

TOWN OF LONGBOAT KEY  
CONSOLIDATED RETIREMENT SYSTEM

ACTUARIAL VALUATION AND REPORT  
AS OF OCTOBER 1, 2015

CONTRIBUTIONS APPLICABLE TO THE PLAN/  
FISCAL YEAR ENDED SEPTEMBER 30, 2017

March 22, 2016

Board of Trustees  
Town of Longboat Key  
501 Bay Isles Road  
Longboat Key, FL 34228

Re: Town of Longboat Key  
Consolidated Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Town of Longboat Key Consolidated Retirement System. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that this valuation may not be applicable for any other purposes.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

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


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

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

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

Respectfully submitted,

Foster & Foster, Inc.

By:   
Douglas H. Lozen  
Enrolled Actuary #14-7778

DHL/lke

Enclosures

## TABLE OF CONTENTS

Section	Title	Page
I	Introduction	
	a. Summary of Report	5
	b. Changes Since Prior Valuation	6
	c. Requirements of Chapter 112, Part VII, Florida Statutes	7
II	Valuation Information	
	a. Reconciliation of Unfunded Actuarial Accrued Liability	20
	b. Detailed Actuarial Gain/Loss	26
	c. Actuarial Assumptions and Methods	29
	d. Valuation Notes	34
	e. Partial History of Premium Tax Refunds	35
III	Trust Fund	37
IV	Member Statistics	
	a. Statistical Data	52
	b. Member Reconciliation	55
V	Summary of Plan Provisions	58

## SUMMARY OF REPORT

The regular annual actuarial valuation of the Town of Longboat Key Consolidated Retirement System, performed as of October 1, 2015, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2017.

The contribution requirements, compared with those set forth in the October 1, 2014, Actuarial Valuation Reports for the prior Police, Fire, and General Employee Plans, are as follows:

Valuation Date	10/1/2015	10/1/2014
Applicable Fiscal Year	<u>9/30/2017</u>	<u>9/30/2016</u>
Police Officers	\$594,116	\$623,019
Firefighters	\$1,705,515	\$1,758,137
General Employees	<u>\$712,431</u>	<u>\$738,676</u>
Town Required Contribution	\$3,012,062	\$3,119,832

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

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
Douglas H. Lozen, EA, MAAA

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

There were no changes in benefits since the prior valuation.

### Actuarial Assumption/Method Changes since Prior Valuation

Police Officers' Plan - In conjunction with this valuation of the Plan, the investment return assumption was lowered from 7.5% net-of-fees to 7.0% net-of-fees.

Firefighters' Plan - In conjunction with this valuation of the Plan, the investment return assumption was lowered from 7.5% net-of-fees to 7.0% net-of-fees.

General Employees' Plan - Mortality rates are based on the RP2000 Combined Healthy Table, projected to 2015 with Schedule AA. The prior valuation projected rates to 2014.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
POLICE OFFICERS

	New Assump <u>10/1/2015</u>	Old Assump <u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data			
Number Included			
Actives	7	7	9
Service Retirees	15	15	16
DROP Retirees	1	1	1
Beneficiaries	3	3	3
Disability Retirees	1	1	1
Terminated Vested	<u>1</u>	<u>1</u>	<u>0</u>
 Total	 28	 28	 30
 Total Annual Payroll	 N/A	 N/A	 N/A
Payroll Under Assumed Ret. Age	N/A	N/A	N/A
 Annual Rate of Payments to:			
Service Retirees	605,605	605,605	634,861
DROP Retirees	75,015	75,015	75,015
Beneficiaries	88,390	88,390	86,972
Disability Retirees	19,609	19,609	19,609
Terminated Vested	7,863	7,863	0
 B. Assets			
Actuarial Value <sup>1</sup>	6,828,447	6,828,447	6,429,064
Market Value <sup>1</sup>	6,472,966	6,472,966	6,858,039
 C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	997,467	926,239	890,919
Disability Benefits	136,768	129,940	185,168
Death Benefits	11,193	10,817	12,272
Vested Benefits	50,438	47,050	58,445
Refund of Contributions	0	0	0
Service Retirees	8,104,431	7,717,953	8,047,924
DROP Retirees <sup>1</sup>	1,364,850	1,293,940	1,202,758
Beneficiaries	785,299	760,972	774,042
Disability Retirees	126,020	123,142	128,350
Terminated Vested	56,455	52,957	0
Excess State Monies Reserve	<u>3,601</u>	<u>3,601</u>	<u>3,601</u>
 Total	 11,636,522	 11,066,611	 11,303,479

POLICE OFFICERS

C. Liabilities - (Continued)	New Assump <u>10/1/2015</u>	Old Assump <u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	N/A	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A	N/A
Normal Cost (Retirement)	0	0	0
Normal Cost (Disability)	20,166	19,181	26,934
Normal Cost (Death)	1,044	989	1,119
Normal Cost (Vesting)	0	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>	<u>0</u>
Total Normal Cost	21,210	20,170	28,053
Present Value of Future Normal Costs	88,577	83,408	133,237
Accrued Liability (Retirement)	997,467	926,239	890,919
Accrued Liability (Disability)	53,046	51,082	57,667
Accrued Liability (Death)	6,338	6,267	6,536
Accrued Liability (Vesting)	50,438	47,050	58,445
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives) <sup>1</sup>	10,437,055	9,948,964	10,153,074
Excess State Monies Reserve	<u>3,601</u>	<u>3,601</u>	<u>3,601</u>
Total Actuarial Accrued Liability	11,547,945	10,983,203	11,170,242
Unfunded Actuarial Accrued Liability (UAAL)	4,719,498	4,154,756	4,741,178
Funded Ratio (AVA / AL)	59.1%	62.2%	57.6%
 D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives <sup>1</sup>	10,437,055	9,948,964	10,153,074
Actives	698,842	618,030	576,423
Member Contributions	<u>477,929</u>	<u>477,929</u>	<u>533,401</u>
Total	11,613,826	11,044,923	11,262,898
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>	<u>0</u>
Total Present Value Accrued Benefits	11,613,826	11,044,923	11,262,898
Funded Ratio (MVA / PVAB)	55.7%	58.6%	60.9%
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	568,903	0	
New Accrued Benefits	0	(317,812)	
Benefits Paid	0	(717,957)	
Interest	0	817,794	
Other	<u>0</u>	<u>0</u>	
Total	568,903	(217,975)	



POLICE OFFICERS

	New Assump	Old Assump	
Valuation Date	10/1/2015	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2017</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
E. Pension Cost			
Normal Cost <sup>2</sup>	\$23,437	\$22,439	\$31,209
Administrative Expenses <sup>2</sup>	46,837	47,154	43,510
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 27 years (as of 10/1/2015) <sup>2</sup>	523,842	485,102	548,300
Total Required Contribution	594,116	554,695	623,019
Expected Member Contributions <sup>2</sup>	0	0	0
Expected Town & State Contribution	594,116	554,695	623,019
F. Past Contributions			
Plan Years Ending:	<u>9/30/2015</u>		
Total Required Contribution	621,921		
Actual Contributions Made:			
Town	621,921		
G. Net Actuarial (Gain)/Loss	(367,445)		

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015 and 9/30/2014.

<sup>2</sup> Funding rates include a 1.5 year interest load.

POLICE OFFICERS

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	4,719,498
2016	4,542,612
2017	4,353,346
2023	3,148,946
2030	959,874
2042	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	N/A	N/A
Year Ended	9/30/2014	N/A	N/A
Year Ended	9/30/2013	N/A	N/A

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.46%	7.50%
Year Ended	9/30/2014	10.12%	7.50%
Year Ended	9/30/2013	9.32%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	N/A
	10/1/2015	N/A
(b) Total Increase		0.00%
(c) Number of Years		0
(d) Average Annual Rate		0.00%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
FIREFIGHTERS

	New Assump <u>10/1/2015</u>	Old Assump <u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data			
Number Included			
Actives	11	11	10
Service Retirees	26	26	25
DROP Retirees	6	6	7
Beneficiaries	0	0	1
Disability Retirees	3	3	3
Terminated Vested	<u>4</u>	<u>4</u>	<u>6</u>
 Total	 50	 50	 52
 Total Annual Payroll	 N/A	 N/A	 N/A
Payroll Under Assumed Ret. Age	N/A	N/A	N/A
 Annual Rate of Payments to:			
Service Retirees	1,432,350	1,432,350	1,325,975
DROP Retirees	385,609	385,609	466,430
Beneficiaries	41,794	41,794	41,794
Disability Retirees	67,055	67,055	67,055
Terminated Vested	39,917	39,917	40,142
 B. Assets			
Actuarial Value <sup>1</sup>	17,382,475	17,382,475	15,026,121
Market Value <sup>1</sup>	16,442,648	16,442,648	15,707,549
 C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	2,921,917	2,685,087	2,399,631
Disability Benefits	227,011	213,865	218,455
Death Benefits	29,292	28,133	28,557
Vested Benefits	325,690	296,056	330,914
Refund of Contributions	0	0	0
Service Retirees	19,768,368	18,822,063	17,432,289
DROP Retirees <sup>1</sup>	6,863,239	6,535,071	7,576,289
Beneficiaries <sup>2</sup>	17,220	17,206	40,440
Disability Retirees	600,529	579,402	593,905
Terminated Vested <sup>3</sup>	235,042	215,688	203,587
Excess State Monies Reserve	<u>0</u>	<u>0</u>	<u>0</u>
 Total	 30,988,308	 29,392,571	 28,824,067

FIREFIGHTERS

C. Liabilities - (Continued)	New Assump <u>10/1/2015</u>	Old Assump <u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	N/A	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A	N/A
Normal Cost (Retirement)	0	0	0
Normal Cost (Disability)	17,156	16,081	15,658
Normal Cost (Death)	1,468	1,359	1,336
Normal Cost (Vesting)	0	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>	<u>0</u>
Total Normal Cost	18,624	17,440	16,994
Present Value of Future Normal Costs	97,556	90,082	94,731
Accrued Liability (Retirement)	2,921,917	2,685,087	2,399,631
Accrued Liability (Disability)	137,119	130,778	131,179
Accrued Liability (Death)	21,628	21,138	21,102
Accrued Liability (Vesting)	325,690	296,056	330,914
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives) <sup>1 2 3</sup>	27,484,398	26,169,430	25,846,510
Excess State Monies Reserve	<u>0</u>	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability	30,890,752	29,302,489	28,729,336
Unfunded Actuarial Accrued Liability (UAAL)	13,508,277	11,920,014	13,703,215
Funded Ratio (AVA / AL)	56.3%	59.3%	52.3%
 D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives <sup>1 2 3</sup>	27,484,398	26,169,430	25,846,510
Actives	2,622,319	2,343,730	2,095,957
Member Contributions	<u>850,030</u>	<u>850,030</u>	<u>849,454</u>
Total	30,956,747	29,363,190	28,791,921
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>	<u>0</u>
Total Present Value Accrued Benefits	30,956,747	29,363,190	28,791,921
Funded Ratio (MVA / PVAB)	53.1%	56.0%	54.6%
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,593,557	0	
New Accrued Benefits	0	88,664	
Benefits Paid	0	(1,616,182)	
Interest	0	2,098,787	
Other	<u>0</u>	<u>0</u>	
Total	1,593,557	571,269	

FIREFIGHTERS

	New Assump	Old Assump	
Valuation Date	10/1/2015	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2017</u>	<u>9/30/2017</u>	<u>9/30/2016</u>

E. Pension Cost

<sup>4</sup> Normal Cost	\$20,580	\$19,402	\$18,906
<sup>4</sup> Administrative Expenses	52,944	53,303	66,953
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 27 years			
<sup>4</sup> (as of 10/1/2015)	1,631,991	1,522,787	1,672,278
Total Required Contribution	1,705,515	1,595,492	1,758,137
Expected Member Contributions	0	0	0
Expected Town & State Contribution	1,705,515	1,595,492	1,758,137

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>
Total Required Contribution	1,638,549
Town and State Requirement	1,638,549

Actual Contributions Made:

Members (excluding buyback)	0
Town	2,906,549
State	<u>0</u>
Total	2,906,549

G. Net Actuarial (Gain)/Loss 123,972

- <sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015 and 9/30/2014.
- <sup>2</sup> The liabilities for beneficiaries reflect the value of the 5 remaining monthly payments payable to the beneficiary of Michael Haupt as of 9/30/2015.
- <sup>3</sup> Terminated Vested liabilities include payable lump sums for Members with less than 10 years of Credited Service as of September 30, 2013.
- <sup>4</sup> Funding rates include a 1.5 year interest load.

FIREFIGHTERS

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	13,508,277
2016	12,873,557
2017	12,194,406
2023	7,401,905
2030	1,379,890
2036	(546,939)
2042	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	N/A	N/A
Year Ended	9/30/2014	N/A	N/A
Year Ended	9/30/2013	N/A	N/A

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	7.12%	7.50%
Year Ended	9/30/2014	7.85%	8.00%
Year Ended	9/30/2013	7.10%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015		N/A
	10/1/2005		2,269,491
(b) Total Increase			N/A
(c) Number of Years			10.00
(d) Average Annual Rate			N/A

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS  
GENERAL EMPLOYEES

	<u>10/1/2015</u>	<u>10/1/2014</u>
A. Participant Data		
Number Included		
Actives	21	24
Service Retirees	39	35
DROP Retirees	6	9
Beneficiaries	0	0
Terminated Vested	<u>12</u>	<u>12</u>
Total	78	80
Total Annual Payroll	N/A	N/A
Payroll Under Assumed Ret. Age	N/A	N/A
Annual Rate of Payments to:		
Service Retirees	825,698	708,412
DROP Retirees	173,610	274,827
Beneficiaries	0	0
Terminated Vested	157,642	139,615
B. Assets		
Actuarial Value <sup>1</sup>	10,284,623	9,776,235
Market Value <sup>1</sup>	9,834,105	10,203,725
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	2,657,446	2,844,450
Death Benefits	39,631	44,630
Vested Benefits	128,702	158,181
Refund of Contributions	0	0
Service Retirees	8,705,968	7,311,289
DROP Retirees <sup>1</sup>	2,459,167	3,539,243
Beneficiaries	0	0
Terminated Vested	<u>1,054,906</u>	<u>1,017,164</u>
Total	15,045,820	14,914,957

GENERAL EMPLOYEES

C. Liabilities - (Continued)	<u>10/1/2015</u>	<u>10/1/2014</u>
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Normal Cost (Retirement)	0	0
Normal Cost (Death)	1,991	2,151
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	1,991	2,151
Present Value of Future Normal Costs	10,506	12,575
Accrued Liability (Retirement)	2,657,446	2,844,450
Accrued Liability (Death)	29,125	32,055
Accrued Liability (Vesting)	128,702	158,181
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives) <sup>1</sup>	<u>12,220,041</u>	<u>11,867,696</u>
Total Actuarial Accrued Liability	15,035,314	14,902,382
Unfunded Actuarial Accrued Liability (UAAL)	4,750,691	5,126,147
Funded Ratio (AVA / AL)	68.4%	65.6%
 D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives <sup>1</sup>	12,220,041	11,867,696
Actives	1,975,682	2,319,096
Member Contributions	<u>657,806</u>	<u>728,165</u>
Total	14,853,529	14,914,957
Non-vested Accrued Benefits	<u>192,291</u>	<u>0</u>
Total Present Value Accrued Benefits	15,045,820	14,914,957
Funded Ratio (MVA / PVAB)	65.4%	68.4%
 Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	47,502	
Benefits Paid	(928,199)	
Interest	1,011,560	
Other	<u>0</u>	
Total	130,863	



GENERAL EMPLOYEES

Valuation Date	10/1/2015	10/1/2014
Applicable to Fiscal Year Ending	<u>9/30/2017</u>	<u>9/30/2016</u>

E. Pension Cost

Normal Cost <sup>2</sup>	\$2,200	\$2,377
Administrative Expenses <sup>2</sup>	48,735	55,090
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 27 years (as of 10/1/2015) <sup>2</sup>	661,496	681,209
Total Required Contribution	712,431	738,676
Expected Member Contributions <sup>2</sup>	0	0
Expected Town Contribution	712,431	738,676

F. Past Contributions

Plan Years Ending:	<u>9/30/2015</u>	
Total Required Contribution	704,515	
Town Requirement	704,515	
Actual Contributions Made:		
Members (excluding buyback)	0	
Town	<u>704,515</u>	
Total	704,515	

G. Net Actuarial (Gain)/Loss (59,015)

<sup>1</sup> The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2015 and 9/30/2014.

<sup>2</sup> Funding rates include a 1.5 year interest load.

GENERAL EMPLOYEES

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2015	4,750,691
2016	4,442,695
2017	4,113,140
2023	2,498,862
2030	291,838
2036	(237,758)
2042	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	N/A	N/A
Year Ended	9/30/2014	N/A	N/A
Year Ended	9/30/2013	N/A	N/A

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2015	8.05%	7.00%
Year Ended	9/30/2014	7.89%	7.00%
Year Ended	9/30/2013	6.65%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2015	N/A
	10/1/2005	3,091,997
(b) Total Increase		N/A
(c) Number of Years		10.00
(d) Average Annual Rate		N/A

STATEMENT BY ENROLLED ACTUARY

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



Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #14-7778

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
POLICE OFFICERS

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$4,741,178
(2) Sponsor Normal Cost developed as of October 1, 2014	28,053
(3) Expected administrative expenses for the year ended September 30, 2015	39,110
(4) Expected interest on (1), (2) and (3)	359,159
(5) Sponsor contributions to the System during the year ended September 30, 2015	621,921
(6) Expected interest on (5)	23,378
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	4,522,201
(8) Change to UAAL due to Assumption Change	564,742
(9) Change to UAAL due to Actuarial (Gain)/Loss	(367,445)
(10) Unfunded Accrued Liability as of October 1, 2015	4,719,498

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2015</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
	10/1/1991	6	\$224,549	\$44,028
	10/1/1996	11	(89,194)	(11,116)
	10/1/1999	14	(160,788)	(17,183)
method change	10/1/2002	17	1,215,757	116,378
prior losses	10/1/2002	13	1,127,058	126,031
actuarial gain	10/1/2003	13	(578,348)	(64,673)
actuarial loss	10/1/2004	13	281,368	31,463
actuarial loss	10/1/2005	13	353,433	39,522
actuarial gain	10/1/2006	13	(22,478)	(2,514)
benefit change	10/1/2006	21	926,936	79,950
actuarial loss	10/1/2007	13	665,845	74,457
assum. change	10/1/2007	22	84,362	7,128
benefit change	10/1/2007	22	422,707	35,715
actuarial gain	10/1/2008	3	(20,684)	(7,366)
method change	10/1/2008	13	219,441	24,539
actuarial loss	10/1/2009	4	257,989	71,183
actuarial gain	10/1/2010	5	(146,778)	(33,456)
actuarial gain	10/1/2011	6	(44,484)	(8,722)

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
POLICE OFFICERS

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(9) Change to UAAL due to Actuarial (Gain)/Loss	(367,445)
(10) Unfunded Accrued Liability as of October 1, 2015	4,719,498

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2015 <u>Amount</u>	Amortization <u>Amount</u>
actuarial gain	10/1/2012	7	(63,128)	(10,947)
assum. change	10/1/2012	17	499,808	47,844
benefit change	10/1/2012	27	(348,889)	(27,202)
actuarial gain	10/1/2013	8	(109,404)	(17,123)
actuarial gain	10/1/2014	9	(172,877)	(24,798)
assum. change	10/1/2015	20	564,742	49,820
actuarial gain	10/1/2015	10	<u>(367,445)</u>	<u>(48,893)</u>
			4,719,498	474,065

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
FIREFIGHTERS

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$13,703,215
(2) Sponsor Normal Cost developed as of October 1, 2014	16,994
(3) Expected administrative expenses for the year ended September 30, 2015	60,183
(4) Expected interest on (1), (2) and (3)	1,031,273
(5) Sponsor contributions to the System during the year ended September 30, 2015	2,906,549
(6) Expected interest on (5)	109,074
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	11,796,042
(8) Change to UAAL due to Assumption Change	1,588,263
(9) Change to UAAL due to Actuarial (Gain)/Loss	123,972
(10) Unfunded Accrued Liability as of October 1, 2015	13,508,277

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2015</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
	10/1/1997	12	\$761,416	\$89,592
	10/1/1998	13	(207,534)	(23,207)
	10/1/1999	14	(404,154)	(43,190)
	10/1/2001	16	1,314,671	130,064
method change	10/1/2002	17	2,078,923	199,004
prior losses	10/1/2002	13	1,921,254	214,841
actuarial loss	10/1/2003	13	171,936	19,226
actuarial loss	10/1/2004	13	1,248,431	139,604
benefit change	10/1/2005	20	1,381,140	121,841
actuarial loss	10/1/2005	13	655,707	73,323
actuarial loss	10/1/2006	13	(209,544)	(23,432)
actuarial loss	10/1/2007	13	1,716,854	191,984
assum. change	10/1/2007	22	758,946	64,124
benefit change	10/1/2007	22	(161,779)	(13,669)
actuarial gain	10/1/2008	3	(282,804)	(100,713)
method change	10/1/2008	13	210,139	23,498
actuarial loss	10/1/2009	4	641,087	176,885
actuarial loss	10/1/2010	5	65,203	14,862

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
FIREFIGHTERS

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$13,703,215
(2) Sponsor Normal Cost developed as of October 1, 2014	16,994
(3) Expected administrative expenses for the year ended September 30, 2015	60,183
(4) Expected interest on (1), (2) and (3)	1,031,273
(5) Sponsor contributions to the System during the year ended September 30, 2015	2,906,549
(6) Expected interest on (5)	109,074
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	11,796,042
(8) Change to UAAL due to Assumption Change	1,588,263
(9) Change to UAAL due to Actuarial (Gain)/Loss	123,972
(10) Unfunded Accrued Liability as of October 1, 2015	13,508,277

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2015 <u>Amount</u>	Amortization <u>Amount</u>
actuarial loss	10/1/2011	6	462,109	90,606
actuarial gain	10/1/2012	7	(359,491)	(62,341)
benefit change	10/1/2012	27	(1,502,326)	(117,133)
actuarial loss	10/1/2013	8	168,235	26,331
actuarial loss	10/1/2014	9	85,645	12,285
assum. change	10/1/2014	19	1,281,978	115,921
actuarial loss	10/1/2015	10	123,972	16,496
assum. change	10/1/2015	20	<u>1,588,263</u>	<u>140,113</u>
			13,508,277	1,476,915

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
GENERAL EMPLOYEES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$5,126,147
(2) Sponsor Normal Cost developed as of October 1, 2014	2,151
(3) Expected administrative expenses for the year ended September 30, 2015	49,855
(4) Expected interest on (1), (2) and (3)	360,726
(5) Sponsor contributions to the System during the year ended September 30, 2015	704,515
(6) Expected interest on (5)	24,658
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	4,809,706
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(59,015)
(10) Unfunded Accrued Liability as of October 1, 2015	4,750,691

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2015</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
	10/1/1991	6	181,617	35,610
	10/1/1996	11	(143,839)	(17,927)
	10/1/1997	12	95,196	11,201
	10/1/2001	16	234,207	23,171
method change	10/1/2002	17	1,608,489	153,972
prior losses	10/1/2002	13	1,487,621	166,351
actuarial gain	10/1/2003	13	(452,466)	(50,596)
actuarial loss	10/1/2004	13	305,589	34,172
actuarial loss	10/1/2005	13	171,528	19,181
actuarial gain	10/1/2006	13	(27,779)	(3,106)
benefit change	10/1/2006	21	(198,290)	(17,103)
actuarial loss	10/1/2007	13	289,752	32,401
assum. change	10/1/2007	22	258,421	21,834
benefit change	10/1/2007	22	280,804	23,726
actuarial loss	10/1/2008	3	114,281	40,698
method change	10/1/2008	13	118,302	13,229
actuarial loss	10/1/2009	4	603,062	166,393
actuarial gain	10/1/2010	5	(202,917)	(46,252)
actuarial loss	10/1/2011	6	127,958	25,089



RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES  
GENERAL EMPLOYEES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2014	\$5,126,147
(2) Sponsor Normal Cost developed as of October 1, 2014	2,151
(3) Expected administrative expenses for the year ended September 30, 2015	49,855
(4) Expected interest on (1), (2) and (3)	360,726
(5) Sponsor contributions to the System during the year ended September 30, 2015	704,515
(6) Expected interest on (5)	24,658
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2015 (1)+(2)+(3)+(4)-(5)-(6)	4,809,706
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(59,015)
(10) Unfunded Accrued Liability as of October 1, 2015	4,750,691

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2015 Amount</u>	<u>Amortization Amount</u>
actuarial gain	10/1/2012	7	(582,633)	(101,037)
assum. change	10/1/2012	17	12,546	1,201
benefit change	10/1/2012	27	(712,469)	(55,550)
actuarial loss	10/1/2013	8	245,407	38,409
assum. change	10/1/2013	18	1,016,081	94,403
actuarial gain	10/1/2014	9	(20,762)	(2,978)
actuarial gain	10/1/2015	10	<u>(59,015)</u>	<u>(7,853)</u>
			4,750,691	598,639

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
POLICE OFFICERS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$4,741,178
(2) Expected UAAL as of October 1, 2015	4,522,201
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(60,817)
Salary Increases	0
Active Decrements	(36,802)
Inactive Mortality	(263,925)
Other	<u>(5,901)</u>
Increase in UAAL due to (Gain)/Loss	(367,445)
Assumption Changes	<u>564,742</u>
(4) Actual UAAL as of October 1, 2015	\$4,719,498

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
FIREFIGHTERS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$13,703,215
(2) Expected UAAL as of October 1, 2015	11,796,042
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	59,651
Active Decrements	15,520
Inactive Mortality	120,319
Other	<u>(71,518)</u>
Increase in UAAL due to (Gain)/Loss	123,972
Assumption Changes	<u>1,588,263</u>
(4) Actual UAAL as of October 1, 2015	\$13,508,277

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS  
GENERAL EMPLOYEES

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2014	\$5,126,147
(2) Expected UAAL as of October 1, 2015	4,809,706
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(101,212)
Salary Increases	0
Active Decrements	45,715
Inactive Mortality	(16,144)
Other	<u>12,626</u>
Increase in UAAL due to (Gain)/Loss	(59,015)
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2015	\$4,750,691

ACTUARIAL ASSUMPTIONS AND METHODS  
POLICE OFFICERS

<u>Mortality Rates</u>	RP-2000 (combined healthy with no projection). Disabled lives set forward 5 years.  We believe this table sufficiently accommodates future mortality improvements.
<u>Termination Rates</u>	See Table below (1304A). This assumption is consistent with historical Plan experience.
<u>Disability Rates</u>	See Table below (1205). 75% of Disability Retirements are assumed to service-related. These rates are similar to those utilized by other Florida special risk retirement programs.
<u>Retirement Age</u>	The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable for the associated Plan provisions.
<u>Interest Rate</u>	7.0% per year, compounded annually, net of investment-related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.
<u>Salary Increases</u>	None.
<u>Early Retirement</u>	None.
<u>Cost of Living Adjustment</u>	3.0% per year, beginning 5 years after retirement.
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$42,386 annually, based on actual Administrative Expenses incurred during the prior fiscal year.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	9.2%	0.14%
30	7.3	0.18
40	3.5	0.30
50	0.8	1.00

Funding Method

Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Asset Valuation Method

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

ACTUARIAL ASSUMPTIONS AND METHODS  
FIREFIGHTERS

<u>Mortality Rates</u>	RP-2000 (combined healthy with no projection). Disabled lives set forward 5 years. We believe this sufficiently accounts for future mortality improvements.
<u>Termination Rates</u>	See Table on the following page (1304). This is based on the results of an experience study for the period 2002 to 2007.
<u>Disability Rates</u>	See Table on the following page (1205). 75% of Disability Retirements are assumed to service-related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.
<u>Retirement Age</u>	The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. We feel this assumption is reasonable based on the plan provisions.
<u>Interest Rate</u>	7.0% (previously 7.5%) per year, compounded annually, net of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
<u>Salary Increases</u>	None.
<u>Early Retirement</u>	None.
<u>Cost of Living Adjustment</u>	3.0% per year, beginning 5 years after retirement.
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$47,913 annually. This is equal to the actual non-investment-related expenses paid out of the trust during the year.
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.
<u>Asset Valuation Method</u>	The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.4%	0.14%
30	10.5	0.18
40	5.7	0.30
50	1.5	1.00



ACTUARIAL ASSUMPTIONS AND METHODS  
GENERAL EMPLOYEES

Mortality Rates RP 2000 Combined Healthy (sex distinct), projected to valuation year using scale AA.

Termination Rates Table 1305, see sample rates below.

<u>Age</u>	<u>% Terminating During the Year</u>
20	17.2%
30	15.0
40	8.2
50	1.7

Retirement Age Earlier of age 62 or age 55 and completion of 30 years of Credited Service. Also, any Member who has reached normal Retirement is assumed to continue employment for one additional year. We believe this assumption is reasonable based on the plan provisions.

Early Retirement 5% per year, for each your of eligibility, beginning at Age 50 with 15 years of Credited Service. We believe this assumption is reasonable based on the plan provisions.

Interest Rate 7.0% per year, compounded annually, net of investment related expenses.

Salary Increases None.

Payroll Growth None.

Administrative Expenses \$44,104 annually, based on last year's actual expenses.

Funding Method Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Asset Valuation Method Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

## VALUATION NOTES

Total Annual Payroll – Not applicable.

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

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

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

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

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS  
POLICE OFFICERS

(Historical Information only - No State Monies received after fiscal 2014)

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1992	21,960.95	_____%
1993	24,878.19	13.3%
1994	25,809.27	3.7%
1995	26,342.47	2.1%
1996	29,967.71	13.8%
1997	31,763.10	6.0%
1998	30,943.80	-2.6%
1999	34,500.65	11.5%
2000	35,338.03	2.4%
2001	38,821.79	9.9%
2002	47,239.79	21.7%
2003	51,163.55	8.3%
2004	55,090.41	7.7%
2005	59,461.95	7.9%
2006	62,317.27	4.8%
2007	71,050.22	14.0%
2008	-	-100.0%
2009	137,801.41	N/A
2010	70,446.46	-48.9%
2011	70,893.30	0.6%
2012	77,700.11	9.6%
2013	77,298.10	-0.5%
2014	81,017.31	4.8%

PARTIAL HISTORY OF PREMIUM TAX REFUNDS  
FIREFIGHTERS

(Historical Information only - No State Monies received after fiscal 2013)

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1993	39,590.49	_____ %
1994	46,668.49	17.9%
1995	52,676.83	12.9%
1996	63,956.08	21.4%
1997	70,510.54	10.2%
1998	84,957.68	20.5%
1999	83,629.64	-1.6%
2000	109,664.52	31.1%
2001	92,878.93	-15.3%
2002	106,726.80	14.9%
2003	138,730.84	30.0%
2004	140,408.22	1.2%
2005	177,792.61	26.6%
2006	225,258.22	26.7%
2007	295,948.69	31.4%
2008	-	-100.0%
2009	513,555.97	N/A
2010	241,221.17	-53.0%
2011	239,800.33	-0.6%
2012	274,615.73	14.5%
2013	269,818.47	-1.7%

POLICE OFFICERS

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	417,604.59	417,604.59
Prepaid Expenses	820.76	820.76
Total Cash and Equivalents	418,425.35	418,425.35
Receivables:		
Investment Income	15,365.44	15,365.44
Total Receivable	15,365.44	15,365.44
Investments:		
U. S. Bonds and Bills	1,238,011.44	1,236,621.20
Corporate Bonds	789,756.75	782,827.18
Stocks	3,664,547.89	4,032,542.68
Total Investments	5,692,316.08	6,051,991.06
Total Assets	6,126,106.87	6,485,781.85
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	10,822.97	10,822.97
Administrative Expenses	1,993.20	1,993.20
Total Liabilities	12,816.17	12,816.17
NET POSITION RESTRICTED FOR PENSIONS	6,113,290.70	6,472,965.68
TOTAL LIABILITIES AND NET ASSETS	6,126,106.87	6,485,781.85

POLICE OFFICERS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
Market Value Basis

ADDITIONS

Contributions:

Town 621,921.00

Total Contributions 621,921.00

Investment Income:

Net Realized Gain (Loss) 269,311.84

Unrealized Gain (Loss) (592,640.32)

Net Increase in Fair Value of Investments (323,328.48)

Interest & Dividends 124,132.33

Less Investment Expense<sup>1</sup> (47,455.10)

Net Investment Income (246,651.25)

Total Additions 375,269.75

DEDUCTIONS

Distributions to Members:

Benefit Payments 712,071.87

Lump Sum DROP Distributions 0.00

Refunds of Member Contributions 5,885.38

Total Distributions 717,957.25

Administrative Expense 42,386.14

Total Deductions 760,343.39

Net Increase in Net Position (385,073.64)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 6,858,039.32

End of the Year 6,472,965.68

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

POLICE OFFICERS

ACTUARIAL ASSET VALUATION  
SEPTEMBER 30, 2015

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2012	15.41%	
09/30/2013	13.20%	
09/30/2014	9.94%	
09/30/2015	-3.67%	
Annualized Rate of Return for prior four (4) years:		8.46%
(A) 10/01/2014 Actuarial Assets:		\$6,429,063.64
(I) Net Investment Income:		
1. Interest and Dividends	124,132.33	
2. Realized Gains (Losses)	269,311.84	
3. Change in Actuarial Value	191,817.16	
4. Investment Related Expenses	(47,455.10)	
Total		537,806.23
(B) 10/01/2015 Actuarial Assets:		\$6,828,447.48
Actuarial Asset Rate of Return = 2I/(A+B-I):		8.46%
10/01/2015 Limited Actuarial Assets:		\$6,828,447.48
10/01/2015 Market Value of Assets:		\$6,472,965.68
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$60,817.30

\*Market Value Basis, net of investment related expenses.

POLICE OFFICERS

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2015  
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	621,921.00	
Total Contributions		621,921.00
Earnings from Investments:		
Interest & Dividends	124,132.33	
Net Realized Gain (Loss)	269,311.84	
Change in Actuarial Value	191,817.16	
Total Earnings and Investment Gains		585,261.33

EXPENDITURES

Distributions to Members:		
Benefit Payments	712,071.87	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	5,885.38	
Total Distributions		717,957.25
Expenses:		
Investment related <sup>1</sup>	47,455.10	
Administrative	42,386.14	
Total Expenses		89,841.24
Change in Net Assets for the Year		399,383.84
Net Assets Beginning of the Year		6,429,063.64
Net Assets End of the Year <sup>2</sup>		6,828,447.48

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

<sup>2</sup>Net Assets may be limited for actuarial consideration.



FIREFIGHTERS

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	128,743.80	128,743.80
Prepaid Expenses	820.77	820.77
Money Market	2,249,933.80	2,249,933.71
Cash	6,548.07	6,548.07
 Total Cash and Equivalents	 2,386,046.44	 2,386,046.35
Receivables:		
From Broker for Investments Sold	6,842.54	6,842.54
Investment Income	42,627.77	42,627.77
 Total Receivable	 49,470.31	 49,470.31
Investments:		
U. S. Bonds and Bills	1,690,073.56	1,684,675.61
Federal Agency Guaranteed Securities	2,044,885.44	2,042,310.23
Corporate Bonds	821,854.46	823,009.42
Stocks	8,971,942.23	9,469,071.41
 Total Investments	 13,528,755.69	 14,019,066.67
 Total Assets	 15,964,272.44	 16,454,583.33
 <u>LIABILITIES</u>		
Payables:		
Administrative Expenses	2,673.20	2,673.20
To Broker for Investments Purchased	9,261.97	9,261.97
 Total Liabilities	 11,935.17	 11,935.17
 NET POSITION RESTRICTED FOR PENSIONS	 15,952,337.27	 16,442,648.16
 TOTAL LIABILITIES AND NET ASSETS	 15,964,272.44	 16,454,583.33

## FIREFIGHTERS

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2015 Market Value Basis

#### ADDITIONS

##### Contributions:

Town	2,906,549.12	
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Total Contributions		2,906,549.12
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##### Investment Income:

Net Realized Gain (Loss)	566,530.97	
Unrealized Gain (Loss)	(1,252,695.47)	
Net Increase in Fair Value of Investments	(686,164.50)	
Interest & Dividends	309,879.35	
Less Investment Expense <sup>1</sup>	(131,069.14)	

Net Investment Income		(507,354.29)
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Total Additions		2,399,194.83
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#### DEDUCTIONS

##### Distributions to Members:

Benefit Payments	1,494,409.39	
Lump Sum DROP Distributions	121,277.26	
Refunds of Member Contributions	495.72	

Total Distributions		1,616,182.37
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Administrative Expense		47,912.85
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Total Deductions		1,664,095.22
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Net Increase in Net Position		735,099.61
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#### NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		15,707,548.55
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End of the Year		16,442,648.16
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<sup>1</sup>Investment Related expenses include investment advisory, custodial and performance monitoring fees.

## FIREFIGHTERS

### ACTUARIAL ASSET VALUATION SEPTEMBER 30, 2015

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2012	12.28%	
09/30/2013	10.62%	
09/30/2014	9.60%	
09/30/2015	-3.28%	
Annualized Rate of Return for prior four (4) years:		7.12%
(A) 10/01/2014 Actuarial Assets:		\$15,026,121.45
(I) Net Investment Income:		
1. Interest and Dividends	309,879.35	
2. Realized Gains (Losses)	566,530.97	
3. Change in Actuarial Value	368,558.77	
4. Investment Related Expenses	(131,069.14)	
Total		1,113,899.95
(B) 10/01/2015 Actuarial Assets:		\$17,382,475.30
Actuarial Asset Rate of Return = 2I/(A+B-I):		7.12%
10/01/2015 Limited Actuarial Assets:		\$17,382,475.30
10/01/2015 Market Value of Assets:		\$16,442,648.16
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$59,651.18)

\*Market Value Basis, net of investment related expenses.

FIREFIGHTERS

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2015  
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	2,906,549.12	
<b>Total Contributions</b>		<b>2,906,549.12</b>
Earnings from Investments:		
Interest & Dividends	309,879.35	
Net Realized Gain (Loss)	566,530.97	
Change in Actuarial Value	368,558.77	
<b>Total Earnings and Investment Gains</b>		<b>1,244,969.09</b>

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,494,409.39	
Lump Sum DROP Distributions	121,277.26	
Refunds of Member Contributions	495.72	
<b>Total Distributions</b>		<b>1,616,182.37</b>
Expenses:		
Investment Related <sup>1</sup>	131,069.14	
Administrative	47,912.85	
<b>Total Expenses</b>		<b>178,981.99</b>
<b>Change in Net Assets for the Year</b>		<b>2,356,353.86</b>
<b>Net Assets Beginning of the Year</b>		<b>15,026,121.45</b>
<b>Net Assets End of the Year<sup>2</sup></b>		<b>17,382,475.31</b>

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

<sup>2</sup>Net Assets may be limited for actuarial consideration.

GENERAL EMPLOYEES  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2015

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	297,054.02	297,054.02
Prepaid Expenses	820.77	820.77
Total Cash and Equivalents	297,874.79	297,874.79
Receivables:		
Investment Income	15,977.53	15,977.53
Total Receivable	15,977.53	15,977.53
Investments:		
U. S. Bonds and Bills	964,410.13	978,243.58
Federal Agency Guaranteed Securities	325,173.52	332,017.75
Corporate Bonds	1,965,763.90	1,947,468.95
Mutual Funds:		
Equity	5,842,235.84	6,272,755.02
Total Investments	9,097,583.39	9,530,485.30
Total Assets	9,411,435.71	9,844,337.62
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	8,459.50	8,459.50
Administrative Expenses	1,773.20	1,773.20
Total Liabilities	10,232.70	10,232.70
NET POSITION RESTRICTED FOR PENSIONS	9,401,203.01	9,834,104.92
TOTAL LIABILITIES AND NET ASSETS	9,411,435.71	9,844,337.62

GENERAL EMPLOYEES

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
Market Value Basis

ADDITIONS

Contributions:

Town 704,515.00

Total Contributions 704,515.00

Investment Income:

Net Realized Gain (Loss) 119,044.45

Unrealized Gain (Loss) (511,079.30)

Net Increase in Fair Value of Investments (392,034.85)

Interest & Dividends 320,388.35

Less Investment Expense<sup>1</sup> (30,185.50)

Net Investment Income (101,832.00)

Total Additions 602,683.00

DEDUCTIONS

Distributions to Members:

Benefit Payments 748,844.13

Lump Sum DROP Distributions 179,355.09

Total Distributions 928,199.22

Administrative Expense 44,103.58

Total Deductions 972,302.80

Net Increase in Net Position (369,619.80)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 10,203,724.72

End of the Year 9,834,104.92

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

GENERAL EMPLOYEES

ACTUARIAL ASSET VALUATION  
SEPTEMBER 30, 2015

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*	
09/30/2012	13.98%	
09/30/2013	10.30%	
09/30/2014	9.53%	
09/30/2015	-1.01%	
Annualized Rate of Return for prior four (4) years:		8.05%
(A) 10/01/2014 Actuarial Assets:		\$9,776,235.40
(I) Net Investment Income:		
1. Interest and Dividends	320,388.35	
2. Realized Gains (Losses)	119,044.45	
3. Change in Actuarial Value	366,928.45	
4. Investment Related Expenses	(30,185.50)	
Total		776,175.75
(B) 10/01/2015 Actuarial Assets:		\$10,284,623.35
Actuarial Asset Rate of Return = 2I/(A+B-I):		8.05%
10/01/2015 Limited Actuarial Assets:		\$10,284,623.35
10/01/2015 Market Value of Assets:		\$9,834,104.92
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$101,211.84

\*Market Value Basis, net of investment related expenses.

GENERAL EMPLOYEES

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2015  
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	704,515.00	
Total Contributions		704,515.00
Earnings from Investments:		
Interest & Dividends	320,388.35	
Net Realized Gain (Loss)	119,044.45	
Change in Actuarial Value	366,928.45	
Total Earnings and Investment Gains		806,361.25

EXPENDITURES

Distributions to Members:		
Benefit Payments	748,844.13	
Lump Sum DROP Distributions	179,355.09	
Total Distributions		928,199.22
Expenses:		
Investment related <sup>1</sup>	30,185.50	
Administrative	44,103.58	
Total Expenses		74,289.08
Change in Net Assets for the Year		508,387.95
Net Assets Beginning of the Year		9,776,235.40
Net Assets End of the Year <sup>2</sup>		10,284,623.35

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

<sup>2</sup>Net Assets may be limited for actuarial consideration.



POLICE OFFICERS

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2014 to September 30, 2015

Beginning of the Year Balance	64,350.33
Plus Additions	75,014.88
Investment Return Earned	6,798.51
Less Distributions	0.00
End of the Year Balance	146,163.72

FIREFIGHTERS

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2014 to September 30, 2015

Beginning of the Year Balance	629,785.47
Plus Additions	405,814.50
Investment Return Earned	(28,645.24)
Less Distributions	(121,277.26)
End of the Year Balance	885,677.47

GENERAL EMPLOYEES

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2014 to September 30, 2015

Beginning of the Year Balance	380,439.59
Plus Additions	248,049.50
Investment Return Earned	28,781.03
Less Distributions	(179,355.09)
End of the Year Balance	477,915.03

STATISTICAL DATA <sup>1</sup>  
POLICE OFFICERS

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	16	16	9	7
Average Current Age	47.7	46.9	50.5	50.7
Average Age at Employment	40.8	40.9	43.1	41.1
Average Past Service	6.9	6.0	7.4	9.6
Average Annual Salary	\$62,600	N/A	N/A	N/A
<u>Service Retirees</u>				
Number			16	15
Average Current Age			62.0	62.6
Average Annual Benefit			\$39,679	\$40,374
<u>DROP Retirees</u>				
Number			1	1
Average Current Age			47.2	48.2
Average Annual Benefit			\$75,015	\$75,015
<u>Beneficiaries</u>				
Number			3	3
Average Current Age			73.6	74.6
Average Annual Benefit			\$28,991	\$29,463
<u>Disability Retirees</u>				
Number			1	1
Average Current Age			71.0	72.0
Average Annual Benefit			\$19,609	\$19,609
<u>Terminated Vested</u>				
Number			0	1
Average Current Age			N/A	53.5
Average Annual Benefit			N/A	\$7,863

<sup>1</sup> Prior to 10/1/2013, averages were salary weighted.

STATISTICAL DATA <sup>1</sup>  
FIREFIGHTERS

	<u>10/1/2012</u>	<u>10/1/2013</u>	<u>10/1/2014</u>	<u>10/1/2015</u>
<u>Actives</u>				
Number	31	11	10	11
Average Current Age	42.1	42.7	43.8	43.4
Average Age at Employment	31.3	30.4	30.0	29.8
Average Past Service	10.8	12.3	13.8	13.6
Average Annual Salary	\$75,966	N/A	N/A	N/A
<u>Service Retirees</u>				
Number			25	26
Average Current Age			61.2	61.7
Average Annual Benefit			\$53,039	\$55,090
<u>DROP Retirees</u>				
Number			7	6
Average Current Age			54.2	55.9
Average Annual Benefit			\$66,633	\$64,268
<u>Beneficiaries</u>				
Number			1	1
Average Current Age			34.8	35.8
Average Annual Benefit			\$41,794	\$41,794
<u>Disability Retirees</u>				
Number			3	3
Average Current Age			63.0	64.0
Average Annual Benefit			\$22,352	\$22,352
<u>Terminated Vested <sup>2</sup></u>				
Number			3	3
Average Current Age			43.2	44.2
Average Annual Benefit			\$13,381	\$13,306

<sup>1</sup> Prior to 10/1/2013, averages were salary weighted.

<sup>2</sup> Excludes nonvested terminated Members awaiting a refund of Member Contributions.

STATISTICAL DATA  
GENERAL EMPLOYEES

10/1/2012                      10/1/2013                      10/1/2014                      10/1/2015

Actives

Number	44	25	24	21
Average Current Age	49.9	46.2	48.0	48.9
Average Age at Employment	36.5	33.3	33.9	33.9
Average Past Service	13.4	12.9	14.1	15.0
Average Annual Salary	\$54,607	N/A	N/A	N/A

Service Retirees

Number			35	39
Average Current Age			N/A	68.0
Average Annual Benefit			\$20,240	\$21,172

DROP Retirees

Number			9	6
Average Current Age			N/A	63.8
Average Annual Benefit			\$30,536	\$28,935

Beneficiaries

Number			0	0
Average Current Age			N/A	N/A
Average Annual Benefit			N/A	N/A

Terminated Vested

Number			12	12
Average Current Age			N/A	51.2
Average Annual Benefit			\$11,635	\$13,137

VALUATION PARTICIPANT RECONCILIATION  
POLICE OFFICERS

1. Active lives

a. Number in prior valuation 10/1/2014	9
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
ii. Non-vested or full lump sum distribution received	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	7
h. New entrants	<u>0</u>
i. Total active life participants in valuation	7

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested Deferred	<u>Total</u>
a. Number prior valuation	16	1	3	1	0	21
Retired	0	0	0	0	0	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	1	1
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	(1)	0	0	0	0	(1)
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	15	1	3	1	1	21

VALUATION PARTICIPANT RECONCILIATION  
FIREFIGHTERS

1. Active lives

a. Number in prior valuation 10/1/2014	10
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	10
h. Data corrections <sup>1</sup>	<u>1</u>
i. Total active life participants in valuation	11

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested Deferred <sup>2</sup>	<u>Total</u>
a. Number prior valuation	25	7	1	3	6	42
Retired	1	(1)	0	0	0	0
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	(1)	(1)
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	(1)	0	0	(1)
Data Corrections	0	0	0	0	(1)	(1)
b. Number current valuation	26	6	0	3	4	39

<sup>1</sup> The Plan Administrator clarified that Tirso Guerrero is still an active Firefighter.

<sup>2</sup> Includes nonvested terminated Members awaiting a refund of Member Contributions.



VALUATION PARTICIPANT RECONCILIATION  
GENERAL EMPLOYEES

1. Active lives

a. Number in prior valuation 10/1/2014	24
b. Terminations	
i. Vested (partial or full) with deferred benefits	(2)
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>0</u>
g. Continuing participants	21
h. New entrants	<u>0</u>
i. Total active life participants in valuation	21

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	35	9	0	12	56
Retired	6	(3)	0	(2)	1
DROP	0	0	0	0	0
Vested Deferred	0	0	0	2	2
Death, With Survivor	0	0	0	0	0
Death, No Survivor	(2)	0	0	0	(2)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
b. Number current valuation	39	6	0	12	57

SUMMARY OF PLAN PROVISIONS  
POLICE OFFICERS  
(Through Ordinance 2014-03)

**The below information is for historical reference only. Benefits are frozen as of February 1, 2014**

<u>Eligibility</u>	Full-time Police Officers participate as a condition of employment. Members hired after January 31, 2014 do not participate in this System.
<u>Credited Service</u>	Total years and fractional parts of years of service as a Police Officer with the Town. Credited Service is frozen as of January 31, 2014.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax-sheltered, and tax-exempt income. Salary earned after January 31, 2014 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination. Average Final Compensation is not applicable for the determination of the accrued benefit after January 31, 2014.
<u>Member Contributions</u>	None (previously 10%).
<u>Town Contributions</u>	Amount necessary to maintain actuarial soundness and meet State requirements.
<u>Normal Retirement</u>	
Eligibility	Attainment of 1) age 60, 2) age 55 and the completion of 10 years of Credited Service or 3) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.5% of Average Final Compensation times Years of Credited Service. The accrued benefit is frozen as of January 31, 2014.
Form of Benefit	10 Year Certain and Life Annuity (options are available).

Early Retirement (removed with Ordinance 2013-13)

Eligibility	Age 45 and the completion of 15 years of Credited Service or Age 50 and the completion of 10 years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.
<u>Supplemental Benefit</u>	\$10.00 per month for each year of Credited Service, payable to age 65. Credited Service is frozen as of January 31, 2014 for determination of the Supplemental Benefit.
<u>Cost of Living Adjustment</u>	Service Retirees receive a 3% annual increase in benefits commencing on the October 1 following the receipt of 5 years of benefit payments.
<u>Vesting (Termination)</u>	Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) of Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage <sup>1</sup></u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

<sup>1</sup> Members are 100% vested in their frozen accrued benefit as of January 31, 2014.

Death Benefit

Vested or Eligible for Retirement	Monthly accrued benefit payable to designated beneficiary. The accrued benefit is frozen as of January 31, 2014.
Non-Vested	Refund of Member Contributions.

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Benefit

3.5% of Average Final Compensation times Credited Service (but not less than 42% of Average Final Compensation for Service Incurred). Average Final Compensation and Credited Service for purposes of determining the applicable minimum Disability Benefit are frozen as of January 31, 2014.

Form of Benefit

Ten year Certain and Life Annuity (options are available).

Board of Trustees

a. Five Commission appointees, and

b. Two Town Manager appointees

Deferred Retirement Option Plan (DROP)

Eligibility

Satisfaction of Normal Retirement requirements.

Participation

Not to exceed 36 months.

Rate of Return

At the Member's election:

a. Actual net rate of investment return credited each fiscal quarter, or

b. A fixed rate money market account.

Form of Distribution

Cash lump sum (options available) at termination of employment.

SUMMARY OF PLAN PROVISIONS  
FIREFIGHTERS  
(Through Ordinance 2015-04)

**The below information is for historical reference only. Benefits are frozen as of September 30, 2013.**

<u>Eligibility</u>	Full-time certified Firefighters participate as a condition of employment. Members hired after September 30, 2013 do not participate in this System
<u>Credited Service</u>	Total years and fractional parts of years of service as a Firefighter with the Town. Credited Service is frozen as of September 30, 2013.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax-sheltered, and tax-exempt income. Salary earned after September 30, 2013 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination. Average Final Compensation is not applicable for the determination of the accrued benefit after September 30, 2013.
<u>Member Contributions</u>	None (previously 10%).
<u>Town Contributions</u>	Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, <u>Florida Statutes</u> ).
<u>Normal Retirement</u>	
Eligibility	Attainment of 1) age 60, 2) age 55 and the completion of 10 years of Credited Service or 3) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.5% of Average Final Compensation times Years of Credited Service. The accrued benefit is frozen as of September 30, 2013.
Form of Benefit	10 Year Certain and Life Annuity (options are available).

Early Retirement (removed with Ordinance 2013-13)

Eligibility Age 45 and the completion of 15 years of Credited Service or Age 50 and the completion of 10 years of Credited Service.

Benefit Accrued benefit, reduced 3% per year.

Supplemental Benefit \$10.00 per month for each year of Credited Service, payable to age 65. Credited Service is frozen as of September 30, 2013 for determination of the Supplemental Benefit.

Vesting (Termination) Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) of Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage</u> <sup>1</sup>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

<sup>1</sup> Members are 100% vested in their frozen accrued benefit as of September 30, 2013.

Disability

Eligibility

Service Incurred Covered from Date of Employment.

Non-Service Incurred 10 years of Credited Service.

Benefit 3.5% of Average Final Compensation times Credited Service (but not less than 42% of Average Final Compensation for Service Incurred). Average Final Compensation and Credited Service for purposes of determining the applicable minimum Disability Benefit are frozen as of September 30, 2013.

Form of Benefit Ten year Certain and Life Annuity (options are

Cost of Living Adjustment

available)  
Service Retirees receive a 3% annual increase in benefits commencing on the October 1 following the receipt of 5 years of benefit payments.

Death Benefit

Vested or Eligible  
for Retirement

Monthly accrued benefit payable to designated beneficiary. The accrued benefit is frozen as of September 30, 2013.

Non-Vested

Refund of Member Contributions.

Board of Trustees

- a. Five Commission appointees, and
- b. Two Town Manager appointees

Deferred Retirement Option Plan (DROP)

Eligibility

Satisfaction of Normal Retirement requirements. New DROP participants are not permitted after September 30, 2013.

Participation

Not to exceed 36 months.

Rate of Return

At the Member's election:

- a. Actual net rate of investment return credited each fiscal quarter, or
- b. A fixed rate money market account.

Form of Distribution

Cash lump sum (options available) at termination of employment.

Death Benefit

Not Vested

Refund of Member Contributions.

Vested

Accrued benefit paid to Beneficiary for 120 months at Member’s otherwise Early (reduced) or Normal Retirement Date.

Post-Retirement

According to optional form of benefit selected.

Termination of Employment

Upon an employee’s termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) or Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage</u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

Members are 100% vested on September 30, 2013.

Deferred Retirement Option Plan

Eligibility

Within 12 months following satisfaction of Normal Retirement requirements (age 62 or age 55 and 30 years of Credited Service.) New DROP Participants are not allowed after September 30, 2013.

Participation

Not to exceed 60 months.

Rate of Return

At election of Member (may change once during the DROP period) either: 1) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), or 2) 6.5%. Earnings are credited each fiscal quarter.

Form of Distribution

Cash lump sum (options available) at termination of employment.



Contributions

Employee

None.

Town

Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, F.S.).