

CITY OF SANIBEL  
GENERAL EMPLOYEES' RETIREMENT PLAN

ACTUARIAL VALUATION REPORT  
AS OF OCTOBER 1, 2013

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

January 27, 2014

Board of Trustees  
City of Sanibel  
General Employees' Retirement Plan  
800 Dunlop Road  
Sanibel, FL 33957-4096

Re: City of Sanibel  
General Employees' Retirement Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Sanibel General Employees' Retirement Plan. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

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

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Sanibel, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Sanibel General Employees' Retirement Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

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

Respectfully submitted,

Foster & Foster, Inc.

By:



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

DHL/lke

Enclosures

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## SUMMARY OF REPORT

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

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

Valuation Date	10/1/2012	10/1/2013
Applicable to Plan/Fiscal Year Ending	<u>9/30/2014</u>	<u>9/30/2015</u>
Total Required Contribution		\$1,697,685
% of Projected Annual Payroll	131.85%	
Member Contributions (Est.)		68,370
% of Projected Annual Payroll	5.00%	
Balance from City <sup>1</sup>		\$1,629,315
% of Projected Annual Payroll	126.85%	

<sup>1</sup> Plan funding remains as a percentage of payroll for the fiscal year ending September 30, 2014. Dollar funding is applicable to the fiscal year ending September 30, 2015.

Experience since the prior valuation has been more favorable than expected, on the basis of the Plan's actuarial assumptions. The primary sources of favorable experience included a 13.0% investment return (Actuarial Asset Value Basis), exceeding the 6.75% assumption, and a 1.4% decrease in average pensionable compensation. These gains were partially offset by lower than expected turnover for the non-Opt Out Group.

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

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
Douglas H. Lozen, EA, MAAA

By:   
Drew D. Ballard, B.S.

### Plan Changes Since Prior Valuation

There have been no changes in benefits since the prior valuation.

### Actuarial Assumption/Method Changes Since Prior Valuation

- In conjunction with this valuation of the Plan, turnover rates for Members who continue to accrue benefits were reduced by 50%.
- In conjunction with this valuation of the Plan, funding requirements are now expressed as a dollar amount, applicable to the fiscal year beginning October 1, 2014. Plan funding remains as a percentage of payroll for the fiscal year beginning October 1, 2013.
- Mortality rates are based on the RP2000 Combined Healthy Table, projected to 2013 with Schedule AA. The prior valuation projected rates to 2012.

## COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assum. <u>10/1/2013</u>	Prior Assum. <u>10/1/2013</u>	Prior Assum. <u>10/1/2012</u>
A. Participant Data			
Number Included			
Actives	25	25	26
Service Retirees	62	62	55
DROP Retirees	3	3	5
Beneficiaries	0	0	0
Terminated Vested	<u>69</u>	<u>69</u>	<u>74</u>
Total	159	159	160
Total Annual Payroll	\$1,274,340	\$1,274,340	\$1,325,935
Payroll Under Assumed Ret. Age	1,274,340	1,274,340	1,325,935
Annual Rate of Payments to:			
Service Retirees	1,253,682	1,253,682	1,046,925
DROP Retirees	19,791	19,791	100,402
Beneficiaries	0	0	0
Terminated Vested	1,127,581	1,127,581	1,263,083
B. Assets			
Actuarial Value <sup>1</sup>	21,346,473	21,346,473	18,689,248
Market Value <sup>1</sup>	21,346,473	21,346,473	18,689,248
C. Liabilities			
Present Value of Benefits			
Active Members			
Retirement Benefits	3,436,372	3,074,911	2,839,043
Death Benefits	37,616	29,487	29,102
Vested Benefits	558,446	720,202	763,684
Refund of Contributions	1,718	2,831	7,843
Service Retirees	15,306,403	15,306,403	12,545,984
DROP Retirees <sup>1</sup>	378,615	378,615	1,676,386
Beneficiaries	0	0	0
Terminated Vested	<u>9,845,257</u>	<u>9,845,257</u>	<u>10,825,205</u>
Total	29,564,427	29,357,706	28,687,247

	New Assum. <u>10/1/2013</u>	Prior Assum. <u>10/1/2013</u>	Prior Assum. <u>10/1/2012</u>
C. Liabilities - (Continued)			
Present Value of Future Salaries	7,953,459	6,410,098	7,195,750
Present Value of Future Member Cont.	397,673	320,505	359,788
Normal Cost (Entry Age Normal)			
Retirement Benefits	142,926	106,934	110,589
Death Benefits	2,057	1,429	1,426
Vested Benefits	34,903	41,596	46,436
Refund of Contributions	450	864	2,556
Total Normal Cost	<u>180,336</u>	<u>150,823</u>	<u>161,007</u>
Present Value of Future Normal Costs	811,215	543,759	621,489
Actuarial Accrued Liability (Entry Age Normal)			
Retirement Benefits	2,877,231	2,762,769	2,481,698
Death Benefits	25,394	23,115	21,978
Vested Benefits	319,986	497,117	512,349
Refund of Contributions	326	671	2,158
Inactives <sup>1</sup>	25,530,275	25,530,275	25,047,575
Total Actuarial Accrued Liability	<u>28,753,212</u>	<u>28,813,947</u>	<u>28,065,758</u>
Unfunded Actuarial Accrued Liability (UAAL)	7,406,739	7,467,474	9,376,510
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives <sup>1</sup>	25,530,275	25,530,275	25,047,575
Actives	2,258,672	2,307,419	1,939,449
Member Contributions	454,037	454,037	391,766
Total	<u>28,242,984</u>	<u>28,291,731</u>	<u>27,378,790</u>
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>	<u>124,227</u>
Total Present Value Accrued Benefits	28,242,984	28,291,731	27,503,017
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(48,747)	0	
New Accrued Benefits	0	487,326	
Benefits Paid	0	(1,504,296)	
Interest	0	1,805,684	
Other	0	0	
Total:	<u>(48,747)</u>	<u>788,714</u>	

	New Assum.	Prior Assum.	Prior Assum.
Valuation Date	10/1/2013	10/1/2013	10/1/2012
Applicable to Fiscal Year Ending	<u>9/30/2015</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
E. Pension Cost			
Normal Cost <sup>2</sup>	193,506	161,838	
% of Total Annual Payroll			12.55
Administrative Expense <sup>2</sup>	33,510	33,510	
% of Total Annual Payroll			2.13
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 10 years <sup>2</sup> (as of 10/1/13)	1,470,669	1,479,261	
% of Total Annual Payroll			117.17
Total Required Contribution	1,697,685	1,674,609	
% of Total Annual Payroll			131.85
Expected Member Contributions <sup>2</sup>	68,370	68,370	
% of Total Annual Payroll			5.00
Expected City Contributions	1,629,315	1,606,239	
% of Total Annual Payroll			126.85
F. Past Contributions			
Plan Years Ending:	<u>9/30/2013</u>		
Total Required Contribution	1,733,311		
City Requirement	1,668,403		
Actual Contributions Made:			
City Members	1,691,261		
	<u>64,908</u>		
Total	1,756,169		
G. Net Actuarial Gain (Loss)	922,996		

<sup>1</sup> The asset values and liabilities for DROP Member include accumulated DROP Balances as of 9/30/12 and 9/30/13.

<sup>2</sup> Contributions developed as of 10/1/13 above have been adjusted to account for assumed interest and salary increase components.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2013	7,406,739
2014	6,443,606
2015	5,415,462
2016	4,317,919
2017	3,146,290
2018	1,895,580
2023	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	-1.4%	3.9%
Year Ended	9/30/2012	1.9%	3.9%
Year Ended	9/30/2011	0.2%	4.8%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2013	13.0%	6.75%
Year Ended	9/30/2012	4.1%	7.50%
Year Ended	9/30/2011	-3.1%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2013	\$1,274,340
	10/1/2003	3,592,100
(b) Total Increase		-64.5%
(c) Number of Years		10.00
(d) Average Annual Rate		-9.8%

## STATEMENT BY ENROLLED ACTUARY

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

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

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES AND  
DERIVATION OF ACTUARIAL (GAIN)/LOSS

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2012	\$9,376,510
(2)	Sponsor Normal Cost developed as of October 1, 2012	94,710
(3)	Expected Administrative Expenses during fiscal 2013	27,360
(4)	Interest on (1), (2), and (3)	640,231
(5)	Sponsor Contributions to the System during the year ending September 30, 2013	1,691,261
(6)	Interest on (5)	57,080
(7)	Expected Unfunded Actuarial Accrued Liability as of October 1, 2013 [(1)+(2)+(3)+(4)-(5)-(6)]	8,390,470
(8)	Change to UAAL due to Actuarial (Gain)/Loss	(922,996)
(9)	New UAAL due to Change in Turnover Assumption	(60,735)
(10)	Unfunded Accrued Liability as of October 1, 2013	7,406,739

	Date Established	Years Remaining	10/1/2013 Amount	Amortization Amount
method change	10/1/2004	9	1,139,706	162,130
prior losses	10/1/2004	9	2,881,057	409,847
actuarial gain	10/1/2005	9	(709,513)	(100,932)
benefit change	10/1/2005	9	1,024,197	145,698
actuarial loss	10/1/2006	9	472,606	67,231
benefit change	10/1/2006	9	405,576	57,696
actuarial loss	10/1/2007	9	335,541	47,733
actuarial loss	10/1/2008	5	2,530,832	574,352
method change	10/1/2008	9	(1,355,082)	(192,768)
actuarial loss	10/1/2009	6	1,098,678	214,260
assum. change	10/1/2009	9	204,471	29,087
actuarial loss	10/1/2010	7	738,723	127,288
benefit change	10/1/2010	9	(1,849,061)	(263,040)
actuarial loss	10/1/2011	8	929,265	144,372
actuarial loss	10/1/2012	9	1,054,642	150,029
method change	10/1/2012	9	(1,049,974)	(149,365)
assum. change	10/1/2012	9	538,806	76,648
actuarial gain	10/1/2013	10	(922,996)	(121,686)
assum. change	10/1/2013	10	(60,735)	(8,007)
			7,406,739	1,370,573

## ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	RP2000 Combined Healthy Mortality Table (sex distinct), projected to the valuation date with Schedule AA.
<u>Termination Rates</u>	See Table below (these rates reflect the new assumption; rates for valuations prior to October 1, 2013 were double those shown below).
<u>Disability Rates</u>	See Table below.
<u>Retirement Age</u>	One year following satisfaction of the Plan's requirement for Normal Retirement.
<u>Early Retirement</u>	Commencing upon eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 5% per year.
<u>Interest Rate</u>	6.75% per year, compounded annually, net of investment related expenses.
<u>Salary Increases</u>	See Table below.
<u>Payroll Increase</u>	None.
<u>Cost-of-Living Adjustment</u>	2% for 25 years, beginning 5 years after retirement, payable to Normal and Early Retirees.
<u>Administrative Expenses</u>	\$31,229.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Average Salary Increase</u>
20	9.3%	0.14%	7.8%
30	5.5	0.18	6.3
40	4.6	0.30	5.4
50	4.1	1.00	4.8

Entry Age Normal Actuarial Cost Method

The following loads are applied for determination of the Sponsor dollar funding requirement:

Interest – A half year, based on the current 6.75% assumption.

Salary – A full year, based on the current 3.8% assumption.

Asset Methodology

Fair Market Value, net of investment-related expenses.

## VALUATION NOTES

Total Annual Payroll is the annual rate of pay as of the valuation date of all covered Members.

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

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

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

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

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

BALANCE SHEET  
September 30, 2013

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	699,670.00	699,670.00
Pooled Cash	6,643.38	6,643.38
Cash	(18,409.07)	(18,409.07)
Total Cash and Equivalents	687,904.31	687,904.31
Receivable:		
Accrued Income	68,415.26	68,415.26
Total Receivable	68,415.26	68,415.26
Investments:		
U. S. Bonds and Bills	916,491.77	885,747.65
Federal Agency Guaranteed Securities	646,910.96	657,566.69
Corporate Bonds	4,422,257.88	4,546,505.71
Stocks	5,490,774.23	7,047,510.44
Mutual Funds:		
Equity	5,269,621.84	6,602,460.38
Pooled/Common/Commingled Funds:		
Real Estate	722,028.62	867,676.80
Total Investments	17,468,085.30	20,607,467.67
TOTAL ASSETS	18,224,404.87	21,363,787.24
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Payable:		
Unpaid Investment Expenses	17,314.13	17,314.13
Total Liabilities	17,314.13	17,314.13
Net Assets, including DROP Account Balances	18,207,090.74	21,346,473.11
TOTAL LIABILITIES AND NET ASSETS	18,224,404.87	21,363,787.24

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

REVENUES

Contributions:		
Member	64,908.32	
City	1,691,261.00	
Total Contributions		1,756,169.32
Earnings from Investments		
Interest & Dividends	499,561.89	
Net Realized Gain (Loss)	811,754.59	
Unrealized Gain (Loss)	1,231,211.49	
Total Earnings and Investment Gains		2,542,527.97
	EXPENDITURES	
Expenses:		
Investment Related <sup>1</sup>	105,946.75	
Administrative	31,229.47	
Total Expenses		137,176.22
Distributions to Members:		
Benefit Payments	1,129,906.49	
Lump Sum DROP Balances	374,389.75	
Termination Payments	0.00	
Total Distributions		1,504,296.24
Change in Net Assets for the Year		2,657,224.83
Net Assets Beginning of the Year		18,689,248.28
Net Assets End of the Year		21,346,473.11

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

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

09/30/2012 Balance	360,532.10
Plus Additions	64,680.31
Investment Return Earned	11,801.59
Less Distributions	(374,389.75)
09/30/2013 Balance	62,624.25

## STATISTICAL DATA

(Averages are salary weighted)

	<u>10/1/2010</u>	<u>10/1/2011</u>	<u>10/1/2012</u>	<u>10/1/2013</u>
Number	31	26	26	25
Average Current Age	49.9	50.4	50.5	52.0
Average Age at Employment	41.6	39.8	40.1	40.4
Average Past Service	8.3	10.6	10.4	11.6
Average Annual Salary	\$49,496	\$50,234	\$50,998	\$50,974

## AGE AND SERVICE DISTRIBUTION

## PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	1	0	1	0	0	0	0	2
35 - 39	0	0	0	0	0	1	0	1	0	0	0	2
40 - 44	0	0	0	0	0	1	1	0	0	0	0	2
45 - 49	0	0	0	0	0	3	0	0	0	0	0	3
50 - 54	0	0	0	0	0	1	0	3	0	0	0	4
55 - 59	0	1	0	0	0	4	1	0	2	0	0	8
60 - 64	0	0	0	0	0	3	0	0	1	0	0	4
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	0	0	1	13	3	4	3	0	0	25

## VALUATION PARTICIPANT RECONCILIATION

## 1. Active lives

a. Number in prior valuation 10/1/12	26
b. Terminations	
i. Vested (partial or full) with deferred benefits	1 *
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Retired	0
e. DROP Retired	0
f. Voluntary withdrawal	0
g. Continuing participants	25
h. New entrants	0
i. Total active life participants in valuation	25

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

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Vested Deferred	DROP Retired	Total
a. Number prior valuation	55	0	74	5	134
b. In	8	0	1	0	9
c. Out	1	0	6	2	9
d. Number current valuation	62	0	69	3	134

\* Non-vested Member, awaiting a refund of Member Contributions

## SUMMARY OF PLAN PROVISIONS

<u>Effective Date of Latest Amendment</u>	November 1, 2011
<u>Eligibility</u>	Regular, full-time employees who are not sworn police officers enter on date of employment.
<u>Salary</u>	Fixed rate of pay on June 1.
<u>Average Compensation</u>	Career monthly average Salary for Plan B Members, and the average of the highest consecutive five years for Plan A Members.
<u>Credited Service</u>	Years and fractional parts of years of service with the City as a General Employee.
<u>Normal Retirement</u>	
Date	Attainment of age 65 with 6 years of Credited Service. For Members with 15 years or more of Credited Service as of 9/30/11 (12/31/11 for Police Dispatchers), it is the attainment of age 60 with 5 years of Credited Service.  Additionally, those Members who attained age 60 with 5 years of Credited Service prior to 10/1/11 (1/1/12 for Police Dispatchers) remain under the prior eligibility requirements for the Normal Retirement Date.
Benefit	3.0% of Average Final Compensation times Credited Service before 5/1/11 (1/1/12 for Police Dispatchers) plus 1.68% of Average Final Compensation times Credited Service after 4/30/11 (12/31/11 for Police Dispatchers).
Form of Benefit	10 Year Certain and Life (options available).

Early Retirement

Date	Attainment of age 60 with 6 years of Credited Service. For Members with 15 years or more of Credited Service as of 9/30/11 (12/31/11 for Police Dispatchers), it is the attainment of age 55 with 5 years of Credited Service. Additionally, those Members who attained age 55 with 5 years of Credited Service prior to 10/1/11 (1/1/12 for Police Dispatchers) remain under the prior eligibility requirements for the Early Retirement Date.
Benefit	Accrued Benefit on Early Retirement Date, reduced 5.0% for each year that Early Retirement Date precedes the Normal Retirement Date.
Form of Benefit	10 Year Certain and Life (options available).

Cost –of-Living Adjustment

To all Normal and Early Retirees after October 17, 2006, 2% automatic COLA for 25 years, beginning on the first October 1 following 5 years of retirement (including DROP Retirees).

Pre-Retirement Death Benefit

Eligibility	5 Years of Credited Service.
Benefit	½ of the actuarially reduced accrued benefit payable for the life of the spouse or beneficiary beginning at the Member's otherwise Early Retirement Date.

Employee Contributions

Plan A Members	5% of base pay.
Plan B Members	None.

Termination of Employment

Vesting Schedule	<u>Years of Service</u>	<u>Vested %</u>
	Less than 6	0%
	6 or more	100

Additionally, Members with at least 5 years of Credited Service as of 9/30/11 (12/31/11 for Police Dispatchers), are 100% vested in their accrued benefit.

Benefit	Vested Accrued benefit payable at the Normal Retirement Date (unreduced) or the Early Retirement Date (reduced).
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Deferred Retirement Option Plan (DROP)

Eligibility	Satisfaction of Normal Retirement Requirements.
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Participation	Not to exceed 60 months.
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Rate of Return	6% annual rate, credited monthly.
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Distribution	Lump sum at termination of employment.
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<u>Board of Trustees</u>	2 Members of the Plan (1 with under 15 years of service, 1 with 15 years of service or more), 1 Department Director appointed by the City Manager, 3 Council appointees, 1 chosen by the other 6 Members of the Board.
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DISCLOSURE INFORMATION PER STATEMENT NO. 25 OF THE  
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/13	21,346,473	28,753,212	7,406,739	74.24%	1,274,340	581.22%
10/01/12	18,689,248	28,065,758	9,376,510	66.59%	1,325,935	707.16%
10/01/11	12,026,112	23,391,936	11,365,824	51.41%	1,306,071	870.23%
10/01/10	11,943,146	24,759,926	12,816,780	48.24%	4,706,046	272.35%
10/01/09	11,708,363	23,478,995	11,770,632	49.87%	4,927,259	238.89%
10/01/08	11,596,243	21,420,310	9,824,067	54.14%	5,448,952	180.29%

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

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	Percentage Contributed
2013	1,668,403	1,691,261	101.37%
2012	1,397,764	5,587,616	399.75%
2011	1,448,913	1,448,913	100.00%
2010	1,173,397	1,173,397	100.00%
2009	858,029	975,816	113.73%
2008	824,863	824,863	100.00%

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/13	
City	128.52%
Plan A Members	5.00%
Plan B Members	0.00%
Actuarially Determined Contribution	1,668,403
Contributions made	1,691,261
Actuarial valuation date	10/1/2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	29 Years as of 10/1/2010
Asset valuation method	Four Year Smooth of Market Value (as of 10/1/2011)
Actuarial assumptions:	
Investment rate of return	7.5% (as of 10/1/2011)
Projected salary increase*	See Page 14
* Includes inflation at	3.0%
Post Retirement COLA	2% for 25 years, beginning 5 years after Normal or Early Retirement

THREE YEAR TREND INFORMATION

<u>Year</u> <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/13	1,932,548	87.5%	(4,123,200)
9/30/12	1,404,270	397.9%	(4,364,488)
9/30/11	1,468,410	98.7%	(181,142)

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

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

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

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

	<u>9/30/09</u>	<u>9/30/10</u>	<u>9/30/11</u>	<u>9/30/12</u>	<u>9/30/13</u>
Actuarially Determined					
Contribution (A)	1,173,397	1,448,913	1,397,764	1,668,403	
Interest on NPO	(16,645)	(15,048)	(13,586)	(327,337)	
Adjustment to (A)	37,933	34,545	20,092	591,482	
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Annual Pension Cost	1,194,685	1,468,410	1,404,270	1,932,548	
Contributions Made	1,173,397	1,448,913	5,587,616	1,691,261	
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Increase in NPO	21,288	19,497	(4,183,346)	241,287	
NPO Beginning of Year	(221,927)	(200,639)	(181,142)	(4,364,488)	
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NPO End of Year	(221,927)	(200,639)	(181,142)	(4,364,488)	(4,123,200)