FLA
FREIMAN LITTLE ACTUARIES

April 29, 2015

Via Email

Florida Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000
local_ret@dms.myflorida.com

To whom it may concern:

Re: 2014 Disclosure under F.S. 112.664

We understand that Florida Statutes (F.S.) 112.664(1) and F.S. 112.664(2)(b)2. require certain information to be disclosed to the Department of Management Services within 60 days of the April 29, 2015 effective date for Florida Administrative Code (F.A.C.) Rule 60T-1.0035, or June 28, 2015, since the Board of Trustees of the City of Rockledge General Employees Retirement Plan (the Plan) has formally approved the October 1, 2014 actuarial valuation of the Plan.

An attachment provides information under F.S. 112.664(1) in the format described in F.A.C. Rule 60T-1.0035. We have uploaded the semi-colon delimited file described by the rule.

The disclosure requirements for F.S. 112.664(2)(b)2. are found on page 21 of our attached October 1, 2014 actuarial valuation of the Plan. The GASB 67 Supplement as of September 30, 2014 has also been attached.

Please let us know if you have any questions or need additional information. Please also confirm that the disclosure requirements have been satisfied for the Plan.

Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary

cc: Karan Rounsavall

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

With respect to the 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), F.S., and Section 60T-1.0035, F.A.C.

(a)	City/District	City of Rockledge
(b)	Plan Name	Rockledge General Employees Retirement Plan
(c)	Plan Type	Defined Benefit
(d)	Valuation Date	10/01/2014
(e)	Interest Rate:	
(e)(1)	Discount Rate, net of investment fees	8.00%
(e)(2)	Long-Term Expected Rate of Return, net of investment fees	8.00%
(f)	Certification Statement	
(f)(1)	Signature	
(f)(2)	Actuary's Name	Chad M. Little
(f)(3)	Enrollment Number	14-6619
(f)(4)	Signature Date	04/29/2015
(f)(5)	Cover letter attached (pdf)?	Y

Section 112.664(1)(a), F.S. Total pension liability
assuming mortality under the RP-2000 Combined Mortality Table for healthy participants (by gender) with fully generational projection using Scale AA

(g)	Total pension liability:	
(g)(1)	Service cost	$490,047
(g)(2)	Interest	1,143,136
(g)(3)	Benefit changes	0
(g)(4)	Difference between expected and actual experience	(24,739)
(g)(5)	Changes in assumptions	410,636
(g)(6)	Benefit payments	(358,103)
(g)(7)	Contribution refunds	(80,160)
(g)(8)	Net change in total pension liability	$1,580,817
(g)(9)	Total pension liability – beginning of year	$14,101,958
(g)(10)	Total pension liability – ending of year	$15,682,775
(h)	Plan fiduciary net position:	
(h)(1)	Contributions – Employer	$443,171
(h)(2)	Contributions – State	0
(h)(3)	Contributions – Member	244,731
(h)(4)	Net investment income	1,129,042
(h)(5)	Benefit payments	(358,103)
(h)(6)	Contributions refunds	(80,160)
(h)(7)	Administrative expense	(77,399)
(h)(8)	Other	0
(h)(9)	Net change in plan fiduciary net position	$1,301,282
(h)(10)	Plan fiduciary net position – beginning of year	$11,561,929
(h)(11)	Plan fiduciary net position – ending of year	$12,863,211
(i)	Net pension liability/(asset) [(g)(10) minus (h)(11)]	$2,819,564

Section 112.664(1)(b), F.S. Total pension liability
assumed interest rate that is 200 basis points lower than that assumed in the valuation of the Plan (as well as RP-2000 fully generational, Scale AA)

(j)	Total pension liability:	
(j)(1)	Service cost	$490,047
(j)(2)	Interest	1,143,136
(j)(3)	Benefit changes	0
(j)(4)	Difference between expected and actual experience	(24,739)
(j)(5)	Changes in assumptions	4,344,177
(j)(6)	Benefit payments	(358,103)
(j)(7)	Contribution refunds	(80,160)
(j)(8)	Net change in total pension liability	$5,514,358
(j)(9)	Total pension liability – beginning of year	$14,101,958
(j)(10)	Total pension liability – ending of year	$19,616,316
(k)	Plan fiduciary net position:	
(k)(1)	Contributions – Employer	$443,171
(k)(2)	Contributions – State	0
(k)(3)	Contributions – Member	244,731
(k)(4)	Net investment income	1,129,042
(k)(5)	Benefit payments	(358,103)
(k)(6)	Contributions refunds	(80,160)
(k)(7)	Administrative expense	(77,399)
(k)(8)	Other	0
(k)(9)	Net change in plan fiduciary net position	$1,301,282
(k)(10)	Plan fiduciary net position – beginning of year	$11,561,929
(k)(11)	Plan fiduciary net position – ending of year	$12,863,211
(l)	Net pension liability/(asset) [(j)(10) minus (k)(11)]	$6,753,105

Section 112.664(1)(c), F.S. (on last valuation basis)

(m)	Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	16.79

Section 112.664(1)(c), F.S. (on Section 112.664(1)(a), F.S. basis)

(n)	Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	16.61

Section 112.664(1)(c), F.S. (on Section 112.664(1)(b), F.S. basis)

(o)	Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	13.84

Section 112.664(1)(d), F.S. (on last valuation basis)

(p)	Recommended Plan contributions in Annual Dollar Value	$562,320
(q)	Recommended Plan contributions as a Percentage of Valuation Payroll	13.82%

Section 112.664(1)(d), F.S. (on Section 112.664(1)(a), F.S. basis)

(r)	Recommended Plan contributions in Annual Dollar Value	$614,116
(s)	Recommended Plan contributions as a Percentage of Valuation Payroll	15.10%

Section 112.664(1)(d), F.S. (on Section 112.664(1)(b), F.S. basis)

(t)	Recommended Plan contributions in Annual Dollar Value	$1,068,165
(u)	Recommended Plan contributions as a Percentage of Valuation Payroll	26.26%

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, 2014

February 19, 2015

REPORT TO DETERMINE MINIMUM FUNDING REQUIREMENTS
FOR THE PLAN AND FISCAL YEAR
BEGINNING OCTOBER 1, 2014

FLA

FREIMAN LITTLE ACTUARIES

February 19, 2015

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

RE: Actuarial Valuation as of October 1, 2014

Dear Board Members:

We are pleased to present the actuarial valuation as of October 1, 2014 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, 2015, 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.

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

Table of Contents

Board Summary **1**

Summary of Principal Valuation Results 1

Summary of Significant Events 2

Results Derivation **5**

Financial Information 5

Present Value of Benefits 10

Accued Liability 11

Normal Cost 12

Unfunded Accrued Liability 13

Minimum Funding Requirements 16

Reconciliations 17

Accounting Information **18**

Information Required by GASB 67 18

Information Required by GASB 27 18

Statement of Accumulated Plan Benefits (FASB 35) 19

Other Disclosures Required by the State of Florida 19

Required Disclosure Under F.S. 112.664(1) 20

Required Disclosure Under F.S. 112.664(2)(b)2. 21

Supplementary Information **22**

Summary of Participant Data 22

Outline of Plan Provisions 26

Description of Assumptions and Methods 30

Glossary of Actuarial Terms 32

Section 1 Board Summary

This report presents the results of the October 1, 2014 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,	**2014**	**2015**
Minimum Funding Requirement (Prior to Credit Balance Use)		
As a Dollar Amount	$526,423	$562,320
As a Percent of Valuation Payroll	13.2%	13.8%
Minimum Funding Requirement (After Credit Balance Use)		
As a Dollar Amount	$443,171	$562,320
As a Percent of Valuation Payroll	11.1%	13.8%

Note: The $562,320 minimum funding requirement must be deposited during fiscal 2015 on at least a quarterly basis.

Funded Status

Valuation as of October 1,	**2013**	**2014**
Accrued Liability (AL)	$14,101,958	$15,294,494
Actuarial Value of Assets	(11,657,004)	(12,703,666)
Unfunded Accrued Liability (UAL)	$2,444,954	$2,590,828
Funded Percentage	82.7%	83.1%

Key Assumptions

Valuation as of October 1,	**2013**	**2014**
Assumed Investment Return, Net of Expenses	8.0%	8.0%
Salary Increase Assumption	6.0%	6.0%

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 2015 is $562,320. This amount must be contributed on at least a quarterly basis during fiscal 2015.

We have noted there is a $90,018 contribution receivable for fiscal 2014. 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 grew from 127 to 131 members due to 19 new hires, 12 non-vested terminations and 3 members who entered the DROP.

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

Year Ended September 30,	Individual Actual	Individual Expected	Total Payroll Increase
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%
2005	7.2%	6.0%	0.8%
Average:	3.0%	6.0%	1.1%

Pay increases were less than expected with the actual average pay increase amongst continuing actives at 3.6% in comparison to the 6.0% salary increase assumption. In addition, total payroll increased 1.1% on average over the last 10 years. As a result, the 1.6% average payroll growth assumption used to amortize unfunded accrued liability as a level percentage of pay in the prior valuation of the Plan must be decreased to 1.1% for the current valuation of the Plan per Florida Statues 112.64(5)(a).

Overall, there was a small demographic gain primarily due to salary increases less than expected. This demographic gain was offset by unfavorable termination and retirement experience. 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 9.69% and the return on the Actuarial Value of Assets was 7.45%, 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, 2014.

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**
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 %
2005	8.31 %	4.33 %	8.0 %
Average	5.10 %	3.07 %	8.0 %

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

Plan Provisions

Ordinance 1644-2014 was adopted February 19, 2014. This ordinance updated language to bring the Plan in compliance with Internal Revenue Code and was deemed to have no material impact on the valuation of Plan liabilities.

Ordinance 1662-2014 was adopted November 5, 2014. This ordinance removed wording pertaining to mandatory retirement at age 70 and was deemed to have no material impact on the valuation of Plan liabilities.

Methods

There have been no changes in methods used in the prior valuation. However, we recommend that all future changes to the Unfunded Accrued Liability be amortized over a 25 year period effective with the October 1, 2015 Actuarial Valuation.

Assumptions

Florida Statues 112.64(5)(a) requires that the payroll growth assumption not exceed the average payroll growth for the prior ten years. For this reason the assumed total payroll increase assumption has been set at 1.1% for this valuation (in comparison to 1.6% used in the prior valuation of the Plan).

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, 2013**		**October 1, 2014**	
Stocks	$6,758,862	59%	$8,888,592	69%
Fixed Income Securities	4,752,541	41%	3,639,879	28%
Cash and Cash Equivalents	22,500	0%	223,279	2%
Net Receivables	28,026	0%	111,461	1%
Fair Market Value of Assets	$11,561,929	100%	$12,863,211	100%

Reconciliation of Market Value of Assets

Year Ending September 30,			**2013**	**2014**
1.	**Market Value of Assets at Beginning of Year**		$10,534,827	$11,561,929
2.	Contributions			
	a.	Employer	$346,097	$443,171
	b.	Plan Members	246,507	244,731
	c.	Total Contributions	$592,604	$687,902
3.	Investment Income			
	a.	Realized Appreciation (Depreciation)	$813,571	$22,121
	b.	Unrealized Appreciation (Depreciation)	(141,737)	813,249
	c.	Interest plus Dividends	310,273	326,141
	d.	Investment Expense	(51,482)	(32,469)
	e.	Net Investment Income	$930,625	$1,129,042
4.	Deductions			
	a.	Benefits	$(370,923)	$(337,298)
	b.	Refund of Contributions	(59,986)	(80,160)
	c.	DROP Balance Disbursement	0	(20,805)
	d.	Administrative Expense	(65,218)	(77,399)
	e.	Total Deductions	$(496,127)	$(515,662)
5.	Net Increase		$1,027,102	$1,301,282
6.	**Market Value of Assets at End of Year**		$11,561,929	$12,863,211
7.	**Return on Market Value of Assets = 2I / (A + B – I)**		8.79 %	9.69 %

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, 2014				$12,863,211
2.	Phase-In Gains (Losses) Over Five Year Period				
		Year Ending	Original Gain (Loss)	Percent Unrecognized	Unrecognized Gain (Loss)
	a.	September 30, 2014	$197,198	80%	$157,758
	b.	September 30, 2013	83,980	60%	50,388
	c.	September 30, 2012	379,290	40%	151,716
	d.	September 30, 2011	(1,001,586)	20%	(200,317)
	e.	Total			$159,545
3.	Preliminary Actuarial Value of Assets				$12,703,666
4.	Corridor Around Market Value				
	a.	Minimum = 80% of Market Value of Assets			$10,290,569
	b.	Maximum = 120% of Market Value of Assets			$15,435,853
	c.	Corridor Adjustment to Preliminary Actuarial Value			$0
5.	Actuarial Value of Assets as of October 1, 2014				$12,703,666

Development of Historical Gain or Loss on Market Value of Assets

Fiscal Year End		2014	2013
1.	Market Value of Assets - Beginning of Year	$11,561,929	$10,534,827
2.	Expected Interest on Assets	924,954	842,786
3.	Contributions	687,902	592,604
4.	Benefit Payments + Administrative Expenses	(515,662)	(496,127)
5.	Interest on items (3) and (4)	6,890	3,859
6.	Expected Value of Assets at End of Year	$12,666,013	$11,477,949
7.	Market Value of Assets - End of Year	$12,863,211	$11,561,929
8.	Gain (Loss) for Plan Year = (7) - (6)	$197,198	$83,980

Fiscal Year End		2012	2011
1.	Market Value of Assets - Beginning of Year	$9,211,284	$9,255,489
2.	Expected Interest on Assets	736,903	740,439
3.	Contributions	597,398	593,378
4.	Benefit Payments + Administrative Expenses	(398,023)	(384,780)
5.	Interest on items (3) and (4)	7,975	8,344
6.	Expected Value of Assets at End of Year	$10,155,537	$10,212,870
7.	Market Value of Assets - End of Year	$10,534,827	$9,211,284
8.	Gain (Loss) for Plan Year = (7) - (6)	$379,290	$(1,001,586)

Historical Asset Values

Value as of October 1,	Actuarial Value of Assets	Fair Market Value of Assets	% Market Return	% Actuarial Return	% Assumed Return
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 %
2005	7,556,027	7,556,027	8.31 %	4.33 %	8.00 %

Historical Contribution Amounts

Year Ending September 30,	Employer	Members	Total
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
2005	265,520	227,581	493,101

Historical Deductions from Fund

Year Ending September 30,	Benefits	Refunds	Administrative Expense	Total
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
2005	381,503	56,095	17,454	455,052

Present Value of Benefits

Valuation as of October 1,			2013	2014
1.	**Active Members**			
	a.	Retirement Benefits	$9,660,215	$9,787,873
	b.	Deferred Benefits	757,458	763,348
	c.	Survivor Benefits	428,242	416,976
	d.	Disability Retirement	468,877	466,778
	e.	Total for Active Members	$11,314,792	$11,434,975
2.	**Inactive Members**			
	a.	Retired Members	$5,882,765	$7,012,618
	b.	Terminated members	149,673	162,662
	c.	Beneficiaries	237,446	226,242
	d.	Disability Retirement	172,925	170,373
	e.	Total for Inactive Members	$6,442,809	$7,571,895
3.	**Present Value of Benefits**		$17,757,601	$19,006,870

Accued Liability

Valuation as of October 1,		2013	2014
1.	**Active Members**		
a.	Retirement Benefits	$7,120,383	$7,203,980
b.	Deferred Benefits	100,503	93,425
c.	Survivor Benefits	226,121	217,861
d.	Disability Retirement	212,142	207,333
e.	Total for Active Members	$7,659,149	$7,722,599
2.	**Inactive Members**		
a.	Retired Members	$5,882,765	$7,012,618
b.	Terminated members	149,673	162,662
c.	Beneficiaries	237,446	226,242
d.	Disability Retirement	172,925	170,373
e.	Total for Inactive Members	$6,442,809	$7,571,895
3.	**Accrued Liability**	$14,101,958	$15,294,494

Normal Cost

Valuation as of October 1,			2013	2014
1.	**Preliminary Normal Cost**			
	a.	Retirement Benefits	$342,161	$350,770
	b.	Deferred Benefits	85,232	86,324
	c.	Survivor Benefits	27,887	27,860
	d.	Disability Retirement	34,767	35,552
	e.	Total	$490,047	$500,506
2.	**Total Normal Cost**			
	a.	Preliminary Normal Cost	$490,047	$500,506
	b.	Estimated Administrative Expense	65,218	77,399
	c.	Total Normal Cost	$555,265	$577,905
	d.	Total Normal Cost as a Percent of Pay	13.9%	14.2%
3.	**Employer Normal Cost**			
	a.	Preliminary Normal Cost	$490,047	
	b.	Actual Administrative Expense	77,399	
	c.	Actual Employee Contributions	(244,731)	
	d.	Employer Normal Cost	$322,715	
4.	**Valuation Payroll**		$3,995,034	$4,068,272

Unfunded Accrued Liability

Derivation of Unfunded Accrued Liability (UAL)

Unfunded Accrued Liability

1.	Accrued Liability	$15,294,494
2.	Actuarial Value of Assets	(12,703,666)
3.	Unfunded Accrued Liability	$2,590,828

Determination of Expected Unfunded Accrued Liability

1.	Unfunded Accrued Liability as of Prior Year	$2,444,954
2.	Interest for a full year on (1)	195,596
3.	Employer Normal Cost (Including Administrative Expenses) as of Prior Year	322,715
4.	Interest for a full year on (3)	25,817
5.	City Contribution	(443,171)
6.	Interest on Contribution for Time on Deposit	(17,727)
7.	Change in Plan, Methods or Assumptions	22,355
8.	Expected Unfunded Accrued Liability	$2,550,539

Calculation of (Gain) or Loss

1.	Actual Unfunded Accrued Liability	$2,590,828
2.	Expected Unfunded Accrued Liability	2,550,539
3.	Total (Gain) or Loss	$40,289

Reconciliation of Unfunded Accrued Liability

1.	Unfunded Accrued Liability as of Prior Year	$2,444,954
2.	Total Change in Unfunded Accrued Liability	
	a. Expected Change in Unfunded Accrued Liability	$83,230
	b. Change in Plan, Methods or Assumptions	22,355
	c. Change Due to (Gain) or Loss	
	i. Portion of (Gain) / Loss Due to Investments	$65,028
	ii. Portion of (Gain) / Loss Due to Demographic Experience	(24,739)
	iii. Total (Gain) or Loss	$40,289
	d. Total Change in Unfunded Accrued Liability	$145,874
3.	Unfunded Accrued Liability	$2,590,828

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 30-year period.

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)	$(424,083)	$(423,595)	21	$(36,082)
2.	2006	Actuarial Loss	106,045	115,322	115,189	22	9,607
3.	2007	Actuarial Loss	131,907	142,290	142,126	23	11,627
4.	2008	Actuarial Loss	1,566,340	1,673,084	1,671,158	24	134,308
5.	2008	Method Change	5,097	5,443	5,437	24	437
6.	2008	Method Change	(1,333,766)	(1,424,659)	(1,423,019)	24	(114,366)
7.	2009	Actuarial Loss	317,686	335,475	335,089	25	26,494
8.	2010	Actuarial Loss	30,104	31,383	31,347	26	2,441
9.	2010	Plan Change	394,556	411,312	410,838	26	31,997
10.	2011	Actuarial Loss	548,021	563,219	562,571	27	43,210
11.	2012	Actuarial Gain	(66,804)	(67,604)	(67,526)	28	(5,120)
12.	2012	Asmp/Method Chg	810,340	820,035	819,091	28	62,111
13.	2013	Actuarial Loss	327,128	328,374	327,996	29	24,578
14.	2013	Update Mortality	21,426	21,507	21,482	29	1,610
15.	2014	Actuarial Loss	40,289	40,289	40,289	30	2,986
16.	2014	Update Mortality	22,355	22,355	22,355	30	1,657

Scheduled Amortization Payment			$197,495
Outstanding Bases	$2,593,742	$2,590,828	
Unfunded Accrued Liability	$2,590,828	$2,590,828	

Credit Balance Reconciliation

The credit balance was depleted in fiscal 2014.

Projected Unfunded Accrued Liability and Amortization Payments

Plan Year Beginning October 1	Total Outstanding Bases	Total Amortization Payment
2014	$2,590,828	$197,495
2015	2,584,800	199,667
2016	2,575,943	201,864
2017	2,564,006	204,085
2018	2,548,714	206,332
2019	2,529,773	208,602
2020	2,506,864	210,895
2021	2,479,647	213,216
2022	2,447,746	215,558
2023	2,410,763	217,928
2024	2,368,261	220,328
2025	2,319,768	222,752
2026	2,264,777	225,201
2027	2,202,742	227,678
2028	2,133,069	230,185
2029	2,055,115	232,716
2030	1,968,191	235,274
2031	1,871,551	237,863
2032	1,764,383	240,482
2033	1,645,813	243,124
2034	1,514,904	245,798
2035	1,370,635	293,905
2036	1,162,868	284,915
2037	948,190	273,095
2038	729,102	249,602
2039	517,861	217,518
2040	324,370	174,143
2041	162,245	117,999
2042	47,787	41,882
2043	6,377	6,377

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 30 years. However, we recommend that all future changes to the Unfunded Accrued Liability be amortized over a 25 year period effective with the October 1, 2015 Actuarial Valuation.

Minimum Funding Requirements

Determination of Required Contribution

Valuation as of October 1, **Funding for Year Ending September 30,**	**2013** **2014**	**2014** **2015**
1. **Determination of Minimum Required Contribution**		
a. Total Normal Cost	$555,265	$577,905
b. Amortization of Unfunded Accrued Liability	181,394	197,495
c. Beginning of Year Contribution	$736,659	$775,400
d. Credit Balance Applied BOY	80,050	0
e. Beginning of Year Contribution - Credit Balance	$656,609	$775,400
f. Interest for Monthly Payments	26,264	31,016
g. Minimum Required Contribution Payable Monthly	$682,873	$806,416
h. Percent of Pay	17.1%	19.8%
2. **Computation of Expected Member Contributions**		
a. Expected Member Contributions	$239,702	$244,096
b. Percent of Pay	6.0%	6.0%
3. **City Policy Contribution**		
a. City Policy Contribution	$443,171	$562,320
b. Percent of Valuation Payroll	11.1%	13.8%
4. **Valuation Payroll**	$3,995,034	$4,068,272

Note: The city must contribute $562,320 to the Plan on at least a quarterly basis during fiscal 2015.

Reconciliations

Reconciliation of Funded Status

	Unfunded Accrued Liability	Funded Percentage	Change in Unfunded Accrued Liability	Change in Funded Percentage
As of Prior Valuation	**$2,444,954**	**82.7 %**		
Changes in due to:				
Normal Operation of Plan	2,528,184	83.5 %	$83,230	0.8 %
Investment Loss	2,593,212	83.0 %	65,028	(0.5)%
Demographic Gain	2,568,473	83.2 %	(24,739)	0.2 %
Mortality Improvement	2,590,828	83.1 %	22,355	(0.1)%
Total Changes			$145,874	0.4 %
As of Current Valuation	**$2,590,828**	**83.1 %**		

Reconciliation of City Minimum Funding Requirement

	Dollar Amount	% of Pay
As of Prior Valuation (Before Credit Balance)	**$526,423**	**13.2 %**
Changes in Contribution due to:		
Normal Operation of Plan	$8,423	0.0 %
Change in Expenses	12,668	0.3 %
Investment Loss	4,771	0.1 %
Demographic Gain	(1,562)	(0.1)%
Update Mortality Improvements from '13 to '14	2,244	0.1 %
Effect of F.S. 112.64(5)(a)	9,353	0.2 %
Total Changes	$35,897	0.6 %
As of Current Valuation (Before Credit Balance)	**$562,320**	**13.8 %**
As of Current Valuation (After Credit Balance)	**$562,320**	**13.8 %**

Note: The credit balance was depleted in fiscal 2014.

Section 3 Accounting Information

Information Required by GASB 67

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

Information Required by GASB 27

Annual Pension Cost and Net Pension Obligation

Fiscal Year Ending September 30,	**2014**	**2013**	**2012**	**2011**	**2010**
1. Beginning of year NPO	$(293,320)	$(289,435)	$(283,144)	$(270,276)	$(261,552)
2. Contributions Made	443,171	346,097	337,661	319,511	322,259
3. Pension Cost	440,642	342,212	331,370	306,643	313,536
4. End of year NPO (1. - 2. + 3.)	$(295,849)	$(293,320)	$(289,435)	$(283,144)	$(270,276)
1. Annual Required Contribution	$443,171	$346,097	$337,661	$312,647	$319,346
2. Interest on NPO	(23,466)	(23,155)	(22,652)	(21,622)	(20,924)
3. Amortization of NPO	20,937	19,270	16,361	15,618	15,114
4. Pension Cost	$440,642	$342,212	$331,370	$306,643	$313,536

Note: Assumptions used can be found in the “Description of Assumptions and Methods” in Section 4 of this report.

Statement of Accumulated Plan Benefits (FASB 35)

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

Valuation as of October 1,	2013	2014
1. Actuarial present value of accumulated benefits		
a. Participants currently receiving benefits	$6,293,136	$7,409,233
b. Other participants	5,001,274	5,041,294
c. Vested participants	$11,294,410	$12,450,527
d. Nonvested participants	1,143,401	1,112,910
e. Total	$12,437,811	$13,563,437
2. Change in actuarial present value of accumulated benefits		
a. Actuarial present value of accumulated benefits beginning of year		$12,437,811
b. Increase (decrease) during year attributable to:		
i. Plan amendment		$0
ii. Change in assumptions or methods		17,153
iii. Increase for interest and probability of payment due to decrease in discount period and benefits accrued		1,546,736
iv. Benefits paid		(438,263)
v. Other		0
vi. Net increase (decrease)		$1,125,626
c. Actuarial present value of accumulated benefits end of year		$13,563,437

Other Disclosures Required by the State of Florida

Valuation as of October 1,	2013	2014
Present value of active member:		
Future salaries (attained age)	$30,661,974	$31,174,918
Future contributions (attained age)	$1,839,718	$1,870,495
Balance of contributions with interest for actives	$2,605,087	$2,658,556

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.

	2% Decrease (6.000%)	Actual Valuation Current Discount Rate (8.000%)	2% Increase (10.000%)	Actual Valuation Results - 8.0% and RP-2000 Projected to 2014 Using Scale AA
Total pension liability	$19,616,316	$15,682,775	$12,870,232	$15,294,494
Plan fiduciary net position	(12,863,211)	(12,863,211)	(12,863,211)	(12,863,211)
Net pension liability	$6,753,105	$2,819,564	$7,021	$2,431,283
Plan fiduciary net position as a percentage of the total pension liability	65.6%	82.0%	99.9%	84.1%
Years of benefit payments:				
Expected for current members:	97	97	97	N/A
Paid for with current assets:	13	16	21	N/A
City Contribution Requirement				
Dollar Amount	$1,068,165	$614,116	$247,057	$562,320
Percent of Payroll	26.3%	15.1%	6.1%	13.8%

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,	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Assumed rate of return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Actual rate of return	9.7%	8.8%	12.1%	(2.7%)	8.6%	2.8%
Percentages of assets in:						
Cash	2%	0%	5%	4%	5%	3%
Equity	69%	59%	56%	52%	55%	58%
Bond	28%	41%	39%	45%	40%	39%
Alternative	1%	0%	0%	(1%)	0%	0%
Total	100%	100%	100%	100%	100%	100%

Section 4 Supplementary Information

Summary of Participant Data

Valuation as of October 1,	2013	2014
Active Participants		
Number	127	131
Average Age	46.3	46.3
Average Credited Service	8.8	8.7
Percent Male	75.6	74.8
Average Valuation Salary	$31,739	$31,629
Total Valuation Salary	$4,030,810	$4,143,350
Payroll Covered in Valuation	$3,995,034	$4,068,272
Terminated With Rights to Deferred Benefits		
Number	3	3
Average Age	48.8	49.8
Percent Male	100.0	100.0
Average Monthly Benefit	$1,174	$1,174
DROP Participants		
Number	8	11
Average Age	60.2	61.9
Percent Male	75.0	72.7
Average Monthly Benefit	$2,818	$2,683
Total of DROP Account Balances September 30	$359,225	$689,103

Valuation as of October 1,	2013	2014
Service Retirements		
Number	22	22
Average Age	71.2	72.2
Percent Male	77.3	77.3
Average Monthly Benefit	$1,097	$1,097
Total of DROP Account Balances September 30	$20,803	$0
Beneficiaries		
Number	6	5
Average Age	73.7	70.8
Percent Male	16.7	20.0
Average Monthly Benefit	$384	$427
Disability Retirements		
Number	4	4
Average Age	63.5	64.5
Percent Male	75.0	75.0
Average Monthly Benefit	$458	$458
Total In Payment Status		
Number	32	31
Average Age	70.7	71.0
Percent Male	65.6	67.7
Average Monthly Benefit	$884	$907

Number of Active Members by Age and Service as of October 1, 2014

	Service									
Age	< 1	< 5	< 10	< 15	< 20	< 25	< 30	< 35	< 40	Total
< 20	1									1
< 25	2	6	1							9
< 30	1	5	4							10
< 35	5	4	3							12
< 40	1	1	3	3						8
< 45	1	1	4	3						9
< 50	1	4	4	5	3	2				19
< 55	3	3	4	3	4	1	2	2		22
< 60	2	8	7	2	3	1	2			25
< 65		2	4	5	2	3				16
65+										
Total	17	34	34	21	12	7	4	2		131

Active Valuation Pay by Age and Service as of October 1, 2014

	Service									
Age	< 1	< 5	< 10	< 15	< 20	< 25	< 30	< 35	<40	Total
< 20	20,888									20,888
< 25	20,888	23,175	28,171							23,222
< 30	27,500	23,554	27,243							25,424
< 35	22,211	30,747	25,801							25,954
< 40	27,500	23,170	29,529	32,945						29,761
< 45	20,888	24,300	30,847	40,826						32,339
< 50	43,260	31,020	28,483	31,818	34,708	48,657				33,779
< 55	22,674	27,850	30,045	28,712	37,148	41,593	47,118	63,984		35,013
< 60	21,960	24,080	28,904	30,366	42,713	40,750	37,539			29,744
< 65		47,818	37,490	45,203	35,761	39,943				41,435
65+										
Total	23,812	27,153	29,792	35,871	37,698	42,784	42,329	63,984		31,629

Reconciliation of Plan Participants

	Active	Retired	DROP	Deferred Vested	Disabled	Survivor	Totals
October 1, 2010	**145**	**18**	**0**	**1**	**4**	**5**	**173**
Active							
To DROP	(1)		1				0
To Retired	(1)	1					0
To Refund of Contribs	(15)						(15)
Additions	17						17
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**

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 and 1662-2014.

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.

<u>Late Retirement Benefit:</u> 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.

<u>Early Retirement Date:</u> 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.

<u>Early Retirement Benefit:</u> 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.

<u>Disability Retirement:</u> 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) <u>Non-Line of Duty: Members with less than 10 years of Credited Service</u> 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) <u>Non-Line of Duty: Members with 10 years of Credited Service or more</u> 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:

Florida Statues 112.64(5)(a) requires that the payroll growth assumption not exceed the average payroll growth for the prior ten years. For this reason the assumed total payroll increase assumption has been set at 1.1% for this valuation (in comparison to 1.6% used in the prior valuation of the Plan).

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.

FLA
FREIMAN LITTLE ACTUARIES

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

GASB 67 Supplement
As of September 30, 2014

REPORT TO PROVIDE DISCLOSURES UNDER GASB STATEMENT NO. 67
FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2014

FREIMAN LITTLE ACTUARIES

February 19, 2015

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

RE: GASB 67 Supplement as of September 30, 2014

Dear Board Members:

We are pleased to present the Governmental Accounting Standards Board Statement No. 67 (GASB 67) Supplement as of September 30, 2014 for the City of Rockledge General Employees Retirement Plan (the Plan).

This report provides information required to be disclosed under GASB 67 as described in the statement and the implementation guide. The total pension liability, net pension liability and discount rate sensitivity information are based on asset information supplied as of September 30, 2014, census data as of October 1, 2014 and assumptions as used in the actuarial valuation of the Plan as of October 1, 2014.

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

Table of Contents

Statement of Fiduciary Net Position 1

Statement of Changes in Fiduciary Net Position 2

Investments 3

Net Pension Liability 4

Calculation of the Discount Rate 5

Table 1: Projection of Contributions 6

Table 2: Projection of Fiduciary Net Position 7

Table 3: Actuarial Present Value of Projected Benefit Payments 9

Schedule of Changes in Net Pension Liability and Related Ratios 11

Schedule of Contributions 12

Schedule of Investment Returns 13

Plan Membership Statistics 14

Plan Description 15

Actuarial Assumptions and Methods 19

Statement of Fiduciary Net Position

As of September 30,	2013	2014
Assets		
Receivables:		
Due from other plan	0	0
Contributions	0	90,018
Accrued interest and dividends	29,292	22,709
Total receivables	29,292	112,727
Investments, at fair value:		
U.S. Government obligations	1,022,498	1,570,874
Domestic corporate bonds	1,613,286	344,489
Government agency notes	2,116,757	1,724,516
Domestic stocks	6,758,862	8,888,592
Total investments	11,511,403	12,528,471
Cash and short term investments	22,500	223,279
Total assets	11,563,195	12,864,477
Liabilities		
Due to other plan	1,266	1,266
Total liabilities	1,266	1,266
Net position restricted for pensions	$11,561,929	$12,863,211

Note: This statement of fiduciary net position is as supplied by the Plan auditor as of September 30, 2014. No deferred outflows or inflows of resources have been identified by the auditor.

Statement of Changes in Fiduciary Net Position

As of September 30,	**2014**
Additions	
Contributions:	
Employer	$443,171
State of Florida	0
Member	244,731
Total contributions	687,902
Investment income (loss):	
Net appreciation in fair value of investments	835,370
Interest and dividends	326,141
Other income	0
Total investment income	1,161,511
Less investment expenses:	
Investment expense	32,469
Net investment income	1,129,042
Total additions	1,816,944
Deductions	
Benefit payments	358,103
Refunds of contributions	80,160
Administrative expenses	77,399
Total deductions	515,662
Net increase in net position	1,301,282
Net position restricted for pensions	
Beginning of year	11,561,929
End of year	$12,863,211

Note: Information in this statement of changes in fiduciary net position is as supplied by the Plan auditor.

Investments

The following response was provided by the investment monitor regarding procedures and authority for establishing and amending investment policy decisions (paragraph 30 b.(1)(a)):

"Please refer to Attached IPS documents."

The following response was provided by the investment monitor regarding policies pertaining to asset allocation (paragraph 30 b.(1)(b)) along with the following target allocation:

"Please refer to Attached IPS documents."

The investment monitor has provided the following response regarding whether there were significant changes to the investment policy in fiscal 2014 (paragraph 30 b.(1)(c)).

"Please refer to Attached IPS documents."

The following is a brief description of how the fair value of investments is determined, including the methods and significant assumptions used to estimate the fair value of investments if that fair value is based on other than quoted market prices (paragraph 30 b.(2)):

"The plans assets are priced by an independent custodian consistent with State Requirements and valuation requirements in the plans internal IPS."

The investment monitor provided the following response with regard to whether any organization represents 5 percent or more of the fiduciary net position (paragraph 30 b.(3)).

"The only investment owned (other than those issued or explicitly guaranteed by the U.S. government) in any one organization that represent 5 percent or more of the pension plan's fiduciary net position would be held through a diversified pooled fund vehicle consistent with the authorized investments section of the IPS."

The money-weighed rate of return for the fiscal year ending September 30, 2014 was 9.4% as supplied by the investment monitor (paragraph 30 b.(4)).

Net Pension Liability

The components of the net pension liability at September 30, 2014 were as follows:

Total pension liability	$15,294,494
Plan fiduciary net position	(12,863,211)
Net pension liability	$2,431,283

Plan fiduciary net position as a percentage of the total pension liability	84.1%

The total pension liability was determined by an actuarial valuation as of October 1, 2014 using the following actuarial assumptions applied to all periods included in the measurement.

Inflation	2.5%
Salary increases	6.0%, including inflation
Investment rate of return	8.0% net of investment expense, including inflation
Mortality	RP-00 Projected to 2014 using Scale AA

We are not aware of any comprehensive experience reviews having been performed for this Plan.

Further information regarding the calculation of the discount rate is found in the following section entitled "Calculation of the Discount Rate".

Sensitivity of the net pension liability to changes in the discount rate follows.

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net pension liability	$4,127,426	$2,431,283	$988,951

Note: See "Actuarial Assumptions and Methods" for a full description of the assumptions used in the determination of the total pension liability.

Calculation of the Discount Rate

The long-term expected net rate of return on investments was determined using a building-block method. Best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. The long-term expected net rate of return on investments is the best-estimate ranges weighted by the asset allocation plus expected inflation. Best estimates of arithmetic real rates of return for each major asset class as provided by the investment monitor are shown in the following table as of September 30, 2014:

Asset Class	**Long-Term Expected Real Rate of Return**
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%
Real Estate	4.5%

The discount rate used to measure the total pension liability was 8.0%. This is the single rate that reflects the long-term expected net rate of return on pension plan investments expected to be used to finance the payment of benefits, including inflation. We have found that that the fiduciary net position is projected to be sufficient to make projected benefit payments. For purposes of this determination we understand pension plan assets are expected to be invested using a strategy to achieve the net discount rate.

A projection of contributions has been included as Table 1. The projection of cash flows used to determine the discount rate assumed member contributions are made at 6.0% of pay and City contributions will be made in an amount equal to the difference between actuarially determined contributions and member contributions.

A projection of the fiduciary net position has been included as Table 2. This table includes a projection of benefit payments, administrative expenses and investment earnings.

The actuarial present value of projected benefit payments has been included as Table 3. The benefit payments that are projected to occur are discounted using the long-term expected net rate of return on investments because the beginning fiduciary net position is projected to be sufficient to make the benefit payments in every period.

Note: See "Actuarial Assumptions and Methods" for a full description of the assumptions used in the determination of the projections shown on Tables 1, 2, and 3.

Table 1: Projection of Contributions

Year	Payroll for Current Employees In Year After Valuation Date (a)	Contribs from Current Employees in Year After Valuation Date (b)=(a)x6%	Employer Service Cost in Year After Valuation Date (c)	Admin Expense[2] (d)	UAL Contribs[3] (e)	Interest for Periodic Payments (f)	Expected State Contribution[4] (g)	Expected City Contribs for Funding Year[5] (h)	Expected Total Contribs for Funding Year (i) = sum ((b):(f))
1	4,068,272	244,096	256,410	77,399	197,495	31,016	0	562,320	806,416
2	3,850,675	231,041	244,683	73,259	199,667	29,946	0	547,555	778,596
3	3,705,702	222,342	240,494	70,501	201,864	29,408	0	542,267	764,609
4	3,578,117	214,687	235,900	68,074	204,085	28,910	0	536,969	751,656
5	3,127,857	187,671	200,028	59,507	206,332	26,142	0	492,009	679,680
6	3,022,183	181,331	191,339	57,497	208,602	25,551	0	482,989	664,320
7	2,876,895	172,614	178,769	54,733	210,895	24,680	0	469,077	641,691
8	2,641,206	158,472	164,251	50,249	213,216	23,448	0	451,164	609,636
9	2,508,809	150,529	150,466	47,730	215,558	22,571	0	436,325	586,854
10	2,293,076	137,585	130,263	43,626	217,928	21,176	0	412,993	550,578
11	2,219,990	133,199	125,238	42,235	220,328	20,840	0	408,641	541,840
12	2,093,948	125,637	112,866	39,837	222,752	20,044	0	395,499	521,136
13	1,952,219	117,133	100,922	37,141	225,201	19,216	0	382,480	499,613
14	1,886,222	113,173	96,497	35,885	227,678	18,929	0	378,989	492,162
15	1,853,725	111,224	92,617	35,267	230,185	18,772	0	376,841	488,065
16	1,763,048	105,783	81,959	33,542	232,716	18,160	0	366,377	472,160
17	1,602,424	96,145	70,676	30,486	235,274	17,303	0	353,739	449,884
18	1,560,350	93,621	66,603	29,686	237,863	17,111	0	351,263	444,884
19	1,355,913	81,355	54,179	25,796	240,482	16,072	0	336,529	417,884
20	1,281,419	76,885	50,091	24,379	243,124	15,779	0	333,373	410,258
21	1,046,005	62,760	34,571	19,900	158,737	11,039	0	224,247	287,007
22	951,992	57,120	28,289	18,112	0	4,141	0	50,542	107,662
23	896,782	53,807	25,146	17,061	0	3,841	0	46,048	99,855
24	786,856	47,211	18,512	14,970	0	3,228	0	36,710	83,921
25	657,754	39,465	12,653	12,514	0	2,585	0	27,752	67,217
26	580,134	34,808	10,441	11,037	0	2,251	0	23,729	58,537
27	570,805	34,248	10,187	10,860	0	2,212	0	23,259	57,507
28	441,294	26,478	9,022	8,396	0	1,756	0	19,174	45,652
29	450,601	27,036	9,358	8,573	0	1,799	0	19,730	46,766
30	393,216	23,593	9,563	7,481	0	1,625	0	18,669	42,262
31	304,051	18,243	6,107	5,785	0	1,205	0	13,097	31,340
32	148,340	8,900	3,548	2,822	0	611	0	6,981	15,881
33	60,187	3,611	433	1,145	0	208	0	1,786	5,397
34	62,114	3,727	456	1,182	0	215	0	1,853	5,580
35	50,873	3,052	520	968	0	182	0	1,670	4,722
36	52,723	3,163	546	1,003	0	188	0	1,737	4,900
37	54,588	3,275	573	1,039	0	195	0	1,807	5,082
38	57,144	3,429	598	1,087	0	205	0	1,890	5,319
39	33,797	2,028	167	643	0	114	0	924	2,952
40	35,382	2,123	175	673	0	119	0	967	3,090
41	37,023	2,221	183	704	0	124	0	1,011	3,232
42	15,421	925	(36)	293	0	47	0	304	1,229
43	16,132	968	(38)	307	0	49	0	318	1,286
44	16,876	1,013	(40)	321	0	52	0	333	1,346
45	17,650	1,059	(41)	336	0	54	0	349	1,408
46-100	0	0	0	0	0	0	0	0	0

Notes:

(1) This projection should not be used for budgeting purposes because of simplifying assumptions and because there are no future entrants assumed as required under GASB 67.

(2) Projected Administrative Expense is based on the actual administrative expense in year 1 as a percent of payroll.

(3) UAL Contributions have been reduced to bring the fiduciary net position in year 100 to as close as possible to $0.

(4) There are no State contributions to this Plan.

(5) Year 1 is the October 1, 2014 actuarial valuation of the Plan which determines required minimum funding for the fiscal year ending September 30, 2015.

Table 2: Projection of Fiduciary Net Position

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments* (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
1	12,863,211	806,416	1,473,458	77,399	999,279	13,118,049
2	13,118,049	778,596	816,730	73,259	1,044,988	14,051,644
3	14,051,644	764,609	867,668	70,501	1,117,190	14,995,274
4	14,995,274	751,656	912,878	68,074	1,190,450	15,956,428
5	15,956,428	679,680	1,109,148	59,507	1,256,955	16,724,408
6	16,724,408	664,320	1,172,653	57,497	1,315,320	17,473,898
7	17,473,898	641,691	1,218,603	54,733	1,372,646	18,214,899
8	18,214,899	609,636	1,336,482	50,249	1,426,108	18,863,912
9	18,863,912	586,854	1,392,937	47,730	1,474,960	19,485,059
10	19,485,059	550,578	1,507,231	43,626	1,518,794	20,003,574
11	20,003,574	541,840	1,561,859	42,235	1,557,796	20,499,116
12	20,499,116	521,136	1,639,644	39,837	1,593,595	20,934,366
13	20,934,366	499,613	1,732,121	37,141	1,623,963	21,288,680
14	21,288,680	492,162	1,780,023	35,885	1,650,144	21,615,078
15	21,615,078	488,065	1,818,694	35,267	1,674,570	21,923,752
16	21,923,752	472,160	1,853,495	33,542	1,697,305	22,206,180
17	22,206,180	449,884	1,985,997	30,486	1,713,830	22,353,411
18	22,353,411	444,884	2,010,494	29,686	1,724,461	22,482,576
19	22,482,576	417,884	2,101,506	25,796	1,730,229	22,503,387
20	22,503,387	410,258	2,114,089	24,379	1,731,143	22,506,320
21	22,506,320	287,007	2,216,878	19,900	1,722,515	22,279,064
22	22,279,064	107,662	2,255,526	18,112	1,695,686	21,808,774
23	21,808,774	99,855	2,228,637	17,061	1,658,868	21,321,799
24	21,321,799	83,921	2,248,975	14,970	1,618,543	20,760,318
25	20,760,318	67,217	2,266,828	12,514	1,572,340	20,120,533
26	20,120,533	58,537	2,232,991	11,037	1,522,223	19,457,265
27	19,457,265	57,507	2,157,964	10,860	1,472,128	18,818,076
28	18,818,076	45,652	2,157,607	8,396	1,420,632	18,118,357
29	18,118,357	46,766	2,083,947	8,573	1,367,639	17,440,242
30	17,440,242	42,262	2,020,721	7,481	1,315,781	16,770,083
31	16,770,083	31,340	2,003,521	5,785	1,262,488	16,054,605
32	16,054,605	15,881	2,002,353	2,822	1,204,796	15,270,107
33	15,270,107	5,397	1,961,292	1,145	1,143,327	14,456,394
34	14,456,394	5,580	1,861,848	1,182	1,082,214	13,681,158
35	13,681,158	4,722	1,779,590	968	1,023,460	12,928,782
36	12,928,782	4,900	1,692,295	1,003	966,767	12,207,151
37	12,207,151	5,082	1,638,748	1,039	911,184	11,483,630
38	11,483,630	5,319	1,539,432	1,087	857,282	10,805,712
39	10,805,712	2,952	1,490,795	643	804,918	10,122,144
40	10,122,144	3,090	1,396,932	673	753,991	9,481,620
41	9,481,620	3,232	1,340,759	704	705,001	8,848,390
42	8,848,390	1,229	1,310,388	293	655,493	8,194,431
43	8,194,431	1,286	1,226,104	307	606,549	7,575,855
44	7,575,855	1,346	1,145,461	321	560,291	6,991,710
45	6,991,710	1,408	1,073,268	336	516,449	6,435,963
46	6,435,963	0	1,017,398	0	474,181	5,892,746
47	5,892,746	0	947,145	0	433,534	5,379,135
48	5,379,135	0	880,204	0	395,123	4,894,054
49	4,894,054	0	816,477	0	358,865	4,436,442
50	4,436,442	0	755,659	0	324,689	4,005,472

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments* (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
51	4,005,472	0	697,609	0	292,534	3,600,397
52	3,600,397	0	642,224	0	262,343	3,220,516
53	3,220,516	0	589,262	0	234,071	2,865,325
54	2,865,325	0	538,548	0	207,684	2,534,461
55	2,534,461	0	490,004	0	183,157	2,227,614
56	2,227,614	0	443,580	0	160,466	1,944,500
57	1,944,500	0	399,265	0	139,589	1,684,824
58	1,684,824	0	357,088	0	120,502	1,448,238
59	1,448,238	0	317,086	0	103,176	1,234,328
60	1,234,328	0	279,392	0	87,570	1,042,506
61	1,042,506	0	244,117	0	73,635	872,024
62	872,024	0	211,357	0	61,308	721,975
63	721,975	0	181,210	0	50,510	591,275
64	591,275	0	153,685	0	41,155	478,745
65	478,745	0	128,832	0	33,147	383,060
66	383,060	0	106,709	0	26,377	302,728
67	302,728	0	87,228	0	20,729	236,229
68	236,229	0	70,346	0	16,084	181,967
69	181,967	0	55,947	0	12,319	138,339
70	138,339	0	43,855	0	9,313	103,797
71	103,797	0	33,881	0	6,949	76,865
72	76,865	0	25,784	0	5,118	56,199
73	56,199	0	19,333	0	3,723	40,589
74	40,589	0	14,289	0	2,675	28,975
75	28,975	0	10,411	0	1,902	20,466
76	20,466	0	7,485	0	1,338	14,319
77	14,319	0	5,318	0	933	9,934
78	9,934	0	3,737	0	646	6,843
79	6,843	0	2,596	0	443	4,690
80	4,690	0	1,787	0	304	3,207
81	3,207	0	1,219	0	208	2,196
82	2,196	0	824	0	143	1,515
83	1,515	0	552	0	99	1,062
84	1,062	0	366	0	70	766
85	766	0	240	0	51	577
86	577	0	157	0	40	460
87	460	0	101	0	33	392
88	392	0	64	0	28	356
89	356	0	41	0	26	341
90	341	0	26	0	26	341
91	341	0	16	0	26	351
92	351	0	10	0	28	369
93	369	0	6	0	30	393
94	393	0	4	0	31	420
95	420	0	2	0	34	452
96	452	0	1	0	36	487
97	487	0	1	0	39	525
98	525	0	0	0	42	567
99	567	0	0	0	45	612
100	612	0	0	0	49	661

*DROP balances are assumed paid out in year 1 for purposes of this projection.

Table 3: Actuarial Present Value of Projected Benefit Payments

			Projected Benefit Payments		Actuarial Present Value of Projected Benefit Payments		
Year (a)	Projected Beginning Fiduciary Net Position (b)	Projected Benefit Payments (c)	"Funded" Portion of Benefit Payments (d)	"Unfunded" Portion of Benefit Payments (e)	Present Value of "Funded" Benefit Payments (f)=(d)*v^((a)-.5)	Present Value of "Unfunded" Benefit Payments (g)=(e)*vf^((a)-.5)	Present Value of Benefit Payments Using the Single Discount Rate (h)=((c)/(l+sdr)^((a)-.5)
1	12,863,211	1,473,458	1,473,458	0	1,417,836	0	1,417,836
2	13,118,049	816,730	816,730	0	727,684	0	727,684
3	14,051,644	867,668	867,668	0	715,804	0	715,804
4	14,995,274	912,878	912,878	0	697,316	0	697,316
5	15,956,428	1,109,148	1,109,148	0	784,481	0	784,481
6	16,724,408	1,172,653	1,172,653	0	767,960	0	767,960
7	17,473,898	1,218,603	1,218,603	0	738,938	0	738,938
8	18,214,899	1,336,482	1,336,482	0	750,386	0	750,386
9	18,863,912	1,392,937	1,392,937	0	724,152	0	724,152
10	19,485,059	1,507,231	1,507,231	0	725,528	0	725,528
11	20,003,574	1,561,859	1,561,859	0	696,133	0	696,133
12	20,499,116	1,639,644	1,639,644	0	676,669	0	676,669
13	20,934,366	1,732,121	1,732,121	0	661,883	0	661,883
14	21,288,680	1,780,023	1,780,023	0	629,803	0	629,803
15	21,615,078	1,818,694	1,818,694	0	595,820	0	595,820
16	21,923,752	1,853,495	1,853,495	0	562,242	0	562,242
17	22,206,180	1,985,997	1,985,997	0	557,810	0	557,810
18	22,353,411	2,010,494	2,010,494	0	522,862	0	522,862
19	22,482,576	2,101,506	2,101,506	0	506,047	0	506,047
20	22,503,387	2,114,089	2,114,089	0	471,368	0	471,368
21	22,506,320	2,216,878	2,216,878	0	457,672	0	457,672
22	22,279,064	2,255,526	2,255,526	0	431,159	0	431,159
23	21,808,774	2,228,637	2,228,637	0	394,462	0	394,462
24	21,321,799	2,248,975	2,248,975	0	368,575	0	368,575
25	20,760,318	2,266,828	2,266,828	0	343,983	0	343,983
26	20,120,533	2,232,991	2,232,991	0	313,748	0	313,748
27	19,457,265	2,157,964	2,157,964	0	280,747	0	280,747
28	18,818,076	2,157,607	2,157,607	0	259,908	0	259,908
29	18,118,357	2,083,947	2,083,947	0	232,439	0	232,439
30	17,440,242	2,020,721	2,020,721	0	208,692	0	208,692
31	16,770,083	2,003,521	2,003,521	0	191,588	0	191,588
32	16,054,605	2,002,353	2,002,353	0	177,293	0	177,293
33	15,270,107	1,961,292	1,961,292	0	160,794	0	160,794
34	14,456,394	1,861,848	1,861,848	0	141,335	0	141,335
35	13,681,158	1,779,590	1,779,590	0	125,084	0	125,084
36	12,928,782	1,692,295	1,692,295	0	110,137	0	110,137
37	12,207,151	1,638,748	1,638,748	0	98,752	0	98,752
38	11,483,630	1,539,432	1,539,432	0	85,895	0	85,895
39	10,805,712	1,490,795	1,490,795	0	77,020	0	77,020
40	10,122,144	1,396,932	1,396,932	0	66,825	0	66,825
41	9,481,620	1,340,759	1,340,759	0	59,387	0	59,387
42	8,848,390	1,310,388	1,310,388	0	53,742	0	53,742
43	8,194,431	1,226,104	1,226,104	0	46,561	0	46,561
44	7,575,855	1,145,461	1,145,461	0	40,276	0	40,276
45	6,991,710	1,073,268	1,073,268	0	34,942	0	34,942
46	6,435,963	1,017,398	1,017,398	0	30,670	0	30,670
47	5,892,746	947,145	947,145	0	26,437	0	26,437
48	5,379,135	880,204	880,204	0	22,749	0	22,749
49	4,894,054	816,477	816,477	0	19,539	0	19,539
50	4,436,442	755,659	755,659	0	16,744	0	16,744

			Projected Benefit Payments		Actuarial Present Value of Projected Benefit Payments		
Year (a)	Projected Beginning Fiduciary Net Position (b)	Projected Benefit Payments (c)	"Funded" Portion of Benefit Payments (d)	"Unfunded" Portion of Benefit Payments (e)	Present Value of "Funded" Benefit Payments (f)=(d)*v^((a)-.5)	Present Value of "Unfunded" Benefit Payments (g)=(e)*vf^((a)-.5)	Present Value of Benefit Payments Using the Single Discount Rate (h)=((c)/(l+sdr)^((a)-.5)
51	4,005,472	697,609	697,609	0	14,312	0	14,312
52	3,600,397	642,224	642,224	0	12,200	0	12,200
53	3,220,516	589,262	589,262	0	10,365	0	10,365
54	2,865,325	538,548	538,548	0	8,771	0	8,771
55	2,534,461	490,004	490,004	0	7,389	0	7,389
56	2,227,614	443,580	443,580	0	6,194	0	6,194
57	1,944,500	399,265	399,265	0	5,162	0	5,162
58	1,684,824	357,088	357,088	0	4,275	0	4,275
59	1,448,238	317,086	317,086	0	3,515	0	3,515
60	1,234,328	279,392	279,392	0	2,867	0	2,867
61	1,042,506	244,117	244,117	0	2,320	0	2,320
62	872,024	211,357	211,357	0	1,860	0	1,860
63	721,975	181,210	181,210	0	1,476	0	1,476
64	591,275	153,685	153,685	0	1,159	0	1,159
65	478,745	128,832	128,832	0	900	0	900
66	383,060	106,709	106,709	0	690	0	690
67	302,728	87,228	87,228	0	522	0	522
68	236,229	70,346	70,346	0	390	0	390
69	181,967	55,947	55,947	0	287	0	287
70	138,339	43,855	43,855	0	208	0	208
71	103,797	33,881	33,881	0	149	0	149
72	76,865	25,784	25,784	0	105	0	105
73	56,199	19,333	19,333	0	73	0	73
74	40,589	14,289	14,289	0	50	0	50
75	28,975	10,411	10,411	0	34	0	34
76	20,466	7,485	7,485	0	22	0	22
77	14,319	5,318	5,318	0	15	0	15
78	9,934	3,737	3,737	0	10	0	10
79	6,843	2,596	2,596	0	6	0	6
80	4,690	1,787	1,787	0	4	0	4
81	3,207	1,219	1,219	0	2	0	2
82	2,196	824	824	0	2	0	2
83	1,515	552	552	0	1	0	1
84	1,062	366	366	0	1	0	1
85	766	240	240	0	0	0	0
86	577	157	157	0	0	0	0
87	460	101	101	0	0	0	0
88	392	64	64	0	0	0	0
89	356	41	41	0	0	0	0
90	341	26	26	0	0	0	0
91	341	16	16	0	0	0	0
92	351	10	10	0	0	0	0
93	369	6	6	0	0	0	0
94	393	4	4	0	0	0	0
95	420	2	2	0	0	0	0
96	452	1	1	0	0	0	0
97	487	1	1	0	0	0	0
98	525	0	0	0	0	0	0
99	567	0	0	0	0	0	0
100	612	0	0	0	0	0	0
					$ 18,893,213	$ 0	$ 18,893,213

Notes: The total present value of projected benefit payments (PVB) shown in the total of column (f) and (h) are estimates of the actual value. For example, the actual PVB would take into account benefit payments are due monthly rather than using the approximation that they are paid in the middle of the year. In addition, the DROP balances are also assumed to be paid in the middle of the year although they are assumed to be paid on the valuation date in the October 1, 2014 actuarial valuation of the Plan.

Schedule of Changes in Net Pension Liability and Related Ratios

This schedule will be updated each year until a 10-year history is accumulated.

Year Ending September 30,	**2014**
Total pension liability	
Service cost	$490,047
Interest	1,143,136
Changes of benefit terms	0
Differences between expected and actual experience	(24,739)
Changes of assumptions	22,355
Benefit payments, including refunds of member contributions	(438,263)
Net change in total pension liability	1,192,536
Total pension liability - beginning	14,101,958
Total pension liability - ending (a)	$15,294,494
Plan fiduciary net position	
Contributions - employer	$443,171
Contributions - State of Florida	0
Contributions - employee	244,731
Net investment income	1,129,042
Benefit payments, including refunds of member contributions	(438,263)
Administrative expense	(77,399)
Other	0
Net change in plan fiduciary net position	1,301,282
Plan fiduciary net position - beginning	11,561,929
Plan fiduciary net position - ending (b)	$12,863,211
Net pension liability - ending (a) - (b)	$2,431,283
Plan fiduciary net position as a percentage of the total pension liability	84.1 %
Covered employee payroll	$4,094,475
Net pension liability as a percentage of covered employee payroll	59.4 %

Notes to Schedule:
The beginning total pension liability includes mortality improvements to 2013. The ending total pension liability includes mortality improvements to 2014.

Schedule of Contributions

Year Ending September 30,	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
Actuarially determined contribution	$443,171	$346,097	$337,661	$312,647	$319,346	$304,397	$285,074	$241,479	$206,532	$278,585
Contributions in relation to the actuarially determined contribution	$443,171	$346,097	$337,661	$319,511	$322,259	$325,648	$314,021	$309,149	$267,948	$265,520
Contribution deficiency (excess)	$0	$0	$0	$(6,864)	$(2,913)	$(21,251)	$(28,947)	$(67,670)	$(61,416)	$13,065
Covered employee payroll	$4,094,475	$4,073,876	$4,130,994	$4,491,153	$4,387,013	$4,382,880	$4,280,250	$4,319,908	$3,812,673	$3,404,809
Contributions as a percentage of covered-employee payroll	10.8 %	8.5 %	8.2 %	7.0 %	7.3 %	6.9 %	6.7 %	5.6 %	5.4 %	8.2 %

Notes to Schedule

Mortality is based on the RP-2000 Combined Mortality Table projected to the valuation year using Scale AA effective with the October 1, 2012 actuarial valuation of the Plan.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll assuming 1.1% annual total payroll increases. Differences in employee contributions adjust amortization bases.
Remaining amortization period	New amortizations bases are set up over 30 years. There is an equivalent single amortization period of 28 years as of October 1, 2014.
Asset valuation method	5-year smoothed market
Inflation	2.5%
Salary increases	6%, including inflation
Investment rate of return	8.0% net of investment expenses, including inflation
Retirement age	See "Description of Assumptions and Methods" for the assumed retirement age assumption
Mortality	RP-2000 Combined Mortality Table Projected to the Valuation Year Using Scale AA

Schedule of Investment Returns

This schedule will be updated each year until a 10-year history is accumulated.

The following is as provided by the investment monitor.

Year Ending September 30,	Annual money-weighted rate of return net of investment expense
2014	9.4 %
2013	8.6 %
2012	11.9 %

Plan Membership Statistics

Valuation as of October 1,	**2013**	**2014**
Inactive members or beneficiaries currently receiving benefits	40	42
Inactive members entitled to but not yet receiving benefits	3	3
Active members	127	131
Total	170	176

Plan Description

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 and 1662-2014.

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.

Actuarial 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:

Florida Statues 112.64(5)(a) requires that the payroll growth assumption not exceed the average payroll growth for the prior ten years. For this reason the assumed total payroll increase assumption has been set at 1.1% for this valuation (in comparison to 1.6% used in the prior valuation of the Plan).

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)

CITY OF ROCKLEDGE
(PLAN SPONSOR)
GENERAL EMPLOYEES' RETIREMENT PLAN

Investment Policy Statement

I. PURPOSE OF INVESTMENT POLICY STATEMENT

The Pension Board of Trustees (Board) maintains that an important determinant of future investment returns is the expression and periodic review of the City of Rockledge General Employees' Retirement Plan (the Plan) investment objectives. To that end, the Board has adopted this statement of Investment Policy and directs that it apply to all assets under their control.

In fulfilling their fiduciary responsibility, as named fiduciaries, the Board recognizes that the retirement system is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the Plan are long-term and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, interest rate fluctuations and volatility of securities markets make it necessary to judge results within the context of several years rather than over short periods of five years or less.

The Board will employ investment professionals to oversee and invest the assets of the Plan. Within the parameters allowed in this document and their agreements with the Board, the investment management professionals shall have investment discretion over their mandates, including security selection, sector weightings and investment style.

The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

II. TARGET ALLOCATIONS

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the fund. The investment manager(s) are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria. The Board has established the following asset allocation targets for the total fund:

Asset Class	Target	Range	Benchmark Index**
Domestic Equity	50%	45% – 60%	Russell 3000
International Equity	15%	0% - 20%	MSCI-ACWI ex. US
Total Equity	*65%*	*55% - 75%*	
Broad Market Fixed Income	25%	15% - 35%	Barclays Int. Aggregate
Non-Core Fixed Income*	5%	0% - 10%	Barclays Multiverse Index
Total Fixed Income	*30%*	*20% - 40%*	
Real Estate*	5%	0% - 10%	NCREIF Property Index
*Total Alternatives Investment**	*5%*	*0% -15%*	

*Benchmark will default to "broad market fixed income" if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.
**Portfolio Benchmark Index component will reflect the appropriate measurement index to correspond to the asset class that is funded within the Plan.

The Board will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Board does not intend to exercise short-term changes to the target allocation.

III. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

A. <u>Total Portfolio Performance</u>

1. The performance of the total portfolio will be measured for rolling three and five year periods. The performance of the portfolio will be compared to the return of the policy indexes comprised of 50% Russell 3000, 15% MSCI ACWI ex. US, 25% Barclays Capital U.S. Intermediate Aggregate Bond Index, 5% Barclays Multiverse Index*, and 5% NCREIF Property Index*.

2. On a relative basis, it is expected that the total portfolio performance will rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods.

3. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption (8%), and provide inflation protection by meeting Consumer Price Index plus 5%.

B. Equity Performance

The combined equity portion of the portfolio, defined as common stocks and convertible bonds, is expected to perform at a rate at least equal to the 75% Russell 3000 Index and 25% MSCI-ACWI ex US. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods.

C. Fixed Income Performance

The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to the Barclays Capital U.S. Aggregate Bond Index. All portfolios are expected to rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods. Non-Core Fixed Income, if utilized, is expected to perform at a rate at least equal to the Barclays Multiverse Bond Index.

D. Real Estate Performance

The overall objective of the real estate portfolio of the portfolio, if utilized, is to add diversification and another stable income stream to the total fund. The real estate portion of the total fund, defined as core, open ended private real estate, is expected to perform at a rate at least equal to the NCREIF Index and rank in the top 40th percentile of the appropriate peer universe over three and five-year time periods.

IV. INVESTMENT GUIDELINES

A. Authorized Investments

Pursuant to the investment powers of the Board of Trustees as set forth in the Florida Statutes and local ordinances, the Board of Trustees sets forth the following investment guidelines and limitations:

1. Equities:

   a. Must be traded on a national exchange or electronic network; and

   b. Not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company; and

   c. Additional criteria may be outlined in the manager's addendum.

2. Fixed Income:

   a. All fixed income investments held in a separately managed account shall have a minimum rating of investment grade or higher as reported by a major credit rating service; and

   b. The value of bonds issued by any single corporation shall not exceed 5% of the total fund; and

   c. Additional criteria may be outlined in the manager's addendum.

3. Money Market:

   a. The money market fund or STIF options provided by the Plan's custodian; and

   b. Have a minimum rating of Standard & Poor's A1 or Moody's P1.

4. Pooled Funds:

Investments made by the Board may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and private equity. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this Investment Policy Statement. In the event of investment by the Plan into a pooled fund, the Board will adopt the prospectus or governing policy of that fund as the stated addendum to this Investment Policy Statement. The asset classification of the fund will be based upon its investment objective.

B. Trading Parameters

When feasible and appropriate, all securities shall be competitively bid. Except as otherwise required by law, the most economically advantageous bid shall be selected. Commissions paid for purchase of securities must meet the prevailing best-execution rates. The responsibility of monitoring best price and execution of trades placed by each manager on behalf of the Plan will be governed by the Portfolio Management Agreement between the Plan and the Investment Managers.

C. Limitations

1. Investments in corporate common stock and convertible bonds shall not exceed seventy-five percent (75%) of the Plan assets at market.

2. Foreign securities shall not exceed twenty-five percent (25%) of Plan's value at market value.

3. All equity and fixed income securities must be readily marketable. Commingled funds must be independently appraised at least annually.

D. Absolute Restrictions

No investments shall be permitted in;

1. Any investment not specifically allowed as part of this policy.

2. Illiquid investments, as described in Chapter 215.47, Florida Statutes.

3. Direct investment in 'Scrutinized Companies' identified in the periodic publication by the State Board of Administration ("SBA list", updated on their website www.sbafla.com/fsb/), is prohibited. Any security identified as non-compliant on or before January 1, 2010 must be divested by September 1, 2010. Securities identified after January 1, 2010, are subject to the provisions of section V. (c) below. However, if divestiture of business activities is accomplished and the company is subsequently removed from the SBA list, the manager can continue to hold that security. Indirect investment in 'Scrutinized Companies' (through pooled funds) are governed by the provisions of Section V(G) below.

V. COMMUNICATIONS

A. On a monthly basis, the custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.

B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager's addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Plan's performance, forecast of the market and economy, portfolio analysis and current assets of the Plan. Written reports shall be delivered to the Board within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the City, and shall be available for public inspection. The Investment Managers will provide immediate written and telephone notice to the Board of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum.

C. If the Fund owns investments, that complied with section IV at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent man standard of care, but no additional investment may be made unless authorized by law or ordinance. An action plan outlining the investment 'hold or sell' strategy shall be provided to the Board immediately.

D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return net of investment fees and relative performance of the Plan.

E. The Board will meet periodically to review the Investment Consultant performance report. The Board will meet with the investment manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Plan on a periodic basis.

F. At least annually, the Board shall provide the Investment Managers with projected disbursement needs of the Plan so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash-flow requirements.

G. The Investment Consultant, on behalf of the Plan, shall send a letter to any pooled fund referring the investment manager to the listing of 'Scrutinized Companies' by the State Board of Administration ('SBA list'), on their website www.sbafla.com/fsb/. This letter shall request that they consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the manager creates a similar fund, the Plan shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards. For the purposes of this section, a private equity fund is deemed to be an actively managed investment fund. However, after sending the required correspondence, the Plan is not required to sell the pooled fund.

VI. COMPLIANCE

A. It is the direction of the Board that the plan assets are held by a third party custodian, and that all securities purchased by, and all collateral obtained by the plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or their designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to insure that the custodian will have the security or money in hand at conclusion of the transaction.

B. The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

C. At the direction of the Board operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the plan sponsor, to the extent possible.

D. Each member of the Board shall participate in a continuing education program relating to investments and the Board's responsibilities to the Plan. It is suggested that this education process begin during each Trustee's first term.

E. With each actuarial valuation, the Board shall determine the total expected annual rate of return for the current year, for each of the next several years and for the long term thereafter. This determination shall be filed promptly with the Department of Management Services, the plan's sponsor and the consulting actuary.

F. The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote.

G. Investments for which there is no generally recognized market or consistent accepted pricing mechanism shall be valued at 50% cost. Assets without a fair market value shall be excluded from determination of annual funding cost. The board will disclose to the Department of Management Services and the plan's sponsor each such investment for which the fair market value is not provided.

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Board wishes to adopt standards by which judgments of the ongoing performance of a portfolio manager may be made. If, at any time, any three of the following is breached, the portfolio manager may be warned of the Board's serious concern for the Plan's continued safety and performance. If any five of these are violated the consultant may recommend a manager search for that mandate.

- Four (4) consecutive quarters of relative under-performance verses the benchmark.
- Three (3) year trailing return below the top 40th percentile within the appropriate peer group and under performance verses the benchmark.
- Five (5) year trailing return below the top 40th percentile and under performance verses the benchmark.
- Three (3) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the IPS or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC).
- Significant asset flows into or out of the company.
- Merger or sale of firm.
- Fee increases outside of the competitive range.
- Servicing issues – key personnel stop servicing the account without proper notification.
- Failure to attain a 60% vote of confidence by the Board.

Nothing in this section shall limit or diminish the Board's right to terminate the manager at any time for any reason.

VIII. APPLICABLE CITY ORDINANCES

If at any time this document is found to be in conflict with the Plan Document, City Ordinances or applicable Florida Statutes, the Plan Document, Ordinances and Statutes shall prevail.

IX. REVIEW AND AMENDMENTS

It is the Board's intention to review this document at least annually subsequent to the actuarial report and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified in writing. By initialing and continuing acceptance of this Investment Policy Statement, the Investment Managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the Investment Consultant, reviewed by the plan's legal counsel for compliance with applicable law, and approved by the Board of Trustees.

X. FILING OF THE INVESTMENT POLICY

Upon adoption by the Board, the investment policy shall be promptly filed with the Florida Department of Management Services, the City, and the plan's actuary. The effective date of the Investment Policy shall be the 31 days following the filing date with the City.

CITY OF ROCKLEDGE GENERAL EMPLOYEES' RETIREMENT PLAN

Chairman, Board of Trustees

5/22/14
Date