

CITY OF PALM COAST
VOLUNTEER FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2012

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2014

May 10, 2103

Mr. Chris Quinn
City of Palm Coast
160 Cypress Point Parkway, Suite B-106
Palm Coast, FL 32164-8436

Re: City of Palm Coast Volunteer Firefighters' Retirement Trust Fund

Dear Mr. Quinn:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapters 112, and 175, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

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

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


To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Palm Coast, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund. 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, MAAA
Enrolled Actuary #11-7778

DHL/ike

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Palm Coast Volunteer Firefighters' Retirement Trust Fund, performed as of October 1, 2012, 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, 2014.

The contribution requirements, compared with those set forth in October 1, 2011 actuarial valuation report, are as follows:

Valuation Date	10/1/2011	10/1/2012
Applicable Plan/Fiscal Yr. End	<u>9/30/2013</u>	<u>9/30/2014</u>
Total Required Contribution	\$120,718	\$130,671
Member Contributions (Est.)	0	0
City and State Required Contribution	120,718	130,671
State Contribution *	144,308	144,308
Balance from City**	0	0

* "Frozen" pursuant to Chapter 175, Florida Statutes.

** Additionally, the City must contribute amount equal to the applicable Normal Cost (adjusted for interest), less the applicable State Contribution. The Total Required Contribution shown above reflects this statutory funding requirement (Chapter 112.66(13)).


Experience during the last 12 months was more favorable than expected relative to the Plan's actuarial assumptions. The primary source of gain included higher than anticipated turnover. Partially offsetting this gain was a 6.0% investment return (Actuarial Asset basis), falling short of the 8.0% assumption. Additionally, the costs increased partially due to an increase in the number of volunteers.

Since the prior valuation, the Board lowered the investment return assumption from 8.0% to 7.65%.

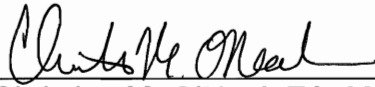
The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: 

Douglas H. Lozen, EA, MAAA

By: 

Christine M. O'Neal, EA, MAAA

Plan Changes Since Prior Valuation

There have been no Plan changes since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

Since the prior valuation the investment return assumption has been lowered from 8.00% net of fees to 7.65% net of fees.

Comparative Summary of Principal Valuation Results

	New Assumption <u>10/1/2012</u>	Old Assumption <u>10/1/2012</u>	Old Assumption <u>10/1/2011</u>
A. Participant Data			
Number Included			
Actives	42	42	40
Service Retirees	17	17	14
Beneficiaries	0	0	0
Terminated Vested	0	0	0
Disability Retirees	0	0	0
Total	<u>59</u>	<u>59</u>	<u>54</u>
Total Annual Payroll	\$0	\$0	\$0
Payroll Under Assumed Ret. Age	0	0	0
Annual Rate of Payments to:			
Service Retirees	89,296	89,296	64,713
Beneficiaries	0	0	0
Terminated Vested	0	0	0
Disability Retirees	0	0	0
B. Assets			
Actuarial Value	2,623,239	2,623,239	2,196,474
Market Value	2,769,856	2,769,856	2,125,985
C. Liabilities			
Present Value of Benefits			
Active Members			
Retirement Benefits	773,469	734,958	843,264
Disability Benefits	21,077	20,172	14,868
Death Benefits	23,422	22,734	22,425
Vested Benefits	83,530	74,837	63,701
Refund of Contributions	0	0	0
Service Retirees	748,836	733,473	530,732
Beneficiaries	0	0	0
Terminated Vested	0	0	0
Disability Retirees	0	0	0
Excess State Monies Reserve	1,047,814	1,047,814	814,159
Total	<u>2,698,148</u>	<u>2,633,988</u>	<u>2,289,149</u>

	New Assumption <u>10/1/2012</u>	Old Assumption <u>10/1/2012</u>	Old Assumption <u>10/1/2011</u>
C. Liabilities - (Continued)			
Present Value of Future Salaries	0	0	0
Present Value of Future Member Cont.	0	0	0
Normal Cost (Entry Age Normal)			
Retirement	99,485	94,754	95,074
Disability	3,114	3,007	2,166
Death	2,527	2,445	2,124
Vesting	12,094	10,962	8,420
Refunds	0	0	0
Total Normal Cost	<u>117,220</u>	<u>111,168</u>	<u>107,784</u>
Present Value of Future Normal Costs	526,822	491,807	447,450
Accrued Liability (Entry Age Normal)			
Retirement	343,650	331,681	461,410
Disability	4,921	4,764	4,649
Death	12,499	12,284	14,683
Vesting	13,606	12,165	16,066
Refunds	0	0	0
Inactives	748,836	733,473	530,732
Excess State Monies Reserve	1,047,814	1,047,814	814,159
Total Actuarial Accrued Liability	<u>2,171,326</u>	<u>2,142,181</u>	<u>1,841,699</u>
Unfunded Actuarial Accrued Liability	(451,913)	(481,058)	(354,775)
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	748,836	733,473	530,732
Actives	211,778	204,207	288,311
Member Contributions	0	0	0
Total	<u>960,614</u>	<u>937,680</u>	<u>819,043</u>
Non-vested Accrued Benefits	<u>208,013</u>	<u>196,663</u>	<u>179,917</u>
Total Present Value Accrued Benefits	1,168,627	1,134,343	998,960
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	34,284	0	
New Accrued Benefits	0	132,134	
Benefits Paid	0	(73,719)	
Interest	0	76,968	
Other	0	0	
Total:	<u>34,284</u>	<u>135,383</u>	

Valuation Date Applicable to Fiscal Year Ending	New Assumption 10/1/2012 <u>9/30/2014</u>	Old Assumption 10/1/2012 <u>9/30/2014</u>	Old Assumption 10/1/2011 <u>9/30/2013</u>
E. Pension Cost			
Normal Cost (with interest) % of Total Annual Payroll	\$130,671	\$124,508	\$120,718
Administrative Expenses (with int.) % of Total Annual Payroll	18,769	18,857	14,179
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/2012) % of Total Annual Payroll	(40,334)	(44,432)	(32,509)
Total Required Contribution % of Total Annual Payroll	109,106	98,933	102,388
Expected Member Contributions % of Total Annual Payroll	0	0	0
Expected City & State Contrib. % of Total Annual Payroll	109,106	98,933	102,388
F. Past Contributions			
Plan Years Ending:	<u>9/30/2012</u>		
Total Required Contribution City and State Requirement	\$133,967 133,967		
Actual Contributions Made:			
Members	0		
City	0		
State	144,308 *		
Total	<u>144,308</u>		
G. Net Actuarial Gain (Loss)	81,964		

* "Frozen" per Chapter 175, Florida Statutes, as amended.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2012	(\$451,913)
2013	(447,536)
2014	(442,822)
2019	(413,262)
2024	(370,527)
2034	(219,432)
2042	0

I. (i) 3 Year Comparison of Investment Return on Actuarial Value

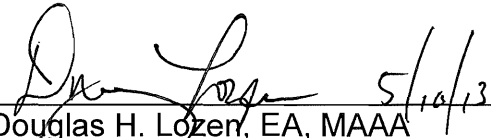
		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2012	6.0%	8.0%
Year Ended	9/30/2011	2.6%	8.0%
Year Ended	9/30/2010	4.3%	8.0%

(ii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2012	\$0
	10/1/2002	0
(b) Total Increase		0.0%
(c) Number of Years		10.00
(d) Average Annual Rate		0.0%

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. Lozer, EA, MAAA
 Enrolled Actuary #11-7778

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

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

Patricia Shoemaker
 Municipal Police and Fire
 Pension Trust Funds
 Division of Retirement
 Post Office Box 3010
 Tallahassee, FL 32315-3010

Reconciliation of Unfunded Actuarial Accrued Liabilities

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2011	(\$354,775)
(2)	Sponsor Normal Cost Applicable for the year	107,784
(3)	Expected Administrative Expense for the year	12,660
(4)	Interest on (1), (2) and (3)	(19,253)
(5)	Sponsor Contributions to the System during the year ending September 30, 2012	144,308
(6)	Interest on (5)	1,202
(7)	Expected Unfunded Accrued Liability as of October 1, 2012 (1)+(2)+(3)+(4)-(5)-(6)	(399,094)
(8)	New UAAL due to Actuarial (Gain)/Loss	(81,964)
(9)	New UAAL due to Change in Assumptions	29,145
(10)	Unfunded Accrued Liability as of October 1, 2012	(\$451,913)

	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2012 Amount</u>	<u>Amortization Amount</u>
method change	10/1/2005	23	553,768	48,198
actuarial gain	10/1/2006	24	(213,891)	(18,324)
actuarial gain	10/1/2007	25	(437,409)	(36,933)
benefit change	10/1/2007	25	2,418	204
actuarial gain	10/1/2008	26	(139,158)	(11,595)
method change	10/1/2008	26	(92,074)	(7,672)
actuarial loss	10/1/2009	27	69,596	5,729
actuarial loss	10/1/2010	28	8,800	716
assumption	10/1/2010	28	11,330	922
benefit change	10/1/2010	28	(147,148)	(11,977)
actuarial gain	10/1/2011	29	(15,326)	(1,235)
actuarial gain	10/1/2012	30	(81,964)	(6,541)
assumption	10/1/2012	30	<u>29,145</u>	<u>2,326</u>
			(\$451,913)	(\$36,182)

ACTUARIAL ASSUMPTIONS AND METHODS

<u>Mortality Rates</u>	RP-2000 Table with no projection – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. (Disabled lives set forward 5 years).
<u>Termination Rates</u>	See Tables below (1304B).
<u>Disability Rates</u>	See Tables below (1201), 75% of disablements are assumed to be service related.
<u>Retirement Age</u>	The earlier of attainment of age 55 with 10 years of credited service, age 52 with 25 years of credited service, or age 62 with 5 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
<u>Interest Rate</u>	7.65% per year, compounded annually, net of investment-related expenses (previously 8.0%).
<u>Early Retirement</u>	Commencing with attainment of Early Retirement Status (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
<u>Payroll Growth</u>	None
<u>Administrative Expenses</u>	\$16,837

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	14.4%	0.03%
30	12.5	0.04
40	7.7	0.07
50	3.5	0.18

Funding Method

Entry Age Normal Actuarial Cost Method

Asset Valuation Method

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-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 the current year's cost for benefits yet to be funded.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

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.

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

HISTORY OF PREMIUM TAX REFUNDS

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
2003	14,328.55	_____%
2004	62,129.98	333.6%
2005	96,546.34	55.4%
2006	128,816.42	33.4%
2007	242,231.00	88.0%
2008	380,757.00	57.2%
2009	499,181.00	31.1%
2010	339,246.90	-32.0%
2011	359,373.51	5.9%
2012	377,962.48	5.2%

EXCESS STATE MONIES RESERVE

Regular Distribution

Special Distribution

<u>Actual State Contribution *</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve Contribution</u>	<u>Actual State Contribution *</u>	<u>Applicable "Frozen" Amount</u>	<u>Excess State Monies Reserve Contribution</u>
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* Prior to the adoption of Ordinance 2005-08, which was adopted February 15, 2005, the Plan was considered "Chapter," and therefore the City was able to use all State Monies to offset their costs. Beginning with the fiscal year ending September 30, 2006, Excess State Monies received over the initial "Frozen" amount of \$112,408, must be used for additional benefits. The \$112,408 represents the annual cost of the initial benefit improvement when going "Local Law".

2006	91,837.01	91,837.01	0.00	36,979.41	20,570.99	16,408.42
2007	187,121.72	91,837.01	95,284.71	55,109.02	20,570.99	34,538.03
2008	221,390.42	91,837.01	129,553.41	159,367.06	20,570.99	138,796.07
2009	212,319.07	123,737.01	88,582.06	286,862.12	20,570.99	266,291.13
2010	227,276.54	123,737.01	103,539.53	111,970.36	20,570.99	91,399.37
2011	243,058.45	123,737.01	119,321.44	116,315.06	20,570.99	95,744.07
2012	244,954.57	123,737.01	121,217.56	133,007.91	20,570.99	112,436.92
		Total:	657,498.71		Total:	755,614.01

Accumulated Regular Excess	657,498.71
Accumulated Special Excess	<u>755,614.01</u>
Total Accumulated Excesses	1,413,112.72
Excess Reserve Utilized for Ordinance 2009-04	(146,231.00)
Excess Reserve Utilized for Ordinance 2011-18	(219,068.00)
Equals current Excess State Monies Reserve	1,047,813.72

City of Palm Coast
Volunteer Firefighters' Retirement Trust Fund

BALANCE SHEET
September 30, 2012

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
State Board of Administration	13,042.62
Cash/Checking/Savings	66,657.62
Total Cash and Equivalents	79,700.24
Investments:	
Pooled/Common/Commingled Funds:	
Fixed Income	1,068,114.04
Equity	1,352,392.46
International Equity	273,238.47
Total Investments	2,693,744.97
TOTAL ASSETS	2,773,445.21
 <u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Payable:	
Unpaid Administrative Expenses	3,589.00
Total Liabilities	3,589.00
Net Assets	2,769,856.21
TOTAL LIABILITIES AND NET ASSETS	2,773,445.21

City of Palm Coast
Volunteer Firefighters' Retirement Trust Fund

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2012
Market Value Basis

REVENUES

Contributions:		
State	377,962.48	
Total Contributions		377,962.48
Total Earnings and Investment Gains		360,928.04

EXPENDITURES

Expenses:		
Investment Related*	4,463.87	
Administrative	16,837.25	
Total Expenses		21,301.12
Distributions to Members:		
Benefit Payments	73,718.62	
Total Distributions		73,718.62
Change in Net Assets for the Year		643,870.78
Net Assets Beginning of the Year		2,125,985.43
Net Assets End of the Year		2,769,856.21

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.

City of Palm Coast
Volunteer Firefighters' Retirement Trust Fund

ACTUARIAL ASSET VALUATION
September 30, 2012

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*	
9/30/09	0.38%	
9/30/10	7.32%	
9/30/11	1.11%	
9/30/12	15.71%	
Annualized Rate of Return for prior four (4) years:		5.96%
(A) 10/01/11 Actuarial Assets:		\$2,196,473.98
(I) Net Investment Income:		
1. Interest and Dividends		360,928.04
2. Realized Gains (Losses)		0.00
3. Change in Actuarial Value		(217,105.30)
4. Investment Related Expenses		(4,463.87)
Total		139,358.87
(B) 10/01/12 Actuarial Assets:		\$2,623,239.46
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		5.96%
10/01/12 Limited Actuarial Assets:		\$2,623,239.46

*Market Value Basis, net of investment related expenses.

City of Palm Coast
Volunteer Firefighters' Retirement Trust Fund

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2012
Actuarial Asset Basis

REVENUES		
Contributions:		
State	377,962.48	
Total Contributions		377,962.48
Earnings from Investments		
Interest & Dividends	360,928.04	
Change in Actuarial Value	(217,105.30)	
Total Earnings and Investment Gains		143,822.74
EXPENDITURES		
Expenses:		
Investment Related*	4,463.87	
Administrative	16,837.25	
Total Expenses		21,301.12
Distributions to Members:		
Benefit Payments	73,718.62	
Total Distributions		73,718.62
Change in Net Assets for the Year		426,765.48
Net Assets Beginning of the Year		2,196,473.98
Net Assets End of the Year**		2,623,239.46

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.

**Net Assets may be limited for actuarial consideration

ELIGIBILITY FOR RETIREMENT

Members are eligible for Normal Retirement based upon the following criteria:

- 1) Attained Age 55 with 10 Years of Credited Service
- or 2) Attained Age 52 with 25 Years of Credited Service
- or 3) Attained Age 62 with 5 Years of Credited Service

Members are eligible for Early Retirement based upon the following criteria:

- 1) Attained Age 50 with 10 Years of Credited Service

As of the date of this valuation, the following list of Members are eligible for:

<u>Normal Retirement</u>	<u>Early Retirement</u>
Esposito, Charles Sarubbi, Patrick	None

STATISTICAL DATA

	<u>10/1/2009</u>	<u>10/1/2010</u>	<u>10/1/2011</u>	<u>10/1/2012</u>
<u>Active Members</u>				
Average Current Age	43.1	42.2	43.3	41.2
Average Past Service	2.9	2.2	2.7	2.6
Number	47	44	40	42

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	1	0	0	0	0	0	0	0	0	0	0	1
20 - 24	1	5	3	0	0	0	0	0	0	0	0	9
25 - 29	0	1	0	2	1	1	0	0	0	0	0	5
30 - 34	0	2	1	0	1	1	0	0	0	0	0	5
35 - 39	1	0	0	0	1	1	0	0	0	0	0	3
40 - 44	0	0	1	0	0	0	0	0	0	0	0	1
45 - 49	0	0	0	2	0	0	0	0	0	0	0	2
50 - 54	0	4	0	0	0	0	0	0	0	0	0	4
55 - 59	0	1	2	0	0	2	0	0	0	0	0	5
60 - 64	0	1	0	2	0	0	0	0	0	0	0	3
65+	0	1	0	0	1	1	0	1	0	0	0	4
Total	3	15	7	6	4	6	0	1	0	0	0	42

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2011	40
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	9
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	3
f. Voluntary withdrawal	0
g. Continuing participants	28
h. New entrants	14
i. Total active life participants in valuation	42

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

	<u>Service Retirees, Vested Receiving Benefits</u>	<u>Receiving Death Benefits</u>	<u>Receiving Disability Benefits</u>	<u>Vested Deferred</u>	<u>Total</u>
a. Number prior valuation	14	0	0	0	14
b. In	3	0	0	0	3
c. Out	0	0	0	0	0
d. Number current valuation	17	0	0	0	17

SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 2011-18)

<u>Credited Service</u>	Total years and fractional parts of years of service with the City as Firefighter. Credited Service is based on "Length of Service Award Pension Program – Qualification Criteria."
<u>Salary</u>	Basic compensation plus all tax deferred, tax sheltered, or tax exempt items of income.
<u>Average Final Compensation</u>	Average of Salary paid during the 5 highest years during the 10 years preceding termination.
<u>Normal Retirement</u>	
Date	Earlier of age 62 with the completion of 5 years of Credited Service, age 55 with the completion of 10 years of Credited Service, or age 52 with the completion of 25 years of Credited Service.
Benefit Amount	\$65.00 <u>times</u> Credited Service.
Form of Benefit	10 Year Certain and Life thereafter (options available).
<u>Early Retirement</u>	
Date	Age 50 & 10 years of Credited Service.
Benefit Amount	Accrued benefit, reduced 3% per year, from age 55 or age 62.
<u>Disability</u>	
Eligibility	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	10 years of Credited Service.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).
Duration	Payable for life (with 120 payments guaranteed) or until recovery (as determined by the Board).
<u>Death</u>	
Not Vested	Refund of Member contributions.
Vested	Accrued benefit paid to Beneficiary for ten years, beginning at the Member's Normal Retirement Date (unreduced) or Early Retirement Date (reduced).
Post-Retirement	According to option selected, if any.
<u>Vesting (Termination)</u>	
Less than 5 years of Credited Service	Refund of Member Contributions, if any.
5 years or more	Accrued benefit payable at the Member's election, on his otherwise Early or Normal Retirement Date or Refund of Member Contributions, if any.
<u>Contributions</u>	
Employee	5.0% of Salary
Premium Tax	1.85% tax on premiums for fire insurance policies.
City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.
<u>Board of Trustees</u>	
	a. Two appointees of City Council;
	b. Two Firefighters elected by the members of the department; and
	c. Fifth member elected by the other four and appointed by Council (as a ministerial duty).

DISCLOSURE INFORMATION PER STATEMENT NO. 25 OF THE
GOVERNMENTAL ACCOUNTING STANDARDS BOARD

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

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2012	2,623,239	2,171,326	(451,913)	120.81%	0	N/A
10/1/2011	2,196,474	1,841,699	(354,775)	119.26%	0	N/A
10/1/2010	1,859,732	1,665,793	(193,939)	111.64%	0	N/A
10/1/2009	1,503,874	1,352,993	(150,882)	111.15%	0	N/A
10/1/2008	968,776	848,589	(120,187)	114.16%	0	N/A

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

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2012	133,967	0	144,308 *	107.72%
2011	89,877	0	144,308 *	160.56%
2010	98,481	0	144,308 *	146.53%
2009	108,698	0	144,308 *	132.76%
2008	82,833	0	112,408 *	135.70%

* "Frozen" pursuant to Chapter 175, Florida Statutes, as amended.

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2012			
City and State	133,967		
Plan Members	N/A - unpaid volunteers		
Annual pension cost (City and State)	133,967		
Contributions made (City and State)	144,308		
Actuarial valuation date	10/1/2010		
Actuarial cost method	Entry Age Normal		
Amortization method	Level Dollar		
Remaining amortization period	30 years		
Asset valuation method	4 Year Smooth		
Actuarial assumptions:			
Investment rate of return	8.0%	(as of 10/1/2010)	
Post Retirement COLA	0.0%		

THREE YEAR TREND INFORMATION

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
9/30/2012	133,967	100%	0
9/30/2011	89,877	100%	0
9/30/2010	0	100%	0

SENATE BILL 1128 COMPLIANCE

Senate Bill 1128 amended Section 112.63 of the Florida Statutes to require that each plan report the plan's accrued vested, non-vested, and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return, which is currently 7.75%. The bill states that this is to promote comparability of actuarial data between local law plans.

While these calculations are required for compliance purposes, it is the view of Foster & Foster that utilizing this information to compare local law plans is extremely dangerous. There are many other assumptions inherent in the actuarial valuation, and they may differ widely from one plan to another. Additionally, benefit levels, funding policies, asset allocation, and the age of the plan itself all must be considered when comparing defined benefit plans.

Present Value of Accrued Benefits at 7.75% Interest

Vested Accrued Benefits	
Inactives	\$744,383
Actives	209,563
Member Contributions	<u>0</u>
Total	953,946
Non-Vested Accrued Benefits	<u>204,669</u>
Total Present Value of Accrued Benefits	\$1,158,615