

Meeting Date:

Agenda Item

4-26-16

12

REQUESTED COMMISSION ACTION:

         Consent

         Ordinance

         Resolution

         Consideration/  
Discussion

  X   Presentation

SHORT TITLE

PRESENTATION OF THE ACTUARIAL VALUATION OF THE POMPANO  
BEACH POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM AS OF  
OCTOBER 1, 2015 BY BOARD ACTUARY DAVID D. HARRIS OF  
THE NYHART COMPANY, INC.

**Summary of Purpose and Why:**

This is an annual presentation to update the Commission on the pension activities.

(1) Origin of request for this action: Debra Tocarchick, Executive Director

(2) Primary staff contact: Dennis W. Beach, City Manager 786-4601

(3) Expiration of contract, if applicable: \_\_\_\_\_

(4) Fiscal impact and source of funding: \_\_\_\_\_

DEPARTMENTAL  
COORDINATION

DATE

DEPARTMENTAL  
RECOMMENDATION

DEPARTMENTAL HEAD SIGNATURE

Finance

4/19/16

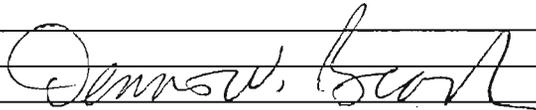
Approval



Budget

4/20/16

X City Manager



ACTION TAKEN BY COMMISSION:

Ordinance

Resolution

Consideration

Workshop

1<sup>st</sup> Reading

1<sup>st</sup> Reading

Results:

Results:

2<sup>nd</sup> Reading



The logo for nyhart, featuring the word "nyhart" in a white, lowercase, sans-serif font centered within a black rectangular box. This box is part of a larger graphic element consisting of a thick black vertical bar on the left and a thinner orange vertical bar to its right, both extending from the top to the bottom of the page.

nyhart

***City of Pompano Beach Police &  
Firefighters' Retirement Plan***

*October 1, 2015  
Actuarial Valuation Report*

<b>Actuarial Certification</b>	<b>3</b>
<b>Executive Summary</b>	<b>5</b>
Summary Results	5
Changes Since Prior Valuation and Key Notes	6
<b>Assets and Liabilities</b>	<b>7</b>
Present Value of Future Benefits	7
Funding Liabilities	8
Asset Information	9
Reconciliation of Gain/Loss	11
<b>Contribution Requirements</b>	<b>12</b>
Development of Recommended Contribution	12
<b>Demographic Information</b>	<b>13</b>
<b>Participant Reconciliation</b>	<b>15</b>
<b>Plan Provisions</b>	<b>17</b>
<b>Actuarial Assumptions</b>	<b>25</b>
<b>Appendix</b>	<b>27</b>
Reconciliation of Unfunded Actuarial Liability	28
Asset Information	29
Schedule of Amortizations	31
Florida State Requirements	37
Reserve Account under 99-1/SB172	50

At the request of the plan sponsor, this report summarizes the Police and Firefighters' Retirement System for the City of Pompano Beach as of October 1, 2015. The purpose of this report is to communicate the following results of the valuation:

- Determine Funded Status; and
- Determine Actuarial Contribution for the fiscal year October 1, 2016 through September 30, 2017

This report has been prepared in accordance with the laws and accounting standards indicated above and their applicable regulations. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the employer. Asset information has been provided to us by the trustee. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

The actuarial assumptions and methods were chosen by the Board. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. 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) and;
- changes in plan provisions or applicable law. We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

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.

With respect to reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were 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, meet the requirements of Section 112.664 (1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



David D. Harris, ASA, EA  
Enrolled Actuary No. 14-5609



Heath Merlak, FSA, EA  
Enrolled Actuary No. 14-5967

February 16, 2016  
Date

Copies of this Report are to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following addresses:

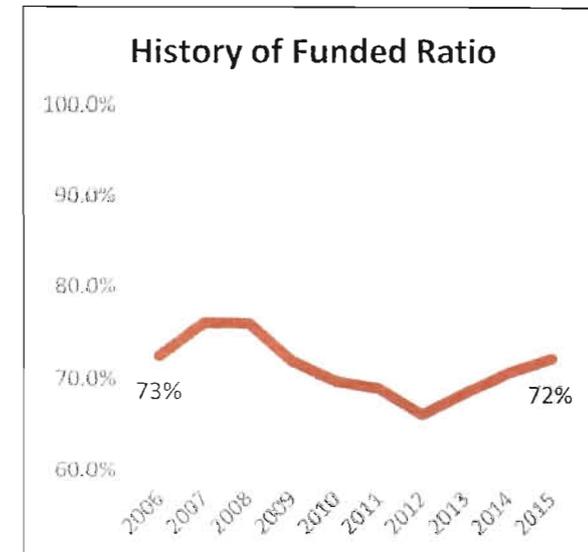
Ms. Sarah Carr  
Benefits Administrator  
Municipal Police Officers' &  
Firefighters' Trust Funds  
Division of Retirement  
Post Office Box 3010  
Tallahassee, FL 32315-3010

Mr. Keith Brinkman  
Bureau & Chief  
Local Retirement Systems  
Division of Retirement  
Department of Management Services  
P. O. Box 9000  
Tallahassee, FL 32315-9000

**Summary Results**

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay.

	October 1, 2014	October 1, 2015
<b>Funded Status Measures</b>		
Accrued Liability	\$279,277,722	\$283,802,820
Actuarial Value of Assets	197,436,713	204,931,915
Unfunded Accrued Liability	\$81,841,009	\$78,870,905
Funded Percentage (AVA)	71%	72%
Funded percentage (MVA)	76%	71%
<b>Cost Measures</b>		
Recommended Contribution	\$8,062,921	\$8,093,069
Recommended Contribution (as a percentage of payroll)	60.6%	60.9%
<b>Asset Performance</b>		
Market Value of Assets	212,436,735	200,181,169
Actuarial Value of Assets	197,436,713	204,931,915
Actuarial Value/Market Value	92.9%	102.4%
<b>Member Information</b>		
Active Members	163	160
Terminated Vested Members	2	3
Retirees, Beneficiaries, and Disabled Members	349	354
DROP Participants	44	43
Total	558	560
Expected Payroll	\$13,065,752	\$13,061,612



### Changes Since Prior Valuation and Key Notes

There have been no changes to the plan provisions since the last valuation.

There have been no changes to the assumptions since the last valuation.

The Police State Premium Tax Revenues Accumulated Reserve as of October 1, 2015 has been allocated based on the default method under SB 172. This impacted the unfunded liability and the Actuarial Value of Assets.

**Present Value of Future Benefits**

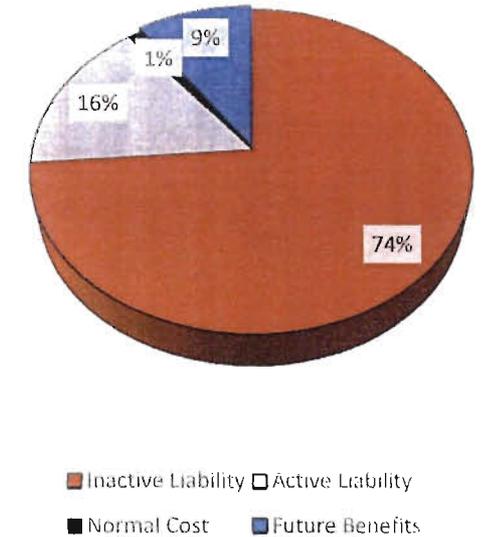
The Present Value of Future Benefits represents the discounted value of all future benefits expected to be payable to current members, considering future service and compensation not yet earned.

October 1, 2015

**Present Value of Future Benefits**

Active members	
Retirement	\$74,588,795
Disability	5,432,560
Death	2,075,201
Termination	1,274,379
Return of contributions	190,933
Total active	\$83,561,868
Inactive members	
Retired members	\$205,555,139
Beneficiaries	7,611,389
Disableds	19,314,840
Terminated vested members	1,738,940
Total inactive	\$234,220,308
Total	\$317,782,176
 Present value of future payrolls	 \$121,064,716

**Breakdown of Present Value of Future**



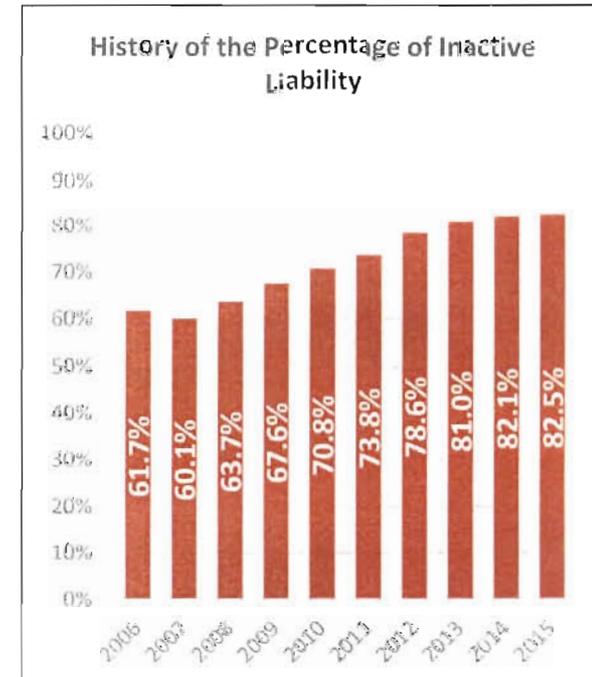
**Accrued Liability**

The Accrued Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions. It is not a long-term snapshot of the liabilities.

October 1, 2015

**Accrued Liabilities**

Active members	
Retirement	\$46,653,904
Disability	1,781,284
Death	544,354
Termination	575,062
Refund of contributions	27,908
Total Active	\$49,582,512
Inactive members	
Retired members	\$205,555,139
Beneficiaries	7,611,389
Disableds	19,314,840
Terminated vested members	1,738,940
Total Inactive	\$234,220,308
Total	\$283,802,820
Normal Cost	\$3,703,208



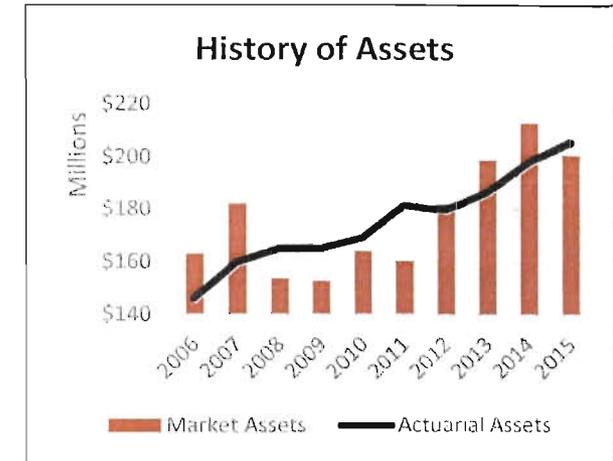
**Asset Information**

The amount of assets backing the pension promise is the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

October 1, 2015

**Market Value Reconciliation**

Market value of assets, beginning of prior year	\$233,037,612
Employer contributions (incl. discounted accrued items)	8,129,211
Member contributions	1,453,342
Non-employer contributing entity	2,255,095
Investment income	(2,388,886)
Investment expenses	(1,497,351)
Benefit payments	(21,144,686)
Administrative expenses	(588,036)
Other expenses	0
Market value of asset, beginning of current year	\$219,256,301
Return on Market Value	-1.71%
Reserve assets	\$541,039
DROP account	\$18,534,093
Market value of assets available for pension benefits	\$200,181,169
<b>Actuarial value of plan assets</b>	
Value at beginning of current year	\$204,931,915



**Asset Information (continued)**

Plan Assets are used to develop funded percentages and contribution requirements.

	October 1, 2015
1. Expected actuarial value of assets	
(a) Actuarial value of assets, beginning of prior year	\$218,037,590
(b) Contributions	11,837,648
(c) Benefit payments	(21,144,686)
(d) Expenses	(588,036)
(e) Expected return	15,988,462
(f) Expected actuarial value of assets, beginning of current year	\$224,130,978
2. Market value of assets, beginning of current year	\$219,256,301
3. Actual return on market value	\$(3,886,237)
4. Amount subject to phase in [(3)-(1e)]	\$(19,874,699)
5. Phase in of asset gain/(loss)	
(a) Current year (20% x (\$19,874,699))	\$(3,974,940)
(b) First prior year (20% x \$6,982,137)	1,396,427
(c) Second prior year (20% x \$10,627,316)	2,125,463
(d) Third prior year (20% x \$13,543,992)	2,708,798
(e) Fourth prior year (20% x (\$11,898,395))	(2,379,679)
(f) Total phase-in	(\$123,931)
6. Preliminary actuarial value of assets, beginning of current year [(1f)+(5f)]	\$224,007,047
7. 80% Market value of assets	\$175,405,041
8. 120% Market value of assets	\$263,107,561
9. Adjusted actuarial value of assets	\$224,007,047
10. Reserved Assets	(\$19,075,132)
11. Final actuarial value of assets [(9+10)]	\$204,931,915
12. Return on actuarial value of assets	7.46%

**Reconciliation of Gain/Loss**

**October 1, 2015**

**Liability (gain)/loss**

Actuarial liability, beginning of prior year	\$279,277,722
Normal cost	3,700,832
Benefit payments	(21,144,686)
Interest	20,444,800
1-year lag adjustment	897,564
Expected actuarial liability, beginning of current year	\$283,176,232
Actual actuarial liability	\$283,802,820
Liability (gain)/loss	\$(626,588)

**Asset (gain)/loss**

Actuarial value of assets, beginning of prior year	\$197,436,713
Contributions	11,837,648
Benefit payments and expenses	(21,732,722)
Investment return	14,443,397
Expected actuarial value of assets, beginning of current year	\$201,985,036
Actual actuarial value of assets, beginning of current year (before accumulated reserve adjustment)	\$204,824,333
Asset (gain)/loss	\$(2,839,297)

**Total (gain)/loss**

\$(2,212,709)

**Development of Recommended Contribution**

The minimum recommended contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws. The recommended contribution is composed of the normal cost, administrative expenses, plus an amortization charge.

October 1, 2015

**Funded Position**

1. Entry age accrued liability	\$283,802,820
2. Actuarial value of assets	204,931,915
3. Unfunded actuarial accrued liability (UAAL)	\$78,870,905

**Employer Contributions**

1. Normal Cost	
(a) Total normal cost	\$3,703,208
(b) Expected participant contributions	(1,558,927)
(c) Net normal cost	\$2,144,281
2. Administrative expenses	\$584,902
3. Amortization of UAAL	6,301,542
4. Applicable interest	677,304
5. Total required contribution	\$9,708,029
6. Expected non-employer contributions	1,759,478
7. Total recommended contribution	\$7,948,551
As a percentage of expected payroll	60.85%
8. Recommended contributions to be paid on 12/31/2016	\$8,093,069



**Demographic Information**

The foundation of a reliable actuarial report is the participant information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

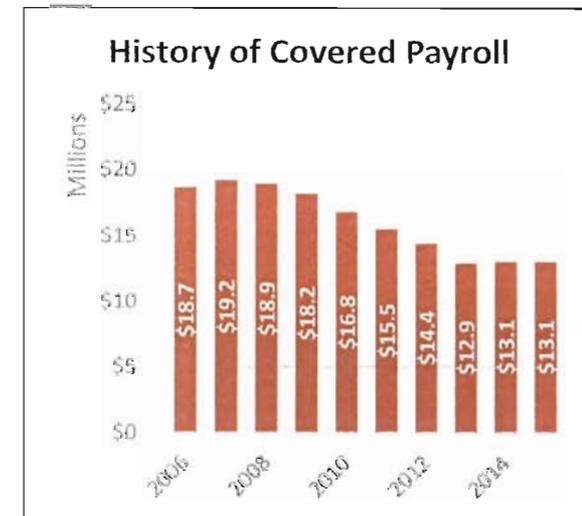
October 1, 2015

**Participant Counts**

Active Participants	160
Retired Participants	291
Beneficiaries	31
Disabled Participants	32
Terminated Vested Participants	3
DROP Participants	43
<b>Total Participants</b>	<b>560</b>

**Active Participant Demographics**

Average Age	39.14
Average Service	11.02
Average Compensation	\$81,635
Covered Payroll	\$13,061,612



Demographic Information (continued)

October 1, 2015

**Retiree Statistics**

Average Age	63.27
Average Monthly Benefit	\$4,175

**Beneficiary Statistics**

Average Age	71.92
Average Monthly Benefit	\$2,392

**Disabled Participants Statistics**

Average Age	56.89
Average Monthly Benefit	\$4,540

**Terminated Participants Statistics**

Average Age	40.84
Average Monthly Benefit	\$4,234

**DROP Participants Statistics**

Average Age	54.40
Average Monthly Benefit	\$5,563

Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	DROP	Totals
<b>Prior Year</b>	163	2	30	288	31	44	558
<b>Active</b>							
To Terminated Vested	(2)	2	0	0	0	0	0
To Disabled	(1)	0	1	0	0	0	0
To Retired	(1)	0	0	1	0	0	0
To DROP	(5)	0	0	0	0	5	0
To Terminated Non-Vested	(2)	0	0	0	0	0	(2)
<b>Terminated Vested</b>							
To Retired	0	(1)	0	1	0	0	0
<b>Retired</b>							
To Disabled	0	0	1	(1)	0	0	0
To Death	0	0	0	(4)	0	0	(4)
<b>Survivor</b>							
To Death	0	0	0	0	(1)	0	(1)
<b>DROP</b>							
To Retired	0	0	0	6	0	(6)	0
<b>Additions</b>	8	0	0	0	1	0	9
<b>Departures</b>	0	0	0	0	0	0	0
<b>Current Year</b>	160	3	32	291	31	43	560

**Active Participant Schedule**

Active participant information grouped based on age and service.

Age Group	Years of Service								Total	Average Pay		
	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	1	2									3	59,291
25 to 29	3	10	6								19	66,026
30 to 34		10	9	10	1						30	75,506
35 to 39	3	3	6	18	4						34	79,639
40 to 44			4	18	14	6					42	87,838
45 to 49				7	7	4	1				19	90,903
50 to 54	1		1	1	4	4					11	95,794
55 to 59					1						1	75,317
60 to 64			1								1	110,931
65 to 69												
70 & up												
<b>Total</b>	<b>8</b>	<b>25</b>	<b>27</b>	<b>54</b>	<b>31</b>	<b>14</b>	<b>1</b>				<b>160</b>	<b>81,635</b>

## Plan Status

Plan established under the Code of Ordinances for the City of Pompano Beach, Florida, Sections 34.045-34.073 and was most recently amended under Ordinance No. 2015-45, passed and adopted on April 14, 2015. The Plan is also governed by certain provisions of Chapters 175 and 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

## Eligibility for Participation

- (1) All Police Officers and Dispatchers who were participants of the prior Employees' Pension Plan and
- (2) Police Officers and Dispatchers who elected to remain in the Plan prior to the takeover of the police department by the Broward Sheriff's Office on 8/1/99.
- (3) All Firefighters who were participants in the prior Employees' Pension Plan; and
- (4) All regular, full time Firefighters (20 hours per week and 5 months per year) from age 18, upon date of employment.

## Benefits

### Normal Retirement

Eligibility	<p>A member hired before May 27, 2014 may retire on the first day of the month coincident with or next following the earlier of:</p> <ol style="list-style-type: none"><li>(1) age 47 with 20 years of Continuous Service, or</li><li>(2) age 55 with 10 years of Continuous Service.</li></ol> <p>A Firefighter member hired on or after May 27, 2014 may retire on the first day of the month coincident with or next following the earlier of:</p> <ol style="list-style-type: none"><li>(1) age 50 with 20 years of Continuous Service, or</li><li>(2) age 55 with 10 years of Continuous Service.</li></ol>
Police Benefit:	3.0% of Average Monthly Earnings (AME) multiplied by years of Continuous Service up to a maximum of 25 years, plus 2.0% of AME multiplied by years of Continuous Service in excess of 37.5.
Firefighter Benefit:	3.0% of AME multiplied by the first 10 years Continuous Service, plus 4.0% of AME multiplied by the next 10 years, plus 2.0% of AME multiplied by the next 5 years with a maximum benefit equal to 80% of AME; plus 2% of AME multiplied by each year of service in excess of 40.
Normal Form of Benefit	10 Years Certain and Life; other options are also available.
COLA	Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met

### Early Retirement

Eligibility	A member may elect to retire earlier than the Normal Retirement Eligibility upon the completion of 20 years of Continuous Service or the attainment of age 50 with 10 years of Continuous Service.
Benefit	The member's accrued Normal Retirement Benefit based upon the member's AME and Continuous Service as of the date of termination. Benefit is actuarially reduced for each year by which the Early Retirement date precedes the member's Normal Retirement date. The Early Retirement reduction is 3% per year if early retirement occurs after age 50.
Normal Form of Benefit	10 Years Certain and Life; other options are also available.
COLA	Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

### Late Retirement

Eligibility	Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.
Benefit	Accrued Benefit
Normal Form of Benefit	10 Years Certain and Life; other options are also available.
COLA	Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

## Ordinary Death before Retirement

Eligibility	Any member with 1 or more years of Continuous Service who dies while employed by the City is eligible for survivor benefits.
Benefit	<p>(A) For members with less than 1 year of Continuous Service, no survivor benefits are payable.</p> <p>(B) For members with 1 year, but less than 5 years, of Continuous Service, the designated beneficiary will be paid a \$5,000 lump sum.</p> <p>(C) For members with 5 years, but less than 10 years, of Continuous Service:</p> <ul style="list-style-type: none"><li>(1) \$5,000 lump sum paid to the member's designated beneficiary; plus</li><li>(2) Member's spouse will receive 65% of member's accrued pension as of the date of death subject to a minimum of 20% of AME; plus</li><li>(3) Each unmarried child under age 18 (22 if full-time student) will receive 7 ½% of member's Earnings. If there is no spouse, benefits increase to 15% of member's Earnings per child.</li></ul> <p>Maximum benefit to spouse and children is 50% of earnings.</p> <p>(D) For members with 10 or more years of Continuous Service, the designated beneficiary can elect to receive benefits described under subsection (C) above or the member's accrued benefit as of the date of death. Benefits are payable at the member's Normal or Early Retirement date and will be reduced for Early Retirement, when applicable.</p>
Normal Form of Benefit	Spouse's benefits are paid until death or remarriage; children's benefits are paid until the earlier of age 18 (22 if full-time student), marriage or death.
COLA	Beginning five years after benefit payments begin, beneficiaries receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

**Accidental Death before Retirement**

Eligibility	Any member who dies as a direct result of an occurrence arising in the performance of service for the City is eligible for survivor benefits.
Benefit	<p>(1) \$5,000 lump sum paid to the member's designated beneficiary; plus</p> <p>(2) Member's spouse will receive 75% of member's Earnings; plus</p> <p>(3) Each unmarried child under age 18 (22 if full-time student) will receive 7 ½% of member's Earnings. If there is no spouse, benefits increase to 15% per child.</p> <p>Maximum benefit to spouse and children is 90% of earnings; if no spouse, maximum for children is 50% of Earnings.</p>
Normal Form of Benefit	Spouse's benefits are paid until death or remarriage; children's benefits are paid until the earlier of age 18 (22 if full-time student), marriage or death.
COLA	Beginning five years after benefit payments begin, beneficiaries receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

**Termination Benefit**

Eligibility	A member has earned a non-forfeitable right to Plan benefits after the completion of 10 years of Credited Service (See vesting table below).						
	<table border="0"> <tr> <td style="text-align: center;"><u>Years of</u> <u>Credited Service</u></td> <td style="text-align: center;"><u>% of Normal</u> <u>Retirement Benefits</u></td> </tr> <tr> <td style="text-align: center;">Less Than 10</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: center;">10 or more</td> <td style="text-align: center;">100%</td> </tr> </table>	<u>Years of</u> <u>Credited Service</u>	<u>% of Normal</u> <u>Retirement Benefits</u>	Less Than 10	0%	10 or more	100%
<u>Years of</u> <u>Credited Service</u>	<u>% of Normal</u> <u>Retirement Benefits</u>						
Less Than 10	0%						
10 or more	100%						
Benefit	The member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins on the member's Normal Retirement date. Alternatively, members may elect to receive an actuarially reduced Early Retirement Benefit.						
Normal Form of Benefit	10 Years Certain and Life thereafter; other options are also available.						
COLA	Beginning five years after benefit payments begin, beneficiaries receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.						
	Plan members with less than 10 years of Credited Service will receive a refund of accumulated contributions with interest						

### Ordinary Disability Benefit

Eligibility	Any member who becomes totally and permanently disabled and unable to perform regular duties or any other duties available in the Department from an act occurring in the performance of duty for the City is eligible for a disability benefit.
Benefit	75% of rate of Earnings in effect on the date of disability (for Firefighters, not to be less than the accrued benefit).
Normal Form of Benefit	Benefits begin on the first day of the month following the date the Board approves the disability and are payable until death or recovery from disability. If the member dies before receiving payments for 10 years, the member's designated beneficiary will receive the same monthly benefit for the remainder of the 10 year period. Other options are also available.
COLA	Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

### Accidental Disability Benefit

Eligibility	Any active member with 10 or more years of Continuous Service who becomes totally and permanently disabled and unable to perform regular duties or any other duties available in the Department from an act not directly caused by the performance of duty for the City is eligible for a disability benefit.
Benefit	3.0% of AME multiplied by years of Continuous Service subject to a maximum of 60% of the rate of Earnings on the date of disability, plus 2.0% of AME multiplied by years of Continuous Service in excess of 25. Disability benefit is guaranteed to be no less than 25% of AME.
Normal Form of Benefit	Benefits begin on the first day of the month following the date the Board approves the disability and are payable until death or recovery from disability. If the member dies before receiving payments for 10 years, the member's designated beneficiary will receive the same monthly benefit for the remainder of the 10 year period. Other options are also available.
COLA	Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

## Compensation

### Earnable Compensation

Police Officers: Basic compensation and regular longevity pay, increased for temporary upgrade pay. Also includes up to 25 hours per year of overtime pay.  
Firefighters: Basic compensation and regular longevity pay, increased for temporary upgrade pay.

### Average Monthly Earnings (AME)

For members hired before May 27, 2014:

The average of Earnings during the highest 3 years preceding termination; not including lump sum payments of unused leave

For members hired after May 27, 2014:

The average of Earnings during the highest 5 years preceding termination; not including lump sum payments of unused leave

## Continuous Service

For Vesting and Benefit Accrual, total number of years and completed months from date of employment to date of termination or retirement  
No service is credited for any periods of employment for which a member received a refund of contributions.

## Employee Contributions

Police: 8.6% of Earnings, paid by BSO.

Firefighters: 11.6% of Earnings "picked up" by the City, reduced to 0.5% after 25 years of service and reaching maximum benefit of 80%, reverting back to 11.6% if member does not enter DROP.

## DROP

Eligibility	<p>Plan members hired before May 27, 2014 are eligible for the DROP on the first day of the month coincident with or next following the earlier of:</p> <ul style="list-style-type: none"><li>(1) age 47 with 20 years of Continuous Service, or</li><li>(2) age 55 with 10 years of Continuous Service.</li></ul> <p>Plan members hired after May 27, 2014 are eligible for DROP on the first day of the month coincident with or next following the earlier of:</p> <ul style="list-style-type: none"><li>(1) age 50 with 20 years of Continuous Service, or</li><li>(2) age 55 with 10 years of Continuous Service.</li></ul> <p>Members who meet eligibility must submit a written election to participate in the DROP.</p>
Benefit	<p>The member's Credited Service and AME are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AME.</p> <p>In addition, the members accumulated sick and annual leave pay will be paid in 5 equal annual installments on the member's DROP participation anniversary dates.</p>
Maximum Period	60 months (police) & 96 months (firefighters)
Interest Credited	<p>The member's DROP account is credited or debited quarterly at a rate equal to one of the following elected by the member:</p> <ul style="list-style-type: none"><li>(1) the actual net rate of investment return realized by the Plan for that quarter, or</li><li>(2) a rate set quarterly by the Board of Trustees, or</li><li>(3) the actual net rate of investment return realized by a separate investment account made available by the Board of Trustees but the investment proportions designated by the member.</li></ul>
Normal Form of Benefit	<p>The member's DROP account is paid out under one of the following options as elected by the member:</p> <ul style="list-style-type: none"><li>(1) a full single lump sum payment, or</li><li>(2) annual installments in amounts as requested by the member by June 30<sup>th</sup> of each year, or</li><li>(3) equal monthly installments as requested by the member by June 30<sup>th</sup> of each year, or</li><li>(4) a single lump sum of the remaining balance after any annual or monthly installments have been made under options (2) or (3) above.</li></ul>
COLA	<p>Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional increase of up to 1% is payable if certain conditions are met. For Firefighters, if participant leaves the DROP after five years, the COLA begins when participant leaves the DROP.</p>

**Payment Forms**

Normal Form: 10 Years Certain and Life Annuity

Optional Forms: Single Life Annuity  
Joint and 100% Contingent Survivor Annuity  
Joint and 75% Contingent Survivor Annuity  
Joint and 66 2/3% Contingent Survivor Annuity  
Joint and 50% Contingent Survivor Annuity  
Any Board-approved, actuarially equivalent benefit

**Plan Provisions Not Included**

We are not aware of any plan provisions not included in the valuation.

**Adjustments Made for Subsequent Events**

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results.

**Changes Since Prior Report**

None

**Cost Method** Individual Entry Age Normal Cost Method; Closed Group; All new bases are to be amortized over 30 years from the date established using a level dollar for police and a level percent of pay for firefighters.

**Asset Valuation Method** 20% Phase-In Method: Actuarial value of assets is equal to expected value phase in the difference between the expected investment earnings and actual investment earnings at the rate of 20% per year. The result cannot be greater than 120% of market value or less than 80% of market value.

**Interest Rates** 7.5%, compounded annually, net of investment expenses.

**Annual Pay Increases** 2.5%, compounded annually for inflation plus a seniority/merit scale using the following representative rates:

Years of Service	Merit and Seniority
1	8.5%
2	7.5%
3	7.0%
4	6.0%
5	4.5%
6	4.5%
7	3.5%
8-20	1.5%
21 and Higher	0.5%

**Expense and/or Contingency Loading** One year term cost method; average of prior two years' expenses

**Mortality Rates**

Healthy	RP-2000 Combined Mortality table for males and females set forward 5 years, with fully generational Scale AA mortality improvements:
Disabled	RP-2000 Disabled Mortality table for males and females, set forward 5 years, with fully generational Scale AA mortality improvements.

**Retirement Rates**

If eligible for Retirement, the following decrements apply, based on service.

<u>After First Eligibility for Normal Retirement</u>	<u>Police %</u>	<u>Fire %</u>
0	80	35
1	50	30
2	75	30
3	100	30
4		30
5+		100

**Disability Rates**

Specimen rates for all groups are shown below:

<u>Sample Ages</u>	<u>% Becoming Disabled Within Next Year</u>
25	0.15%
30	0.18
35	0.23
40	0.30
45	0.51
50	1.00
55	1.59

**Type of Disability or Death:**

75% of disabilities and deaths are assumed to be service-related

**Workers' Compensation Offsets**

Current offsets are assumed to continue.

**Withdrawal Rates**

Decreasing rates from 1 to 10 years of service, then 0.5% thereafter.

**Withdrawal of Employee Contributions**

It is assumed that employees withdraw their contribution balances upon employment termination, if not vested. If vested, employees are assumed to not withdraw contributions, with monthly benefit deferred to age 52.

**Marital Status and Ages**

100% of employees are assumed to be married. Females are assumed to be 3 years younger than males

**State Contributions**

Assumed to be the same as in the prior year

**Changes Since Prior Report**

None

The actuarial report also shows the necessary items required for plan reporting and the any state requirements.

- ✓ Reconciliation of unfunded actuarial liability
- ✓ Statement of changes on value of assets
- ✓ Distribution Assets
- ✓ Schedule of amortizations
- ✓ Florida State requirements
  - Corporative Summary of Principal Valuation Results
  - Separation for Police & Fire
  - Comparison of payroll growth, salary increases and investment returns
  - Requirements under Florida Statute 112.664 and F.A.C. 60T – 1.0035
  - Reserve account for benefit improvements under 99-1 and SB 172

**Reconciliation of Unfunded Actuarial Liability**

	October 1, 2015
1. Unfunded Actuarial Accrued Liability beginning of prior year	\$81,841,009
2. Normal Cost	\$3,700,832
3. Expenses	\$588,036
4. Employer Contributions	\$(8,129,211)
5. Non-Employer Contributions	\$(3,708,437)
6. Interest	\$6,001,403
7. 1-year lag adjustment	\$897,564
8. Expected Unfunded Actuarial Accrued Liability, beginning of current year	\$81,191,196
9. Accumulated Reserve Adjustment	\$(107,582)
10. Liability changes due to:	
(a) Amendments	\$0
(b) Assumptions	0
(c) Funding Methods	0
(d) (Gain)/Loss	\$(2,212,709)
(e) Total	\$(2,320,291)
11. Unfunded Actuarial Liability beginning of current year	\$78,870,905

**Statement of Changes on Value of Assets**

	September 30, 2014	September 30, 2015
<b>Additions</b>		
Contributions:		
Employer	\$9,722,948	\$8,129,211
Member	1,422,685	1,453,342
Nonemployer contributing entity	2,219,537	2,255,095
Total contributions	\$13,365,170	\$11,837,648
Investment income		
Net increase in fair value of investments	\$19,073,035	\$(7,098,065)
Interest and dividends	4,424,956	4,665,224
Less investment expense, other than from securities lending	(1,348,254)	(1,497,351)
Net income other than from securities lending	\$22,149,737	\$(3,930,192)
Securities lending income	\$0	\$0
Less securities lending expense	0	0
Net income from securities lending	\$0	\$0
Net investment income	\$22,149,737	\$(3,930,192)
Other	17,738	43,955
Total additions	\$35,532,645	\$7,951,411
<b>Deductions</b>		
Benefit payments, including refunds of member contributions	\$20,678,837	\$21,144,686
Administrative expense	581,767	588,036
Other	0	0
Total deductions	\$21,260,604	\$21,732,722
<b>Net increase in market value</b>	\$14,272,041	\$(13,781,311)
<b>Market Value as of</b>		
Beginning of year	218,765,571	233,037,612
End of year	\$233,037,612	\$219,256,301

<b>Distribution of Assets</b>	<u>September 30, 2014</u>	<u>September 30, 2015</u>
Cash and deposits	\$61,375	\$74,968
Securities lending cash collateral	0	0
Total cash	\$61,375	\$74,968
Receivables:		
Contributions	\$0	\$0
Due from broker for investments sold	5,773,280	867,248
Investment income	408,610	402,819
Other	291,195	365,776
Total receivables	\$6,473,085	\$1,635,843
Investments:		
Equity	\$131,551,881	\$113,146,938
Fixed Income	52,186,379	51,732,925
Real Estate	2,693,367	3,035,000
Hedge Funds & Private Equity	39,152,051	42,647,461
Short Term Investments	11,668,781	9,575,447
Total investments	\$237,252,459	\$220,137,771
Sub-total	\$243,786,919	\$221,848,582
Payables:		
Investment management fees	\$290,609	\$254,945
Due to broker for investments purchased	10,458,698	2,337,336
Collateral payable for securities lending	0	0
Other	0	0
Total liabilities	\$10,749,307	\$2,592,281
Total	\$233,037,612	\$219,256,301
Reserved Assets		
State Reserve Account	(687,269)	(541,039)
Drop Account	(19,913,608)	(18,534,093)
<b>Assets available for benefits</b>	<b>\$212,436,735</b>	<b>\$200,181,169</b>

Schedule of Amortizations - Police

			October 1, 2015		
			Total	\$46,891,364	\$3,950,672
<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/1986	Assumption Change	\$378,260	1	\$37,839	\$37,839
10/1/1986	Actuarial Loss (Gain)	(1,104,307)	1	(123,182)	(123,182)
10/1/1987	Method Change	670,685	2	127,274	65,937
10/1/1987	Actuarial Loss (Gain)	(592,770)	2	(125,432)	(64,983)
10/1/1988	Actuarial Loss (Gain)	260,282	3	70,856	25,346
10/1/1989	Actuarial Loss (Gain)	67,725	4	22,976	6,381
10/1/1990	Actuarial Loss (Gain)	(173,266)	5	(77,436)	(17,804)
10/1/1991	Assumption Change	(4,082)	6	(2,189)	(434)
10/1/1991	Actuarial Loss (Gain)	(298,306)	6	(159,958)	(31,701)
10/1/1992	Assumption Change	(3,250)	7	(1,923)	(338)
10/1/1992	Actuarial Loss (Gain)	(721,063)	7	(426,505)	(74,906)
10/1/1993	Assumption Change	(53,335)	8	(34,599)	(5,495)
10/1/1993	Actuarial Loss (Gain)	(301,531)	8	(195,596)	(31,064)
10/1/1994	Assumption Change	768,410	9	489,062	71,320
10/1/1994	Actuarial Loss (Gain)	422,754	9	269,063	39,237
10/1/1995	Assumption Change	(311,136)	10	(238,484)	(32,320)
10/1/1995	Actuarial Loss (Gain)	(271,042)	10	(207,750)	(28,155)
10/1/1996	Assumption Change	(374,561)	11	(314,425)	(39,982)
10/1/1996	Actuarial Loss (Gain)	(276,460)	11	(232,074)	(29,511)
10/1/1997	Assumption Change	1,345,971	12	1,186,697	142,710
10/1/1997	Actuarial Loss (Gain)	(3,074,778)	12	(3,022,866)	(363,525)
10/1/1998	Plan Amendment	(337,295)	13	(337,516)	(38,638)

Schedule of Amortizations - Police

October 1, 2015

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/1998	Actuarial Loss (Gain)	\$(3,155,507)	13	\$(3,157,569)	\$(361,473)
10/1/1999	Actuarial Loss (Gain)	(2,565,536)	14	(2,608,086)	(285,791)
10/1/2000	Assumption Change	(18,775,480)	15	(18,608,991)	(1,961,080)
10/1/2000	Plan Amendment	11,651,128	15	11,547,814	1,216,949
10/1/2000	Actuarial Loss (Gain)	3,153,187	15	3,125,227	329,347
10/1/2001	Variable COLA	484,615	16	486,367	49,492
10/1/2001	Plan Amendment	377,521	16	378,885	38,555
10/1/2001	Actuarial Loss (Gain)	5,917,320	16	5,938,700	604,317
10/1/2002	Actuarial Loss (Gain)	13,547,635	17	14,689,795	1,448,482
10/1/2003	Actuarial Loss (Gain)	8,453,577	18	8,140,111	780,155
10/1/2004	Actuarial Loss (Gain)	7,733,735	19	7,244,700	676,695
10/1/2005	Plan Amendment	528,766	20	408,515	37,276
10/1/2005	Actuarial Loss (Gain)	1,811,918	20	1,678,592	153,169
10/1/2006	Actuarial Loss (Gain)	(2,245,390)	21	(2,098,504)	(187,459)
10/1/2007	Actuarial Loss (Gain)	(3,930,059)	22	(3,749,017)	(328,473)
10/1/2008	Assumption Change	(2,460,748)	23	(2,418,496)	(208,183)
10/1/2008	Actuarial Loss (Gain)	4,312,669	23	4,238,617	364,857
10/1/2009	Assumption Change	2,211,808	24	2,192,182	185,673
10/1/2009	Actuarial Loss (Gain)	4,953,816	24	4,909,860	415,854
10/1/2010	Assumption Change	2,351,731	25	2,315,411	193,225
10/1/2010	Actuarial Loss (Gain)	4,329,632	25	4,262,767	355,736

Schedule of Amortizations - Police

October 1, 2015

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/2011	Assumption Change	\$2,628,245	26	\$2,511,497	\$206,760
10/1/2011	Actuarial Loss (Gain)	2,882,428	26	2,754,390	226,756
10/1/2012	Valuation Software	(955,577)	27	(923,949)	(75,121)
10/1/2012	Assumption Change	2,734,348	27	2,643,843	214,956
10/1/2012	Actuarial Loss (Gain)	7,401,751	27	7,156,757	581,875
10/1/2013	Assumption Change	(2,014,446)	28	(1,969,552)	(158,307)
10/1/2013	Actuarial Loss (Gain)	1,279,029	28	1,250,526	100,513
10/1/2014	Actuarial Loss (Gain)	(1,640,207)	29	(1,620,667)	(128,897)
10/1/2015	Actuarial Loss (Gain)	(532,193)	30	(532,193)	(41,918)

**Schedule of Amortizations - Fire**

			October 1, 2015		
			Total	\$31,979,541	\$2,350,870
<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/1986	Assumption Change	\$300,679	1	\$25,022	\$25,022
10/1/1986	Actuarial Loss (Gain)	(877,812)	1	(81,454)	(81,454)
10/1/1987	Method Change	533,126	2	86,839	44,400
10/1/1987	Actuarial Loss (Gain)	(471,191)	2	(85,581)	(43,757)
10/1/1988	Actuarial Loss (Gain)	206,898	3	49,641	17,300
10/1/1989	Actuarial Loss (Gain)	53,834	4	16,471	4,401
10/1/1990	Actuarial Loss (Gain)	(137,729)	5	(56,634)	(12,373)
10/1/1991	Assumption Change	(3,244)	6	(1,629)	(303)
10/1/1991	Actuarial Loss (Gain)	(237,123)	6	(119,089)	(22,156)
10/1/1992	Assumption Change	(2,583)	7	(1,453)	(237)
10/1/1992	Actuarial Loss (Gain)	(573,171)	7	(322,659)	(52,572)
10/1/1993	Assumption Change	(42,396)	8	(26,553)	(3,867)
10/1/1993	Actuarial Loss (Gain)	(239,687)	8	(150,128)	(21,864)
10/1/1994	Assumption Change	610,808	9	380,372	50,294
10/1/1994	Actuarial Loss (Gain)	336,046	9	209,263	27,670
10/1/1995	Assumption Change	(247,322)	10	(187,743)	(22,816)
10/1/1995	Actuarial Loss (Gain)	(215,450)	10	(163,549)	(19,875)
10/1/1996	Assumption Change	(297,737)	11	(250,320)	(28,236)
10/1/1996	Actuarial Loss (Gain)	(219,757)	11	(184,759)	(20,841)
10/1/1997	Assumption Change	1,069,910	12	954,617	100,768
10/1/1997	Actuarial Loss (Gain)	(2,444,135)	12	(2,431,688)	(256,685)
10/1/1998	Plan Amendment	(268,116)	13	(274,150)	(27,266)

Schedule of Amortizations - Fire

October 1, 2015

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/1998	Actuarial Loss (Gain)	\$(2,508,306)	13	\$(2,564,766)	\$(255,078)
10/1/1999	Plan Amendment	114,009	14	119,510	11,263
10/1/1999	Actuarial Loss (Gain)	(2,039,340)	14	(2,137,705)	(201,470)
10/1/2000	Assumption Change	(13,798,204)	15	(14,027,078)	(1,258,971)
10/1/2000	Plan Amendment	8,646,272	15	8,789,690	788,900
10/1/2000	Actuarial Loss (Gain)	676,828	15	688,055	61,755
10/1/2000	Plan Amendment	299,541	15	304,512	27,331
10/1/2001	Actuarial Loss (Gain)	7,539,001	16	7,724,831	663,110
10/1/2002	Actuarial Loss (Gain)	9,466,755	17	12,451,162	1,026,083
10/1/2003	Actuarial Loss (Gain)	7,616,087	18	9,191,646	729,584
10/1/2004	Actuarial Loss (Gain)	6,692,396	19	7,818,390	599,487
10/1/2005	Plan Amendment	4,413,733	20	5,042,954	374,508
10/1/2005	Actuarial Loss (Gain)	2,591,529	20	2,960,971	219,893
10/1/2006	Actuarial Loss (Gain)	(2,040,207)	21	(2,301,319)	(165,914)
10/1/2007	Actuarial Loss (Gain)	(868,128)	22	(976,717)	(68,505)
10/1/2008	Assumption Change	(2,812,893)	23	(3,146,548)	(215,109)
10/1/2008	Actuarial Loss (Gain)	3,519,341	23	3,936,794	269,133
10/1/2009	Assumption Change	2,293,100	24	2,537,785	169,397
10/1/2009	Plan Amendment	23,114	24	25,582	1,708
10/1/2009	Actuarial Loss (Gain)	3,014,143	24	3,335,767	222,662
10/1/2010	Assumption Change	2,377,230	25	2,583,417	168,637

**Schedule of Amortizations - Fire**

October 1, 2015

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment</u>
10/1/2010	Actuarial Loss (Gain)	\$(904,732)	25	\$(983,203)	\$(64,180)
10/1/2011	Actuarial Loss (Gain)	(1,874,268)	26	(1,964,551)	(125,591)
10/1/2011	Assumption Change	2,629,741	26	2,756,417	176,214
10/1/2012	Valuation Software	(2,713,381)	27	(2,808,034)	(176,038)
10/1/2012	Assumption Change	2,714,228	27	2,808,912	176,093
10/1/2012	Actuarial Loss (Gain)	1,168,034	27	1,208,781	75,780
10/1/2013	Assumption Change	(3,541,424)	28	(3,616,064)	(222,576)
10/1/2013	Actuarial Loss (Gain)	(1,830,796)	28	(1,869,384)	(115,064)
10/1/2014	Actuarial Loss (Gain)	(1,597,600)	29	(1,615,182)	(97,720)
10/1/2014	Plan Amendment	589	29	596	36
10/1/2015	Actuarial Loss (Gain)	(1,680,516)	30	(1,680,516)	(100,041)

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results

	10/1/2015 7.50% (current methods & assumptions)	10/1/2015 7.50% (prior methods & assumptions)	10/1/2014 7.50%
<b>Participant Data</b>			
Active members	160	160	163
Total annual payroll	\$13,061,612	\$13,061,612	\$13,065,752
Members in DROP	43	43	44
Total annualized benefit	\$2,870,347	\$2,870,347	\$2,913,871
Retired members and beneficiaries	322	322	319
Total annualized benefit	\$15,440,532	\$15,440,532	\$14,995,316
Disabled members receiving benefits	32	32	30
Total annualized benefit	\$1,743,264	\$1,743,264	\$1,596,533
Terminated vested members	3	3	2
Total annualized benefit	\$152,429	\$152,429	\$93,260
<b>Assets</b>			
Actuarial value of assets	\$204,931,915	\$204,824,333	\$197,436,713
Market value of assets	\$200,181,169	\$200,073,587	\$212,436,735

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results (continued)

	10/1/2015 7.50% (current methods & assumptions)	10/1/2015 7.50% (prior methods & assumptions)	10/1/2014 7.50%
<b>Liabilities, present value of all future expected benefit payments</b>			
Active members			
Retirement benefits	\$74,588,795	\$74,588,795	\$74,530,414
Vesting benefits	\$540,624	\$540,624	\$555,165
Disability benefits	\$5,432,560	\$5,432,560	\$5,328,515
Death benefits	\$2,075,201	\$2,075,201	\$2,055,206
Return of contribution	924,688	924,688	891,770
Total	<u>\$83,561,868</u>	<u>\$83,561,868</u>	<u>\$83,361,070</u>
Terminated vested members	\$1,738,940	\$1,738,940	\$962,431
Retired members and beneficiaries	\$213,166,528	\$213,166,528	\$210,879,956
Disabled members	\$19,314,840	\$19,314,840	\$18,094,938
Total	\$317,782,176	\$317,782,176	\$313,298,395
Liabilities due and unpaid	\$0	\$0	\$0
<b>Actuarial accrued liability</b>	\$283,802,820	\$283,802,820	\$279,277,722
<b>Unfunded actuarial accrued liability</b>	\$78,870,905	\$78,978,487	\$81,841,009

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results (continued)

	10/1/2015 7.50% (current methods & assumptions)	10/1/2015 7.50% (prior methods & assumptions)	10/1/2014 7.50%
<b>Actuarial present value of accrued benefits</b>			
Statement of actuarial present value of all accrued benefits			
Vested accrued benefits			
Inactive members and beneficiaries	\$234,220,308	\$234,220,308	\$229,937,325
Active members	32,250,183	32,250,183	32,484,545
Total value of all vested accrued benefits	\$266,470,491	\$266,470,491	\$262,421,870
Non-vested accrued benefits	6,406,896	6,406,896	6,118,154
Total actuarial present value of all accrued benefits	\$272,877,387	\$272,877,387	\$268,540,024
Statement of changes in total actuarial present value of all accrued benefits (ASC 960)			
Actuarial present value of accrued benefits, beginning of year	\$268,540,024	\$268,540,024	\$262,386,839
Increase (decrease) during year			
Benefits accumulated	\$6,120,138	\$6,120,138	\$7,924,812
Plan amendment	0	0	3,653
Changes in actuarial assumptions	0	0	0
Interest	19,361,911	19,361,911	18,903,557
Benefits paid	(21,144,686)	(21,144,686)	(20,678,837)
Other changes	0	0	0
Net increase (decrease)	\$4,337,363	\$4,337,363	\$6,153,185
Actuarial present value of accrued benefits, end of year	\$272,877,387	\$272,877,387	\$268,540,024

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results (continued)

	10/1/2015 7.50% (current methods & assumptions)	10/1/2015 7.50% (prior methods & assumptions)	10/1/2014 7.50%
<b>Pension cost</b>			
Normal Cost	\$3,703,208	\$3,703,208	\$3,700,832
Member contributions	\$1,558,927	\$1,558,927	\$1,532,219
Expected plan sponsor contribution	\$8,093,069	\$8,102,988	\$8,062,921
As % of payroll	60.85%	60.92%	60.64%
Member Contributions as % of payroll	11.94%	11.94%	11.73%
<b>Past contributions</b>			
Required plan sponsor contribution	9/30/2015 \$9,950,848		9/30/2014 \$11,470,379
Required member contribution	\$1,453,242		\$1,422,685
Actual contributions made by:			
Plan's sponsor	\$9,950,848		\$11,470,379
Members	\$1,453,242		\$1,422,685
Other	\$0		\$0
<b>Net actuarial gain (loss) (if applicable)</b>	\$2,212,709	\$2,212,709	\$3,237,807
<b>Other disclosures (where applicable)</b>			
Present value of active member			
Future salaries at attained age	\$121,064,716	\$121,064,716	\$121,259,135
Future contributions at attained age	\$12,496,426	\$12,496,426	\$12,483,634

Information to Comply with Florida 60T-1.003(4)(i)

Hypothetical City Contribution Requirement for 2015/2016 Fiscal Year

	Police	Fire	Total
Unfunded actuarial accrued liability	\$46,882,049	\$31,968,275	\$78,850,324
Liabilities, present value of all future expected benefit payments			
Active members			
Retirement benefits	\$5,202,204	\$69,386,591	\$74,588,795
Vesting benefits	39,997	1,234,382	1,274,379
Disability benefits	160,896	5,271,664	5,432,560
Death benefits	50,161	2,025,040	2,075,202
Return of contribution	0	190,933	190,933
Total	\$5,453,258	\$78,108,610	\$83,561,868
Terminated vested members	\$1,626,718	\$112,222	\$1,738,940
Retired members and beneficiaries	\$126,120,479	\$87,046,049	\$213,166,528
Disabled members	\$9,720,993	\$9,593,847	\$19,314,840
Total	\$142,921,448	\$174,860,728	\$317,782,176
Entry age reserve			
Active	\$4,676,001	\$44,906,511	\$49,582,512
Inactive	137,468,190	96,752,118	234,220,308
Total	\$142,144,191	\$141,658,629	\$283,802,820
Accumulated Employee Contributions	\$1,035,194	\$13,523,923	\$14,559,117
Present Value of Active Member			
Future salaries at attained age	\$2,877,529	\$118,187,187	\$121,064,716
Future contributions at attained age	\$190,112	\$12,306,314	\$12,496,426
Annual Inactive benefits	\$11,409,976	\$8,796,597	\$20,206,573

Information to Comply with Florida 60T-1.003(4)(i)

Hypothetical City Contribution Requirement for 2015/2016 Fiscal Year

	Police	Fire	Total
Actuarial Value at 10/1/14	\$99,826,154	\$118,211,436	\$218,037,590
Contribution by			
- Members	\$80,017	\$1,373,325	\$1,453,342
- City	0	3,979,817	3,979,817
- BSO	4,149,394	0	4,149,394
- State	1,000,407	1,254,688	2,255,095
- Total	\$5,229,818	\$6,607,830	\$11,837,648
Net Earnings Recognized <sup>1</sup>	\$7,179,555	\$8,684,976	\$15,864,531
Disbursements			
- Benefit Payment	\$11,746,541	\$9,325,085	\$21,071,626
- Refunds	0	73,060	73,060
- Administrative Expenses <sup>2</sup>	266,118	321,918	588,036
- Total	\$12,012,659	\$9,720,063	\$21,732,722
Actuarial Value at 10/1/15	\$100,222,868	\$123,784,179	\$224,007,047
DROP Account Balance	\$4,862,460	\$13,671,633	\$18,534,093
State Contribution Reserve	\$0	\$433,458	\$433,458
Member Plan	\$107,581	\$0	\$107,581
Adjusted Actuarial Value at 10/1/15	\$95,252,827	\$109,679,088	\$204,931,915
Market Value of Assets <sup>3</sup>	\$93,044,669	\$107,136,500	\$200,181,169

<sup>1</sup>Allocated based on Return of Actuarial Value of Assets

<sup>2</sup>Allocated based on Net Earnings Recognized

<sup>3</sup>Allocation based on Adjusted Actuarial Value as of 10/1/2015

Information to Comply with Florida 60T-1.003(4)(i)

Hypothetical City Contribution Requirement for 2015/2016 Fiscal Year

Employer Contributions	Police	Fire	Total
Normal Cost	\$182,332	\$3,520,876	\$3,703,208
Expected Member Contributions	(70,517)	(1,488,410)	(1,558,927)
Net Normal Cost	\$111,815	\$2,032,466	\$2,144,281
Administrative expense <sup>2</sup>	\$267,233	\$317,669	\$584,902
Amortization of UAAL	\$3,950,672	\$2,350,870	\$6,301,542
Applicable Interest	324,729	352,575	677,304
Total Recommended Contribution	\$4,654,449	\$5,053,580	\$9,708,029
Expected Non-Employer Contributions	(938,248)	(821,230)	(1,759,478)
Total Recommended Contribution	\$3,716,201	\$4,232,350	\$7,948,551
As a percentage of payroll	545.48%	34.19%	60.85%
Hypothetical Total			7,948,551
Total Recommended Contribution (paid in Lump Sum)	\$3,783,767	\$4,309,302	\$8,093,069
Total Recommended Contribution (paid in Quarterly Installments)	\$3,887,235	\$4,427,139	\$8,314,374

<sup>1</sup>Allocated based on Return of Actuarial Value of Assets

<sup>2</sup>Allocated based on Net Earnings Recognized

Information to Comply with Florida 60T-1.003(3)(f)

September 30, 2015

Historical Salary Increases and Asset Performance

Year Ending	Payroll Growth	Salary Growth	Expected Salary Growth	Asset Return (Market)	Asset Return (Actuarial)	Asset Return (Expected)
9/30/2015	(0.03%)	4.84%	5.41%	(1.71%)	7.46%	7.50%
9/30/2014	0.90%	5.50%	5.20%	10.00%	9.60%	7.50%
9/30/2013	(9.00%)	1.40%	7.00%	13.70%	8.00%	7.70%
9/30/2012	(7.00%)	1.60%	6.90%	16.80%	2.80%	7.90%
9/30/2011	(7.70%)	(1.50%)	6.40%	1.70%	1.20%	8.10%
9/30/2010	(7.60%)	5.00%	6.50%	10.40%	5.60%	8.30%
9/30/2009	(4.00%)	3.00%	7.00%	1.80%	2.30%	8.50%
9/30/2008	(1.40%)	7.40%	7.00%	(14.30%)	3.60%	8.50%
9/30/2007	2.80%	6.20%	6.00%	12.80%	10.00%	8.50%
9/30/2006	0.20%	4.30%	6.00%	6.20%	10.50%	8.50%
Averages						
3-year				7.12%	8.35%	
5-year				7.87%	5.76%	
10-year				5.36%	6.05%	
20-year				6.56%	5.71%	

Amortization of Unfunded Actuarial Accrued Liability

	UAAL	Amortization
10/1/2015	\$78,870,905	\$6,301,542
10/1/2016	\$78,012,066	\$6,509,524
10/1/2017	\$76,865,228	\$6,575,903
10/1/2018	\$75,561,027	\$6,601,667
10/1/2044	(\$261,628)	(\$261,628)

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035

October 1, 2015

	Valuation 7.50%	- 200 bp <sup>2</sup> 5.50%	Funding Rate <sup>2</sup> 7.50%	+ 200 bp <sup>2</sup> 9.50%
Total pension liability				
Service Cost	\$3,645,948	\$3,645,948	\$3,645,948	\$3,645,948
Interest	21,555,235	21,555,235	21,555,235	21,555,235
Benefit changes	(6,900)	(6,900)	(6,900)	(6,900)
Difference between expected and actual experience	2,419,307	2,419,307	2,419,307	2,419,307
Changes in assumptions	0	110,464,757	29,679,241	(26,232,851)
Benefit payments	(21,071,626)	(21,071,626)	(21,071,626)	(21,071,626)
Contribution refunds	(73,060)	(73,060)	(73,060)	(73,060)
Net change in pension liability	\$6,468,904	\$116,933,661	\$36,148,145	(\$19,763,947)
Total pension liability, beginning of year	\$294,329,522	\$294,329,522	\$294,329,522	\$294,329,522
Total pension liability, end of year	\$300,798,426	\$411,263,183	\$330,477,667	\$274,565,575
Plan fiduciary net position				
Contributions - Employer	\$8,129,211	\$8,129,211	\$8,129,211	\$8,129,211
Contributions - State	2,255,095	2,255,095	2,255,095	2,255,095
Contributions - Member	1,453,342	1,453,342	1,453,342	1,453,342
Net investment income	(3,930,192)	(3,930,192)	(3,930,192)	(3,930,192)
Benefit payments	(21,071,626)	(21,071,626)	(21,071,626)	(21,071,626)
Contribution refunds	(73,060)	(73,060)	(73,060)	(73,060)
Administrative expense	(588,036)	(588,036)	(588,036)	(588,036)
Other	43,955	43,955	43,955	43,955
Net change in plan fiduciary net position	(\$13,781,311)	(\$13,781,311)	(\$13,781,311)	(\$13,781,311)
Plan fiduciary net position, beginning of year	\$233,037,612	\$233,037,612	\$233,037,612	\$233,037,612
Plan fiduciary net position, end of year	\$219,256,301	\$219,256,301	\$219,256,301	\$219,256,301
Net pension liability/(asset)	(\$81,542,125)	(\$192,006,882)	(\$111,221,366)	(\$55,309,274)
Funded ratio	72.89%	53.31%	66.35%	79.86%
Years that Assets support expected benefit payments	13	11	13	16
Estimated city contribution				
Annual dollar value	\$8,093,069	\$13,497,791	\$9,424,096	\$6,267,813
Percentage of payroll	60.85%	101.49%	70.86%	47.13%

<sup>1</sup>Includes DROP assets and liabilities

<sup>2</sup>Based on valuation assumption with the following changes

-interest rate (as noted)

-mortality table of RP 2000 with generational projection using Scale AA

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035

October 1, 2015

**Sustainment of Expected Benefit Payments**

Mortality Valuation  
 Interest 7.50%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$219,256,301	\$14,968,555	\$40,075,620 <sup>1</sup>
2	194,149,236	13,803,575	20,575,098
3	187,377,713	13,274,970	21,138,363
4	179,514,320	12,671,888	21,500,313
5	170,685,895	12,000,783	21,744,012
6	160,942,666	11,247,658	22,351,878
7	149,838,446	10,394,660	22,899,935
8	137,333,171	9,434,248	23,511,442
9	123,255,977	8,359,999	24,012,743
10	107,603,233	7,162,754	24,645,231
11	90,120,756	5,825,649	25,349,137
12	70,597,268	4,342,920	25,850,676
13	49,089,512	2,712,814	26,313,020
14	25,489,306		26,747,008

<sup>1</sup>Benefit payments include the DROP Balance at 9/30/2015



Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>

October 1, 2015

Sustainment of Expected Benefit Payments

Mortality RP-2000 Generational with Scale AA  
 Interest 5.50%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$219,256,301	\$10,970,618	\$40,118,008 <sup>1</sup>
2	190,108,911	9,907,806	20,204,400
3	179,812,317	9,327,431	20,722,674
4	168,417,074	8,682,159	21,405,770
5	155,693,463	7,968,930	21,900,786
6	141,761,607	7,192,169	22,288,126
7	126,665,650	6,341,219	23,050,047
8	109,956,822	5,402,835	23,764,982
9	91,594,675	4,371,439	24,556,616
10	71,409,498	3,242,514	25,247,311
11	49,404,701	2,009,716	26,077,860
12	25,336,557		26,996,233

<sup>1</sup>Benefit payments include the DROP balance at 9/30/2015

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>

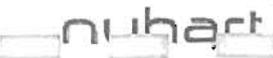
October 1, 2015

**Sustainment of Expected Benefit Payments**

Mortality RP-2000 Generational with Scale AA  
 Interest 7.50%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$219,256,301	\$14,966,995	\$40,118,008 <sup>1</sup>
2	194,105,288	13,813,929	20,204,400
3	187,714,817	13,315,560	20,722,674
4	180,307,703	12,734,873	21,405,770
5	171,636,806	12,066,328	21,900,786
6	161,802,348	11,314,481	22,288,126
7	150,828,703	10,463,402	23,050,047
8	138,242,058	9,493,079	23,764,982
9	123,970,155	8,393,536	24,556,616
10	107,807,075	7,155,872	25,247,311
11	89,715,636	5,768,432	26,077,860
12	69,406,208	4,211,408	26,996,233
13	46,621,383	2,475,777	27,723,228
14	21,373,932		28,422,446

<sup>1</sup>Benefit payments include the DROP balance at 9/30/2015



Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035<sup>1</sup>

October 1, 2015

Sustainment of Expected Benefit Payments

Mortality RP-2000 Generational with Scale AA  
 Interest 9.50%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$219,256,301	\$18,966,971	\$40,118,008 <sup>1</sup>
2	198,105,264	17,882,062	20,204,400
3	195,782,926	17,637,380	20,722,674
4	192,697,632	17,312,566	21,405,770
5	188,604,428	16,900,732	21,900,786
6	183,604,374	16,407,746	22,288,126
7	177,723,994	15,813,739	23,050,047
8	170,487,686	15,093,101	23,764,982
9	161,815,805	14,232,523	24,556,616
10	151,491,712	13,219,670	25,247,311
11	139,464,071	12,038,488	26,077,860
12	125,424,699	10,662,114	26,996,233
13	109,090,580	9,076,624	27,723,228
14	90,443,976	7,272,737	28,422,446
15	69,294,267	5,232,276	29,095,374
16	45,431,169	2,934,696	29,754,235
17	18,611,630		30,293,632

<sup>1</sup>Benefit payments include the DROP balance at 9/30/2015

**Reserve Account For Future Benefit Improvements Under F.L. 99-1/SB172**

1. Adjusted Base Amount at 10/1/2015

Year <u>Established</u>	<u>Description</u>	Ch. 185 <u>Police</u>	Ch. 175 <u>Fire</u>	Suppl. <u>Fire</u>	<u>Total</u>
		-\$-	-\$-	-\$-	-\$-
	Adjusted Base Amount as of 10/1/10	798,463	704,031	28,723	1,531,217
2012	Ordinances 2012-30/31	0	88,476	0	88,476
	Adjusted Base Amount	798,463	792,507	28,723	1,619,693

2. Reserve Account for 2014/2015

	Ch. 185 <u>Police</u>	Ch. 175 <u>Fire</u>	Suppl. <u>Fire</u>	<u>Total</u>
	-\$-	-\$-	-\$-	-\$-
(a) Reserve Account at September 30, 2014	215,163	297,213	174,893	687,269
(b) Share Plan Allocation paid out	0	(297,213)	(174,893)	(472,106)
(c) Share Plan Allocation for Reserve	0	393,538	39,920	433,458
(d) Reserve Account at September 30, 2015 (a + b + c)	215,163	393,538	39,920	648,621
(e) City Contribution Receivable for State Premium Shortfall				
i. Premium Tax Distribution for 2014	1,000,407	1,186,045	68,643	2,255,095
ii. Adjusted Base Amount	798,463	792,507	28,723	1,619,693
iii. Shortfall of State Premium Tax Distribution	0	0	0	0

3. Allocation of Accumulated Reserve Under SB 172

	Ch. 185 <u>Police</u>	Ch. 175 <u>Fire</u>	Suppl. <u>Fire</u>	<u>Total</u>
	-\$-	-\$-	-\$-	-\$-
(a) Amount Allocated to Unfunded Liability	(107,582)	0	0	(107,582)
(b) Amount Allocated to Member Plan	(107,581)	0	0	(107,581)
(c) Total	(215,163)	0	0	(215,163)
(d) Final Reserve Account at September 30, 2015	0	393,538	39,920	433,458