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 Lauderhill Firefighters' Retirement System (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: Barbara White

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 Lauderhill
(b)	Plan Name	City of Lauderhill Firefighters' Retirement System
(c)	Plan Type	Defined Benefit
(d)	Valuation Date	10/01/2014
(e)	Interest Rate:	
(e)(1)	Discount Rate, gross of investment fees	8.00%
(e)(2)	Long-Term Expected Rate of Return, gross 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	$2,440,094
(g)(2)	Interest	5,928,052
(g)(3)	Benefit changes	345,399
(g)(4)	Difference between expected and actual experience	(551,848)
(g)(5)	Changes in assumptions	1,693,967
(g)(6)	Benefit payments	(3,982,063)
(g)(7)	Contribution refunds	(4,028)
(g)(8)	Net change in total pension liability	$5,869,573
(g)(9)	Total pension liability – beginning of year	$73,850,209
(g)(10)	Total pension liability – ending of year	$79,719,782
(h)	Plan fiduciary net position:	
(h)(1)	Contributions – Employer	$4,164,581
(h)(2)	Contributions – State	492,840
(h)(3)	Contributions – Member	970,011
(h)(4)	Net investment income	5,036,474
(h)(5)	Benefit payments	(3,982,063)
(h)(6)	Contributions refunds	(4,028)
(h)(7)	Administrative expense	(169,317)
(h)(8)	Other	0
(h)(9)	Net change in plan fiduciary net position	$6,508,498
(h)(10)	Plan fiduciary net position – beginning of year	$56,334,474
(h)(11)	Plan fiduciary net position – ending of year	$62,842,972
(i)	Net pension liability/(asset) [(g)(10) minus (h)(11)]	$16,876,810

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	$2,440,094
(j)(2)	Interest	5,928,052
(j)(3)	Benefit changes	345,399
(j)(4)	Difference between expected and actual experience	(551,848)
(j)(5)	Changes in assumptions	24,164,902
(j)(6)	Benefit payments	(3,982,063)
(j)(7)	Contribution refunds	(4,028)
(j)(8)	Net change in total pension liability	$28,340,508
(j)(9)	Total pension liability – beginning of year	$73,850,209
(j)(10)	Total pension liability – ending of year	$102,190,717
(k)	Plan fiduciary net position:	
(k)(1)	Contributions – Employer	$4,164,581
(k)(2)	Contributions – State	492,840
(k)(3)	Contributions – Member	970,011
(k)(4)	Net investment income	5,036,474
(k)(5)	Benefit payments	(3,982,063)
(k)(6)	Contributions refunds	(4,028)
(k)(7)	Administrative expense	(169,317)
(k)(8)	Other	0
(k)(9)	Net change in plan fiduciary net position	$6,508,498
(k)(10)	Plan fiduciary net position – beginning of year	$56,334,474
(k)(11)	Plan fiduciary net position – ending of year	$62,842,972
(l)	Net pension liability/(asset) [(j)(10) minus (k)(11)]	$39,347,745

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	16.77

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	16.72

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	14.22

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

(p)	Recommended Plan contributions in Annual Dollar Value	$4,231,795
(q)	Recommended Plan contributions as a Percentage of Valuation Payroll	55.75%

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

(r)	Recommended Plan contributions in Annual Dollar Value	$4,439,254
(s)	Recommended Plan contributions as a Percentage of Valuation Payroll	58.48%

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

(t)	Recommended Plan contributions in Annual Dollar Value	$7,147,799
(u)	Recommended Plan contributions as a Percentage of Valuation Payroll	94.16%

Freiman Little Actuaries, LLC
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Merritt Island, FL 32953

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City of Lauderhill

Firefighters' Retirement System

Actuarial Valuation as of October 1, 2014

February 10, 2015

REPORT TO DETERMINE MINIMUM FUNDING REQUIREMENTS
FOR THE PLAN AND FISCAL YEAR
ENDING SEPTEMBER 30, 2015

FLA

FREIMAN LITTLE ACTUARIES

February 10, 2015

Board of Trustees
City of Lauderhill Firefighters' Retirement System
Lauderhill, 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 Lauderhill Firefighters' Retirement System (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

Table of Contents

Section 1 Board Summary

This report presents the results of the October 1, 2014 actuarial valuation of the City of Lauderhill Firefighters' Retirement System (the Plan).

Summary of Principal Valuation Results

A summary of the key valuation findings as of October 1, 2014 are compared with the results of the prior valuation below.

Minimum Funding Requirements

Fiscal Year Ending September 30,	**2014**	**2015**
Minimum Required Funding As a Dollar Amount		
Estimated Minimum Required City Contribution	$4,164,581	$4,064,434
Estimated State Contribution	167,361	167,361
Total Minimum Funding Requirement (City plus State)	$4,331,942	$4,231,795
Minimum Required Funding as a % of Payroll		
Estimated Minimum Required City Contribution	56.3%	53.5%
Estimated State Contribution	2.3%	2.2%
Total Minimum Funding Requirement (City plus State)	58.6%	55.7%

Funded Status

Valuation Date October 1,	**2013**	**2014**
Accrued Liability (AL)	$72,752,532	$78,122,204
Actuarial Value of Assets	(49,705,303)	(58,163,473)
Unfunded Accrued Liability (UAL)	$23,047,229	$19,958,731
Funded Percentage	68.3%	74.5%

Key Assumptions

Valuation Date October 1,	**2013**	**2014**
Assumed Rate of Investment Return	8.00%	8.00%
Salary Increase Assumption	7.00%	7.00%
Funding Method	Entry Age	Entry Age

Summary of Significant Events

Determinations of the funded status of the Plan and minimum funding requirements are based on participant data, asset information, Plan provisions, actuarial methods and assumptions, as well as contributions made to the Plan by the State of Florida. Any significant events associated with these items are discussed in the following.

Participant Data

While the number of active Members increased from 84 to 86, total payroll increased 2.7%. The following provides a summary of the average actual pay increases for continuing active members, by individual, to the expected pay increases for the 12 month periods ending on the date specified.

	Actual	Assumed
10/01/2014	3.2 %	7.0 %
10/01/2013	4.4 %	7.0 %
10/01/2012	7.2 %	7.0 %
10/01/2011	4.0 %	7.0 %
10/01/2010	0.5 %	7.0 %
10/01/2009	11.9 %	7.0 %
10/01/2008	9.4 %	7.0 %
10/01/2007	16.1 %	7.0 %
10/01/2006	7.2 %	7.0 %
10/01/2005	6.6 %	7.0 %
10/01/2004	7.7 %	7.0 %
10/01/2003	5.4 %	7.0 %
10/01/2002	4.6 %	7.0 %
10/01/2001	11.2 %	7.0 %
10/01/2000	8.2 %	7.0 %
10/01/1999	8.3 %	7.0 %
10/01/1998	9.0 %	7.0 %
17-Yr Avg	7.3 %	7.0 %
10-Yr Avg	7.0 %	7.0 %
5-Yr Avg	3.8 %	7.0 %

Note that although the average individual salary increases were 3.8% over the last five years, the average was 7.0% over the last ten years and 7.3% over the last 17 years.

Overall, there was a demographic gain primarily due salary increases less than expected and the death of a beneficiary for one retiree who had elected a joint and survivor annuity. These demographic gains were offset by disabilities during the year.

In general, should a pattern of consistent gains or losses develop, assumptions may require revision.

Assets

While the investment return on the Market Value of Assets was a 9.6% for the year, the investment return associated with the Actuarial Value of Assets was 12.2%. These returns are in comparison to the 8.0% assumed rate of return resulting in investment gains. The following provides a summary of the actual to the expected return on investments for the 12 month periods ending on the date specified.

Year Ending 9/30	Return on Market Value	Return on Actuarial Value	Assumed Actuarial Return
2014	9.6 %	12.2 %	8.0 %
2013	16.7 %	12.4 %	8.0 %
2012	21.4 %	6.7 %	8.0 %
2011	(1.0)%	(1.7)%	8.0 %
2010	10.9 %	2.6 %	8.0 %
2009	(4.3)%	0.7 %	8.0 %
2008	(13.5)%	6.1 %	8.0 %
2007	18.3 %	12.9 %	8.0 %
2006	8.8 %	11.4 %	8.0 %
2005	15.0 %	7.3 %	8.0 %
Average	7.6 %	6.9 %	8.0 %

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

Plan Provisions

The Plan was most recently amended effective March 10, 2014 with Ordinance No. 140-02-109. This amendment allows for investments in tax-exempt group trusts and to clarify the trust is for the exclusive benefit of members and their beneficiaries. The liability of the Plan is not anticipated to be materially affected by the changes in Plan provisions.

Methods and Assumptions

The mortality table continues to be the RP-2000 Combined Mortality Table. Scale AA has been applied to reflect mortality improvements to the valuation year.

DROP balances have been included in assets and liabilities effective with this October 1, 2014 actuarial valuation of the Plan as asset information included in the report of the auditor revised the method for reporting asset values.

State Contributions

The Estimated Minimum Required City Contribution assumes that the premium tax money received from the State will be in the same amount received in the prior year. Should the amount received in the fiscal year ending September 30, 2015 be less than $167,361, the City will need to contribute any potential shortfall to the Plan.

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. Finally, analysis is performed to explain movement in results from the prior valuation.

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**	
Equities	$37,990,896	69 %
Fixed Income	9,506,135	17 %
Real Estate Fund	4,136,457	7 %
Cash & Cash Equivalents	3,742,911	7 %
Receivables	(139,602)	0 %
Fair Market Value of Assets*	$55,236,797	100 %

Valuation Date October 1,	**Restated 2013**		**2014**	
Equities	$37,990,896	67 %	$39,289,885	62 %
Fixed Income	9,506,135	17 %	9,874,838	16 %
Real Estate Fund	4,136,457	7 %	9,412,891	15 %
Cash & Cash Equivalents	3,742,911	7 %	3,244,615	5 %
Receivables	958,075	2 %	1,020,743	2 %
Fair Market Value of Assets*	$56,334,474	100 %	$62,842,972	100 %

Note: The fair market value of assets reported by the auditor as of October 1, 2013 was net of DROP balances. At September 30, 2014, the fair market value of assets as of October 1, 2013 was restated by the auditor to include DROP balances.

Reconciliation of Market Value of Assets

Year ending September 30,			(1) Net of DROP Balance 2013	(2) Gross of DROP Balance 2013	(3) Gross of DROP Balance 2014
1.	Market value at beginning of year		$46,265,563	$47,216,351	$56,334,474
2.	Contributions				
	a.	City	$4,202,483	$4,202,483	$4,164,581
	b.	Employee contributions	929,722	929,722	970,011
	c.	State	472,633	472,633	492,840
	d.	Total contributions	$5,604,838	$5,604,838	$5,627,432
3.	Investment earnings				
	a.	Realized gains and losses	$2,814,460	$2,814,460	$5,142,157
	b.	Unrealized gains and losses	4,062,881	4,062,881	(768,723)
	c.	Interest and dividends	924,284	924,284	1,070,545
	d.	Investment expense	(357,642)	(357,642)	(407,505)
	e.	Net investment income	$7,443,983	$7,443,983	$5,036,474
4.	Deductions				
	a.	Benefits paid	$(3,836,852)	$(3,739,137)	$(3,986,091)
	b.	DROP earnings	(49,174)	0	0
	c.	Administrative expenses	(191,561)	(191,561)	(169,317)
	d.	Total deductions	$(4,077,587)	$(3,930,698)	$(4,155,408)
5.	Net increase		$8,971,234	$9,118,123	$6,508,498
6.	Market value of assets end of year		$55,236,797	$56,334,474	$62,842,972
7.	State contribution reserve		$772,096	$772,096	$752,176
8.	Net assets (6. - 7.)		$54,464,701	$55,562,378	$62,090,796
9.	DROP account balances*		$1,097,677	$1,097,677	$1,253,385

*The market value of assets reported by the auditor as of October 1, 2013 was net of DROP balances as shown in column (1). At September 30, 2014, the fair market value of assets as of October 1, 2013 was restated by the auditor to include DROP balances as shown in column (2).

Development of Historical Gain or Loss on Market Value of Assets

Year ending September 30,	2012	2013	2014
1. Market value of assets BOY	$39,164,200	$47,216,351	$56,334,474
2. Expected interest on beginning value	3,133,136	3,777,308	4,506,758
3. Contributions			
a. City	$3,523,939	$4,202,483	$4,164,581
b. Employee contributions	892,096	929,722	970,011
c. State	440,960	472,633	492,840
d. Total Contributions	$4,856,995	$5,604,838	$5,627,432
4. Pension benefits	$(4,418,516)	$(3,739,137)	$(3,986,091)
5. Expenses			
a. Investment expenses	$(310,278)	$(357,642)	$(407,505)
b. Administrative expenses	(174,789)	(191,561)	(169,317)
c. Total expenses	$(485,067)	$(549,203)	$(576,822)
6. Interest on items (3), (4) and (5)	(19,502)	33,755	22,867
7. Expected assets at end of year	$42,231,246	$52,343,912	$61,928,618
8. Market value of assets EOY	$47,216,351	$56,334,474	$62,842,972
9. Gain (Loss) = (8) - (7)	$4,985,105	$3,990,562	$914,354

Note: The market value gain (loss) is determined using assets which are gross of DROP balances.

Development of Actuarial Value of Assets

1.	Market Value of Assets as of 9/30/2014				$62,842,972
2.	Phase-In Gains (Losses) Over Four Year Period				
			Original Gain (Loss)	Percent Unrecognized	Unrecognized Gain (Loss)
	a.	Year Ending 9/30/2014	$914,354	75 %	$685,766
	b.	Year Ending 9/30/2013	3,990,562	50 %	1,995,281
	c.	Year Ending 9/30/2012	4,985,105	25 %	1,246,276
	d.	Total			$3,927,323
3.	Preliminary Actuarial Value of Assets as of 9/30/2014 = 1. - 2.d.				$58,915,649
4.	Corridor Around Market Value				
	a.	Minimum = 80% of Market Value of Assets			$50,274,378
	b.	Maximum = 120% of Market Value of Assets			$75,411,566
	c.	Corridor Adjustment to Preliminary Actuarial Value			$0
5.	Cumulative Balance of State Monies Available for Benefit Improvement				$752,176
6.	DROP Balances				$1,253,385
7.	Actuarial Value of Assets as of 9/30/2014 = 3. + 4.c. - 5. - 6. Before Method Change - Excludes DROP Balances				$56,910,088
8.	Actuarial Value of Assets as of 9/30/2014 = 3. + 4.c. - 5. After Method Change - Includes DROP Balances				$58,163,473

Historical Asset Values

Ending 9/30	Market Value	Actuarial Value
2014	$62,842,972	$58,163,473
2013	55,236,797	49,705,303
2012	46,265,563	43,060,519
2011	37,433,460	39,620,622
2010	37,462,362	39,963,208
2009	33,196,711	38,262,703
2008	33,760,557	37,424,773
2007	37,685,174	34,195,441
2006	30,756,597	29,298,559
2005	27,869,512	25,949,266

Note: For the year ending 9/30/2014 DROP balances have been included in asset values. Prior to that year asset values excluded the DROP balances.

Historical Rates of Investment Return

Year Ending 9/30	Return on Market Value	Return on Actuarial Value	Assumed Actuarial Return
2014	9.6 %	12.2 %	8.0 %
2013	16.7 %	12.4 %	8.0 %
2012	21.4 %	6.7 %	8.0 %
2011	(1.0)%	(1.7)%	8.0 %
2010	10.9 %	2.6 %	8.0 %
2009	(4.3)%	0.7 %	8.0 %
2008	(13.5)%	6.1 %	8.0 %
2007	18.3 %	12.9 %	8.0 %
2006	8.8 %	11.4 %	8.0 %
2005	15.0 %	7.3 %	8.0 %
Average	7.6 %	6.9 %	8.0 %

Derivation of State Contribution Funding Reserves

Year Ending September 30	State Contributions Regular	State Contributions Supplemental	State Contributions Total	Recognized State Funding	Cumulative Balance Available for Benefit Improvement
2014	$492,840	$0	$492,840	$512,760	$752,176
2013	472,633	0	472,633	525,643	772,096
2012	440,960	0	440,960	482,257	825,106
2011	403,937	0	403,937	399,633	866,403
2010	407,979	0	407,979	338,402	862,099
2009	459,295	0	459,295	261,031	792,522
2008	360,239	60,369	420,608	230,889	594,258
2007	378,553	5,537	384,090	202,102	404,539
2006	250,977	0	250,977	167,361	222,551
2005	244,943	0	244,943	167,361	138,935
2004	228,714	0	228,714	167,361	61,353
2003	203,319	0	203,319	203,319	0
2002	134,534	0	134,534	134,534	0
2001	118,403	0	118,403	118,403	0
2000	132,060	0	132,060	132,060	0
1999	137,229	0	137,229	137,229	0
1998	137,869	0	137,869	137,869	0
			$5,070,390	$4,318,214	

Year Ending September 30	Recurring Cost Benefit Improvements	One-Time Cost Benefit Improvements	Base Plus Benefit Improvements
2014	$0	$345,399	$167,361
2013	0	358,282	167,361
2012	0	314,896	167,361
2011	0	232,272	167,361
2010	0	171,041	167,361
2009	0	93,670	167,361
2008	0	63,528	167,361
2007	0	34,741	167,361
2006	0	0	167,361
2005	0	0	167,361
2004	29,492	0	167,361
2003	0	65,450	137,869
2002	0	0	137,869
2001	0	0	137,869
2000	0	0	137,869
1999	0	0	137,869
1998	0	0	137,869
	$29,492	$1,679,279	

Present Value of Benefits

Valuation as of October 1,	2013	2014
1. Active Members		
a. Service Retirement	$48,321,361	$48,927,814
b. Deferred Benefits	1,523,625	1,560,137
c. Survivor Benefits	208,438	212,795
d. Disability Benefits	2,243,858	2,318,026
e. Total	$52,297,282	$53,018,772
2. Terminated Members Deferred Benefit	$0	$0
3. Members in Payment Status		
a. Retirement (Including DROP)	$42,127,431	$45,420,717
b. Disability Retirement	500,242	1,569,935
c. Beneficiaries	1,597,557	2,374,705
d. Total	$44,225,230	$49,365,357
4. All Members	$96,522,512	$102,384,129

Note: The valuation as of October 1, 2014 includes DROP balances in the liability in item 3.a. The valuation as of October 1, 2013 only included future monthly benefits payable to DROP members in item 3.a.

Accrued Liability

Valuation as of October 1,	2013	2014
1. Active Members		
a. Service Retirement	$27,724,733	$27,973,906
b. Deferred Benefits	126,579	101,092
c. Survivor Benefits	58,677	59,260
d. Disability Benefits	617,313	622,589
e. Total	$28,527,302	$28,756,847
2. Terminated Members Deferred Benefit	$0	$0
3. Members in Payment Status		
a. Retirement (Including DROP)	$42,127,431	$45,420,717
b. Disability Retirement	500,242	1,569,935
c. Beneficiaries	1,597,557	2,374,705
d. Total	$44,225,230	$49,365,357
4. All Members	$72,752,532	$78,122,204

Note: The valuation as of October 1, 2014 includes DROP balances in the liability in item 3.a. The valuation as of October 1, 2013 only included future monthly benefits payable to DROP members in item 3.a.

Normal Cost

Valuation as of October 1,	2013	2014
1. Preliminary Normal Cost		
a. Service Retirement	$2,105,220	$2,198,076
b. Deferred Benefits	144,329	155,298
c. Survivor Benefits	15,820	16,782
d. Disability Benefits	174,725	188,039
e. Total	$2,440,094	$2,558,195
2. Total Normal Cost		
a. Preliminary Normal Cost	$2,440,094	$2,558,195
b. Expense Load	517,135	563,013
c. Total Normal Cost	$2,957,229	$3,121,208
d. Total Normal Cost as a % of Pay	40.0%	41.1%
3. Estimated Employer Normal Cost		
a. Total Normal Cost	$2,957,229	$3,121,208
b. Expected Employee Contributions	(973,202)	(1,024,788)
c. Estimated Employer Normal Cost	$1,984,027	$2,096,420
4. Actual Employer Normal Cost		
a. Preliminary Normal Cost	$2,440,094	
b. Actual Expenses	576,822	
c. Actual Employee Contributions	(970,011)	
d. Actual Employer Normal Cost	$2,046,905	
5. Payroll		
a. Payroll Expected in Funding Year	$7,093,309	$7,469,301
b. Annualized Payroll in Funding Year	$7,391,545	$7,590,837

Unfunded Accrued Liability

Derivation of Unfunded Accrued Liability (UAL)

Unfunded Accrued Liability as of October 1,			**2014**
1.	Actuarial Accrued Liability		$78,122,204
2.	Actuarial Value of Assets		58,163,473
3.	Unfunded Accrued Liability		$19,958,731
Determination of Expected Unfunded Accrued Liability			
1.	Unfunded Accrued Liability for Prior Year		$23,047,229
2.	Employer Normal Cost (Including Administrative Expenses)		2,046,905
3.	Interest for a full year on (1) and (2)		2,007,531
4.	Contributions for this Period		
	a.	State contributions toward minimum funding	$167,361
	b.	State contributions used for supplemental benefits	345,399
	c.	City	4,164,581
	d.	Total	$4,677,341
5.	Interest on Contribution for Time on Deposit		166,583
6.	Plan change - supplemental benefits		345,399
7.	Other changes in plan, methods or assumptions		96,389
8.	Expected Unfunded Accrued Liability		$22,699,529
Calculation of (Gain) or Loss			
1.	Actual Unfunded Accrued Liability		$19,958,731
2.	Expected Unfunded Accrued Liability		22,699,529
3.	Total (Gain) or Loss		$(2,740,798)
4.	Breakdown of (Gain) or Loss		
	a.	Portion of (Gain) / Loss Due to Investments	$(2,188,950)
	b.	Portion of (Gain) / Loss Due to Demographic Experience	(551,848)
	c.	Total (Gain) or Loss	$(2,740,798)
Determination of Actuarial Asset Gain (Loss)			
1.	Actuarial value of assets - BOY		$50,802,980
2.	Expected interest on beginning value		4,064,237
3.	Contributions		
	a.	City	$4,164,581
	b.	Employee contributions	970,011
	c.	State	512,760
	d.	Total contributions	$5,647,352
4.	Pension benefits		(3,986,091)
5.	Investment plus administrative expenses		(576,822)
6.	Interest on items (3), (4), and (5)		22,867
7.	Expected value of assets EOY		$55,974,523
8.	Actuarial value of assets - EOY		$58,163,473
9.	Gain (Loss) = (8) - (7)		$2,188,950
10.	Investment income		$6,276,054
11.	Investment return		12.2 %

Amortization of Unfunded Liability

The Unfunded Actuarial Accrued Liability is being amortized in a level dollar amount based on the 8.0% interest assumption. 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

	10/1	Source	Remaining Balance	Remaining Balance Adjusted for Actual Contributions	Years Remain	Amortization Payment
1.	1997	Funding Method	$766,208	$766,906	8	$123,568
2.	1998	Plan Amendment	1,708,018	1,709,573	14	192,005
3.	2000	(Gain)/Loss	20,134	20,152	1	20,152
4.	2001	(Gain)/Loss	574,653	575,176	17	58,385
5.	2002	(Gain)/Loss	2,203,202	2,205,208	18	217,871
6.	2003	(Gain)/Loss	306,309	306,588	19	29,560
7.	2003	Plan Amendment	1,703,401	1,704,952	19	164,382
8.	2004	(Gain)/Loss	650,387	650,979	20	61,392
9.	2005	(Gain)/Loss	(45,288)	(45,329)	21	(4,190)
10.	2005	Software Change	(326,031)	(326,328)	21	(30,165)
11.	2006	(Gain)/Loss	(776,316)	(777,023)	22	(70,531)
12.	2006	Plan Amendment	4,747,007	4,751,329	22	431,280
13.	2007	(Gain)/Loss	5,544	5,549	23	495
14.	2008	(Gain)/Loss	1,144,491	1,145,533	24	100,741
15.	2009	(Gain)/Loss	4,115,133	4,118,880	25	357,270
16.	2010	(Gain)/Loss	1,053,152	1,054,111	26	90,290
17.	2010	Method Change	(126,877)	(126,993)	26	(10,878)
18.	2011	Plan Amendment	(110,847)	(110,948)	27	(9,394)
19.	2011	(Gain)/Loss	3,896,354	3,899,902	27	330,221
20.	2012	(Gain)/Loss	1,145,377	1,146,420	28	96,054
21.	2012	Assumption Change	2,085,539	2,087,438	28	174,898
22.	2013	(Gain)/Loss	(2,245,870)	(2,247,915)	29	(186,532)
23.	2013	Assumption Change	88,899	88,980	29	7,384
24.	2014	(Gain)/Loss	(2,740,798)	(2,740,798)	30	(225,424)
25.	2014	Assumption Change	96,389	96,389	30	7,928
			$19,938,170	$19,958,731		$1,926,762

Projected Unfunded Accrued Liability and Amortization Payments

Year Beginning October 1,	Outstanding Bases	Amortization Payment
2013	$19,958,731	$1,926,762
2014	19,474,527	1,906,608
2015	18,973,352	1,906,610
2016	18,432,081	1,906,609
2017	17,847,510	1,906,609
2018	17,216,173	1,906,609
2019	16,534,330	1,906,611
2020	15,797,936	1,906,608
2021	15,002,634	1,783,043
2022	14,277,158	1,783,042
2023	13,493,645	1,783,043
2024	12,647,450	1,783,040
2025	11,733,563	1,783,043
2026	10,746,562	1,783,043
2027	9,680,600	1,591,037
2028	8,736,729	1,591,039
2029	7,717,345	1,591,039
2030	6,616,410	1,532,648
2031	5,490,463	1,314,784
2032	4,509,733	1,120,837
2033	3,660,007	1,059,447
2034	2,808,605	1,093,803
2035	1,851,987	733,052
2036	1,208,450	732,558
2037	513,964	631,814
2038	(127,278)	274,544
2039	(433,968)	195,132
2040	(679,427)	(125,694)
2041	(598,032)	(396,646)
2042	(217,497)	(217,497)
2043	0	0

Actions Taken to Reduce Unfunded Actuarial Accrued Liability

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

Minimum Funding Requirements

Year Ending September 30,		2014	2015
1.	Total Normal Cost	$2,957,229	$3,121,208
2.	Amortization of UAL	2,137,434	1,926,762
3.	Interest	210,481	208,613
4.	Total Minimum Required Contribution	$5,305,144	$5,256,583
5.	Expected City Minimum Required Funding	$4,164,581	$4,064,434
6.	Employee Contributions Expected*	973,202	1,024,788
7.	State Funding Expected	167,361	167,361
8.	Total Minimum Required Contribution	$5,305,144	$5,256,583
9.	City Funding as a % of Pay	56.3 %	53.5 %
10.	Employee Contributions as a % of Pay	13.2 %	13.5 %
11.	State Funding Expected as a % of Pay	2.3 %	2.2 %
12.	Total Required Funding as a % of Pay	71.8 %	69.2 %
13.	City Plus State Funding	$4,331,942	$4,231,795
14.	City Plus State Funding as a % of Pay	58.6 %	55.7 %
15.	Payroll		
	a. Payroll Expected in Funding Year	$7,093,309	$7,469,301
	b. Annualized Payroll in Funding Year	7,391,545	7,590,837

*Employee contributions expected are those based on payroll expected in the funding year which takes into account the expected decrement of members during the year.

Reconciliations

Reconciliation of Funded Status

As of Prior Valuation		**68.3 %**
Changes in Funded Status due to:		
Normal Operation of Plan	2.4 %	
Investment Experience	2.8 %	
Demographic Experience	0.5 %	
Update Mortality	0.0 %	
DROP in Assets and Liability	0.5 %	
Total Changes	6.2 %	
As of Current Valuation		**74.5 %**

Reconciliation of City Minimum Funding Requirement

As of Prior Valuation		**$4,164,581**
Changes in Required Contribution due to:		
Expected Change	$110,810	
Change in Expense Load	47,713	
Investment Experience	(187,238)	
Demographic Experience	(82,438)	
Update Mortality	11,006	
DROP in Assets/Liability	0	
Total Changes	$(100,147)	
As of Current Valuation		**$4,064,434**

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**
1. Beginning of year NPO	$(19,163)	$(19,523)	$(19,848)	$(20,316)
2. Contributions Made	4,164,581	4,202,483	3,523,939	3,003,218
3. Pension Cost	4,165,036	4,202,843	3,524,264	3,003,686
4. End of year NPO (1. - 2. + 3.)	$(18,708)	$(19,163)	$(19,523)	$(19,848)
1. Annual Required Contribution	$4,164,581	$4,202,483	$3,523,939	$3,003,218
2. Interest on NPO	(1,533)	(1,562)	(1,588)	(1,625)
3. Amortization of NPO	1,988	1,922	1,913	2,093
4. Pension Cost	$4,165,036	$4,202,843	$3,524,264	$3,003,686
Percentage Contributed	99.99%	99.99%	99.99%	99.98%

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 following table is based on prior accounting standards and is required by the State. The present value of accrued benefits is an estimate of the liability for all benefits accrued to date.

Year Beginning October 1,	2013	2014
1. Actuarial present value of accumulated plan benefits		
a. Participants currently receiving benefits	$44,225,230	$49,365,357
b. Other participants	14,815,670	14,721,109
c. Total vested plan benefits	$59,040,900	$64,086,466
d. Total non-vested plan benefits	4,161,265	4,460,014
e. Total accumulated plan benefits	$63,202,165	$68,546,480
2. Change in present value of accumulated plan benefits		
a. Accumulated plan benefits beginning of year		$63,202,165
b. Increase (decrease) during year due to:		
i. Plan amendment		$0
ii. Change in assumptions or methods		1,182,276
iii. Benefits paid		(3,986,091)
iv. Other (including increase for interest due to decrease in the discount period and benefits accumulated)		8,148,130
v. Net increase (decrease)		$5,344,315
c. Accumulated plan benefits end of year		$68,546,480

Other Disclosures Required by the State of Florida

Year Beginning October 1,	2013	2014
Present value of active member:		
Future salaries (attained age)	$70,238,070	$72,484,860
Future salaries (entry age)	N/A	N/A
Future contributions (attained age)	9,636,663	9,944,923
Future contributions (entry age)	N/A	N/A
Future contributions (other sources)	N/A	N/A
Future expected benefit payments (entry age)	N/A	N/A

Required Disclosure Under F.S. 112.664(1)

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

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

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

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

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

	RP-2000 Fully Generational Using Scale AA			Actual Valuation Results - 8.0% and RP-2000 Projected to 2014 Using Scale AA
	2% Decrease (6.0%)	Current Discount Rate (8.0%)	2% Increase (10.0%)	
Total pension liability	$102,190,717	$79,719,782	$64,354,424	$78,122,204
Plan fiduciary net position	(62,842,972)	(62,842,972)	(62,842,972)	(62,842,972)
Net pension liability	$39,347,745	$16,876,810	$1,511,452	$15,279,232
Plan fiduciary net position as a percentage of the total pension liability	61.5%	78.8%	97.7%	80.4%
Years of benefit payments:				
Expected for current members:	97	97	97	N/A
Paid for with current assets:	14	16	21	N/A
City Plus State Contribution Requirement				
Dollar Amount	$7,147,799	$4,439,254	$2,333,659	$4,231,795
Percent of Payroll	94.2%	58.5%	30.7%	55.7%

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	9.6%	16.7%	21.4%	(1.0%)	10.9%	(4.3%)
Percentages of assets in:						
Cash	5%	7%	4%	5%	6%	4%
Equity	62%	67%	66%	64%	61%	60%
Bond	16%	17%	21%	27%	29%	34%
Alternative	17%	9%	9%	4%	4%	2%
Total	100%	100%	100%	100%	100%	100%

Section 4 Supplementary Information

Summary of Participant Data

Member Statistics

Year Beginning October 1,	2013	2014
Active Participants		
Number	84	86
Average Age	36.6	36.4
Average Credited Service	9.2	8.8
Percent Male	92.9	91.9
Average Valuation Salary	$82,238	$82,491
Total Valuation Salary (Prior to Impute)	$6,907,986	$7,094,240
Total Valuation Salary (Imputed to Next Year)	$7,391,545	$7,590,837
Payroll Expected in Funding Year	$7,093,309	$7,469,301
Terminated With Rights to Deferred Benefits		
Number	0	0
Average Age	0.0	0.0
Percent Male	0.0	0.0
Average Monthly Benefit	$0	$0
DROP		
Number	8	7
Average Age	52.5	51.5
Percent Male	100.0	100.0
Average Monthly Benefit	$5,545	$5,848
DROP Balances	$1,097,677	$1,253,385

Member Statistics (Continued)

Year Beginning October 1,	**2013**	**2014**
Service Retirements		
Number	54	57
Average Age	57.9	58.9
Percent Male	96.3	96.5
Average Monthly Benefit	$4,280	$4,433
Beneficiaries		
Number	3	4
Average Age	62.7	58.8
Percent Male	0.0	0.0
Average Monthly Benefit	$3,866	$4,126
Disability Retirements		
Number	3	5
Average Age	70.4	58.0
Percent Male	100.0	80.0
Average Monthly Benefit	$1,604	$2,258
Total In Payment Status		
Number	60	66
Average Age	58.7	58.8
Percent Male	91.7	89.4
Average Monthly Benefit	$4,125	$4,249

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

	Service								
	<1	<5	<10	<15	<20	<25	<30	<35	Total
Age									
<25	2	2							4
<30	3	7	8						18
<35	1	5	7	4					17
<40	1	2	10	7	3				23
<45			2	4	5				11
<50	1		1	1	2				5
<55			2	2	2	1		1	8
<60									
<65									
Total	8	16	30	18	12	1		1	86

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

	Service								
	<1	<5	<10	<15	<20	<25	<30	<35	Total
<25	53,691	60,638							57,164
<30	52,503	64,627	79,763						69,334
<35	56,372	65,073	88,960	93,352					81,051
<40	51,976	65,271	86,077	90,926	113,449				87,831
<45			88,179	95,315	98,991				95,689
<50	53,691		81,526	99,211	94,425				84,656
<55			86,142	90,597	88,735	99,211		113,585	92,968
<60									
<65									
Total	53,366	64,348	85,059	92,864	100,135	99,211		113,585	82,491

Reconciliation of Plan Participants

	Active	Deferred	DROP	Retiree	Survivor	Disabled	Totals
As of October 1, 2009	**78**	**0**	**16**	**35**	**2**	**3**	**134**
Active							
To DROP Participant	(5)		5				0
DROP Participant							
To Retiree			(9)	9			0
New Hires	5						5
As of October 1, 2010	**78**	**0**	**12**	**44**	**2**	**3**	**139**
Active							
To DROP Participant	(3)		3				0
DROP Participant							
To Retiree			(4)	4			0
Retiree							
To Survivor				(1)	1		0
New Hires	4						4
As of October 1, 2011	**79**	**0**	**11**	**47**	**3**	**3**	**143**
Active							
To DROP Participant	(3)		3				0
To Deceased	(1)						(1)
DROP Participant							
To Retiree			(6)	6			0
New Hires	5						5
As of October 1, 2012	**80**	**0**	**8**	**53**	**3**	**3**	**147**
Active							
To DROP Participant	(1)		1				0
To Nonvested Term	(1)						(1)
DROP Participant							
To Retiree			(1)	1			0
New Hires	6						6
As of October 1, 2013	**84**	**0**	**8**	**54**	**3**	**3**	**152**
Active							
To Retiree	(1)			1			0
To DROP Participant	(1)		1				0
To Disabled Retiree	(2)					2	0
To Death With Survivor	(1)				1		0
To Nonvested Term	(1)						(1)
DROP Participant							
To Retiree			(2)	2			0
New Hires	8						8
As of October 1, 2014	**86**	**0**	**7**	**57**	**4**	**5**	**159**

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: July 1, 1977. The Plan was most recently amended effective March 10, 2014 with Ordinance No. 140-02-109.

Plan Administrator: The Board of Trustees

Board Composition: Two members are elected from among the fire 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 following September 30th.

Member: Firefighters become Members immediately upon hire (after medical examination and the firefighter acceptance of the terms and conditions which may include a declaration of ineligibility for disability benefits, designation of a Beneficiary and authorization for Employee Contribution deductions). Employees hired prior to October 1, 2009 are part of Tier One. Employees hired on or after October 1, 2009 are part of Tier Two.

Actuarial Equivalence: Actuarial Equivalence is determined using an interest rate of 7.0% and the 1971 Group Annuity Mortality Table for males.

Credited Service: Years and completed months of service (omitting intervening years and fractional parts of years when not employed as a full-time firefighter by the City) for which Employee Contributions are not withdrawn. Credited Service may be granted for an authorized leave of absence (not more than 6 months) and military leave (not more than 5 years).

Vesting: 100% upon earning ten years of Credited Service.

Earnings: Fixed monthly remuneration paid by the City to a firefighter, excluding overtime, bonuses and any other non-regular payment.

Employee Contributions: Effective October 1, 1997, 13.72% of Earnings.

Accumulated Contributions means a member's own contributions and contributions picked up on behalf of a Member, plus interest compounded annually. All benefits payable under this system are in lieu of a refund of Accumulated Contributions. In any event, each Member is guaranteed the payment of benefits at least equal to Accumulated Contributions with interest.

A Member who terminates non-vested is entitled to refund of accumulated Employee Contributions with interest.

Vested Members who terminate employment prior to being eligible to receive an annuity may leave their Accumulated Contributions in the fund, and begin commencement of the Accrued Benefit as early as age 50 as defined under the Early Retirement Benefit.

Contributions may be repaid with interest upon reentry into the Plan due to rehire in order to maintain prior Credited Service.

Average Monthly Earnings: Effective October 1, 2003, for Tier One Members, 1/12 of the average of annual Earnings for the three highest consecutive years of the last ten full years immediately preceding the actual retirement or termination date. The Average Monthly Earnings for Tier Two Members who retire with 25 or more years of Credited Service is computed in the same manner. The Average Monthly Earnings for Tier Two Members who retire with less than 25 years of Credited service is 1/12 of the average annual Earnings for the four highest consecutive years of the last ten full years immediately preceding the actual retirement or termination date.

Normal Retirement Date: Effective October 1, 1998, the first day of the month coincident with or next following the earliest of (i) age 55 and completion of 10 years of Credited Service, or (ii) 20 years Credited Service, regardless of age.

Normal Retirement Benefit: The Accrued Benefit.

Accrued Benefit: Effective for Members retiring on or after October 1, 2003 who are part of Tier One:

3.0% x Average Monthly Earnings x Credited Service Prior to 10/1/2003

Plus

4.0% x Average Monthly Earnings x Credited Service on or After 10/1/2003

The Tier Two Accrued Benefit is 3.0% x Average Monthly Earnings x Credited Service, limited to not more than 75% of Average Monthly Earnings. Tier Two members may increase their pension multiplier to 3.5% provided all costs associated with such an increase (or its actuarially equivalent cost) are borne solely by the Tier Two Member as determined by the Plan actuary. Tier Two members who increase their pension multiplier to 3.5% are not subject to the 75% cap. In no circumstance should a Tier Two Member's total benefit exceed 100% of Average Monthly Earnings.

This benefit is payable as a 10 year certain and continuous annuity.

Early Retirement Date: The first day of the month coincident with or next following the attainment of age 50 and the completion of 10 years of Credited Service.

Early Retirement Benefit: The Accrued Benefit reduced by 3% per year by which the commencement of benefits precedes the Normal Retirement Date.

Delayed Retirement Date: A date following the Normal Retirement Date upon which a Member actually retires.

Delayed Retirement Benefit: On the first day of any month coincident with or next following the Delayed Retirement Date, the benefit payable is computed as described under the Normal Retirement Benefit based on Average Monthly Earnings and Credited Service as of the Delayed Retirement Date.

Cost-of-Living Adjustment (COLA): Effective October 1, 2006, for Tier One Members, a 1.5% annual COLA is payable after three years of retirement (for both then current and future retirees).

Tier Two Members' monthly retirement benefits are increased annually after three years of retirement by the net investment return of the Plan. However, the Tier Two COLA is not less than 0% and not more than 1.5% annually.

Following the death of the retiree, the COLA is paid to each beneficiary.

Variable Benefit: For all firefighters employed on or after October 1, 1997, a Variable Benefit will be paid, effective October 1, 1999. Effective each October 1, a benefit increase of no more than 3% may be granted which is funded solely based on a total experience gains as compared to actuarial assumptions. Members who retired during the prior fiscal year are provided a prorata increase reflecting the number of payments they received divided by 12.

Supplemental Benefit: This type of benefit and the payment of such benefit shall be determined by negotiations between the City and the union.

The Supplemental Benefit will be paid only to eligible persons who retired on or after October 1, 2000. The first Supplemental Benefit is paid effective October 1, 2003, if funding is available.

Each year, a "Supplemental Retirement Benefit Account" is funded with 75% of the prior year's actuarial gain remaining after the application of payment of the Variable Benefit and any increase in State contributions over that received for fiscal 1997 in the amount of $167,361 after all minimum benefits are paid, hereafter referred to as the "adjusted base amount."

The Supplemental Benefit is re-determined each October 1 in an amount equal to the Supplemental Retirement Benefit Account divided by the total number of retirees and vested participants. Payments are made on a monthly basis. In no event will the Supplemental Benefits paid to a retiree exceed one year's payment of individual retiree health insurance provided by the City for the previous year ending September 30.

All funds not distributed to retirees remain in the Supplemental Retirement Benefit Account to be used for additional future benefits to retirees and their designated beneficiaries.

Disability Retirement: Members become eligible for service incurred disability benefits immediately upon Plan entry. Members become eligible for non-service incurred disability benefits upon earning 2 years of Credited Service.

The benefit payable to any Member who is wholly prevented either mentally or physically from rendering useful and efficient service as a firefighter is the greater of (i) 50% of the rate of monthly Earnings in effect on the date of disability and (ii) the Accrued Benefit. Total benefits paid (including workers compensation for example) shall not exceed 100% of the employee's salary.

This benefit is payable as a 10 year certain and continuous annuity.

In the event of recovery from disability, the period of time while disabled is included as Credited Service in future retirement benefits for (i) those who are immediately reemployed as a firefighter upon recovery, and (ii) those who are not immediately reemployed as a firefighter because they were not offered a position. Members who are offered reemployment and do not accept are treated as if they terminated employment on the date of disability.

At age fifty-five (55), the firefighter shall have the option of converting the disability to a normal retirement benefit, provided eligibility requirements are met.

Death Benefits: In the event of service incurred death, the benefit payable is the greater of a monthly benefit equal to 20% of the rate of monthly Earnings at the time of death and a refund of contributions with interest. The monthly benefit is payable to the Spouse until the death of the Spouse. If there is no Spouse or upon the death of the Spouse, the monthly benefit is divided equally among the Member's surviving children under the age of 18 until the youngest child reaches the age of 18. If there is no Spouse and a refund of contributions with interest is greater than the monthly benefit, the amount is divided equally amongst surviving children under the age of 18. The Member may choose one or more persons other than their spouse and children under the age of 18 to receive the refund of contributions with interest. If there is no designated beneficiary, no Spouse and no children under the age of 18, the refund of contributions with interest is payable to the Member's estate.

In the event of service incurred death of a firefighter who had earned at least 10 years of Credited Service at the time of their death, the beneficiary may instead elect to receive the Accrued Benefit payable as a 10-year certain only annuity commencing when the Member would have reached their Normal Retirement Date, or with reduction for early commencement as defined for an early retirement benefit payable at the Early Retirement Date.

In the event of non-service incurred death of an active Member who has attained their Normal Retirement Date or the Early Retirement Date, a death benefit is payable to the Member's Spouse as if the Member retired from employment on the date of death, elected to receive a benefit in the form of a 50% joint and survivor annuity, and died the next day. Upon the death of the surviving Spouse, this monthly benefit is divided equally among the Member's surviving children under the age of 18 until the youngest child reaches the age of 18. If at the time of death there is no Spouse, the monthly benefit is payable in the form of a 10 year certain and continuous annuity where the monthly benefit is divided equally among the Member's surviving children under the age of 18 until the youngest child reaches the age of 18. However, at the election of the Spouse or children (for a Member who did not designate a beneficiary other than their Spouse or children), a firefighter who has continued employment beyond his Normal Retirement Date and has made an election as to the form of benefit desired upon retirement prior to death, the monthly benefit will be paid in the form of benefit chosen by the Member as if the Member retired on the day of death. For Members who designated a beneficiary other than their Spouse or children, the designated beneficiary is entitled to receive the Accrued Benefit payable as a 10-year certain only annuity commencing when the Member would have reached their Normal Retirement Date, or with reduction for early commencement as defined for an early retirement benefit payable at the Early Retirement Date.

In the event of non-service incurred death of an active Member who is not eligible for Normal Retirement or Early Retirement, and the Member earned less than 10 years of Credited Service at the time of death, a refund of employee contributions with interest is payable. For Members who had earned at least 10 years of Credited Service at the time of their death, the designated beneficiary is entitled to receive the Accrued Benefit payable as a 10-year certain only annuity commencing when the Member would have reached their Normal Retirement Date, or with reduction for early commencement as defined for an early retirement benefit payable at the Early Retirement Date.

Optional Forms of Benefit: The Accrued Benefit described above is payable in the form of a 10 year certain and continuous annuity (except as noted to be a 10-year certain only annuity under certain death benefits). Members may optionally choose an actuarially equivalent single life annuity, joint and survivor annuity (based on a fraction designated by the Member), a joint and last survivor annuity (with 50%, 66 2/3%, 75%, or 100% continuance), or joint and survivor annuity with an optional "pop-up" to the single life annuity form in the event the beneficiary predeceases the Member. Members may also choose benefits to be paid in any form approved by the board so long as actuarial equivalence with the benefit otherwise payable is maintained. The value of optional benefits shall be actuarially equivalent to the value of benefits otherwise payable, and the present value of payments to the retiring Member must be at least equal to 50% of the total present value of payments to the retiring Member and his beneficiary.

Deferred Retirement Option Plan (DROP): Effective October 1, 2003, Tier One Members are eligible to enter the DROP on the first day of the month following the Member's completion of 20 years of Credited Service or upon earning a pension benefit equal to 80%. The maximum participation in the DROP is 60 months. For Tier One Members who enter the DROP more than 90 days after attaining the 80% Accrued Benefit, the amount of time after the accrual of the 80% benefit until the entry into the DROP will result in a commensurate reduction in the maximum time allowed for DROP participation. Members who were in the DROP on the effective date of the adoption of this section may extend their DROP participation so that their maximum participation in the DROP is 60 months. Members with 20 years of Credited Service as of October 1, 2000 were eligible to elect within a 90 day period after the enactment of this section to enter the DROP retroactively to October 1, 2000. The maximum participation in the DROP was 36 months as of October 1, 2000.

Tier Two Members may enter the DROP on the first day of the month following completion of 25 years of Credited Service for a maximum period of 60 months. However, the DROP term for Tier Two Members is reduced one month for each month of eligibility following the completion of 25 years of Credited Service during which the Member did not participate in the DROP.

DROP participants are not eligible for death or disability benefits.

The Accrued Benefit is frozen and no further Employee Contributions are payable at DROP entry. No payment shall be made for accrued unused leave upon entering the DROP, nor shall the amount of accrued unpaid leave be used in the calculation of the amount of pension benefits.

The monthly retirement benefits, including any variable benefits that would have been payable had the Member elected to cease employment and not join the DROP, are deposited in the participant's DROP account. These payments accumulate with interest, credited quarterly, at a rate equal to the actual rate of return achieved by the trust fund net of administrative expenses. However, DROP account earnings for Tier Two Members is never less than 0% per month. At the option of the Tier One Member, the DROP account will be paid a fixed amount as determined by the board of trustees (currently 65.625% of the Plan's actuarially assumed investment return), but no higher than the actuarially assumed investment earnings. Following resignation and prior to distribution, a rate of interest, as determined by the board of trustees, shall be credited to the participant's DROP account.

Within 30 days following the end of any calendar quarter after the termination of the Member's employment as a firefighter, the balance credited to the DROP account is distributed in a single lump sum, either directly to the Member (subject to applicable tax withholding) or as a direct rollover.

Description of Assumptions and Methods

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

Salary Increase – Individual: 7.0% per year.

Inflation: 3.0%

Administrative Expenses: Average actual expenses paid during the previous two years.

Percentage Married at Retirement: 80% of active Members are assumed to be married at retirement.

Spouse Ages: Where spousal information was supplied, that information was used. Otherwise, wives are assumed to be three years younger than their husbands.

Mortality: For the current valuation, mortality is assumed using the RP-2000 Combined Mortality Table projected to the valuation year using Scale AA.

Retirement: For the current valuation retirement is assumed at 50% of those eligible to retire or DROP with 20 through 24 years of service with 100% choosing to retire or DROP at 25 years of service or upon reaching age 55 with 10 years of service.

Termination: For the current valuation, unisex rates, as follows:

Service	Rate	Service	Rate	Service	Rate	Service	Rate
0-1	3.8%	6	3.0%	11	2.4%	16	1.3%
2	3.7%	7	2.8%	12	2.1%	17	1.1%
3	3.5%	8	2.8%	13	1.8%	18	0.9%
4	3.3%	9	2.7%	14	1.6%	19	0.9%
5	3.2%	10	2.6%	15	1.4%	20+	0.0%

Disability: Unisex rates, as follows:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
15-21	0.14%	36	0.24%	46	0.59%	56	1.68%
22-25	0.15%	37	0.25%	47	0.70%	57	1.81%
26-27	0.16%	38	0.26%	48	0.79%	58	1.95%
28-29	0.17%	39	0.28%	49	0.90%	59	2.09%
30	0.18%	40	0.30%	50	1.00%	>=60	0.00%
31	0.19%	41	0.32%	51	1.10%		
32	0.20%	42	0.35%	52	1.20%		
33	0.21%	43	0.39%	53	1.31%		
34	0.22%	44	0.44%	54	1.43%		
35	0.23%	45	0.51%	55	1.55%		

On and Off Duty Disability and Death: 75% of disabilities are assumed to be in the line of duty.

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

Actuarial Value of Assets: The market value of assets is adjusted to recognize gains and losses over a four-year period. The Actuarial Value of Assets shall not be more than 120% or less than 80% of the market value of assets.

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
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City of Lauderhill

Firefighters' Retirement System

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

FLA

FREIMAN LITTLE ACTUARIES

February 3, 2015

Board of Trustees
City of Lauderhill Firefighters' Retirement System
Lauderhill, 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 Lauderhill Firefighters' Retirement System (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 adopted by the Board of Trustees as of October 1, 2013.

Note that DROP balances have been included in both assets and liabilities in this report whereas in the October 1, 2013 actuarial valuation DROP balances were excluded from both assets and liabilities.

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

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Statement of Fiduciary Net Position

As of September 30,	2014	2013
Assets		
Cash and cash equivalents	$3,244,615	$3,742,911
Receivables:		
Member contributions	440	0
Accrued interest and dividends	102,084	102,084
Receivable for securities sold	251,794	181,998
Due to/from other accounts	0	0
Total receivables	354,318	284,082
Investments, at fair value:		
Domestic equity	30,712,024	30,187,620
International equity	0	1,002,871
International equity funds	8,577,861	6,800,405
Debt securities	9,874,838	9,506,135
Real estate fund	9,412,891	4,136,457
Note receivable	1,000,000	1,000,000
Total investments	59,577,614	52,633,488
Total assets	63,176,547	56,660,481
Liabilities		
Accounts payable and accrued expenses	53,050	106,518
Prepaid City contributions	4,016	4,016
Payable for securities purchased	276,509	215,473
Total liabilities	333,575	326,007
Net position restricted for pensions	$62,842,972	$56,334,474

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	$4,164,581
Employees	970,011
State of Florida	492,840
Total contributions	5,627,432
Investment income (loss):	
Net appreciation in fair value of investments	4,373,434
Interest and dividends	1,070,545
Total investment income	5,443,979
Less investment expenses:	
Investment expense	407,505
Net investment income	5,036,474
Total additions	10,663,906
Deductions	
Benefit payments	3,982,063
Refunds of contributions	4,028
Administrative expenses	169,317
Total deductions	4,155,408
Net increase in net position	6,508,498
Net position restricted for pensions	
Beginning of year	56,334,474
End of year	$62,842,972

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

Investments

The following information is as supplied by the investment monitor.

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)):

"The investment policy is drafted and presented by the investment consultant to the retirement system board of trustees. Any amendments are done so with a majority vote of the board of trustees."

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:

"The system utilizes a strategic allocation with a dynamic tactical overlay utilizing a "monte carlo" type simulation."

Asset Class	Target Allocation
Large Cap	35%
Smid Cap	15%
Foreign Equity	15%
Real Assets	15%
Fixed Income	20%

The investment monitor has indicated there are no changes to the most recent investment policy (paragraph 30 b.(1)(c)).

The following 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)):

"Dahab associates utilizes financial statements from a third party custodian for determining all asset valuations. Although we believe these statements to be reliable and accurate, Dahab Associates does not verify nor attempt to assign valuation to assets otherwise."

The investment monitor indicated no organization represents 5 percent or more of the fiduciary net position (paragraph 30 b.(3)).

The money-weighed rate of return for the fiscal year ending September 30, 2014 was 8.83% 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	$78,122,204
Plan fiduciary net position	(62,842,972)
Net pension liability	$15,279,232
Plan fiduciary net position as a percentage of the total pension liability	80.4419%

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	3.0%
Salary increases	7.0%
Investment rate of return	8.0% gross of investment expense, including inflation
Mortality	RP-00 projected to the valuation year with Scale AA

Assumptions are based on the results of an actuarial experience study for the period October 1, 2007 to September 30, 2012.

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	$24,860,132	$15,279,232	$7,296,755

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
Large Cap	8.1%
Smid Cap	9.6%
Foreign Equity	5.2%
Real Assets	6.4%
Fixed Income	2.9%

The expected rate of inflation is 3.0%.

The discount rate used to measure the total pension liability was 8.0%. This is the single rate that reflects the long-term expected gross rate of return on pension plan investments expected to be used to finance the payment of benefits. 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 8.0% gross 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 13.72% 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 gross 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)x13.72%	Employer Service Cost in Year After Valuation Date (c)	Admin Expense(1) (d)	UAL Contribs(2) (e)	Interest for Periodic Payments (f)	Expected State Contribution(3) (g)	Expected City Contribs for Funding Year(4) (h)	Expected Total Contribs for Funding Year (i) = sum ((b):(f))
1	7,469,301	1,024,788	1,533,408	563,013	1,926,762	208,613	167,361	4,064,435	5,256,584
2	7,710,866	1,057,931	1,584,538	581,222	1,906,608	211,906	167,361	4,116,913	5,342,205
3	7,854,370	1,077,620	1,610,841	592,039	1,906,610	214,179	167,361	4,156,308	5,401,289
4	7,984,502	1,095,474	1,639,538	601,848	1,906,609	216,433	167,361	4,197,067	5,459,902
5	7,836,386	1,075,152	1,598,290	590,683	1,906,609	213,524	167,361	4,141,745	5,384,258
6	7,853,208	1,077,460	1,593,533	591,951	1,906,609	213,477	167,361	4,138,209	5,383,030
7	7,571,947	1,038,871	1,527,297	570,751	1,906,611	208,436	167,361	4,045,734	5,251,966
8	7,382,676	1,012,903	1,482,510	556,484	1,906,608	205,035	167,361	3,983,276	5,163,540
9	7,445,671	1,021,546	1,492,322	561,232	1,783,043	201,020	167,361	3,870,256	5,059,163
10	7,379,937	1,012,527	1,471,762	556,278	1,783,042	199,639	167,361	3,843,360	5,023,248
11	6,941,481	952,371	1,362,931	523,228	1,783,043	191,557	167,361	3,693,398	4,813,130
12	6,736,119	924,196	1,304,696	507,748	186,843	123,634	167,361	1,955,560	3,047,117
13	6,600,847	905,636	1,261,120	497,552	0	113,267	167,361	1,704,578	2,777,575
14	5,486,691	752,774	1,007,262	413,570	0	93,639	167,361	1,347,110	2,267,245
15	4,568,467	626,794	786,646	344,357	0	77,006	167,361	1,040,648	1,834,803
16	4,127,573	566,303	673,906	311,124	0	68,748	167,361	886,417	1,620,081
17	3,595,656	493,324	537,003	271,030	0	58,749	167,361	699,421	1,360,106
18	2,798,391	383,939	389,578	210,934	0	46,072	167,361	479,223	1,030,523
19	2,323,528	318,788	315,851	175,141	0	37,968	139,412	389,548	847,748
20	1,897,036	260,273	250,064	142,993	0	30,686	113,822	309,921	684,016
21	1,306,405	179,239	172,372	98,473	0	21,139	78,384	213,600	471,223
22	593,933	81,488	78,601	44,769	0	9,620	35,636	97,354	214,478
23	302,865	41,553	40,098	22,829	0	4,906	18,172	49,661	109,386
24	126,903	17,411	16,813	9,566	0	2,056	7,614	20,821	45,846
25	19,532	2,680	2,557	1,472	0	315	1,172	3,172	7,024
26	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0
31-100	0	0	0	0	0	0	0	0	0

Notes:

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

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

(3) Expected State Contributions are the $167,361 amount recognized toward minimum funding, but not more than 6% of payroll.

(4) 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. Assumptions used in the October 1, 2014 actuarial valuation of the Plan may be revised.

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	62,842,972	5,256,584	5,365,157	563,013	4,993,880	67,165,266
2	67,165,266	5,342,205	4,225,600	581,222	5,387,942	73,088,591
3	73,088,591	5,401,289	4,411,784	592,039	5,856,291	79,342,348
4	79,342,348	5,459,902	4,614,290	601,848	6,350,444	85,936,556
5	85,936,556	5,384,258	4,932,729	590,683	6,862,663	92,660,065
6	92,660,065	5,383,030	5,384,207	591,951	7,382,385	99,449,322
7	99,449,322	5,251,966	5,894,674	570,751	7,900,713	106,136,576
8	106,136,576	5,163,540	6,148,802	556,484	8,422,562	113,017,392
9	113,017,392	5,059,163	6,485,844	561,232	8,955,180	119,984,659
10	119,984,659	5,023,248	6,958,224	556,278	9,492,428	126,985,833
11	126,985,833	4,813,130	7,514,840	523,228	10,023,175	133,784,070
12	133,784,070	3,047,117	7,796,732	507,748	10,485,737	139,012,444
13	139,012,444	2,777,575	8,929,222	497,552	10,848,334	143,211,579
14	143,211,579	2,267,245	9,911,082	413,570	11,127,935	146,282,107
15	146,282,107	1,834,803	10,478,619	344,357	11,336,348	148,630,282
16	148,630,282	1,620,081	11,027,843	311,124	11,494,973	150,406,369
17	150,406,369	1,360,106	11,597,094	271,030	11,605,495	151,503,846
18	151,503,846	1,030,523	12,206,016	210,934	11,658,156	151,775,575
19	151,775,575	847,748	12,538,882	175,141	11,661,819	151,571,119
20	151,571,119	684,016	12,937,079	142,993	11,625,295	150,800,358
21	150,800,358	471,223	13,398,210	98,473	11,539,875	149,314,773
22	149,314,773	214,478	13,639,546	44,769	11,404,963	147,249,899
23	147,249,899	109,386	13,722,040	22,829	11,233,846	144,848,262
24	144,848,262	45,846	13,789,461	9,566	11,037,429	142,132,510
25	142,132,510	7,024	13,790,922	1,472	10,819,139	139,166,279
26	139,166,279	0	13,771,083	0	10,582,459	135,977,655
27	135,977,655	0	13,701,245	0	10,330,162	132,606,572
28	132,606,572	0	13,596,774	0	10,064,655	129,074,453
29	129,074,453	0	13,504,410	0	9,785,780	125,355,823
30	125,355,823	0	13,352,163	0	9,494,379	121,498,039
31	121,498,039	0	13,175,200	0	9,192,835	117,515,674
32	117,515,674	0	12,983,322	0	8,881,921	113,414,273
33	113,414,273	0	12,766,362	0	8,562,488	109,210,399
34	109,210,399	0	12,522,146	0	8,235,946	104,924,199
35	104,924,199	0	12,261,642	0	7,903,470	100,566,027
36	100,566,027	0	11,982,385	0	7,565,987	96,149,629
37	96,149,629	0	11,687,612	0	7,224,466	91,686,483
38	91,686,483	0	11,377,630	0	6,879,814	87,188,667
39	87,188,667	0	11,052,064	0	6,533,010	82,669,613
40	82,669,613	0	10,715,478	0	6,184,950	78,139,085
41	78,139,085	0	10,366,338	0	5,836,473	73,609,220
42	73,609,220	0	10,005,670	0	5,488,511	69,092,061
43	69,092,061	0	9,633,994	0	5,142,005	64,600,072
44	64,600,072	0	9,250,864	0	4,797,971	60,147,179
45	60,147,179	0	8,855,888	0	4,457,538	55,748,829
46	55,748,829	0	8,448,599	0	4,121,962	51,422,192
47	51,422,192	0	8,029,285	0	3,792,604	47,185,511
48	47,185,511	0	7,598,823	0	3,470,888	43,057,576
49	43,057,576	0	7,157,323	0	3,158,313	39,058,566
50	39,058,566	0	6,706,200	0	2,856,437	35,208,803

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	35,208,803	0	6,247,447	0	2,566,806	31,528,162
52	31,528,162	0	5,783,916	0	2,290,896	28,035,142
53	28,035,142	0	5,319,335	0	2,030,038	24,745,845
54	24,745,845	0	4,857,680	0	1,785,361	21,673,526
55	21,673,526	0	4,403,612	0	1,557,738	18,827,652
56	18,827,652	0	3,960,961	0	1,347,774	16,214,465
57	16,214,465	0	3,533,428	0	1,155,820	13,836,857
58	13,836,857	0	3,124,439	0	981,971	11,694,389
59	11,694,389	0	2,736,701	0	826,083	9,783,771
60	9,783,771	0	2,373,586	0	687,759	8,097,944
61	8,097,944	0	2,036,997	0	566,356	6,627,303
62	6,627,303	0	1,728,103	0	461,060	5,360,260
63	5,360,260	0	1,448,708	0	370,873	4,282,425
64	4,282,425	0	1,198,944	0	294,636	3,378,117
65	3,378,117	0	978,916	0	231,092	2,630,293
66	2,630,293	0	788,110	0	178,899	2,021,082
67	2,021,082	0	625,230	0	136,678	1,532,530
68	1,532,530	0	488,941	0	103,044	1,146,633
69	1,146,633	0	376,629	0	76,666	846,670
70	846,670	0	285,671	0	56,307	617,306
71	617,306	0	213,586	0	40,842	444,562
72	444,562	0	157,434	0	29,268	316,396
73	316,396	0	114,431	0	20,735	222,700
74	222,700	0	82,102	0	14,532	155,130
75	155,130	0	58,161	0	10,084	107,053
76	107,053	0	40,722	0	6,935	73,266
77	73,266	0	28,238	0	4,731	49,759
78	49,759	0	19,411	0	3,205	33,553
79	33,553	0	13,231	0	2,155	22,477
80	22,477	0	8,952	0	1,440	14,965
81	14,965	0	6,015	0	956	9,906
82	9,906	0	4,011	0	633	6,528
83	6,528	0	2,652	0	416	4,292
84	4,292	0	1,737	0	274	2,829
85	2,829	0	1,126	0	181	1,884
86	1,884	0	721	0	122	1,285
87	1,285	0	458	0	85	912
88	912	0	287	0	62	687
89	687	0	178	0	48	557
90	557	0	109	0	41	489
91	489	0	67	0	36	458
92	458	0	38	0	35	455
93	455	0	21	0	35	469
94	469	0	12	0	38	495
95	495	0	7	0	40	528
96	528	0	4	0	42	566
97	566	0	2	0	45	609
98	609	0	0	0	49	658
99	658	0	0	0	53	711
100	711	0	0	0	57	768

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	62,842,972	5,365,157	5,365,157	0	5,162,625	0	5,162,625
2	67,165,266	4,225,600	4,225,600	0	3,764,894	0	3,764,894
3	73,088,591	4,411,784	4,411,784	0	3,639,610	0	3,639,610
4	79,342,348	4,614,290	4,614,290	0	3,524,697	0	3,524,697
5	85,936,556	4,932,729	4,932,729	0	3,488,834	0	3,488,834
6	92,660,065	5,384,207	5,384,207	0	3,526,071	0	3,526,071
7	99,449,322	5,894,674	5,894,674	0	3,574,418	0	3,574,418
8	106,136,576	6,148,802	6,148,802	0	3,452,330	0	3,452,330
9	113,017,392	6,485,844	6,485,844	0	3,371,822	0	3,371,822
10	119,984,659	6,958,224	6,958,224	0	3,349,444	0	3,349,444
11	126,985,833	7,514,840	7,514,840	0	3,349,425	0	3,349,425
12	133,784,070	7,796,732	7,796,732	0	3,217,655	0	3,217,655
13	139,012,444	8,929,222	8,929,222	0	3,412,060	0	3,412,060
14	143,211,579	9,911,082	9,911,082	0	3,506,714	0	3,506,714
15	146,282,107	10,478,619	10,478,619	0	3,432,888	0	3,432,888
16	148,630,282	11,027,843	11,027,843	0	3,345,202	0	3,345,202
17	150,406,369	11,597,094	11,597,094	0	3,257,296	0	3,257,296
18	151,503,846	12,206,016	12,206,016	0	3,174,375	0	3,174,375
19	151,775,575	12,538,882	12,538,882	0	3,019,391	0	3,019,391
20	151,571,119	12,937,079	12,937,079	0	2,884,516	0	2,884,516
21	150,800,358	13,398,210	13,398,210	0	2,766,049	0	2,766,049
22	149,314,773	13,639,546	13,639,546	0	2,607,289	0	2,607,289
23	147,249,899	13,722,040	13,722,040	0	2,428,758	0	2,428,758
24	144,848,262	13,789,461	13,789,461	0	2,259,899	0	2,259,899
25	142,132,510	13,790,922	13,790,922	0	2,092,721	0	2,092,721
26	139,166,279	13,771,083	13,771,083	0	1,934,917	0	1,934,917
27	135,977,655	13,701,245	13,701,245	0	1,782,504	0	1,782,504
28	132,606,572	13,596,774	13,596,774	0	1,637,882	0	1,637,882
29	129,074,453	13,504,410	13,504,410	0	1,506,255	0	1,506,255
30	125,355,823	13,352,163	13,352,163	0	1,378,957	0	1,378,957
31	121,498,039	13,175,200	13,175,200	0	1,259,890	0	1,259,890
32	117,515,674	12,983,322	12,983,322	0	1,149,576	0	1,149,576
33	113,414,273	12,766,362	12,766,362	0	1,046,635	0	1,046,635
34	109,210,399	12,522,146	12,522,146	0	950,567	0	950,567
35	104,924,199	12,261,642	12,261,642	0	861,845	0	861,845
36	100,566,027	11,982,385	11,982,385	0	779,830	0	779,830
37	96,149,629	11,687,612	11,687,612	0	704,302	0	704,302
38	91,686,483	11,377,630	11,377,630	0	634,835	0	634,835
39	87,188,667	11,052,064	11,052,064	0	570,990	0	570,990
40	82,669,613	10,715,478	10,715,478	0	512,594	0	512,594
41	78,139,085	10,366,338	10,366,338	0	459,159	0	459,159
42	73,609,220	10,005,670	10,005,670	0	410,356	0	410,356
43	69,092,061	9,633,994	9,633,994	0	365,845	0	365,845
44	64,600,072	9,250,864	9,250,864	0	325,274	0	325,274
45	60,147,179	8,855,888	8,855,888	0	288,320	0	288,320
46	55,748,829	8,448,599	8,448,599	0	254,685	0	254,685
47	51,422,192	8,029,285	8,029,285	0	224,116	0	224,116
48	47,185,511	7,598,823	7,598,823	0	196,389	0	196,389
49	43,057,576	7,157,323	7,157,323	0	171,277	0	171,277
50	39,058,566	6,706,200	6,706,200	0	148,594	0	148,594

			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	35,208,803	6,247,447	6,247,447	0	128,175	0	128,175
52	31,528,162	5,783,916	5,783,916	0	109,875	0	109,875
53	28,035,142	5,319,335	5,319,335	0	93,564	0	93,564
54	24,745,845	4,857,680	4,857,680	0	79,115	0	79,115
55	21,673,526	4,403,612	4,403,612	0	66,407	0	66,407
56	18,827,652	3,960,961	3,960,961	0	55,307	0	55,307
57	16,214,465	3,533,428	3,533,428	0	45,683	0	45,683
58	13,836,857	3,124,439	3,124,439	0	37,403	0	37,403
59	11,694,389	2,736,701	2,736,701	0	30,335	0	30,335
60	9,783,771	2,373,586	2,373,586	0	24,361	0	24,361
61	8,097,944	2,036,997	2,036,997	0	19,358	0	19,358
62	6,627,303	1,728,103	1,728,103	0	15,206	0	15,206
63	5,360,260	1,448,708	1,448,708	0	11,803	0	11,803
64	4,282,425	1,198,944	1,198,944	0	9,045	0	9,045
65	3,378,117	978,916	978,916	0	6,838	0	6,838
66	2,630,293	788,110	788,110	0	5,097	0	5,097
67	2,021,082	625,230	625,230	0	3,744	0	3,744
68	1,532,530	488,941	488,941	0	2,711	0	2,711
69	1,146,633	376,629	376,629	0	1,934	0	1,934
70	846,670	285,671	285,671	0	1,358	0	1,358
71	617,306	213,586	213,586	0	940	0	940
72	444,562	157,434	157,434	0	642	0	642
73	316,396	114,431	114,431	0	432	0	432
74	222,700	82,102	82,102	0	287	0	287
75	155,130	58,161	58,161	0	188	0	188
76	107,053	40,722	40,722	0	122	0	122
77	73,266	28,238	28,238	0	78	0	78
78	49,759	19,411	19,411	0	50	0	50
79	33,553	13,231	13,231	0	31	0	31
80	22,477	8,952	8,952	0	20	0	20
81	14,965	6,015	6,015	0	12	0	12
82	9,906	4,011	4,011	0	8	0	8
83	6,528	2,652	2,652	0	5	0	5
84	4,292	1,737	1,737	0	3	0	3
85	2,829	1,126	1,126	0	2	0	2
86	1,884	721	721	0	1	0	1
87	1,285	458	458	0	1	0	1
88	912	287	287	0	0	0	0
89	687	178	178	0	0	0	0
90	557	109	109	0	0	0	0
91	489	67	67	0	0	0	0
92	458	38	38	0	0	0	0
93	455	21	21	0	0	0	0
94	469	12	12	0	0	0	0
95	495	7	7	0	0	0	0
96	528	4	4	0	0	0	0
97	566	2	2	0	0	0	0
98	609	0	0	0	0	0	0
99	658	0	0	0	0	0	0
100	711	0	0	0	0	0	0
					$ 101,914,718	$ 0	$ 101,914,718

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.

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	$2,440,094
Interest	5,928,052
Changes of benefit terms	345,399
Differences between expected and actual experience	(551,848)
Changes of assumptions	96,389
Benefit payments, including refunds of member contributions	(3,986,091)
Net change in total pension liability	4,271,995
Total pension liability - beginning	73,850,209
Total pension liability - ending (a)	$78,122,204
Plan fiduciary net position	
Contributions - employer	$4,164,581
Contributions - employee	970,011
Contributions - State of Florida	492,840
Net investment income	5,036,474
Benefit payments, including refunds of member contributions	(3,986,091)
Administrative expense	(169,317)
Other	0
Net change in plan fiduciary net position	6,508,498
Plan fiduciary net position - beginning	56,334,474
Plan fiduciary net position - ending (b)	$62,842,972
Net pension liability - ending (a) - (b)	$15,279,232
Plan fiduciary net position as a percentage of the total pension liability	80.44 %
Covered employee payroll	$6,945,643
Net pension liability as a percentage of covered employee payroll	219.98 %

Notes to Schedule:

The mortality table continues to be the RP-2000 Combined Mortality Table with Scale AA applied to reflect mortality improvements to the valuation year. The beginning total pension liability includes mortality improvements to 2013 and has been revised to include DROP balances consistent with the report of the auditor which was revised to include DROP balances. 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	$4,331,942	$4,369,844	$3,691,300	$3,003,218	$2,952,870	$2,448,774	$2,534,923	$2,320,002	$1,613,426	$1,537,942
Contributions in relation to the actuarially determined contribution	4,331,942	4,369,844	3,691,300	3,003,218	2,952,870	2,448,774	2,534,923	2,320,002	1,613,426	1,537,942
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Covered employee payroll	$6,945,643	$6,716,257	$6,445,935	$6,018,473	$6,024,458	$6,357,484	$5,943,239	$5,696,122	$4,477,751	$4,910,632
Contributions as a percentage of covered-employee payroll	62.4 %	65.1 %	57.3 %	49.9 %	49.0 %	38.5 %	42.7 %	40.7 %	36.0 %	31.3 %

Notes to Schedule

For the year ending September 30, 2011, the employer contributed the actuarially determined rate at 49.9% of actual payroll. The actuarially determined contribution as a dollar amount was $3,187,039. The actuarially determined contribution for years ending earlier than September 30, 2009 are as reported by the prior actuary.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Asset valuation method	3-year smoothed market
Inflation	3.0%
Salary increases	7%, including inflation
Investment rate of return	8% gross 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 using Scale AA projected to valuation year

Schedule of Investment Returns

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

Year Ending September 30,	2014
Annual money-weighted rate of return net of investment expense	8.83%

Plan Membership Statistics

Valuation as of October 1,	2013	2014
Inactive members or beneficiaries currently receiving benefits	68	73
Inactive members entitled to but not yet receiving benefits	0	0
Active members	84	86
	152	159

Plan Description

Plan Type: Single-employer Defined Benefit Pension Plan

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

Effective Date: July 1, 1977. The Plan was most recently amended effective March 10, 2014 with Ordinance No. 140-02-109.

Plan Administrator: The Board of Trustees

Board Composition: Two members are elected from among the fire 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 following September 30th.

Member: Firefighters become Members immediately upon hire (after medical examination and the firefighter acceptance of the terms and conditions which may include a declaration of ineligibility for disability benefits, designation of a Beneficiary and authorization for Employee Contribution deductions). Employees hired prior to October 1, 2009 are part of Tier One. Employees hired on or after October 1, 2009 are part of Tier Two.

Actuarial Equivalence: Actuarial Equivalence is determined using an interest rate of 7.0% and the 1971 Group Annuity Mortality Table for males.

Credited Service: Years and completed months of service (omitting intervening years and fractional parts of years when not employed as a full-time firefighter by the City) for which Employee Contributions are not withdrawn. Credited Service may be granted for an authorized leave of absence (not more than 6 months) and military leave (not more than 5 years).

Vesting: 100% upon earning ten years of Credited Service.

Earnings: Fixed monthly remuneration paid by the City to a firefighter, excluding overtime, bonuses and any other non-regular payment.

Employee Contributions: Effective October 1, 1997, 13.72% of Earnings.

Accumulated Contributions means a member's own contributions and contributions picked up on behalf of a Member, plus interest compounded annually. All benefits payable under this system are in lieu of a refund of Accumulated Contributions. In any event, each Member is guaranteed the payment of benefits at least equal to Accumulated Contributions with interest.

A Member who terminates non-vested is entitled to refund of accumulated Employee Contributions with interest.

Vested Members who terminate employment prior to being eligible to receive an annuity may leave their Accumulated Contributions in the fund, and begin commencement of the Accrued Benefit as early as age 50 as defined under the Early Retirement Benefit.

Contributions may be repaid with interest upon reentry into the Plan due to rehire in order to maintain prior Credited Service.

Average Monthly Earnings: Effective October 1, 2003, for Tier One Members, 1/12 of the average of annual Earnings for the three highest consecutive years of the last ten full years immediately preceding the actual retirement or termination date. The Average Monthly Earnings for Tier Two Members who retire with 25 or more years of Credited Service is computed in the same manner. The Average Monthly Earnings for Tier Two Members who retire with less than 25 years of Credited service is 1/12 of the average annual Earnings for the four highest consecutive years of the last ten full years immediately preceding the actual retirement or termination date.

Normal Retirement Date: Effective October 1, 1998, the first day of the month coincident with or next following the earliest of (i) age 55 and completion of 10 years of Credited Service, or (ii) 20 years Credited Service, regardless of age.

Normal Retirement Benefit: The Accrued Benefit.

Accrued Benefit: Effective for Members retiring on or after October 1, 2003 who are part of Tier One:

3.0% x Average Monthly Earnings x Credited Service Prior to 10/1/2003

Plus

4.0% x Average Monthly Earnings x Credited Service on or After 10/1/2003

The Tier Two Accrued Benefit is 3.0% x Average Monthly Earnings x Credited Service, limited to not more than 75% of Average Monthly Earnings. Tier Two members may increase their pension multiplier to 3.5% provided all costs associated with such an increase (or its actuarially equivalent cost) are borne solely by the Tier Two Member as determined by the Plan actuary. Tier Two members who increase their pension multiplier to 3.5% are not subject to the 75% cap. In no circumstance should a Tier Two Member's total benefit exceed 100% of Average Monthly Earnings.

This benefit is payable as a 10 year certain and continuous annuity.

Early Retirement Date: The first day of the month coincident with or next following the attainment of age 50 and the completion of 10 years of Credited Service.

Early Retirement Benefit: The Accrued Benefit reduced by 3% per year by which the commencement of benefits precedes the Normal Retirement Date.

Delayed Retirement Date: A date following the Normal Retirement Date upon which a Member actually retires.

Delayed Retirement Benefit: On the first day of any month coincident with or next following the Delayed Retirement Date, the benefit payable is computed as described under the Normal Retirement Benefit based on Average Monthly Earnings and Credited Service as of the Delayed Retirement Date.

Cost-of-Living Adjustment (COLA): Effective October 1, 2006, for Tier One Members, a 1.5% annual COLA is payable after three years of retirement (for both then current and future retirees).

Tier Two Members' monthly retirement benefits are increased annually after three years of retirement by the net investment return of the Plan. However, the Tier Two COLA is not less than 0% and not more than 1.5% annually.

Following the death of the retiree, the COLA is paid to each beneficiary.

Variable Benefit: For all firefighters employed on or after October 1, 1997, a Variable Benefit will be paid, effective October 1, 1999. Effective each October 1, a benefit increase of no more than 3% may be granted which is funded solely based on a total experience gains as compared to actuarial assumptions. Members who retired during the prior fiscal year are provided a prorata increase reflecting the number of payments they received divided by 12.

Supplemental Benefit: This type of benefit and the payment of such benefit shall be determined by negotiations between the City and the union.

The Supplemental Benefit will be paid only to eligible persons who retired on or after October 1, 2000. The first Supplemental Benefit is paid effective October 1, 2003, if funding is available.

Each year, a "Supplemental Retirement Benefit Account" is funded with 75% of the prior year's actuarial gain remaining after the application of payment of the Variable Benefit and any increase in State contributions over that received for fiscal 1997 in the amount of $167,361 after all minimum benefits are paid, hereafter referred to as the "adjusted base amount."

The Supplemental Benefit is re-determined each October 1 in an amount equal to the Supplemental Retirement Benefit Account divided by the total number of retirees and vested participants. Payments are made on a monthly basis. In no event will the Supplemental Benefits paid to a retiree exceed one year's payment of individual retiree health insurance provided by the City for the previous year ending September 30.

All funds not distributed to retirees remain in the Supplemental Retirement Benefit Account to be used for additional future benefits to retirees and their designated beneficiaries.

Disability Retirement: Members become eligible for service incurred disability benefits immediately upon Plan entry. Members become eligible for non-service incurred disability benefits upon earning 2 years of Credited Service.

The benefit payable to any Member who is wholly prevented either mentally or physically from rendering useful and efficient service as a firefighter is the greater of (i) 50% of the rate of monthly Earnings in effect on the date of disability and (ii) the Accrued Benefit. Total benefits paid (including workers compensation for example) shall not exceed 100% of the employee's salary.

This benefit is payable as a 10 year certain and continuous annuity.

In the event of recovery from disability, the period of time while disabled is included as Credited Service in future retirement benefits for (i) those who are immediately reemployed as a firefighter upon recovery, and (ii) those who are not immediately reemployed as a firefighter because they were not offered a position. Members who are offered reemployment and do not accept are treated as if they terminated employment on the date of disability.

At age fifty-five (55), the firefighter shall have the option of converting the disability to a normal retirement benefit, provided eligibility requirements are met.

Death Benefits: In the event of service incurred death, the benefit payable is the greater of a monthly benefit equal to 20% of the rate of monthly Earnings at the time of death and a refund of contributions with interest. The monthly benefit is payable to the Spouse until the death of the Spouse. If there is no Spouse or upon the death of the Spouse, the monthly benefit is divided equally among the Member's surviving children under the age of 18 until the youngest child reaches the age of 18. If there is no Spouse and a refund of contributions with interest is greater than the monthly benefit, the amount is divided equally amongst surviving children under the age of 18. The Member may choose one or more persons other than their spouse and children under the age of 18 to receive the refund of contributions with interest. If there is no designated beneficiary, no Spouse and no children under the age of 18, the refund of contributions with interest is payable to the Member's estate.

In the event of service incurred death of a firefighter who had earned at least 10 years of Credited Service at the time of their death, the beneficiary may instead elect to receive the Accrued Benefit payable as a 10-year certain only annuity commencing when the Member would have reached their Normal Retirement Date, or with reduction for early commencement as defined for an early retirement benefit payable at the Early Retirement Date.

In the event of non-service incurred death of an active Member who has attained their Normal Retirement Date or the Early Retirement Date, a death benefit is payable to the Member's Spouse as if the Member retired from employment on the date of death, elected to receive a benefit in the form of a 50% joint and survivor annuity, and died the next day. Upon the death of the surviving Spouse, this monthly benefit is divided equally among the Member's surviving children under the age of 18 until the youngest child reaches the age of 18. If at the time of death there is no Spouse, the monthly benefit is payable in the form of a 10 year certain and continuous annuity where the monthly benefit is divided equally among the Member's surviving children under the age of 18 until the youngest child reaches the age of 18. However, at the election of the Spouse or children (for a Member who did not designate a beneficiary other than their Spouse or children), a firefighter who has continued employment beyond his Normal Retirement Date and has made an election as to the form of benefit desired upon retirement prior to death, the monthly benefit will be paid in the form of benefit chosen by the Member as if the Member retired on the day of death. For Members who designated a beneficiary other than their Spouse or children, the designated beneficiary is entitled to receive the Accrued Benefit payable as a 10-year certain only annuity commencing when the Member would have reached their Normal Retirement Date, or with reduction for early commencement as defined for an early retirement benefit payable at the Early Retirement Date.

In the event of non-service incurred death of an active Member who is not eligible for Normal Retirement or Early Retirement, and the Member earned less than 10 years of Credited Service at the time of death, a refund of employee contributions with interest is payable. For Members who had earned at least 10 years of Credited Service at the time of their death, the designated beneficiary is entitled to receive the Accrued Benefit payable as a 10-year certain only annuity commencing when the Member would have reached their Normal Retirement Date, or with reduction for early commencement as defined for an early retirement benefit payable at the Early Retirement Date.

<u>Optional Forms of Benefit:</u> The Accrued Benefit described above is payable in the form of a 10 year certain and continuous annuity (except as noted to be a 10-year certain only annuity under certain death benefits). Members may optionally choose an actuarially equivalent single life annuity, joint and survivor annuity (based on a fraction designated by the Member), a joint and last survivor annuity (with 50%, 66 2/3%, 75%, or 100% continuance), or joint and survivor annuity with an optional "pop-up" to the single life annuity form in the event the beneficiary predeceases the Member. Members may also choose benefits to be paid in any form approved by the board so long as actuarial equivalence with the benefit otherwise payable is maintained. The value of optional benefits shall be actuarially equivalent to the value of benefits otherwise payable, and the present value of payments to the retiring Member must be at least equal to 50% of the total present value of payments to the retiring Member and his beneficiary.

<u>Deferred Retirement Option Plan (DROP):</u> Effective October 1, 2003, Tier One Members are eligible to enter the DROP on the first day of the month following the Member's completion of 20 years of Credited Service or upon earning a pension benefit equal to 80%. The maximum participation in the DROP is 60 months. For Tier One Members who enter the DROP more than 90 days after attaining the 80% Accrued Benefit, the amount of time after the accrual of the 80% benefit until the entry into the DROP will result in a commensurate reduction in the maximum time allowed for DROP participation. Members who were in the DROP on the effective date of the adoption of this section may extend their DROP participation so that their maximum participation in the DROP is 60 months. Members with 20 years of Credited Service as of October 1, 2000 were eligible to elect within a 90 day period after the enactment of this section to enter the DROP retroactively to October 1, 2000. The maximum participation in the DROP was 36 months as of October 1, 2000.

Tier Two Members may enter the DROP on the first day of the month following completion of 25 years of Credited Service for a maximum period of 60 months. However, the DROP term for Tier Two Members is reduced one month for each month of eligibility following the completion of 25 years of Credited Service during which the Member did not participate in the DROP.

DROP participants are not eligible for death or disability benefits.

The Accrued Benefit is frozen and no further Employee Contributions are payable at DROP entry. No payment shall be made for accrued unused leave upon entering the DROP, nor shall the amount of accrued unpaid leave be used in the calculation of the amount of pension benefits.

The monthly retirement benefits, including any variable benefits that would have been payable had the Member elected to cease employment and not join the DROP, are deposited in the participant's DROP account. These payments accumulate with interest, credited quarterly, at a rate equal to the actual rate of return achieved by the trust fund net of administrative expenses. However, DROP account earnings for Tier Two Members is never less than 0% per month. At the option of the Tier One Member, the DROP account will be paid a fixed amount as determined by the board of trustees (currently 65.625% of the Plan's actuarially assumed investment return), but no higher than the actuarially assumed investment earnings. Following resignation and prior to distribution, a rate of interest, as determined by the board of trustees, shall be credited to the participant's DROP account.

Within 30 days following the end of any calendar quarter after the termination of the Member's employment as a firefighter, the balance credited to the DROP account is distributed in a single lump sum, either directly to the Member (subject to applicable tax withholding) or as a direct rollover.

Actuarial Assumptions and Methods

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

Salary Increase – Individual: 7.0% per year.

Inflation: 3.0% per year

Administrative Expenses: Average actual expenses paid during the previous two years.

Percentage Married at Retirement: 80% of active Members are assumed to be married at retirement.

Spouse Ages: Where spousal information was supplied, that information was used. Otherwise, wives are assumed to be three years younger than their husbands.

Mortality: For the current valuation, mortality is assumed using the RP-2000 Combined Mortality Table projected to the valuation year using Scale AA.

Retirement: For the current valuation retirement is assumed at 50% of those eligible to retire or DROP with 20 through 24 years of service with 100% choosing to retire or DROP at 25 years of service or upon reaching age 55 with 10 years of service.

Termination: For the current valuation, unisex rates, as follows:

Service	Rate	Service	Rate	Service	Rate	Service	Rate
0-1	3.8%	6	3.0%	11	2.4%	16	1.3%
2	3.7%	7	2.8%	12	2.1%	17	1.1%
3	3.5%	8	2.8%	13	1.8%	18	0.9%
4	3.3%	9	2.7%	14	1.6%	19	0.9%
5	3.2%	10	2.6%	15	1.4%	20+	0.0%

Disability: Unisex rates, as follows:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
15-21	0.14%	36	0.24%	46	0.59%	56	1.68%
22-25	0.15%	37	0.25%	47	0.70%	57	1.81%
26-27	0.16%	38	0.26%	48	0.79%	58	1.95%
28-29	0.17%	39	0.28%	49	0.90%	59	2.09%
30	0.18%	40	0.30%	50	1.00%	>=60	0.00%
31	0.19%	41	0.32%	51	1.10%		
32	0.20%	42	0.35%	52	1.20%		
33	0.21%	43	0.39%	53	1.31%		
34	0.22%	44	0.44%	54	1.43%		
35	0.23%	45	0.51%	55	1.55%		

On and Off Duty Disability and Death: 75% of disabilities are assumed to be in the line of duty.

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

Actuarial Value of Assets: The market value of assets is adjusted to recognize gains and losses over a four-year period. The Actuarial Value of Assets shall not be more than 120% or less than 80% of the market value of assets.