

February 27, 2014

The Board of Trustees
City of Roseville Employees Retirement System
Roseville, Michigan

Dear Board Members:

The purpose of the annual actuarial valuation of the City of Roseville Employees Retirement System as of June 30, 2013 is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members of the Retirement System,
- Compare accrued assets with accrued liabilities to assess the funded condition of the Retirement System, and
- Compute the City's recommended contribution rate for the Fiscal Year beginning July 1, 2014.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. Data concerning active members, retirees, beneficiaries and assets was provided by the city. This data has been reviewed for reasonableness, but no attempt has been made to audit such information. The valuation was based on the provisions of the Retirement System as amended through June 30, 2013. The actuarial assumptions used in this valuation are reasonably related to the past experience of the System and represent reasonable expectations of future experience under the System. This report was prepared under the direction of a member of the American Academy of Actuaries who meets the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Denise M. Jones
Senior Consultant



Sandra W. Rodwan
Member, American Academy of Actuaries

***City of Roseville
Employees Retirement System***

Actuarial Valuation as of June 30, 2013

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Section One:
Valuation Summary



Purpose of Valuation

The purpose of the annual actuarial valuation of the City of Roseville Employees Retirement System as of June 30, 2013 is to:

- ❖ Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members of the Retirement System,
- ❖ Compare accrued assets with accrued liabilities to assess the funded condition of the Retirement System, and
- ❖ Compute the City's recommended contribution rate for the Fiscal Year beginning July 1, 2014.

Liabilities and Funded Condition of Retirement System

Accrued liabilities of the Retirement System as of June 30, 2013 were computed to be \$181,218,303. The funding value of accrued assets was \$124,768,595. The ratio of the funding value of accrued assets to accrued liabilities was 68.9%.

Funding Value of Assets

A smoothed market value of assets was used for the June 30, 2013 valuation. This method, which spreads the difference between actual and expected investment return over four years, is the same as the method used for last year's valuation.

Computed City's Contribution Rate

The City's normal cost contribution rate was computed to be 7.24% for General members and 13.53% for Police and Fire members payroll.

The City's total contribution rate was computed to be 32.91% for General members and 39.20% for Police and Fire members. This includes an amortization payment of 25.67% for General members and Police and Fire members.

Retirement System Experience

The aggregate experience of the Retirement System was slightly more favorable than assumed during the year ended June 30, 2013. The primary source of the favorable experience was the recognized rate of investment return on the funding (smoothed market) value of assets which was greater than assumed.

Assumption and Method Changes

There were no changes in assumptions or actuarial cost methods used for the valuation.

Benefit Provision Changes

The following benefit provision changes were included in this valuation:

Member contributions were temporarily increased as follows: Police Command – 9%, Fire – 10%, Police Patrol – 9% (10% for those hired after 7/1/2012 & DROP).

New General hires after 7/1/2012, the multiplier is 1.5%.

Participant Data

	<u>6/30/2013</u>		<u>6/30/2012</u>	
	Number	Payroll	Number	Payroll
Active Members				
General	30	\$1,098,495	39	\$1,477,173
Elected & Non-Union	30*	361,324	29#	206,272
Supervisors	19	2,511,502	16	2,356,170
Clerical	10	487,960	10	477,032
Court	11	497,392	14	635,460
Water	<u>13</u>	<u>618,957</u>	<u>9</u>	<u>473,306</u>
General Total	113	\$5,575,630	117	\$5,625,413
Police	52	4,754,512	57	4,898,934
Fire	<u>38</u>	<u>2,940,795</u>	<u>39</u>	<u>2,938,461</u>
Total Active Members	203	\$13,270,937	213	\$13,462,808
Retirees and Survivors	365**	\$12,537,040	362##	\$12,089,618

*Includes 12 At-Will and 11 Elected members.

**Includes 1 General member and 2 Police/Fire members in the Deferred Retirement Option Plan.

#Includes 17 At-Will and 11 Elected members.

##Includes 1 General member and 2 Police/Fire members in the Deferred Retirement Option Plan.

Financial Data

	<u>06/30/2013</u>	<u>06/30/2012</u>
Funding Value of Assets	\$124,768,595	\$121,682,335
Market Value of Assets	126,265,430	121,934,533

Conclusion

The Retirement System is being funded in accordance with a sound level percent of payroll financing objective.



Section Two:

***Actuarial Calculations –
Funding***



Computed Contribution Rates for The Year Beginning July 1, 2014

The contribution rates shown below are expressed as percents of active member payroll.

The normal cost can be viewed as the long-term on-going cost of the Retirement System. The unfunded actuarial accrued liability was amortized over 21 years. This is a 1 year decrease from the period used last year.

Contribution Recommendation:

	<u>Percents of Payroll</u>	
	<u>General</u>	<u>Police/Fire</u>
Normal Cost		
Regular Retirement	11.17%	17.37%
Pre-retirement Death	1.60	1.39
Disability	1.10	1.83
Withdrawal	<u>3.26</u>	<u>2.35</u>
Total Normal Cost	17.13	22.94
Unfunded Actuarial Accrued Liability	25.67	25.67
Total Computed Contribution	42.80	48.61
Member Portion	9.89	9.41
City's Net Contribution Rate	32.91%	39.20%
City's Dollar Contribution	\$1,926,687	\$3,167,388

Unfunded Actuarial Accrued Liability

	<u>June 30, 2013</u>		<u>June 30, 2012</u>	
	<u>General</u>	<u>Police/Fire</u>	<u>General</u>	<u>Police/Fire</u>
Actuarial Accrued Liabilities	\$68,774,215	\$112,444,087	\$68,136,750	\$109,440,964
Assets Allocated to Funding	45,057,888	79,711,571	44,780,954	76,901,381
Unfunded Actuarial Accrued Liabilities	\$23,716,328	\$32,732,517	\$23,355,796	\$32,539,583

Recommended City Contributions

Valuation Date June 30	Percent of Valuation Payroll		Dollar Contributions
	General	Police/Fire	
1990	16.50%	15.62%	\$1,673,690
1995	17.85	20.27	2,305,703
1996	17.29	17.89	2,301,124
1997	16.49	16.70*	2,302,699
1998	18.55	12.82*	2,291,128
1999	18.44	9.81*	2,509,912
2000	17.72	10.96*	2,208,341
2001	18.64	11.85*	2,449,110
2002	17.56	15.65*	2,813,719
2003	18.03	19.20	3,295,298
2004	20.47	20.23	3,885,102
2005	22.73	18.80	3,938,255
2006	23.54	20.28	4,111,361
2007#	23.65	19.48	4,140,536
2008#@	22.82	19.90	4,160,914
2009	21.84	24.42	4,544,628
2010**	31.11	26.99	5,034,218
2011@	31.08	33.41	5,376,550
2012@	31.66	40.55	5,207,023
2013@	32.91	39.20	5,094,075

#Excluding post-retirement health insurance.

@After changes in benefit provisions.

*Net of temporary credit for accrued valuation assets in excess of actuarial accrued liabilities.

**Member contributions increases effective only for FY 11/12 reduced the City’s computed contribution rates to 27.04% for General and 20.41% for Police/Fire, and the dollar amount to \$4,050,676.

History of Assets and Accrued Liabilities

Valuation Date 6/30	Valuation Assets	Actuarial Accrued Liabilities	Funded Ratio	Unfunded Actuarial Accrued Liabilities
1992	\$59,625	\$69,137	92.8%	\$ 4,606
1993	64,653	75,752	85.3	11,099
1994	67,838	80,090	84.7	12,252
1995	70,758	85,608	82.7	14,850
1996	78,957	89,510	88.2	10,553
1997	86,032	92,789	92.7	6,757
1998	97,090	98,592	98.5	1,502
1999	106,123	103,097	102.9	(3,026)
2000	111,153	108,780	102.2	(2,373)
2001	115,009	114,218	100.7	(791)
2002	112,427	117,182	95.9	4,755
2003	109,779	122,849	89.4	13,070
2004	111,328	131,171	84.9	19,843
2005	114,059	135,778	84.0	21,719
2006	119,145	143,792	82.9	24,647
2007	128,047	150,926	84.8	22,879
2008	133,644	158,417	84.4	24,773
2009	131,095	160,689	81.6	29,594
2010	128,488	170,862	75.2	42,374
2011	125,962	174,318	72.3	48,356
2012	121,682	177,578	68.5	55,895
2013	124,769	181,218	68.9	56,449

Results shown throughout this report, for years prior to 2001, were prepared by the previous actuarial firm.

Aggregate Gain/Loss - Year Ended June 30, 2013

(1) UAAL ^a at start of year	\$55,895,379
(2) Normal cost	2,965,299
(3) Interest accrual	4,414,551
(4) Contributions	6,598,736
(5) Expected UAAL before changes	56,676,493
(6) Benefit Provision Revisions	None
(7) Change from assumption revision	None
(8) Expected UAAL after changes	56,676,493
(9) Actual UAAL	56,449,708
(10) Gain(Loss)	\$226,785
(11) Percent of AAL ^b	0.13%

^a Unfunded Actuarial Accrued Liability.

^b Actuarial Accrued Liability at beginning of year.

Actuarial Balance Sheet June 30, 2013

Actuarial Assets

Accrued Assets		
Assets from system’s financial statements (market value)	\$126,265,430	
Funding value adjustment	<u>(1,496,835)</u>	
Total accrued assets		\$124,768,595
Actuarial present value of expected future		
For normal costs	25,562,662	
For unfunded actuarial accrued liabilities	<u>56,449,708</u>	
		<u>82,012,370</u>
Total Actuarial Present Value of Present and Expected Future Resources		<u><u>\$206,780,965</u></u>

Actuarial Present Values (Liability)

To retirees and beneficiaries		\$131,449,649
To vested terminated members		2,304,166
To active members		
Allocated to service rendered prior to valuation date	46,242,799	
Allocated to service rendered after valuation date	<u>25,562,662</u>	
		<u>71,805,461</u>
Reserve for DROP accounts		<u>1,221,689</u>
Total Actuarial Present Value of Expected Future Benefit Payments and Reserves		<u><u>\$206,780,965</u></u>

Comments and Conclusion

Comment 1: The overall experience of the Retirement System was more favorable than assumed during the year ended June 30, 2013. The primary source of the favorable experience was the recognized rate of investment return based on the smoothed market value of assets. The recognized rate of return on the funding value of assets was more than assumed (10.0% versus 7.5%).

Comment 2: For the purpose of this valuation we have computed one combined contribution rate for the amortization of unfunded actuarial accrued liability. That combined rate was added to the Normal Cost for each division to determine the total contribution for each division. This eliminates the distortions that can occur due to estimated allocations of the funding value of assets. This results in less fluctuation of the relative employer contribution rates between the General and Police/Fire divisions and is consistent with a level percent of payroll financing approach for each division.

Conclusion: The City is funding Retirement System benefits as they accrue in accordance with a sound level percent of payroll funding objective.

Section Three:

***Retirement System
Benefit Provisions***



Benefit Provision Summary

Service Retirement

(No reduction factor for age)

Eligibility: All General members - any age with 30 or more years of credited service, age 55 with 20 or more years of credited service, or age 60 with 10 or more years of credited service.

Police and Fire members - age 50 with 20 or more years of credited service or age 55 with 10 or more years of service. Police members and Fire members may retire prior to age 50 with 20 or more years of credited service with forfeiture of i) health insurance premiums prior to age 50 and ii) post-retirement escalation.

Annual Benefits:

General, Supervisors, Clerical and Court Clerk members - 2.0% of Final Average Compensation (FAC) times years of credited service earned after 7/1/2012 up to 80% of FAC if hired prior to July 1, 1994 or up to 75% of FAC if hired after July 1, 1994. The multiplier for service prior to 7/1/2012 is 2.5%. New hires after 7/1/2012 – 1.5% of FAC times years of credited service up to 75% of FAC (Court – 70% of FAC).

Local 520 members hired prior to 7/1/2012 - 2.0% of FAC times years of credited service earned after 7/1/2012 up to 80% of FAC if hired prior to 1/1/95 or up to 75% of FAC if hired on or after 1/1/95. The multiplier for service prior to 7/1/2012 is 2.8%.

Local 520 members hired after 7/1/2012 – 1.5% of FAC times years of credited service up to 75% of FAC.

Police Members - 2.8% of FAC for each of the first 25 years of service, plus 1.5% of FAC for each of the next four years.

Fire members hired prior to January 1, 2011- 2.8% of FAC times first 25 years of credited service, plus 1.5% of FAC times years of service in excess of 25, with a 75% of FAC maximum. Fire members hired on or after January 1, 2011 - 2.5% of FAC times all years of service. 70% of FAC maximum.

Type of Final Average Compensation: Clerical members - Average of highest 5 consecutive annual compensations contained within last 10 years preceding retirement. Some lump sum payments included.

Supervisors, Court Clerks, General and Water 520 members: Average of the highest 3 consecutive annual compensations contained within the last 5 years preceding retirement. Some lump sum payments included. For Supervisors - Any four consecutive quarters constitutes a year and years do not need to be consecutive. For Local 520 members: Average of any 3 years out of the last 5 years, the years do not need to be consecutive.

Police members and Fire members - Average of highest 3 annual compensations contained within last 10 years preceding retirement. Any 4 consecutive quarters will constitute a year. The years need not be consecutive. Some lump sum payments included.

Deferred Retirement Option Program (DROP)

Eligibility: Supervisors are eligible at age 55 with 20 years of service. Police are eligible at age 50 with 25 years of service. Fire members are eligible at age 50 with 20 years of service. Supervisors DROP Term is for one year only. Command DROP has a 7 year maximum, Police Patrol has a 2 year maximum and Fire has a 3 year maximum. New Patrol hired after 7/1/2012 are not eligible.

***Deferred Retirement
(Vested benefit)***

Eligibility: Termination of City employment with 10 or more years of credited service.

Annual Benefit: Accrued regular retirement amount payable beginning at age 55 with 20 years of service or age 60 with 10 years of service for all General members, and age 50 with 20 years of service or age 55 with 10 years of service for Police and Fire.

Duty Disability Retirement

Eligibility: Total and permanent disability incurred in line of duty with the City for which Worker's Compensation is paid.

Annual Benefit: General members - Accrued regular retirement amount; minimum to age 55, 15% of FAC; minimum at age 55, sum of 10% of first \$4,200 of FAC, plus 15% of FAC in excess of \$4,200. Police and Fire – minimum to age 50, 15% of FAC.

For all members, upon termination of Worker's Compensation period, or attainment of age 65, if earlier, service credit is increased to include years in receipt of Worker's Compensation. Minimum 50% of FAC.

Non-Duty Disability

Eligibility: Total and permanent disability after 10 years of credited service.

Annual Benefit: All General members: Accrued regular retirement amount, minimum 15% of FAC. Police and Fire - Accrued regular retirement amount.

Duty Death in Service Survivor's Pension

Eligibility: Death incurred in line of duty with the City, or death of disability retiree as a result of same injury or disease for which he was retired; Worker's Compensation is being paid as a result of the death.

Annual Benefit: Termination of Worker's Compensation period, an amount equal to Worker's Compensation payments are continued to unmarried spouse, unmarried children under age 18, and parents who were in receipt of Worker's Compensation as a result of the death.

Minimum amount to spouse of a deceased Police or Fire member may continue after age 18 if Board finds child to be incapable of self-support due to a disability which began prior to attainment of age 18. Accumulated contributions are refunded

Non-Duty Death in Service Survivor's Pension

Eligibility: Any age with 10 or more years of credited service.

Annual Benefit: Option II (100% survivor) actuarial equivalent of accrued regular retirement amount to elected beneficiary.

Post-Retirement Cost-of-Living

Eligibility: Police members and Fire members with effective dates of retirement on or after July 1, 1977 and July 1, 1976, respectively, and all General members with effective dates of retirement on or after January 1, 1993 are eligible. Police and Fire members who begin normal retirement prior to age 50 forfeit post-retirement cost-of-living adjustments.

Annual Benefit: Police members and Fire members – 15% of regular retirement amount effective 5 years after date of retirement. Fire members hired on or after January 1, 2011 – 10% of regular retirement amount effective 5 years after date of retirement, 5% of increase 10 years after retirement. Command members retired or in DROP prior to 5/20/2013 – 15%

effective 5 and 10 years after date of retirement. Police patrol members hired after 7/1/2012 do not receive escalators.

Retired prior to 7/1/2012: All General Members - 10.0% increase effective 5 years after the date of retirement based on the amount of retirement allowance being paid at that time and another 10.0% increase, compounded, effective 5 years after the first increase based on the amount being paid at the time.

Members retiring on or after 7/1/2012: Supervisors, Clerical and Local 520: 5% increase effective 5 years after the date of retirement based on the amount of retirement allowance being paid at that time, another 5% increase effective 10 years after the date of retirement based on the amount of retirement allowance being paid at that time, and a final 5% increase effective 15 years after the date of retirement. Court Clerks - 5% increase effective 5 years after the date of retirement based on the amount of retirement allowance being paid at that time, and another 5% increase effective 10 years after the date of retirement based on the amount of retirement allowance being paid at that time.

Member Contributions

Clerical – 12.5%

Police Command – 9.0%

Court Clerks – Eff. 7/1/12 = 12%

Elected Officials – 6.5%

Fire – 10.0%

Local 520 / Water 520 – 6.5% Hired after 7/1/2012 – 8%

Police Patrol – 9.0%. Hired after 7/1/2012 – 10%

Supervisors – 12.5%. New hires - 14% July 1, 2012 – June 30, 2014 than 8%

Part-Time – 6.5%

At-Will / Non-Union – Varies by what union contracts their benefits are based upon.

Section Four:

***Actuarial Assumptions
And Methods***



Actuarial Assumptions

Economic Assumptions

(i) **Interest Rate** 7.5% (net of expenses)

(ii) **Salary Increases**

Across-the-Board 5.0%
 Merit and Longevity Age-related rates

Sample Annual Rates of Salary Increase

Sample Ages	Across-the-Board	Merit and Longevity		Totals	
		All General	Police-Fire	All General	Police-Fire
20	5.0%	3.8%	3.0%	8.8%	8.0%
25	5.0	3.1	3.0	8.1	8.0
30	5.0	2.7	2.6	7.7	7.6
35	5.0	2.4	1.1	7.4	6.1
40	5.0	2.1	0.2	7.1	5.2
45	5.0	1.7	0.2	6.7	5.2
50	5.0	1.1	0.2	6.1	5.2
55	5.0	0.7	0.1	5.7	5.1
60	5.0	0.2	-	5.2	5.0
65	5.0	-	-	5.0	5.0

Demographic Assumptions

(i) Mortality

1984 Group Annuity Mortality Table
male and female.

Sample Ages	Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	\$134.71	\$146.05	27.53	33.66
55	125.72	139.18	23.28	28.99
60	114.86	130.21	19.27	24.44
65	102.12	118.98	15.55	20.09
70	88.28	105.19	12.25	15.99
75	74.58	89.73	9.49	12.33
80	60.87	74.20	7.17	9.28

(ii) Disability

Sample Ages	Percent Becoming Disabled Within Next Year		
	General		Police/Fire
	Men	Women	
20	0.07%	0.03%	0.10%
25	0.09	0.05	0.15
30	0.10	0.07	0.20
35	0.14	0.13	0.25
40	0.21	0.19	0.50
45	0.32	0.28	0.65
50	0.52	0.45	0.80
55	0.92	0.76	0.95

(iii) Termination of Employment

Service related rates for first 5 years of employment. Age related rates after first 5 years of employment

Sample Ages	Years of Service	Members Separating Within the Year		
		General Members	Police	Fire
ALL	0	20.00%	12.00%	10.00%
	1	15.00	9.00	7.00
	2	10.00	7.00	5.00
	3	8.00	5.00	4.00
	4	7.00	4.50	3.50
20	5 & Over	6.00	4.50	3.50
25		6.00	4.50	3.50
30		5.50	3.90	2.90
35		4.40	2.30	1.50
40		1.85	0.90	0.60
45		1.25	0.50	0.50
50		1.25	0.50	0.50
55		1.25	0.50	0.50
60		1.25	0.50	0.50
65		1.25	-	-

(iv) Retirement Rates

Age-related rates

**Active Members Retiring within Year
Following Attainment of Indicated Retirement Age**

Age Retiring	Percent Retiring			
	Supervisors	General	Police	Fire
50	30	20	50	50
51	25	15	25	35
52	20	10	25	25
53	20	10	25	25
54	20	10	25	25
55	20	10	25	25
56	20	10	25	25
57	20	10	25	25
58	20	10	25	25
59	20	10	25	25
60	20	10	100	100
61	20	10		
62	40	30		
63	20	10		
64	20	10		
65	100	100		

A General member was assumed to be eligible for normal retirement after attaining age 50 with 30 years of service, after attaining age 55 with 20 or more years of service, or after attaining age 60 with 10 or more years of service. Supervisor members were assumed eligible for DROP retirement at age 50 with 25 or more years of service. Police members were assumed eligible after attaining age 50 with 20 or more years of service or after attaining age 55 with 10 or more years of service. Fire members were assumed eligible after attaining age 50 with 20 or more years of service or after attaining age 55 with 10 or more years of service. Police members were assumed eligible for DROP retirement at age 50 with 25 years of service, and Fire members are eligible at age 50 with 20 years of service.

Lump sum payments included in the calculation of average pay upon which benefits are computed were assumed to increase benefits by 10%. Using non-consecutive quarters in FAC was assumed to increase benefits by 1%.

Actuarial Method Used for the Valuation

Normal Cost. Normal cost and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry-age actuarial cost method having the following characteristics:

- ❖ The annual normal costs for each individual active member, payable from date of hire to date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- ❖ Each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Financing of Unfunded Actuarial Accrued Liability. Unfunded actuarial accrued liability was amortized as a level percent of payroll over 21 years, a decrease of 1 year from the period used for the June 30, 2012 annual valuation.

Active member payroll was assumed to increase 5.0% a year for the purpose of determining the level percent of payroll amortization payment.



Section Five:
Valuation Data



Summary of Asset Information Submitted for the Valuation

Revenues and Expenses for the Year Ended June 30, 2013

a. Revenues		
(i) Member Contributions		
General, Police & Fire	\$1,204,029	
Water	<u>71,684</u>	\$1,275,713
(ii) Employer Contributions		
General	1,826,419	
Police & Fire	3,172,316	
Water	<u>324,288</u>	5,323,023
(iii) Investment Income (Net of Expenses)		
		<u>12,958,317</u>
(iv) Total Income		
		\$19,557,053
b. Expenses		
(i) Pensions		
		\$11,102,090
(ii) Refunds		
DROP	696,295	
General	131,281	
Police & Fire	3,072,379	
Water	<u>0</u>	3,899,955
(iii) Non-Investment Expenses		
		<u>224,111</u>
(iv) Total Expenses		
		15,226,156
Total revenues minus total expenditures		
		\$4,330,897

Asset Reconciliation

Market Value of Assets – June 30, 2012	\$121,934,533
Revenues	19,557,053
Expenditures	15,226,156
Adjustments	0
Market Value of Assets – June 30, 2013	\$126,265,430

Asset Summary

As of June 30, 2013 the market value of assets was reported to be \$126,265,430. The funding value of assets (smoothed market value) was computed to be \$124,768,595.

Funding Value of Assets

A. Funding Value Beginning of Year	\$121,682,335
B. Market Value End of Year	126,265,430
C. Market Value Beginning of Year	121,934,533
D. Non-Investment Net Cash Flow	(8,628,259)
E. Investment Income	
E1. Market Total B-C-D	12,958,318
E2. Amount for Immediate Recognition (7.5%)	8,802,615
E3. Amount for Phased-In Recognition E1-E2	4,155,703
F. Phased-In Recognition of Investment Income	
F1. Current Year 0.25 x E3	1,038,926
F2. First Prior Year	(2,268,052)
F3. Second Prior Year	2,915,328
F4. Third Prior Year	1,225,702
F5. Total Recognized Investment Gain	2,911,904
G. Funding Value End of Year A+D+E2+F5	124,768,595
H. Difference Between Market and Funding Value	1,495,997
I. Health Insurance Reserve	0
J. Net Funding Value	\$124,768,595
K. Recognized Rate of Return on Funding Value	10.0%

Participant Summary

Retirees and Beneficiaries Included in the Valuation

There were 365 retirees and beneficiaries included in the valuation, with annual pensions totaling \$12,537,040.

During the year ended June 30, 2013, 5 members from the Police Division and 2 from the Fire Division retired. Two Police Command members entered the DROP and 0 were removed.

Pensions Being Paid Historical Schedule

Valuation Date June 30	No.	Annual Pensions	Average Pension	Discounted Value of Pensions	
				Total	Average
1990	176	\$1,997,196	\$11,348	\$23,484,201	\$133,433
1995	237	3,546,617	14,977	40,059,089	169,026
1996	242	3,704,203	15,307	41,245,842	170,437
1997	246	4,136,283	16,814	45,732,511	185,905
1998	246	4,430,669	18,011	48,755,274	198,192
1999	249	4,820,344	19,359	53,182,217	213,583
2000	261	5,468,133	20,951	60,606,499	232,209
2001	262	5,725,074	21,851	62,075,690	236,930
2002	272	5,989,093	22,019	63,239,260	232,497
2003	270	6,381,561	23,635	65,879,324	243,986
2004	270	6,501,678	24,080	66,273,122	245,456
2005	276	6,966,711	25,242	71,198,776	257,967
2006	291	7,663,900	26,336	79,112,714	271,865
2007	304	8,297,320	27,294	84,776,799	278,871
2008	308	8,919,064	28,958	92,532,238	300,429
2009	313	9,254,286	29,566	92,490,698	295,497
2010	335	10,296,903	30,737	106,938,529*	319,219
2011	341	10,870,888	31,879	110,616,458*	324,388
2012	362	12,089,618	33,397	128,420,409*	354,753
2013	365	12,537,040	34,348	132,671,338*	363,483

*Includes the Drop Reserve balance beginning in 2010.

Note: Includes DROP participants beginning in 2003.

Retired Members and Survivors – June 30, 2013

Attained Age	Age and Service		Casualty		Totals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
40-44	3	\$70,759	1	\$29,120	4	\$99,879
45-49	16	739,782			16	739,782
50-54	27	1,463,466			27	1,463,466
55-59	48	2,155,842	2	54,139	50	2,209,981
60-64	61	2,351,366	1	17,520	62	2,368,886
65-69	65	2,423,193			65	2,423,193
70-74	48	1,462,011	2	21,101	50	1,483,112
75-79	27	706,048	1	12,991	28	719,039
80	7	110,328			7	110,328
81	4	79,258			4	79,258
82	7	162,469			7	162,469
83	4	59,566			4	59,566
84	8	150,126			8	150,126
85	4	74,927			4	74,927
86	8	131,491			8	131,491
87	4	57,477			4	57,477
88	5	99,873			5	99,873
89	2	32,113			2	32,113
90	6	45,881			6	45,881
91	1	4,532			1	4,532
92	1	8,808			1	8,808
93	2	12,853			2	12,853
Totals	358	\$12,402,169	7	\$134,871	365	\$12,537,040

*Includes 5 members in the Deferred Retirement Option Plan.

Inactive Members – June 30, 2013

<u>Age</u>	<u>No.</u>	<u>Estimated Annual Pension</u>
38	1	\$24,587
39	1	29,124
41	1	15,485
43	1	21,892
46	1	15,546
50	3	159,419
53	2	19,864
55	1	640
56	4	53,727
57	1	2,549
Totals	16	\$342,833

Active Member Summary

General Active Members - June 30, 2013
Age and Service Distribution

Attained Age	Service						Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	No.	Payroll
25-29	2						2	\$90,519
30-34	1	2					3	186,202
35-39	8		3				11	492,527
40-44	2		4	6	1		13	621,546
45-49	2	7	11	6	2	1	29	1,651,769
50-54	2	2	6	3	4	6	23	1,203,583
55-59	8	7	1	4	1		21	933,186
60-64		1	2	3			6	247,672
65-69	1	3			1		5	148,626
Totals	26	22	27	22	9	7	113	\$5,575,630

Group Averages:

Age: 49.7 years
Service: 11.8 years
Annual Pay: \$49,342

Police Active Members - June 30, 2013
Age and Service Distribution

Attained Age	Service						Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	No.	Payroll
20-24	1						1	\$36,000
25-29	1	1					2	128,740
30-34		4					4	323,361
35-39	1	3	10	2			16	1,406,361
40-44		2	8	7			17	1,618,291
45-49			1	4	3		8	813,803
50-54				1	1		2	226,803
55-59	1			1			2	201,153
Totals	4	10	19	15	4		52	\$4,754,512

Group Averages:

Age: 40.8 years
Service: 13.1 years
Annual Pay: \$91,433

Fire Active Members - June 30, 2013
Age and Service Distribution

Attained Age	Service						No.	Totals Payroll
	0-4	5-9	10-14	15-19	20-24	25-29		
20-24	1						1	\$45,731
25-29	3	1					4	247,468
30-34	3	1	1				5	291,421
35-39		3	1				4	317,136
40-44			5	6	1		12	979,315
45-49				4	4		8	716,948
50-54				3	1		4	342,776
Totals	7	5	7	13	6		38	\$2,940,795

Group Averages:

Age: 40.1 years
Service: 12.6 years
Annual Pay: \$77,389

Active Members – Two -Year Summary

	<u>2013</u>			<u>2012</u>		
	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>General</u>	<u>Police</u>	<u>Fire</u>
Active Members	113	52	38	117	57	39
Valuation Payroll	\$5,575,630	\$4,754,512	\$2,940,795	\$5,625,413	\$4,898,934	\$2,938,461
Average Compensation	\$49,342	\$91,433	\$77,389	\$48,080	\$85,946	\$75,345
Average Age (yrs.)	49.7	40.8	40.1	49.3	41.1	40.4
Average Service (yrs.)	11.8	13.1	12.6	11.3	13.4	12.3



Section Six:
Accounting Disclosures



GASB Statement No. 25 Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date:	June 30, 2013
Actuarial Cost Method:	Individual Entry Age
Amortization method:	Level percent of payroll, closed
Remaining amortization period for credit:	21 years
Asset valuation method:	4-year smoothed market value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases*	5.0%-8.8%
* Includes inflation at	5.0%

Membership data as of June 30, 2013 is indicated in Section Five of this report.

Analysis of Funding Progress
(Dollar Amounts in Millions)

Valuation Date 06/30	(1) Funding Value of Assets	(2) Actuarial Accrued Liability	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2)-(1)	(5) Annual Covered Payroll	(6) UAAL As a % Of Covered Payroll
1990	\$50,814	\$58,178	93.1%	\$3,795	\$10,433	36.4%
1991	54,480	64,231	93.6	3,698	10,892	34.0
1992	59,625	69,137	92.8	4,606	11,382	40.5
1993	64,653	75,752	85.3	11,099	11,512	96.4
1994	67,838	80,090	84.7	12,252	12,163	100.7
1995	70,758	85,608	82.7	14,850	12,044	123.3
1996	78,957	89,510	88.2	10,553	13,064	80.8
1997	86,032	92,789	92.7	6,757	13,321	50.7
1998	97,090	98,592	98.5	1,502	14,176	10.6
1999	106,123	103,097	102.9	(3,026)	14,481	-
2000	111,153	108,780	102.2	(2,373)	14,977	-
2001	115,009	114,218	100.7	(791)	15,372	-
2002	112,427	117,182	95.9	4,755	16,005	29.7
2003	109,779	122,849	89.4	13,070	16,818	77.7
2004	111,328	131,171	84.9	19,843	18,193	109.1
2005	114,059	135,778	84.0	21,719	18,217	119.2
2006	119,145	143,792	82.9	24,647	17,976	137.1
2007	128,047	150,926	84.8	22,879	18,165	126.0
2008	133,644	158,417	84.4	24,773	18,683	132.6
2009	131,095	160,689	81.6	29,594	18,619	158.9
2010	128,488	170,862	75.2	42,374	16,755	252.9
2011	125,962	174,318	72.3	48,356	15,777	306.5
2012	121,682	177,578	68.5	55,896	13,463	415.2
2013	124,769	181,218	68.9	56,449	13,271	425.4

Required Supplementary Information
Schedule of Employer Contributions

Valuation Date June 30	Computed Rates as Percents of Valuation Payroll		Computed Dollar Contribution Based on Valuation Payroll	Percent Contributed
	General & Water	Police & Fire		
1990	16.50%	15.62%	\$1,673,690	100%
1991	16.94	17.67	1,886,703	100%
1992	17.46	17.75	2,005,200	100%
1993	18.34	18.43	2,116,880	100%
1994	16.71	18.99	2,186,614	100%
1995	17.85	20.27	2,305,703	100%
1996	17.29	17.89	2,301,124	100%
1997	16.49	16.70	2,302,699	100%
1998	18.55	12.82	2,291,128	100%
1999	18.44	9.91	2,509,912	100%
2000	17.72	10.96	2,208,341	100%
2001	18.64	11.85	2,449,110	100%
2002	17.56	15.65	2,813,719	100%
2003	18.03	19.20	3,295,298	100%
2004	20.47	20.23	3,885,102	100%
2005	22.73	18.80	3,938,255	100%
2006	23.54	20.28	4,111,362	100%
2007	23.65	19.49	4,140,536	100%
2008	22.82	19.90	4,160,914	100%
2009	21.84	24.42	4,544,628	100%
2010*	31.11	26.99	5,034,218	100%
2011	31.08	33.41	5,376,550	100%
2012	31.66	40.55	5,207,023	
2013	32.91	39.20	5,094,075	

*Member contributions increases effective only for FY 11/12 reduced the City's computed contribution rates to 27.04% for General and 20.41% for Police/Fire, and the dollar amount to \$4,050,676