Freiman Little Actuaries, LLC
4105 Savannahs Trail
Merritt Island, FL 32953

Phone 321 453 6542
Fax 321 453 6998

City of Rockledge

General Employees Retirement Plan

Actuarial Valuation as of October 1, 2015

February 14, 2016

REPORT TO DETERMINE MINIMUM FUNDING REQUIREMENTS
FOR THE PLAN AND FISCAL YEAR
BEGINNING OCTOBER 1, 2015

FLA

FREIMAN LITTLE ACTUARIES

February 14, 2016

Board of Trustees
City of Rockledge General Employees Retirement Plan
Rockledge, Florida

RE: Actuarial Valuation as of October 1, 2015

Dear Board Members:

We are pleased to present the actuarial valuation as of October 1, 2015 for the City of Rockledge General Employees Retirement Plan (the Plan). This report provides a review of the current funded status of the Plan, establishes the minimum funding requirements for the fiscal year ending September 30, 2016, and provides an analysis of experience since the last valuation. In addition to providing the summary and derivation of actuarial findings, this report describes the data, assumptions, and methods used to create these results.

Future actuarial measurements may differ significantly from the current measurements 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.

Statement by Enrolled Actuary:

"This actuarial valuation and/or cost determination 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."

We look forward to the presentation of these results to you in person and we are always available to answer any questions you may have.

Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 14-6619

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 14-5796

4105 SAVANNAHS TRAIL, MERRITT ISLAND, FL, 32953-8607 • OFFICE (321) 453-6542 • FAX (321) 453-6998 • MOBILE (321) 591-8265 • chad@flactuaries.com • www.flactuaries.com

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Section 1 Board Summary

This report presents the results of the October 1, 2015 actuarial valuation of the City of Rockledge General Employees Retirement Plan (the Plan). A summary of the key valuation findings are compared with the results of the prior valuation below.

Summary of Principal Valuation Results

Minimum Funding Requirements

Fiscal Year Ending September 30,	2015	2016
Minimum Funding Requirement		
As a Dollar Amount	$562,320	$561,465
As a Percent of Valuation Payroll	13.82%	13.70%

Note: The $561,465 minimum funding requirement must be deposited during fiscal 2016 on at least a quarterly basis. The quarterly requirement is $140,366.

Funded Status

Valuation as of October 1,	2014	2015
Accrued Liability (AL)	$15,294,494	$16,495,875
Actuarial Value of Assets	(12,703,666)	(13,786,010)
Unfunded Accrued Liability (UAL)	$2,590,828	$2,709,865
Funded Percentage	83.06%	83.57%

Key Assumptions

Valuation as of October 1,	2014	2015
Assumed Investment Return, Net of Expenses	8.00%	8.00%
Salary Increase Assumption	6.00%	6.00%

Summary of Significant Events

Determination of the funded status of the Plan and minimum funding requirements are based on funding policy, participant data, asset information, Plan provisions, actuarial methods and assumptions. Any significant events associated with these items are discussed in the following.

City Policy Contribution

The City policy had been to contribute 7.5% of total payroll including the pay of DROP members. However, a contribution on this basis does not result in funding the minimum required contribution.

The minimum required contribution for fiscal 2016 is $561,645. This amount must be contributed on at least a quarterly basis during fiscal 2016.

We have noted there is a $90,018 contribution receivable for fiscal 2014 that is still outstanding as of the end of fiscal 2015. In addition, of the $562,320 minimum required contribution for fiscal 2015, only $389,552 was actually deposited creating a contribution receivable for fiscal 2015 in the amount of $172,768. This means the total amount of underfunding to the pension plan by the end of fiscal 2015 was $262,786. Pension plan receivables should be short term and consist of contributions due as of the end of the reporting period. Contribution receivables should be deposited as soon as possible after the fiscal year end. When the minimum required contribution is not actually deposited to the fund, the contributions cannot be invested. Underfunding on this basis will cause the level of future minimum required contributions to rise.

Participant Data

During the year active membership decreased by 1 from 131 to 130 members due to 16 new hires, 13 non-vested terminations, 3 retirements, and 1 member who terminated with a benefit payable commencing in the future.

The following provides a summary comparing the actual and expected pay increases for the 12 month periods ending on the date specified.

Year Ended	Individual		Total Payroll
September 30,	Actual	Expected	Increase
2015	4.2%	6.0%	0.8%
2014	3.6%	6.0%	1.8%
2013	5.0%	6.0%	(3.9%)
2012	(4.9%)	6.0%	(1.2%)
2011	3.4%	6.0%	(5.2%)
2010	0.6%	6.0%	(2.8%)
2009	3.4%	6.0%	5.7%
2008	2.2%	6.0%	2.3%
2007	8.2%	6.0%	6.3%
2006	2.3%	6.0%	8.0%
Average:	2.7%	6.0%	1.1%

Pay increases were less than expected with the actual average pay increase amongst continuing actives at 4.2% in comparison to the 6.0% salary increase assumption. In addition, total payroll increased 1.1% on average over the last 10 years. As in the prior valuation, a 1.1% average payroll growth assumption is used to amortize unfunded accrued liability as a level percentage of pay per Florida Statues 112.64(5)(a).

Overall, there was a small demographic gain. Should a pattern of consistent gains or losses develop, assumptions will be adjusted as needed.

We recommend a review of actuarial experience be conducted.

Assets

The investment return on the Market Value of Assets was (0.03)% and the return on the Actuarial Value of Assets was 5.94%, each in comparison to the 8.0% net investment return assumed in the valuation of the Plan. Because the return on the Actuarial Value of Assets was less than the assumed rate of net investment return, there was an actuarial investment loss for the year ending September 30, 2015.

The table below provides a comparison of the investment return on the Market Value of Assets and the Actuarial Value of Assets in comparison to the investment return assumed in the valuation of the Plan.

12-Month Period Ended September 30,	% Market Return	% Actuarial Return	% Assumed Return
2015	(0.03)%	5.94 %	8.0 %
2014	9.69 %	7.45 %	8.0 %
2013	8.79 %	6.11 %	8.0 %
2012	12.07 %	1.82 %	8.0 %
2011	(2.70)%	1.37 %	8.0 %
2010	8.64 %	2.86 %	8.0 %
2009	2.84 %	2.53 %	8.0 %
2008	(12.30)%	(12.30)%	8.0 %
2007	9.28 %	9.28 %	8.0 %
2006	8.99 %	8.99 %	8.0 %
Average	4.26 %	3.22 %	8.0 %

Investment returns less than the assumed rate of return result in increased annual minimum required contributions in the future.

Plan Provisions

Ordinance 1672-2015 was adopted August 19, 2015 to clarify multiple beneficiaries may be selected when electing the 10-year certain and life form of benefit. An impact statement dated April 29, 2015 indicated this ordinance is not anticipated to have a material impact on the liability of the Plans.

Methods

Effective October 1, 2015 all changes to the Unfunded Accrued Liability are amortized over a 25 year period.

Assumptions

The mortality table continues to be based on the RP-2000 Combined Mortality Table (where disabled tables are used for disabled lives). Scale AA has been applied to reflect mortality improvements to the valuation year.

Section 2 Results Derivation

In this section, the assets and liabilities of the Plan are shown in detail. Assets and liabilities are then compared to determine the funded status and minimum funding requirements.

While asset information is based on the fair market value of assets, along with any techniques used to smooth out market fluctuations, liabilities are determined through a combination of the benefit provisions, participant census data which contains information for the members who will receive those benefits, and the methods and assumptions used with regard to how benefits will be paid to members. A summary of participant data, an outline of the benefit provisions, and a description of the methods and assumptions used in this valuation are described in Section 4.

Financial Information

Over the life of the Plan, the majority of assets are typically generated from investment return. In this section, we describe how the assets of the Plan are invested, show how the actuarial value of assets is derived, and review the investment results since the prior valuation.

Investment Allocation

Valuation Date	**October 1, 2014**		**October 1, 2015**	
Stocks	$8,888,592	69%	$8,962,523	68%
Fixed Income Securities	3,639,879	28%	3,721,744	28%
Cash and Cash Equivalents	223,279	2%	209,538	2%
Net Receivables	111,461	1%	283,588	2%
Fair Market Value of Assets	$12,863,211	100%	$13,177,393	100%

Reconciliation of Market Value of Assets

Year Ending September 30,			**2014**	**2015**
1.	**Market Value of Assets at Beginning of Year**		$11,561,929	$12,863,211
2.	Contributions			
	a.	Employer	$443,171	$562,320
	b.	Plan Members	244,731	249,718
	c.	Total Contributions	$687,902	$812,038
3.	Investment Income			
	a.	Realized Appreciation (Depreciation)	$22,121	$(17,612)
	b.	Unrealized Appreciation (Depreciation)	813,249	(293,724)
	c.	Interest plus Dividends	326,141	340,901
	d.	Investment Expense	(32,469)	(33,274)
	e.	Net Investment Income	$1,129,042	$(3,709)
4.	Deductions			
	a.	Benefits	$(337,298)	$(352,136)
	b.	Refund of Contributions	(80,160)	(77,550)
	c.	DROP Balance Disbursement	(20,805)	0
	d.	Administrative Expense	(77,399)	(64,461)
	e.	Total Deductions	$(515,662)	$(494,147)
5.	Net Increase		$1,301,282	$314,182
6.	**Market Value of Assets at End of Year**		$12,863,211	$13,177,393
7.	**Return on Market Value of Assets = 2I / (A + B – I)**		9.69 %	(0.03)%

Development of Actuarial Value of Assets

The Market Value of Assets is adjusted to recognize investment earnings greater than (or less than) the assumed net investment return over a five-year period. The Actuarial Value of Assets is no more than 120% and no less than 80% of the Market Value of Assets.

1.	Market Value of Assets as of October 1, 2015				$13,177,393
2.	Phase-In Gains (Losses) Over Five Year Period				
		Year Ending	Original Gain (Loss)	Percent Unrecognized	Unrecognized Gain (Loss)
	a.	September 30, 2015	$(1,045,482)	80%	$(836,386)
	b.	September 30, 2014	197,198	60%	118,319
	c.	September 30, 2013	83,980	40%	33,592
	d.	September 30, 2012	379,290	20%	75,858
	e.	Total			$(608,617)
3.	Preliminary Actuarial Value of Assets				$13,786,010
4.	Corridor Around Market Value				
	a.	Minimum = 80% of Market Value of Assets			$10,541,914
	b.	Maximum = 120% of Market Value of Assets			$15,812,872
	c.	Corridor Adjustment to Preliminary Actuarial Value			$0
5.	Actuarial Value of Assets as of October 1, 2015				$13,786,010

Development of Historical Gain or Loss on Market Value of Assets

Fiscal Year End		2015	2014
1.	Market Value of Assets - Beginning of Year	$12,863,211	$11,561,929
2.	Expected Interest on Assets	1,029,057	924,954
3.	Contributions	812,038	687,902
4.	Benefit Payments + Administrative Expenses	(494,147)	(515,662)
5.	Interest on items (3) and (4)	12,716	6,890
6.	Expected Value of Assets at End of Year	$14,222,875	$12,666,013
7.	Market Value of Assets - End of Year	$13,177,393	$12,863,211
8.	Gain (Loss) for Plan Year = (7) - (6)	$(1,045,482)	$197,198

Fiscal Year End		2013	2012
1.	Market Value of Assets - Beginning of Year	$10,534,827	$9,211,284
2.	Expected Interest on Assets	842,786	736,903
3.	Contributions	592,604	597,398
4.	Benefit Payments + Administrative Expenses	(496,127)	(398,023)
5.	Interest on items (3) and (4)	3,859	7,975
6.	Expected Value of Assets at End of Year	$11,477,949	$10,155,537
7.	Market Value of Assets - End of Year	$11,561,929	$10,534,827
8.	Gain (Loss) for Plan Year = (7) - (6)	$83,980	$379,290

Historical Asset Values

Value as of October 1,	Actuarial Value of Assets	Fair Market Value of Assets	% Market Return	% Actuarial Return	% Assumed Return
2015	$13,786,010	$13,177,393	(0.03)%	5.94 %	8.00 %
2014	12,703,666	12,863,211	9.69 %	7.45 %	8.00 %
2013	11,657,004	11,561,929	8.79 %	6.11 %	8.00 %
2012	10,892,465	10,534,827	12.07 %	1.82 %	8.00 %
2011	10,500,528	9,211,284	(2.70)%	1.37 %	8.00 %
2010	10,151,142	9,255,489	8.64 %	2.86 %	8.00 %
2009	9,602,509	8,259,764	2.84 %	2.53 %	8.00 %
2008	9,128,693	7,794,927	(12.30)%	(12.30)%	8.00 %
2007	8,707,729	8,707,729	9.28 %	9.28 %	8.00 %
2006	7,799,445	7,799,445	8.99 %	8.99 %	8.00 %

Historical Contribution Amounts

Year Ending September 30,	Employer	Members	Total
2015	$562,320	$249,718	$812,038
2014	443,171	244,731	687,902
2013	346,097	246,507	592,604
2012	337,661	259,737	597,398
2011	319,511	273,867	593,378
2010	322,259	276,215	598,474
2009	325,648	278,996	604,644
2008	314,021	267,851	581,872
2007	309,149	264,454	573,603
2006	267,948	229,908	497,856

Historical Deductions from Fund

Year Ending September 30,	Benefits	Refunds	Administrative Expense	Total
2015	$352,136	$77,550	$64,461	$494,147
2014	358,103	80,160	77,399	515,662
2013	370,923	59,986	65,218	496,127
2012	279,100	90,633	28,290	398,023
2011	256,780	74,856	53,144	384,780
2010	261,109	24,753	42,478	328,340
2009	267,531	59,106	37,771	364,408
2008	192,327	180,118	40,905	413,350
2007	295,747	57,920	43,549	397,216
2006	829,183	60,264	25,743	915,190

Present Value of Benefits

Valuation as of October 1,		2014	2015
1.	**Active Members**		
a.	Retirement Benefits	$9,787,873	$10,363,966
b.	Deferred Benefits	763,348	745,710
c.	Survivor Benefits	416,976	415,250
d.	Disability Retirement	466,778	462,697
e.	Total for Active Members	$11,434,975	$11,987,623
2.	**Inactive Members**		
a.	Retired Members	$7,012,618	$7,682,309
b.	Terminated members	162,662	91,499
c.	Beneficiaries	226,242	222,041
d.	Disability Retirement	170,373	167,840
e.	Total for Inactive Members	$7,571,895	$8,163,689
3.	**Present Value of Benefits**	$19,006,870	$20,151,312

Accrued Liability

Valuation as of October 1,			**2014**	**2015**
1.	**Active Members**			
	a.	Retirement Benefits	$7,203,980	$7,818,787
	b.	Deferred Benefits	93,425	83,543
	c.	Survivor Benefits	217,861	221,404
	d.	Disability Retirement	207,333	208,452
	e.	Total for Active Members	$7,722,599	$8,332,186
2.	**Inactive Members**			
	a.	Retired Members	$7,012,618	$7,682,309
	b.	Terminated members	162,662	91,499
	c.	Beneficiaries	226,242	222,041
	d.	Disability Retirement	170,373	167,840
	e.	Total for Inactive Members	$7,571,895	$8,163,689
3.	**Accrued Liability**		$15,294,494	$16,495,875

Normal Cost

Valuation as of October 1,			2014	2015
1.	**Preliminary Normal Cost**			
	a.	Retirement Benefits	$350,770	$352,437
	b.	Deferred Benefits	86,324	86,726
	c.	Survivor Benefits	27,860	27,808
	d.	Disability Retirement	35,552	35,329
	e.	Total	$500,506	$502,300
2.	**Total Normal Cost**			
	a.	Preliminary Normal Cost	$500,506	$502,300
	b.	Estimated Administrative Expense	77,399	64,461
	c.	Total Normal Cost	$577,905	$566,761
	d.	Total Normal Cost as a Percent of Pay	14.2%	13.8%
3.	**Employer Normal Cost**			
	a.	Preliminary Normal Cost	$500,506	
	b.	Actual Administrative Expense	64,461	
	c.	Actual Employee Contributions	(249,718)	
	d.	Employer Normal Cost	$315,249	
4.	**Valuation Payroll**		$4,068,272	$4,099,396

Unfunded Accrued Liability

Derivation of Unfunded Accrued Liability (UAL)

Unfunded Accrued Liability

1.	Accrued Liability	$16,495,875
2.	Actuarial Value of Assets	(13,786,010)
3.	Unfunded Accrued Liability	$2,709,865

Determination of Expected Unfunded Accrued Liability

1.	Unfunded Accrued Liability as of Prior Year	$2,590,828
2.	Interest for a full year on (1)	207,266
3.	Employer Normal Cost (Including Administrative Expenses) as of Prior Year	315,249
4.	Interest for a full year on (3)	25,220
5.	City Contribution	(562,320)
6.	Interest on Contribution for Time on Deposit	(22,493)
7.	Change in Plan, Methods or Assumptions	23,782
8.	Expected Unfunded Accrued Liability	$2,577,532

Calculation of (Gain) or Loss

1.	Actual Unfunded Accrued Liability	$2,709,865
2.	Expected Unfunded Accrued Liability	2,577,532
3.	Total (Gain) or Loss	$132,333

Reconciliation of Unfunded Accrued Liability

1.	Unfunded Accrued Liability as of Prior Year	$2,590,828
2.	Total Change in Unfunded Accrued Liability	
	a. Expected Change in Unfunded Accrued Liability	$(37,078)
	b. Change in Plan, Methods or Assumptions	23,782
	c. Change Due to (Gain) or Loss	
	i. Portion of (Gain) / Loss Due to Investments	$264,556
	ii. Portion of (Gain) / Loss Due to Demographic Experience	(132,223)
	iii. Total (Gain) or Loss	$132,333
	d. Total Change in Unfunded Accrued Liability	$119,037
3.	Unfunded Accrued Liability	$2,709,865

Amortization of Unfunded Liability

The Unfunded Actuarial Accrued Liability is being amortized as a level percentage of payroll based on the interest and payroll growth assumptions. Changes in the Unfunded Actuarial Accrued Liability due to plan changes, assumption changes, method changes, or gains and losses are all amortized over a 25 year period (30 years in the prior valuation).

Amortization Bases

	Effective 10/1	**Source**	**Original Balance**	**Remaining Balance**	**Adjusted Remaining Balance**	**Years Remain**	**1.1% Amortization Payment**
1.	2005	Method Change	$(387,558)	$(418,514)	$(413,486)	20	$(36,041)
2.	2006	Actuarial Loss	106,045	114,029	112,659	21	9,596
3.	2007	Actuarial Loss	131,907	140,939	139,246	22	11,614
4.	2008	Actuarial Loss	1,566,340	1,659,798	1,639,860	23	134,154
5.	2008	Method Change	5,097	5,400	5,335	23	436
6.	2008	Method Change	(1,333,766)	(1,413,345)	(1,396,367)	23	(114,235)
7.	2009	Actuarial Loss	317,686	333,283	329,279	24	26,464
8.	2010	Actuarial Loss	30,104	31,218	30,843	25	2,439
9.	2010	Plan Change	394,556	409,148	404,233	25	31,961
10.	2011	Actuarial Loss	548,021	560,910	554,172	26	43,161
11.	2012	Actuarial Gain	(66,804)	(67,398)	(66,588)	27	(5,115)
12.	2012	Asmp/Method Chg	810,340	817,538	807,717	27	62,040
13.	2013	Actuarial Loss	327,128	327,691	323,755	28	24,550
14.	2013	Update Mortality	21,426	21,462	21,204	28	1,608
15.	2014	Actuarial Loss	40,289	40,287	39,803	29	2,983
16.	2014	Update Mortality	22,355	22,354	22,085	29	1,655
17.	2015	Actuarial Loss	132,333	132,333	132,333	25	10,463
18.	2015	Update Mortality	23,782	23,782	23,782	25	1,880

Scheduled Amortization Payment				$209,613
Outstanding Bases	$2,740,915	$2,709,865		
Unfunded Accrued Liability	$2,709,865	$2,709,865		

Projected Unfunded Accrued Liability and Amortization Payments

Plan Year Beginning October 1	Total Outstanding Bases	Total Amortization Payment
2015	$2,709,865	$209,613
2016	2,700,272	211,919
2017	2,687,421	214,250
2018	2,671,025	216,607
2019	2,650,772	218,989
2020	2,626,325	221,398
2021	2,597,321	223,834
2022	2,563,366	226,298
2023	2,524,034	228,783
2024	2,478,871	231,302
2025	2,427,374	233,846
2026	2,369,011	236,418
2027	2,303,200	239,020
2028	2,229,314	241,649
2029	2,146,679	244,307
2030	2,054,561	246,992
2031	1,952,175	249,707
2032	1,838,665	252,456
2033	1,713,106	255,235
2034	1,574,501	258,041
2035	1,421,777	305,737
2036	1,205,322	297,025
2037	980,961	285,517
2038	751,080	262,477
2039	527,691	230,957
2040	320,473	172,052
2041	160,295	116,581
2042	47,211	41,378
2043	6,300	6,300
2044	0	0

Actions Taken to Reduce Unfunded Actuarial Accrued Liability

The required contributions calculated each year include a payment for the amortization of the unfunded actuarial accrued liability. This payment is designed to reduce the unfunded actuarial accrued liability in an orderly fashion over the next 25 years (30 years in the prior valuation).

Minimum Funding Requirements

Determination of Required Contribution

Valuation as of October 1, **Funding for Year Ending September 30,**	**2014** **2015**	**2015** **2016**
1. **Determination of Minimum Required Contribution**		
a. Total Normal Cost	$577,905	$566,761
b. Amortization of Unfunded Accrued Liability	197,495	209,613
c. Beginning of Year Contribution	$775,400	$776,374
d. Interest for Monthly Payments	31,016	31,055
e. Minimum Required Contribution Payable Monthly	$806,416	$807,429
f. Percent of Pay	19.82%	19.70 %
2. **Computation of Expected Member Contributions**		
a. Expected Member Contributions	$244,096	$245,964
b. Percent of Pay	6.00%	6.00 %
3. **City Policy Contribution**		
a. City Policy Contribution	$562,320	$561,465
b. Percent of Valuation Payroll	13.82%	13.70 %
4. **Valuation Payroll**	$4,068,272	$4,099,396

Note: The $561,465 minimum funding requirement must be deposited during fiscal 2016 on at least a quarterly basis. The quarterly requirement is $140,366.

Reconciliations

Reconciliation of Funded Status

	Unfunded Accrued Liability	Funded Percentage	Change in Unfunded Accrued Liability	Change in Funded Percentage
As of Prior Valuation	**$2,590,828**	**83.06 %**		
Changes in due to:				
Normal Operation of Plan	2,553,750	84.62 %	$(37,078)	1.56 %
Investment Loss	2,818,306	83.03 %	264,556	(1.59)%
Demographic Gain	2,686,083	83.69 %	(132,223)	0.66 %
Mortality Improvement	2,709,865	83.57 %	23,782	(0.12)%
Total Changes			$119,037	0.51 %
As of Current Valuation	**$2,709,865**	**83.57 %**		

Reconciliation of City Minimum Funding Requirement

	Dollar Amount	% of Pay
As of Prior Valuation	**$562,320**	**13.82 %**
Changes in Contribution due to:		
Normal Operation of Plan	$6,185	0.00 %
Change in Expenses	(13,455)	(0.33)%
Investment Loss	21,753	0.53 %
Demographic Gain	(18,175)	(0.39)%
Mortality Improvement	2,837	0.07 %
Total Changes	$(855)	(0.12)%
As of Current Valuation	**$561,465**	**13.70 %**

Section 3 Accounting Information

Information Required by GASB 67/68

A supplemental report provides information under the Governmental Accounting Standards Board No. 67/68.

Statement of Accumulated Plan Benefits

The present value of accrued benefits is an estimate of the liability for all benefits accrued to date.

Valuation as of October 1,	2014	2015
1. Actuarial present value of accumulated benefits		
a. Participants currently receiving benefits	$7,409,233	$8,072,190
b. Other participants	5,041,294	5,503,746
c. Vested participants	$12,450,527	$13,575,936
d. Nonvested participants	1,112,910	1,103,164
e. Total	$13,563,437	$14,679,100
2. Change in actuarial present value of accumulated benefits		
a. Actuarial present value of accumulated benefits beginning of year		$13,563,437
b. Increase (decrease) during year attributable to:		
i. Plan amendment		$0
ii. Change in assumptions or methods		20,976
iii. Increase for interest and probability of payment due to decrease in discount period and benefits accrued		1,524,373
iv. Benefits paid		(429,686)
v. Other		0
vi. Net increase (decrease)		$1,115,663
c. Actuarial present value of accumulated benefits end of year		$14,679,100

Other Disclosures Required by the State of Florida

Valuation as of October 1,	2014	2015
Present value of active member:		
Future salaries (attained age)	$31,174,918	$30,878,566
Future contributions (attained age)	$1,870,495	$1,852,714
Balance of contributions with interest for actives	$2,658,556	$2,857,487

Required Disclosure Under F.S. 112.664(1)

As required under F.S. Section 112.664(1) we have produced the following information:

(a) Total pension liability calculated assuming mortality under the RP-2000 Combined Mortality Table for healthy participants (by gender) with fully generational projection using Scale AA.

(b) Total pension liability calculated using an assumed interest rate that is 200 basis points lower than that assumed in the valuation of the Plan.

(c) Determination of the number of months or years for which the current market value of assets is adequate to sustain the payment of expected retirement benefits.

(d) Recommended contribution to the Plan using the most recent valuation and the contributions necessary prepared pursuant to (a) and (b) stated as a dollar amount and % of payroll.

	RP 2000 Fully Generational Scale AA			Actual Valuation Results - 8.0% and RP-2000 Projected to 2015 Using Scale AA
	2% Decrease (6.00%)	Current Discount Rate (8.00%)	2% Increase (10.00%)	
Total pension liability	$20,951,903	$16,892,648	$13,980,831	$16,495,875
Plan fiduciary net position	(13,177,393)	(13,177,393)	(13,177,393)	(13,177,393)
Net pension liability	$7,774,510	$3,715,255	$803,438	$3,318,482
Plan fiduciary net position as a percentage of the total pension liability	62.89%	78.01%	94.25%	79.88%
Years of benefit payments:				
Expected for current members:	98	98	98	97
Paid for with current assets:	12.80	15.18	19.24	15.31
City Plus State Contribution Requirement, Plus Expected Employee Contributions				
Dollar Amount	$1,347,396	$861,545	$472,998	$807,429
Percent of Payroll	32.87%	21.02%	11.54%	19.70%

Required Disclosure Under F.S. 112.664(2)(b)2.

F.S. Section 112.664(2)(b)2. - For the previous five years, beginning with 2013, a side-by-side comparison of the plan's assumed rate of return compared to the actual rate of return, as well as the percentages of cash, equity, bond and alternative investments in the plan portfolio.

Year Ending September 30,	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Assumed rate of return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Actual rate of return	(0.0%)	9.7%	8.8%	12.1%	(2.7%)	8.6%
Percentages of assets in:						
Cash	2%	2%	0%	5%	4%	5%
Equity	68%	69%	59%	56%	52%	55%
Bond	28%	28%	41%	39%	45%	40%
Alternative	2%	1%	0%	0%	(1%)	0%
Total	100%	100%	100%	100%	100%	100%

Section 4 Supplementary Information

Summary of Participant Data

Valuation as of October 1,	**2014**	**2015**
Active Participants		
Number	131	130
Average Age	46.3	46.4
Average Credited Service	8.7	9.0
Percent Male	74.8	74.6
Average Valuation Salary	$31,629	$32,487
Total Valuation Salary	$4,143,350	$4,223,311
Payroll Covered in Valuation	$4,068,272	$4,099,396
Terminated With Rights to Deferred Benefits		
Number	3	3
Average Age	49.8	47.3
Percent Male	100.0	66.7
Average Monthly Benefit	$1,174	$829
DROP Participants		
Number	11	11
Average Age	61.9	62.9
Percent Male	72.7	72.7
Average Monthly Benefit	$2,683	$2,683
Total of DROP Account Balances September 30	$689,103	$1,033,753

Valuation as of October 1,	2014	2015
Service Retirements		
Number	22	26
Average Age	72.2	71.4
Percent Male	77.3	80.8
Average Monthly Benefit	$1,097	$1,055
Beneficiaries		
Number	5	5
Average Age	70.8	71.8
Percent Male	20.0	20.0
Average Monthly Benefit	$427	$427
Disability Retirements		
Number	4	4
Average Age	64.5	65.5
Percent Male	75.0	75.0
Average Monthly Benefit	$458	$458
Total In Payment Status		
Number	31	35
Average Age	71.0	70.8
Percent Male	67.7	71.4
Average Monthly Benefit	$907	$897

Number of Active Members by Age and Service as of October 1, 2015

	Service									
Age	< 1	< 5	< 10	< 15	< 20	< 25	< 30	< 35	< 40	Total
< 20										
< 25	6	4								10
< 30	2	4	5	1						12
< 35	3	5	3							11
< 40	1	2	2	3						8
< 45		2	3	4						9
< 50	1	4	2	4	3		2			16
< 55		5	5	2	2	3		2	1	20
< 60	1	9	6	4	4	1	3			28
< 65	1	1	5	2	3	2	1			15
65+			1							1
Total	15	36	32	20	12	6	6	2	1	130

Active Valuation Pay by Age and Service as of October 1, 2015

	Service									
Age	< 1	< 5	< 10	< 15	< 20	< 25	< 30	< 35	<40	Total
< 20										
< 25	22,871	21,693								22,400
< 30	21,424	25,820	30,375	30,274						27,356
< 35	21,960	24,675	33,354							26,301
< 40	23,031	28,252	34,268	34,688						31,517
< 45		23,333	28,166	39,246						32,016
< 50	23,566	31,981	32,139	32,337	35,347		50,117			34,462
< 55		31,254	31,031	29,997	35,293	40,658		56,949	67,828	37,285
< 60	26,426	25,548	27,528	31,942	42,912	42,177	41,305			31,680
< 65	20,888	24,565	39,004	36,624	58,027	44,527	33,175			40,669
65+			47,271							47,271
Total	22,658	26,536	32,246	34,084	43,530	42,201	42,887	56,949	67,828	32,487

Reconciliation of Plan Participants

	Active	Retired	DROP	Deferred Vested	Disabled	Survivor	Totals
October 1, 2011	**145**	**19**	**1**	**1**	**4**	**5**	**175**
Active							
To DROP	(6)		6				0
To Retired	(1)	1					0
To Terminated Vested	(1)			1			0
To Refund of Contribs	(16)	(1)					(17)
Additions	15						15
October 1, 2012	**136**	**19**	**7**	**2**	**4**	**5**	**173**
Active							
To DROP	(2)		2				0
To Retired	(3)	3					0
To Terminated Vested	(1)			1			0
To Refund of Contribs	(16)						(16)
To Paid Lump Sum	(1)						(1)
Retired							
To Death		(1)					(1)
DROP							
To Retired		1	(1)				0
Additions	14	0	0	0	0	1	15
October 1, 2013	**127**	**22**	**8**	**3**	**4**	**6**	**170**
Active							
To DROP	(3)		3				0
To Refund of Contribs	(12)						(12)
Survivor							
To Death						(1)	(1)
Additions	19	0	0	0	0	0	19
October 1, 2014	**131**	**22**	**11**	**3**	**4**	**5**	**176**
Active							
To Retired	(3)	3					0
To Terminated Vested	(1)			1			0
To Refund of Contribs	(13)						(13)
Deferred Vested							
To Retired		1		(1)			0
Additions	16	0	0	0	0	0	16
October 1, 2015	**130**	**26**	**11**	**3**	**4**	**5**	**179**

Outline of Plan Provisions

Plan Type: Single-employer Defined Benefit Pension Plan

Legal Authority: The Plan was established and is amended by local ordinance.

Effective Date: November 1, 1969. Amended and restated effective October 1, 1999 and subsequently amended by Ordinance No. 1243-2001, 1336-2004, 1366-2005, 1492-2008, 1520-2009, 1567-2010, 1569-2010, 1641-2013, 1644-2014, 1662-2014, and 1672-2015.

Plan Administrator: The Board of Trustees

Board Composition: Two members are elected from among the general employees of the City, who are members of the plan, two city residents appointed by the Commission and one person is chosen by a majority of the previous four members.

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended by ordinance.

Plan Year: The 12-month period from October 1st to the next September 30th.

Member: Full-time General or Waste Water employees (excluding the Mayor, City Council, City Attorney and assistants) participate in the Plan immediately upon hire.

Credited Service: Employee service computed in years and completed calendar months.

Vesting: Members become 100% vested after earning 10 years of Credited Service.

Basic Compensation: Total compensation actually paid in a Plan Year by the City including tax deferred compensation and excluding overtime, commissions, bonuses, expense allowances and payment for accrued annual leave, accrued sick leave, and accrued compensatory leave.

Employee Contributions: 6.0% of Basic Compensation credited with 5% interest compounded annually. Members receive benefits under the Plan no less than the value of their accumulated Employee Contributions with interest.

Members who terminate non-vested are entitled to the return of Employee Contributions accumulated with interest at 5% to the first day of the month in which termination occurs.

Average Monthly Compensation: The sum of the highest five successive Plan Years of Basic Compensation in the last ten Plan Years of employment divided by 60.

Normal Retirement Date: The first day of the month coincident with or next following attainment of age 65 and 10 years of Credited Service.

Accrued Benefit: The amount of monthly retirement income payable at the Normal Retirement Date is determined according to the following formula:

2.75% x Average Monthly Compensation x Credited Service up to 30 years

The Accrued Benefit is payable in the form of a life only annuity. However, any member with a spouse shall receive an actuarially equivalent 50% joint and survivor annuity unless the member chooses another Optional Form of Retirement Income with spousal consent.

Members who terminate employment 100% vested prior the Normal Retirement Date are eligible to receive their Accrued Benefit once the age requirements for the Normal Retirement Date are met, provided Employee Contributions remain in the Plan.

Late Retirement Benefit: The amount of monthly retirement income payable to a Member who retires after the Normal Retirement Date is the greater of (i) the monthly retirement income which can be provided by the single-sum value of the Accrued Benefit payable if he had retired at the Normal Retirement Date, accumulated with interest from the Normal Retirement Date to the date the monthly retirement income payments are to commence, and (ii) the monthly retirement income computed as described for the Accrued Benefit using Credited Service and Average Monthly Compensation determined at the Member's actual retirement date.

Early Retirement Date: The first day of the month coincident with or next following the date an employee retires prior to the Normal Retirement Date after attainment of age 55 and 10 years of Credited Service.

Early Retirement Benefit: The Accrued Benefit is reduced for commencement earlier than the Normal Retirement Date at a rate of 5/9% for the first 60 months and 5/18% thereafter. However, the minimum monthly retirement income for a Member who retires before the Normal Retirement Date with 25 years Credited Service is 60% x Average Monthly Compensation.

Members who terminate employment 100% vested prior to reaching the Early Retirement Date age requirements may elect to receive an Early Retirement Benefit once the age requirements are met, provided Employee Contributions remain in the Plan.

Members who terminate employment 100% vested prior the Normal Retirement Date but on or after their Early Retirement Date but do not commence receipt of an Early Retirement Benefit at that time will receive a monthly retirement income not less than the monthly retirement income which can be provided by the single-sum value of the monthly early retirement income which would have been payable if he had retired immediately upon termination, accumulated with interest from termination to the date the monthly retirement income payments are to commence.

Members who recover from Disability Retirement and who were eligible for an Early Retirement Benefit at the date of disability may elect to receive this benefit upon recovery from disability.

Disability Retirement: This benefit is payable from the first day of the month coincident with or next following the date the Retirement Committee approves the Member's Disability Retirement. The benefit is payable in the form of a 10 year certain and continuous annuity. The last payment is that due next preceding the earlier of (1) the date of recovery prior to the Normal Retirement Date and (2) the later of the date of death or the 120th payment. The amount of monthly retirement income is determined as follows:

(a) Non-Line of Duty: Members with less than 10 years of Credited Service upon disability receive a monthly retirement income which can be provided by the greater of (i) the single-sum value of the Accrued Benefit and (ii) 2 x Basic Compensation paid in the Plan Year immediately preceding disability. The monthly retirement income which can be provided by (ii) is limited to 60% x Anticipated Monthly Retirement Income at the Normal Retirement Date.

(b) Non-Line of Duty: Members with 10 years of Credited Service or more upon disability receive a monthly retirement income which is the greater of (i) the monthly retirement income which can be provided by the single-sum value of the Accrued Benefit and (ii) 30% x Basic Compensation paid in the Plan Year immediately preceding disability where the single-sum value of this monthly amount does not exceed 100 x the Anticipated Monthly Retirement Income at the Normal Retirement Date.

(c) Line of Duty: Members receive a monthly retirement income which is 50% x Basic Compensation paid in the Plan Year immediately preceding disability where the single-sum value of this monthly amount does not exceed 100 x the Anticipated Monthly Retirement Income at the Normal Retirement Date.

Members who recover from disability and re-enter the service of the City within 30 days of recovery will be deemed to have continuous service except that the period beginning with the first month for which Disability Retirement income was received and ending with the date of service re-entry is not considered as Credited Service.

Anticipated Monthly Retirement Income at the Normal Retirement Date: Determined as described for the Accrued Benefit, but instead using Anticipated Credited Service and Anticipated Average Monthly Compensation. Anticipated Credited Service is employee service computed in years and completed calendar months as if the member remains employed to the Normal Retirement Date. Anticipated Average Monthly Compensation is computed assuming that the last complete Plan Year of Basic Compensation is paid in each Plan Year, without change, to the Normal Retirement Date.

Survivor Benefit at Death of Disabled Member Prior to Disability Retirement: The designated beneficiary of a disabled Member who dies prior to receipt of Disability Retirement benefits is eligible to receive a monthly retirement income payable in the form of a 10 year certain and continuous annuity payable commencing on the first of the month coincident with or next following the date of the disabled Member's death. The designated beneficiary will receive a monthly retirement income which can be provided by the greater of (i) the single-sum value of the Accrued Benefit and (ii) 2 x Basic Compensation paid in the Plan Year immediately preceding disability not more than 100 x Anticipated Monthly Retirement Income at the Normal Retirement Date.

Survivor Benefit at Death of Vested Terminated Members: The designated beneficiary of vested Member who dies prior to retirement is eligible to receive a monthly retirement income payable in the form of a 10 year certain and continuous annuity payable commencing on the first of the month coincident with or next following the Member's death, which can be provided by the single-sum value of the Member's Accrued Benefit or Early Retirement Benefit.

Survivor Benefit at Death of Active Employee Prior to Normal Retirement Date: The designated beneficiary of a Member who dies while in active service prior to the Normal Retirement Date is eligible to receive, commencing on the first of the month coincident with or next following the Member's death, a monthly retirement income (payable in the form of a 10 year certain and continuous annuity) which can be provided by the greater of (i) the single-sum value of the Accrued Benefit as of the date of death, not less than the single-sum value of the Early Retirement Benefit which would have been payable if the Member had retired early on the date of death, and (ii) 2 x Basic Compensation paid in the Plan Year immediately preceding death not more than 100 x Anticipated Monthly Retirement Income at the Normal Retirement Date.

Survivor Benefit at Death of Active Employee After Normal Retirement Date: The designated beneficiary of a Member who dies while in active service after the Normal Retirement Date is eligible to receive, commencing on the first of the month coincident with or next following the Member's death, a monthly retirement income (payable in the form of a 10 year certain and continuous annuity) which can be provided by the single-sum value of the Late Retirement Benefit.

Optional Forms of Retirement Income: In addition to the life only form of annuity, also available under the terms of the Plan are the 10 year certain and continuous annuity and the joint and 50%, 66 2/3%, 75%, or 100% survivor annuity. With the joint and survivor options, the member may also elect the pop-up feature. The Plan also allows for other amounts and forms of retirement income that will meet the circumstances of the Participant, in the opinion of the Retirement Committee, and will not substantially affect the actuarial soundness of the Plan. Ordinance 1641-2013 was adopted December 18, 2013. Members may no longer be paid their retirement income in a lump sum under Section 3.1, Option 3.

Deferred Retirement Option Program (DROP): Members are eligible to enter the DROP at age 55 with 25 years of service. The Accrued Benefit is frozen and no further Employee Contributions are payable at DROP entry. The Accrued Benefit accumulates with interest in the DROP account and is payable as a single-lump sum (or as an actuarially equivalent annuity) upon DROP exit. The DROP account earns interest at a rate equal to the funds net rate of investment return minus administration fees, unless the DROP participant, as a one-time irrevocable option, elects a self-directed DROP as approved by the board of trustees. The maximum DROP participation duration is 5 years and participation will end if the employee resigns, dies or is terminated with cause prior to completion of the 5 years.

Description of Assumptions and Methods

Assumed Rate of Investment Return: 8.0% per year net of investment expenses

Salary Increase – Individual: 6.0% per year

Salary Increase – Total Payroll: 1.1% per year

Inflation: 2.5% per year

Mortality: RP-2000 Combined Mortality Table projected to the valuation year using Scale AA. Disabled tables are used for disabled lives.

Retirement: Members are assumed to retire at a rate of 100% at either 65 and 10 years of service or 55 and 25 years of service, whichever decrement produces the higher liability.

Termination: Sex distinct rates as used for regular employees in the Florida Retirement System actuarial valuation report as of July 1, 2005. Linear interpolation has been used between the rates shown in five year age increments, as follows:

Male Age by Service Values:

Age	0	1	2	3	4	5	6	7	8	9	>=10
20	32.8%	31.8%	25.2%	18.4%	15.8%	13.3%	12.4%	11.7%	11.0%	10.5%	10.9%
25	27.2%	23.2%	19.1%	14.6%	12.7%	11.0%	9.4%	8.8%	7.7%	6.6%	6.9%
30	25.8%	19.2%	15.5%	13.2%	11.8%	10.0%	8.6%	7.5%	6.4%	5.8%	5.2%
35	25.8%	17.9%	14.2%	12.6%	10.9%	9.7%	8.3%	7.2%	6.2%	5.6%	4.7%
40	24.4%	15.8%	12.0%	10.7%	9.0%	8.4%	7.5%	6.6%	5.8%	5.5%	3.3%
45	24.4%	15.7%	11.6%	10.3%	8.8%	7.7%	7.2%	6.3%	5.7%	5.4%	3.0%
50	23.4%	15.2%	10.7%	9.4%	7.9%	6.9%	6.1%	5.6%	5.1%	4.8%	3.3%
55	27.4%	18.4%	14.1%	12.4%	9.9%	8.9%	6.4%	5.5%	4.9%	5.0%	5.0%
60	27.4%	18.4%	14.1%	12.3%	9.7%	8.8%	6.3%	5.4%	4.8%	4.9%	5.9%
65+	27.4%	18.4%	14.1%	12.3%	9.7%	8.8%	6.3%	5.4%	4.8%	4.9%	4.1%

Female Age by Service Values:

Age	0	1	2	3	4	5	6	7	8	9	>=10
20	31.9%	28.6%	23.3%	18.3%	15.4%	15.3%	12.4%	11.9%	11.6%	11.3%	11.6%
25	28.0%	22.0%	18.0%	14.7%	12.9%	12.2%	10.5%	9.7%	8.6%	7.9%	5.3%
30	26.7%	18.8%	15.3%	13.2%	11.3%	10.7%	9.5%	8.5%	7.9%	7.2%	5.4%
35	26.7%	17.7%	14.2%	12.6%	10.9%	10.2%	9.2%	8.2%	7.5%	6.9%	4.6%
40	25.7%	15.5%	12.1%	10.6%	9.1%	8.0%	7.2%	6.6%	6.0%	5.5%	3.3%
45	25.7%	15.4%	11.9%	10.3%	8.8%	7.7%	7.0%	6.4%	5.8%	5.3%	3.0%
50	24.4%	14.8%	11.5%	9.2%	8.4%	7.0%	6.5%	5.8%	5.5%	5.1%	3.2%
55	27.8%	17.6%	13.7%	11.3%	9.7%	8.3%	7.0%	6.3%	6.0%	5.6%	5.4%
60	27.8%	17.6%	13.7%	11.2%	9.6%	8.2%	6.9%	6.2%	5.9%	5.4%	7.2%
65+	27.8%	17.6%	13.7%	11.2%	9.6%	8.2%	6.9%	6.2%	5.9%	5.4%	4.1%

Disability: Sex distinct rates as used for regular employees in the Florida Retirement System actuarial valuation report as of July 1, 2005. Linear interpolation has been used between the rates shown in five year age increments, as follows:

	Line-of-Duty			Not Line-of-Duty	
Age	Male	Female	Age	Male	Female
20	0.004%	0.001%	20	0.000%	0.000%
25	0.006%	0.002%	25	0.030%	0.010%
30	0.010%	0.007%	30	0.058%	0.026%
35	0.018%	0.010%	35	0.073%	0.049%
40	0.029%	0.016%	40	0.102%	0.075%
45	0.044%	0.022%	45	0.188%	0.165%
50	0.069%	0.035%	50	0.313%	0.285%
55	0.095%	0.049%	55	0.523%	0.478%
60	0.099%	0.044%	60	0.687%	0.599%
65+	0.004%	0.001%	65+	0.239%	0.150%

Funding Method: Entry Age Normal (level percent of salary)

Glossary of Actuarial Terms

Present Value of Benefits (PVB): The present value, as of the valuation date, of all benefits that will become payable by the Plan for the current group of members in the census.

Normal Cost (NC): The value of the portion of the total benefit for active members which accrues in the year following the valuation date. Under the Entry Age Normal (Level Percent of Salary) funding method, the NC is a constant fraction of salary from the member's date of entry into the Plan to the member's assumed date of termination, retirement, disability or death.

Accrued Liability (AL): This is the portion of the PVB attributable to the past at the valuation date. For active members, AL is the annual NC accumulated from date of entry to the valuation date for each member. For retired and terminated members, the PVB and the AL are equal. The AL is the estimated liability owed by the pension fund at the valuation date.

Unfunded Accrued Liability (UAL): Any excess of the Accrued Liability over the fund assets. A negative UAL indicates fund assets are greater than the Accrued Liability, otherwise known as a surplus.

Actuarial Value of Assets: The value of assets used in the actuarial valuation of the Plan which is compared to the AL to determine the UAL and minimum funding requirements. A method may be used to smooth out short term volatility in the fair market value of assets.