 1, 2014</u>	<u>As of October 1, 2015</u>
1. Market Value of Assets		
a. Cash and cash equivalents (1.86%)	\$2,966,729	\$2,797,361
b. U.S. government bonds (5.36%)	\$10,632,378	\$8,056,766
c. Common stock (35.01%)	\$53,993,562	\$52,608,549
d. Corporate bonds and notes (6.79%)	\$13,465,995	\$10,205,951
e. Equity Funds (28.69%)	\$44,774,992	\$43,109,444
f. Private equity funds (9.54%)	\$14,660,577	\$14,330,505
g. Real estate (11.33%)	\$14,388,810	\$17,025,816
h. Net receivables and other (1.62%)	\$782,636	\$2,439,202
i. Accrued expenses payable (-0.11%)	(\$163,101)	(\$158,912)
j. Payable for securities purchased (-0.11%)	(\$1,188,944)	(\$159,129)
k. Market value of assets (100%)	\$154,313,634	\$150,255,553
2. Actuarial Value of Assets		
a. Market Value of Assets	\$154,313,634	\$150,255,553
b. 5-year phase-in of gain/(losses) on Actuarial Value of Assets:		
ii. 2010/2011	(\$7,591,364)	$x 20\% =$ (\$1,518,273)
iii. 2011/2012	\$9,395,696	$x 40\% =$ \$3,758,278
iv. 2012/2013	\$10,969,696	$x 60\% =$ \$6,581,818
v. 2013/2014	\$1,064,565	$x 80\% =$ \$851,652
v. 2014/2015	(\$12,427,208)	$x 20\% =$ \$1,879,139
vi. Total unrecognized (losses)/gains	\$9,673,475	$x 40\% =$ \$4,387,878
		$x 60\% =$ \$638,739
		$x 80\% =$ (\$9,941,766)
c. Preliminary Actuarial Value of Assets (Item a. minus item e.vi.)	\$144,640,159	\$153,291,563
d. Corridor around Actuarial Value of Assets		
i. 80% of Market Value (item a.)	\$123,450,907	\$120,204,442
ii. 120% of Market Value (item a.)	\$185,176,361	\$180,306,664
e. Actuarial Value of Assets (Item c., but within items d.i. and d.ii.)	\$144,640,159	\$153,291,563

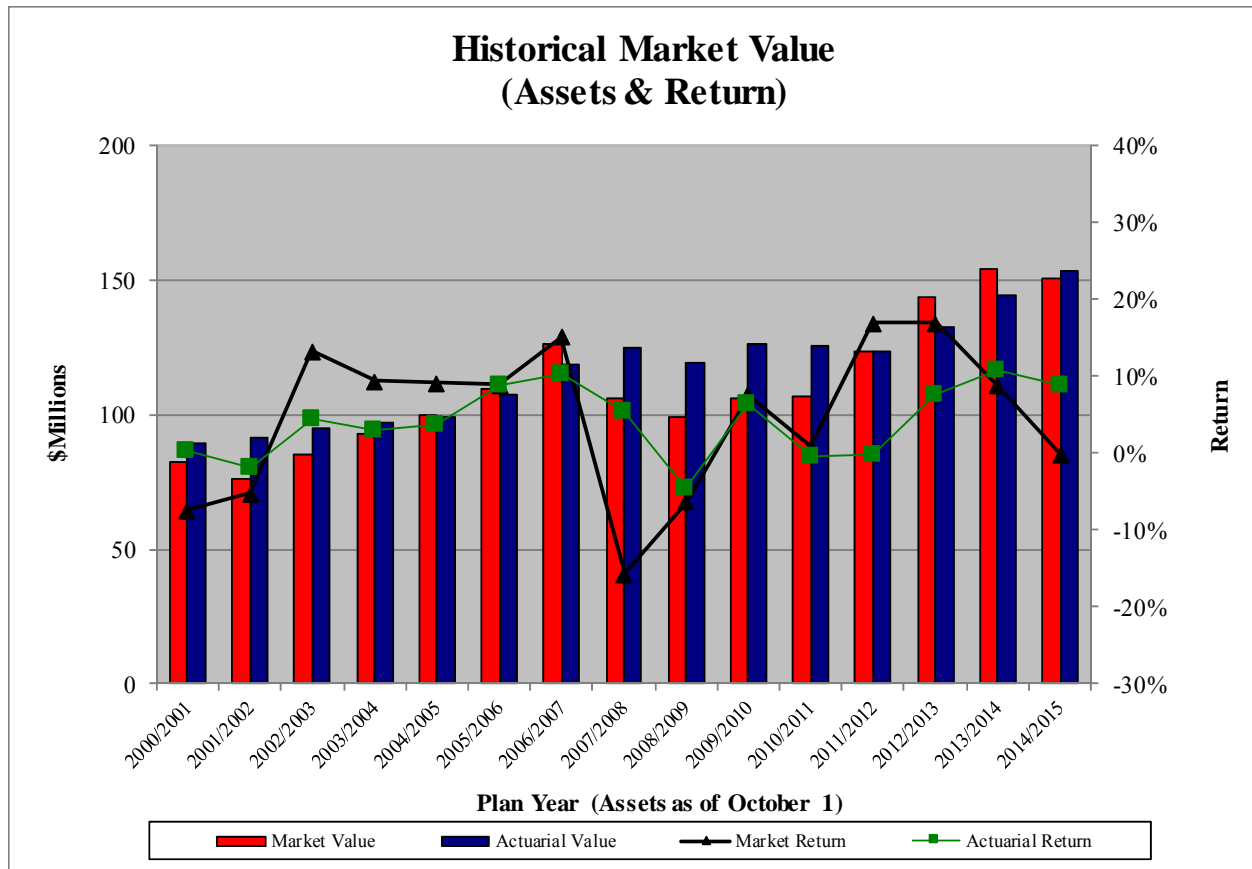
DEVELOPMENT OF MARKET ASSET (GAIN)/LOSS**TABLE VIa**

	As of October 1, 2014	As of October 1, 2015
1. Beginning of Year Market Value	\$143,522,730	\$154,313,634
2. Expected Interest on Assets	\$11,481,818	\$12,345,091
3. Contributions	\$9,213,527	\$9,232,033
4. Benefit Payments	(\$10,409,529)	(\$12,524,827)
5. Administrative Expenses	(\$491,959)	(\$530,248)
6. Interest on 3, 4, and 5	<u>(\$67,518)</u>	<u>(\$152,922)</u>
7. Expected End of Year Market Value	\$153,249,069	\$162,682,761
8. Actual End of Year Market Value	\$154,313,634	\$150,255,553
9. Gain/(Loss) for Plan Year	\$1,064,565	(\$12,427,208)

MARKET ASSET RECONCILIATION

TABLE VIb

	<u>As of October 1, 2014</u>	<u>As of October 1, 2015</u>
1. Beginning of Year Market Value:	\$143,522,730	\$154,313,634
2. Increases Due to:		
a. Contributions:		
i. City	\$6,288,467	\$6,259,058
ii. County	\$409,395	\$410,074
iii. Employee	\$2,515,665	\$2,562,901
iv. Total	<u>\$9,213,527</u>	<u>\$9,232,033</u>
b. Investment income	\$12,478,865	(\$235,039)
c. Total increases	<u><u>\$21,692,392</u></u>	<u><u>\$8,996,994</u></u>
3. Decreases Due to:		
a. Benefit payments	\$10,047,279	\$12,286,072
b. Refund of member contributions	\$362,250	\$238,755
c. Administrative expenses	\$491,959	\$530,248
d. Miscellaneous	\$0	\$0
e. Total decreases	<u><u>\$10,901,488</u></u>	<u><u>\$13,055,075</u></u>
4. End of Year Market Value:	\$154,313,634	\$150,255,553



Plan Year	Market Value as of October 1	Actuarial Value as of October 1	Benefit Payments	Administrative Expenses	City, County, and Member Contributions	Market Value Return	Actuarial Value Return
2000/2001	\$82,147,166	\$89,323,230	\$2,899,172	\$222,473	\$1,984,786	(7.50)%	0.30%
2001/2002	\$76,424,845	\$91,709,814	\$3,254,038	\$250,351	\$2,140,762	(5.30)%	(1.80)%
2002/2003	\$85,458,520	\$94,741,607	\$3,556,707	\$282,053	\$2,803,247	13.30%	4.50%
2003/2004	\$92,735,898	\$96,735,577	\$3,895,060	\$330,446	\$3,481,462	9.40%	2.90%
2004/2005	\$99,890,915	\$98,980,085	\$4,967,607	\$387,998	\$4,039,559	9.10%	3.70%
2005/2006	\$109,249,514	\$107,334,005	\$4,862,124	\$425,926	\$4,905,164	8.90%	8.80%
2006/2007	\$126,184,449	\$118,772,822	\$5,376,897	\$482,702	\$6,246,138	15.10%	10.30%
2007/2008	\$106,187,212	\$124,869,067	\$6,521,687	\$531,899	\$6,506,416	(15.70)%	5.30%
2008/2009	\$99,128,822	\$118,954,587	\$6,309,625	\$517,272	\$6,584,631	(6.40)%	(4.60)%
2009/2010	\$106,118,339	\$126,102,821	\$7,081,623	\$541,663	\$7,207,441	7.49%	6.37%
2010/2011	\$106,693,934	\$125,170,479	\$7,858,299	\$483,843	\$8,032,038	0.84%	(0.49)%
2011/2012	\$123,122,925	\$123,424,957	\$9,328,455	\$490,142	\$8,374,155	16.87%	(0.24)%
2012/2013	\$143,522,730	\$132,247,827	\$8,781,030	\$479,816	\$8,857,264	16.92%	7.49%
2013/2014	\$154,313,634	\$144,640,159	\$10,409,529	\$491,959	\$9,213,527	8.75%	10.72%
2014/2015	\$150,255,553	\$153,291,563	\$12,524,827	\$530,248	\$9,232,033	-0.15%	8.74%

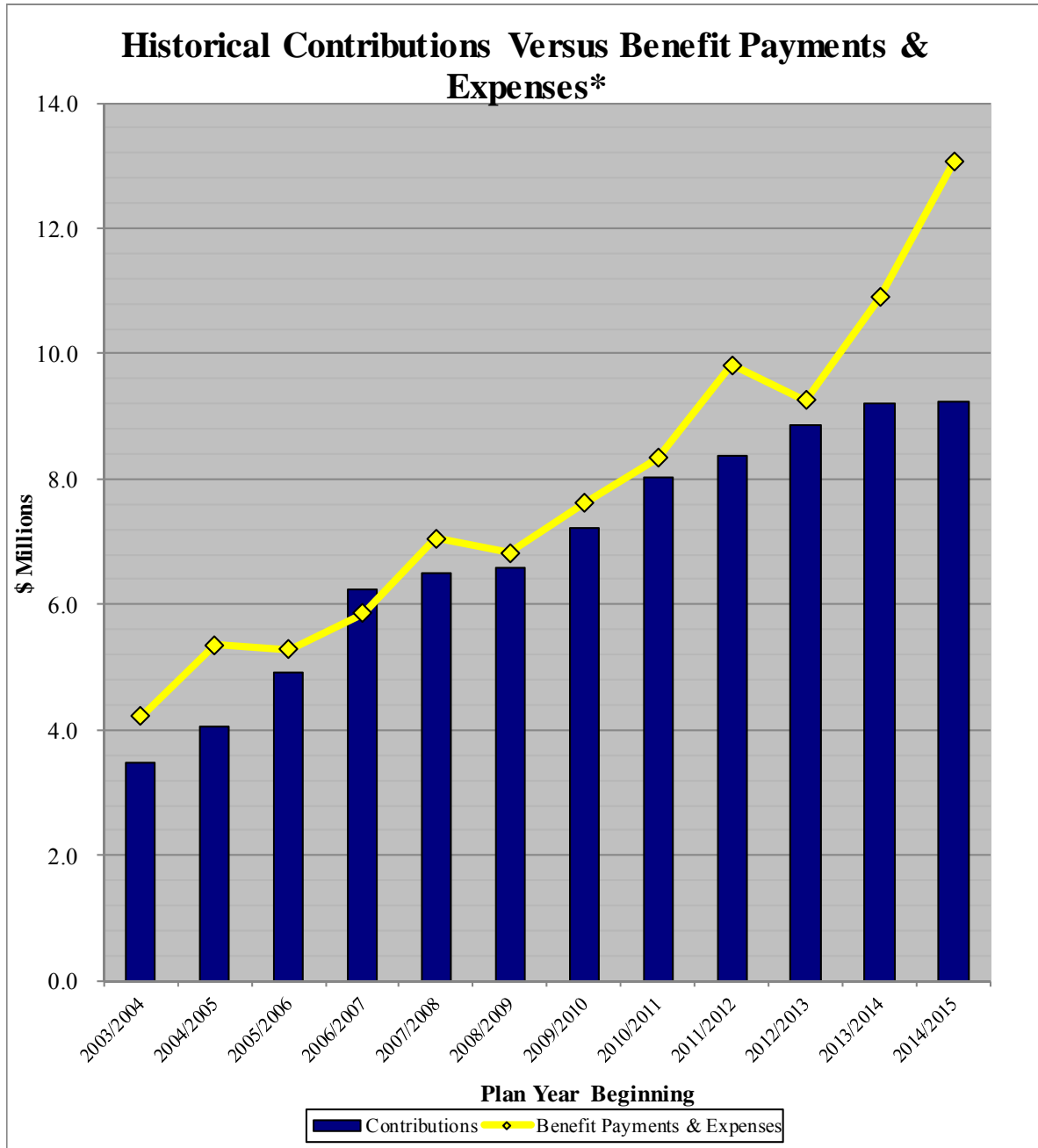
REVENUES BY SOURCE AND EXPENSES BY TYPE

TABLE VIIa

REVENUES					
Fiscal Year	City and County Contributions	Member Contributions	Sub-Total	Net Investment Income	Total
2001/2002	\$609,191	\$1,531,571	\$2,140,762	(\$4,358,694)	(\$2,217,932)
2002/2003	\$1,228,956	\$1,574,291	\$2,803,247	\$10,069,188	\$12,872,435
2003/2004	\$1,849,695	\$1,631,767	\$3,481,462	\$8,021,422	\$11,502,884
2004/2005	\$2,341,224	\$1,698,335	\$4,039,559	\$8,471,063	\$12,510,622
2005/2006	\$3,144,061	\$1,761,103	\$4,905,164	\$9,741,485	\$14,646,649
2006/2007	\$4,064,240	\$2,181,898	\$6,246,138	\$16,548,396	\$22,794,534
2007/2008	\$3,416,488	\$3,089,928	\$6,506,416	(\$19,450,067)	(\$12,943,651)
2008/2009	\$3,706,870	\$2,877,761	\$6,584,631	(\$6,816,124)	(\$231,493)
2009/2010	\$4,338,870	\$2,868,571	\$7,207,441	\$7,405,362	\$14,612,803
2010/2011	\$5,351,521	\$2,680,517	\$8,032,038	\$885,699	\$8,917,737
2011/2012	\$5,801,971	\$2,572,184	\$8,374,155	\$17,873,433	\$26,247,588
2012/2013	\$6,332,731	\$2,524,533	\$8,857,264	\$20,803,387	\$29,660,651
2013/2014	\$6,697,862	\$2,515,665	\$9,213,527	\$12,478,865	\$21,692,392
2014/2015	\$6,669,132	\$2,562,901	\$9,232,033	(\$235,039)	\$8,996,994

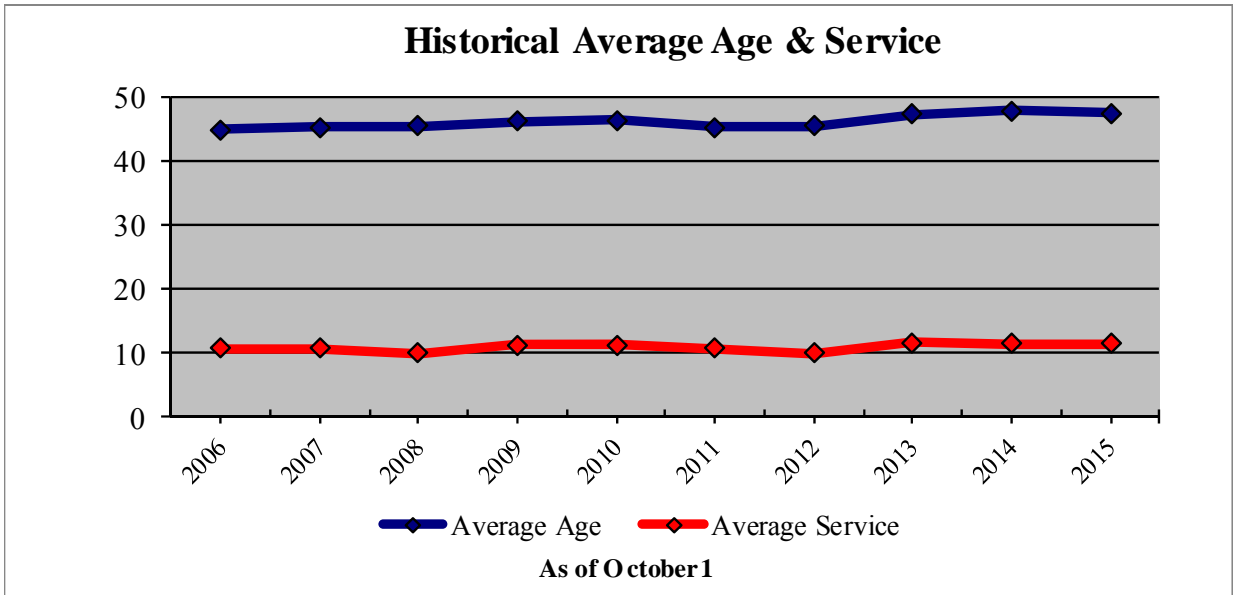
EXPENSES				
Fiscal Year	Benefits Paid	Member Refunds	Administrative Expenses*	Total
2001/2002	\$3,045,598	\$208,440	\$250,351	\$3,504,389
2002/2003	\$3,365,295	\$191,412	\$282,053	\$3,838,760
2003/2004	\$3,712,048	\$183,012	\$330,446	\$4,225,506
2004/2005	\$4,695,826	\$271,781	\$387,998	\$5,355,605
2005/2006	\$4,641,050	\$221,074	\$425,926	\$5,288,050
2006/2007	\$5,009,768	\$367,129	\$482,702	\$5,859,599
2007/2008	\$6,333,970	\$187,717	\$531,899	\$7,053,586
2008/2009	\$6,010,437	\$299,188	\$517,272	\$6,826,897
2009/2010	\$6,991,324	\$90,299	\$541,663	\$7,623,286
2010/2011	\$7,580,413	\$277,886	\$483,843	\$8,342,142
2011/2012	\$9,122,607	\$205,848	\$490,142	\$9,818,597
2012/2013	\$8,621,962	\$159,068	\$479,816	\$9,260,846
2013/2014	\$10,047,279	\$362,250	\$491,959	\$10,901,488
2014/2015	\$12,286,072	\$238,755	\$530,248	\$13,055,075

* Does not include investment expenses

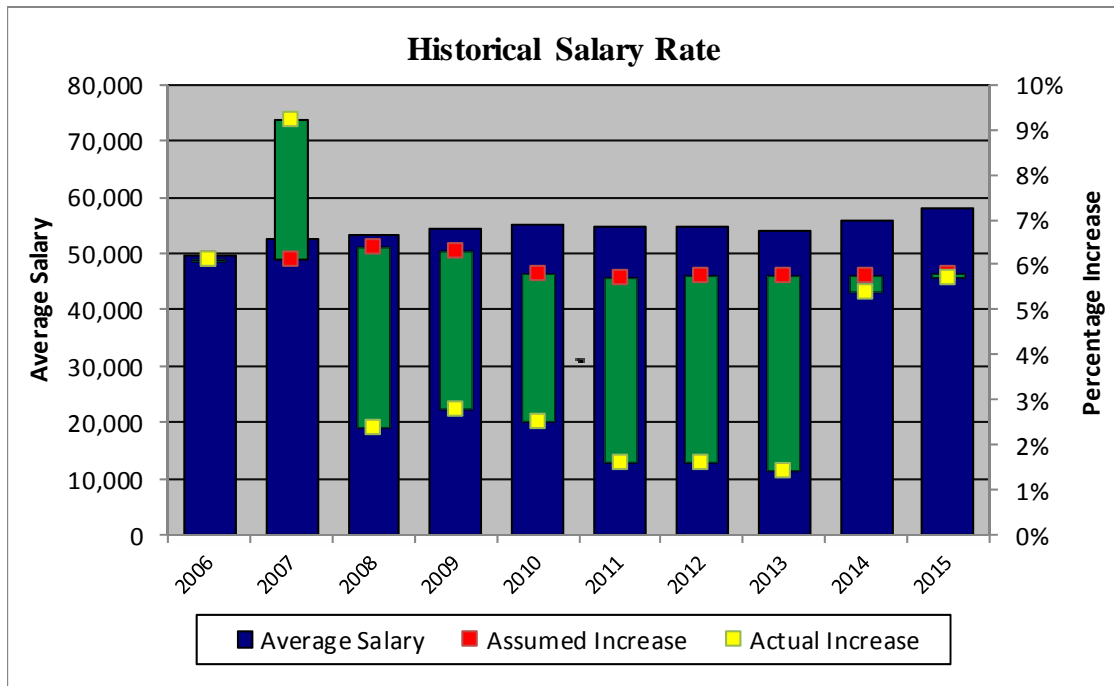


* Please reference Table VIIa on page 22 for the historical benefit payments, expenses, and contributions.

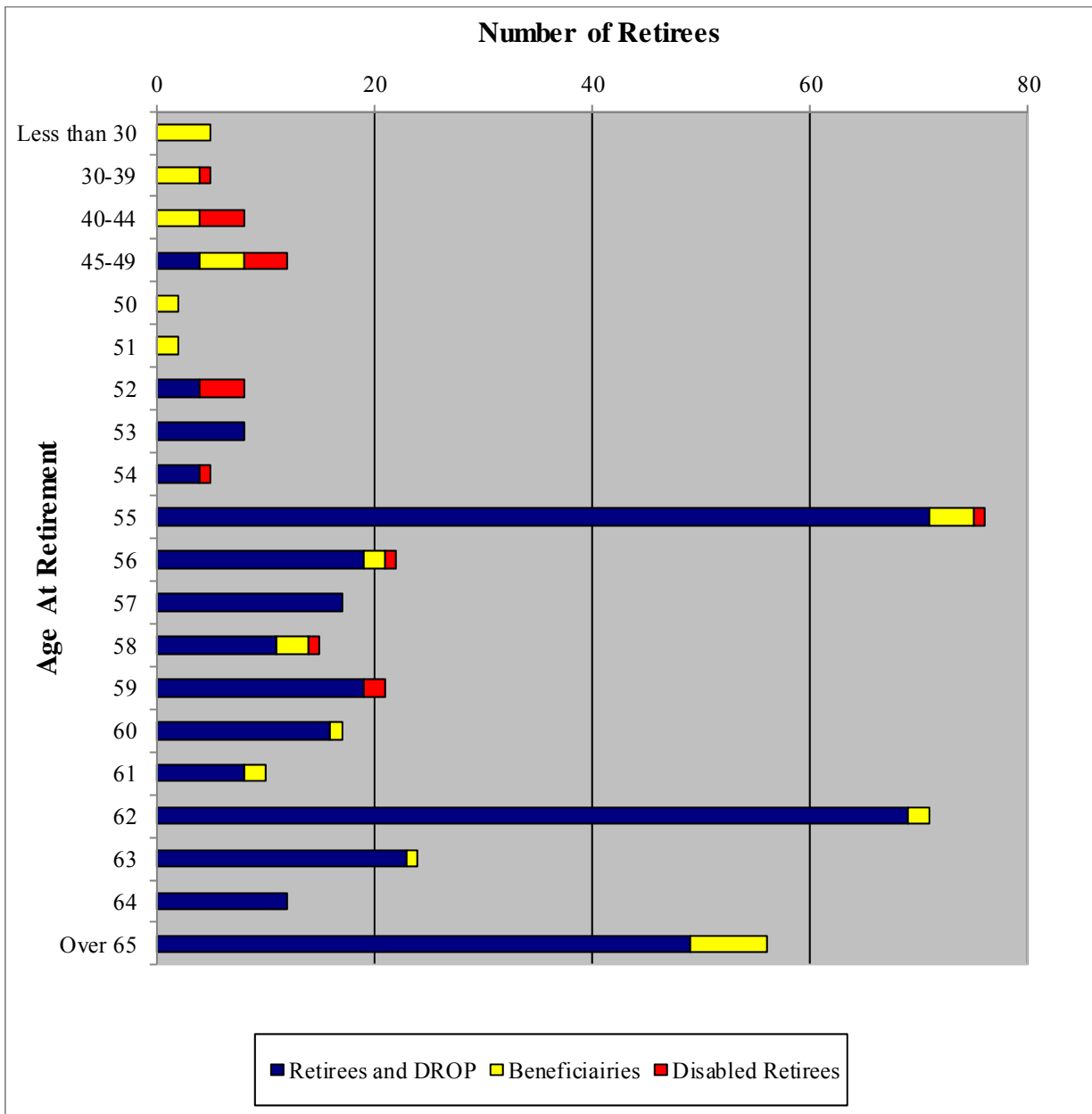
	<u>As of October 1, 2014</u>	<u>As of October 1, 2015</u>
1. Active Members		
a. Vested	235	227
b. Non-vested	233	240
c. Sub-total	468	467
2. Non-active, Non-retired Members		
a. Fully or partially vested	25	27
3. Retired Members		
a. Members in DROP	47	44
b. Retirees	271	290
c. Disabled	21	19
d. Beneficiaries	45	49
e. Sub-total	384	402
4. Total Members	877	896



Date	Average Service Earned	Average Attained Age
October 1, 2006	10.8	44.8
October 1, 2007	10.7	45.2
October 1, 2008	10.1	45.3
October 1, 2009	11.3	46.2
October 1, 2010	11.4	46.4
October 1, 2011	10.7	45.2
October 1, 2012	10.1	45.3
October 1, 2013	11.7	47.2
October 1, 2014	11.5	47.8
October 1, 2015	11.4	47.4



Date	Average Salary	Actual Salary Increase	Assumed Salary Increase
October 1, 2006	49,574	6.10%	6.10%
October 1, 2007	52,393	9.20%	6.10%
October 1, 2008	53,303	2.40%	6.40%
October 1, 2009	54,245	2.80%	6.30%
October 1, 2010	54,952	2.50%	5.80%
October 1, 2011	54,777	1.62%	5.72%
October 1, 2012	54,732	1.59%	5.75%
October 1, 2013	54,118	1.44%	5.75%
October 1, 2014	55,659	5.38%	5.75%
October 1, 2015	57,849	5.72%	5.78%



Average benefit being paid to non-disabled retirees is \$2,501.50 per month.

Average benefit being paid to disabled retirees is \$2,072.51 per month.

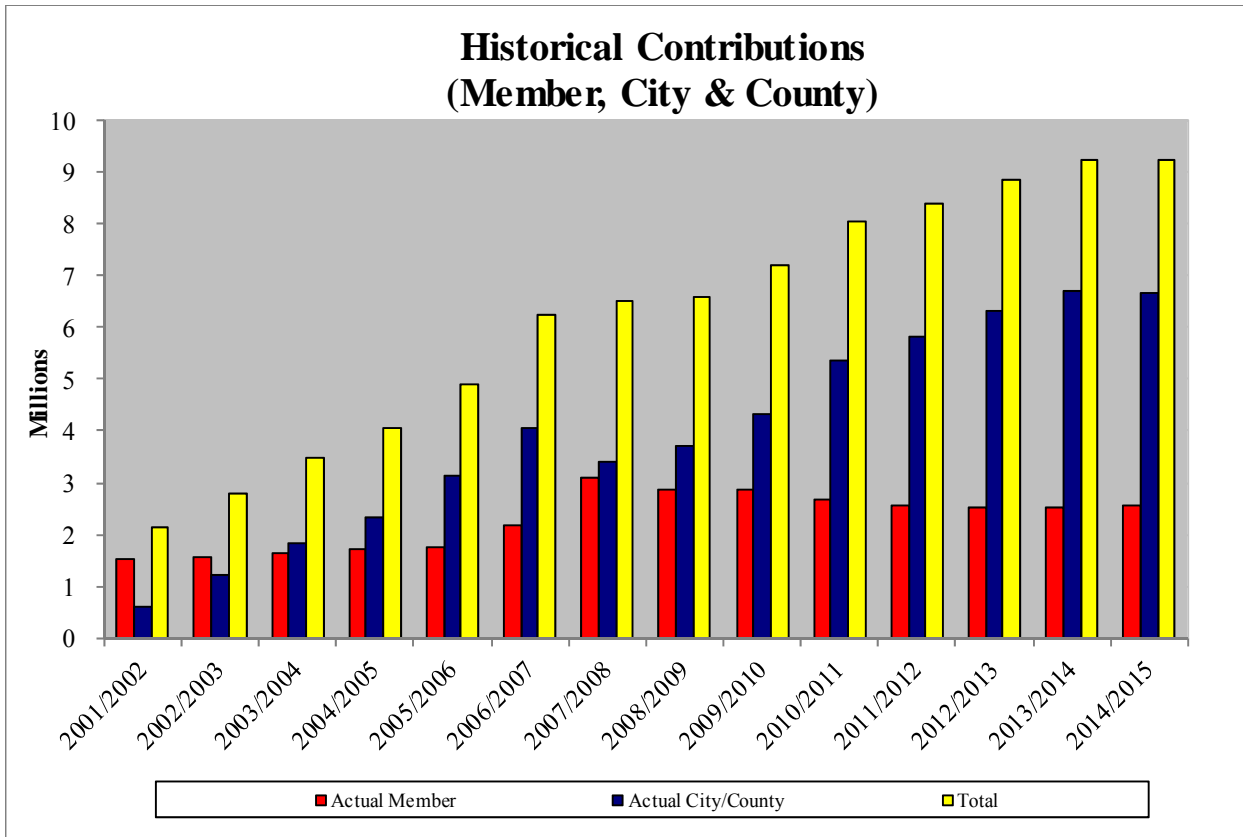
Average benefit being paid to beneficiaries is \$1,298.74 per month.

	<u>Active</u>	<u>Non-Active, Non-Retired</u>	<u>Retired</u>	<u>Total</u>
1. Number of members as of October 1, 2014	468	25	384	877
2. Change in Status during the plan year:				
a. Actives who became inactive	(6)	6		
b. Actives who retired	(22)		22	
c. Inactives who became active				
d. Inactives who retired		(3)	3	
e. Retirees who became active				
3. No longer members due to:				
a. Death	(1)		(13)	(14)
b. Permanent break-in-service	(14)	(1)		(15)
c. Forfeiture of benefits				
d. Expiration of certain period			(1)	(1)
e. Included in error last year				
4. New members due to:				
a. Initial membership	42			42
b. Death of another member			7	7
c. Omitted in error last year				
d. Correction				
5. Number of members as of October 1, 2015	467	27	402	896

AGE-SERVICE SALARY TABLE

TABLE IXd

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	2	0	0	0	0	0	0	0	0	0	2
Avg. Pay	33,917	0	0	0	0	0	0	0	0	0	33,917
25 to 29	5	20	3	0	0	0	0	0	0	0	28
Avg. Pay	33,535	38,069	50,772	0	0	0	0	0	0	0	38,621
30 to 34	1	16	14	9	0	0	0	0	0	0	40
Avg. Pay	32,877	41,060	48,959	54,373	0	0	0	0	0	0	46,616
35 to 39	1	12	11	16	10	0	0	0	0	0	50
Avg. Pay	32,700	51,805	50,597	51,327	53,574	0	0	0	0	0	51,358
40 to 44	1	14	12	19	13	4	1	0	0	0	64
Avg. Pay	38,449	57,851	56,303	58,875	60,854	61,571	68,284	0	0	0	58,567
45 to 49	2	10	19	11	13	8	6	0	0	0	69
Avg. Pay	53,189	41,868	53,586	56,412	69,578	70,858	60,800	0	0	0	57,969
50 to 54	1	14	21	12	16	10	14	8	4	0	100
Avg. Pay	53,555	55,757	57,084	59,405	59,142	68,576	70,289	65,872	63,430	0	61,426
55 to 59	3	12	8	15	14	7	8	1	2	0	70
Avg. Pay	38,920	56,706	57,860	58,486	74,984	68,922	79,617	85,374	62,006	0	64,514
60 to 64	3	5	8	3	7	0	1	0	0	0	27
Avg. Pay	47,910	55,642	60,624	88,821	68,108	0	50,715	0	0	0	62,995
65 to 79	0	2	5	2	0	2	1	1	0	0	13
Avg. Pay	0	104,223	77,542	107,000	0	59,169	97,477	121,636	0	0	88,278
70 & Up	0	0	1	1	1	0	1	0	0	0	4
Avg. Pay	0	0	33,118	45,843	46,262	0	53,554	0	0	0	44,694
Total	19	105	102	88	74	31	32	10	6	0	467
Avg. Pay	39,998	49,679	55,447	58,707	64,195	67,732	70,494	73,399	62,955	0	57,849



Plan Year	Actual Member	City/County	Total
2001/2002	\$1,531,571	\$609,191	\$2,140,762
2002/2003	\$1,574,291	\$1,228,956	\$2,803,247
2003/2004	\$1,631,767	\$1,849,695	\$3,481,462
2004/2005	\$1,698,335	\$2,341,224	\$4,039,559
2005/2006	\$1,761,103	\$3,144,061	\$4,905,164
2006/2007	\$2,181,898	\$4,064,240	\$6,246,138
2007/2008	\$3,089,928	\$3,416,488	\$6,506,416
2008/2009	\$2,877,761	\$3,706,870	\$6,584,631
2009/2010	\$2,868,571	\$4,338,870	\$7,207,441
2010/2011	\$2,680,517	\$5,351,521	\$8,032,038
2011/2012	\$2,572,184	\$5,801,971	\$8,374,155
2012/2013	\$2,524,533	\$6,332,731	\$8,857,264
2013/2014	\$2,515,665	\$6,697,862	\$9,213,527
2014/2015	\$2,562,901	\$6,669,132	\$9,232,033

1. Actuarial Cost Method

- Entry Age Normal Cost Method. Total normal cost is determined as a level percentage of pay which would be required annually from entry age to retirement age to fund the expected retirement benefits assuming the Plan had always been in effect. The Actuarial Accrued Liability is the amount of the Present Value of Benefits that have been accrued under the Entry Age Normal Method to date.

2. Decrements

- **Pre-Retirement Mortality**

1983 Group Annuity Mortality Table for males and females

- **Post-Retirement Healthy Mortality**

1983 Group Annuity Mortality Table for males and females

- **Post-Retirement Disabled Mortality**

1983 Group Annuity Mortality Table (SF5) for males and females

- **Disability**

Representative values of the assumed annual rates of disability among members in active service are as follows:

Age	Ordinary Disability Rate	Service Disability Rate	Age	Ordinary Disability Rate	Service Disability Rate
20	.000232	.000058	40	.000484	.000121
25	.000232	.000058	45	.000868	.000217
30	.000232	.000058	50	.001716	.000429
35	.000260	.000065	55	.003564	.000891

- **Retirement**

Representative values of the assumed annual rates of retirement among members in active service are as follows:

Age	Rate
≤4	.0700
55	.5000
56-60	.3000
61-65	.5000
66-69	.3000
≥70	1.000

- **Withdrawal from Active Status**

Representative values of the assumed annual rates of withdrawal among members in active service are as follows:

Age	Years of Service				
	0 – 1	1 – 2	2 – 3	3 – 4	4+
20	.1800	.1200	.1000	.0700	.1071
25	.1800	.1200	.1000	.0700	.0756
30	.1800	.1200	.1000	.0700	.0536
35	.1800	.1200	.1000	.0700	.0416
40	.1800	.1200	.1000	.0700	.0321
45	.1800	.1200	.1000	.0700	.0227
50	.1800	.1200	.1000	.0700	.0132
55	.1800	.1200	.1000	.0700	.0038

3. Interest Rates

- Used for calculating all liabilities
 - 8.0% per annum
- Used for calculating the Present Value of Accrued Benefits
 - 7.75% (Same as the Florida Retirement System)

4. Salary Increase

- **Individual Compensation:**

Service	Rate
0-10	7.50%
>10	4.25%

- **Aggregate Compensation**

2.4% per year

5. Marriage Assumptions

- **Percent Married:** 100% of active members assumed married at retirement.
1. **Age Differences between Spouses:** Male spouses are assumed to be three years older than female spouses.

6. Expenses:

Expenses paid out of the fund, other than investment-related expenses, are assumed to be equal to the average of actual expenses over the previous two years.

7. DROP

2. **Entry:** Of those assumed to retire using the Service Retirement rates, the proportion entering DROP is as shown in the following table.

Age at Retirement	Proportion Entering DROP
Under 55	0%
55-62	70%
Over 62	10%

3. **Period:** DROP participants are assumed to remain in the DROP for a total of five years.

8. Assets

The market value of assets is adjusted to recognize, over a five-year period, investment earnings greater (or less than) the assumed investment return. The resulting Actuarial Value of Assets is limited to no more than 120% of the market value of assets and no less than 80% of the market value of assets. Details are shown in the Asset Information Section of the report.

9. Amortization Period

New Unfunded Actuarial Accrued Liability resulting from plan amendments, changes in assumptions or methods, or actuarial gains and loss are amortized over 30 years as a level percentage of expected payroll based on the plan's assumed rate of investment return.

10. BSO Required Contribution

The required contribution for the Broward Sheriff's Office (BSO) is determined by multiplying the total required contribution rate as a percentage of payroll by the payroll for BSO employees, projected to the following year.

11. Data Sources**4. Asset Data:**

The asset information is taken from audited statements furnished by the Retirement Office, and adjusted to include DROP Accounts as liabilities of the Plan. The DROP Account balances are added to net asset amount shown in the audited statement. The valuation entry for benefits paid during the last years reflects benefit amounts explicitly paid from the Plan (including the payout of DROP Accounts) and does not reflect those paid into members' DROP accounts.

5. Member Data:

The member data is supplied by the Retirement Office. It is reviewed for reasonableness and consistency, but no audit was performed. Cavanaugh Macdonald is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Effective Date:

Plan 1: December 8, 1972

Plan 2: June 8, 2011

Eligibility:

Regular full-time employment with the City (at least 26 hours per week and 5 months per year), including Elected Officials, Appointees, and Senior Managers.

Earnings:

Basic compensation and regular longevity pay, increased for temporary upgrade pay. Lump sum payment at termination for unused sick leave and vacation time is not included.

Average Monthly Earnings (AME):

Plan 1: Monthly average for the highest completed 78 bi-weekly pay periods during employment times 1.0048.

Plan 2: Monthly average for the highest completed 130 bi-weekly pay periods during employment times 1.0048.

Credited Service:

Total years and completed months of service from the last date of hire to the date of termination, retirement, death, or disability.

Normal Retirement

Eligibility (Normal Retirement Date):

The earlier of attainment of age 55 with 20 years of Continuous Service, or age 62 with 3 years of Credited Service as a “regular employee” with the City.

Benefit:

Plan 1: 2.75% of AME times years of service.

Plan 2: 2.00% of AME times years of service.

Maximum Benefit:

\$90,000 per year (indexed) at age 62, or 100% of AME (such earnings to exclude picked-up employee contributions per Sec. 414(h)(2), deferred compensation per Sec 457, and amounts deferred under Sec 125).

Normal Form of Benefit:

Life annuity to the member.

COLA:

Plan 1: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Plan 2: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

Early Retirement

Eligibility:

The attainment of 20 years of Credited Service.

Benefit:

Plan 1: 2.75% of AME times years of service.

Plan 2: 2.00% of AME times years of service.

Normal Form of Benefit:

Life annuity to the member.

COLA:

Plan 1: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Plan 2: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

Delayed Retirement

Benefit:

Plan 1: 2.75% of AME times years of service.

Plan 2: 2.00% of AME times years of service.

Normal Form of Benefit:

Life annuity to the member.

COLA:

Plan 1: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Plan 2: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

Drop Retirement

Eligibility:

The earlier of attainment of age 55 with 20 years of Continuous Service, or age 62 with 3 years of Credited Service as a “regular employee” with the City.

Benefit:

Plan 1: 2.75% of AME times years of service.

Plan 2: 2.00% of AME times years of service.

Normal Form of Benefit:

Life annuity to the member.

COLA:

Same as Normal Retirement, except that the COLA is first credited and paid on the October 1 the member is eligible to receive a COLA after leaving employment (exits DROP)

DROP Period:

The Member may remain in the DROP for any period up to five years.

Contributions:

Member contributions cease when Member enters DROP.

DROP Interest:

DROP account balances are credited at the beginning of each month with interest at 1/12th the rate assumed in the actuarial valuation for that year.

Disability Retirement – Service Incurred

Eligibility:

Members are immediately eligible for a Disability Retirement Benefit where the Disability results from an act occurring in the performance of service with the City of Pompano Beach.

Disability Retirement eligibility is forfeited upon entry into the DROP.

Disability Definition:

Total and permanent disablement and unable to earn at least 75% of regular earnings. A member who is eligible for full primary Social Security old age benefits is not eligible.

Benefit:

60% of Earnings.

Normal Form of Benefit:

Life annuity to the member.

COLA:

Plan 1: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Plan 2: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

Disability Retirement – Non-Service Incurred

Eligibility:

Total and permanent disablement, 7 years of service, and unable to be gainfully employed. A member who is eligible for full primary Social Security old age benefits is not eligible.

Disability Retirement eligibility is forfeited upon entry into the DROP.

Benefit:

Accrued pension, subject to a minimum of 25% of Earnings.

COLA:

Plan 1: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Plan 2: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

Pre-Retirement Death Benefit – Basic

Benefit:

1 times annual earnings (payable in monthly installments over four years) plus a refund of contributions with interest. Alternatively, for members eligible for Early or Normal Retirement, or who have a vested benefit whether still actively employed by the City or not, the pension is payable to the beneficiary for 10 years as though retirement occurred on the date of death under Option 2, Ten Year Certain and Life (no reduction for early retirement if death occurs prior to normal retirement).

COLA:

Plan 1: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Plan 2: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired at least five years. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

Withdrawal – Non Vested

Eligibility:

First day of work, up to the earlier of 7 years of City service or 5 years of Senior Management Service for regular employees only.

Benefit:

Accumulated contributions with 3% interest.

Form of Benefit:

Lump sum.

Withdrawal – Vested

Eligibility:

Regular employees – at least 7 years of service.

Senior Managers – earlier of 7 years of City service and 5 years of Senior Management Service.

Elected Officials and Appointees – at least 5 years of service.

Benefit:

A vested benefit deferred to regular normal retirement date. Alternatively, a regular employee or Senior Management participant may withdraw the accumulated contributions and forfeit the deferred vested benefit.

Member Contributions

Contributions:

Elected Officials and Appointees

No member contributions. However, the City will make contributions at the same rate that applies to Regular Employees on behalf of these participants. These contributions are not eligible for refund upon termination.

Regular Employees and Senior Managers

Plan 1: 10.0% of earnings.

Plan 2: 7.0% of earnings.

Interest Crediting Rate:

3% per year.

Optional Forms of Payment

Option 1:

Joint and last survivor option.

Option 2:

Ten-Year Certain and Life option.

Additional Provisions

Reentry Provision:

Credit for prior service is granted in full upon repayment of all monies refunded to the member with interest at the assumed interest rate for actuarial purposes.

Second Retirement Provision:

Members may retire and return to work as a regular employee. Prior pension payments are continued during the period of reemployment. A second benefit is earned based solely on the second period of employment, provided the employee worked at least three years during the second period of employment.

The following Plan Amendments have been adopted within the past few years. Amendment changes that have first been reflected in this valuation are shown in bold print:

1. Effective June 8, 2011
 - a) For members hired on or after June 8, 2011, average monthly earnings is the average of the highest 130 bi-weekly pay periods times 1.0048.
 - b) For members hired on or after June 8, 2011, the monthly retirement benefit is 2.0% times average monthly earnings.
 - c) For members hired on or after June 8, 2011, the contribution rate is 7.0% of earnings.
 - d) For members hired on or after June 8, 2011, a member is eligible for a COLA on their fifth anniversary of retirement. No increase is given for eligible retirees under 55 on October 1. A 1% increase is given for eligible retirees between 55 and 64. A 2% increase is given for eligible retirees 65 or older. A “variable” increase (of not more than one percent) will be granted when the plan is sufficiently funded.

2. Effective January 13, 2015
 - a. Members are 100% vested upon completion of 7 years of continuous service with the City.