

RETIREMENT PLAN FOR THE FIREFIGHTERS
AND POLICE OFFICERS OF THE CITY OF DUNNELLON

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2015

DETERMINES THE CONTRIBUTION
FOR THE 2015/16 FISCAL YEAR



	<u>Page</u>
Discussion	1
<u>Funding Results</u>	
Table I-A	Minimum Required Contribution I-1
Table I-B	Sensitivity Analysis I-2
Table I-C	Gain and Loss Analysis I-3
Table I-D	Present Value of Future Benefits I-4
Table I-E	Present Value of Accrued Benefits I-5
Table I-F	Present Value of Vested Benefits I-6
Table I-G	Entry Age Normal Accrued Liability I-7
<u>Assets</u>	
Table II-A	Actuarial Value of Assets II-1
Table II-B	Market Value of Assets II-2
Table II-C	Investment Return II-3
Table II-D	Asset Reconciliation II-4
Table II-E	Historical Trust Fund Detail II-5
Table II-F	Other Reconciliations II-6
Table II-G	Allowable Chapter 175/185 Contribution II-7
Table II-H	Historical Chapter 175/185 Contributions II-8
<u>Data</u>	
Table III-A	Summary of Participant Data III-1
Table III-B	Data Reconciliation III-2
Table III-C	Active Participant Data III-3
Table III-D	Active Age-Service Distribution III-4
Table III-E	Active Age-Service-Salary Table III-5
Table III-F	Inactive Participant Data III-6
Table III-G	Projected Benefit Payments III-7
<u>Methods & Assumptions</u>	
Table IV-A	Summary of Actuarial Methods and Assumptions IV-1
Table IV-B	Changes in Actuarial Methods and Assumptions IV-3
<u>Plan Provisions</u>	
Table V-A	Summary of Plan Provisions V-1
Table V-B	Summary of Plan Amendments V-5



January 8, 2016

Introduction

This report presents the results of the October 1, 2015 actuarial valuation for the Retirement Plan for the Firefighters and Police Officers of the City of Dunnellon. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2015 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2015/16 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2015/16 plan year. The minimum required contribution rate is zero, as compared to the 13.48% contribution rate that was developed in the prior valuation.

The normal cost rate is zero, which is 13.03% lower than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate increased by 2.39% of payroll due to investment losses and decreased by 15.42% of payroll due to demographic experience. The market value of assets earned 8.47% during the 2013/14 plan year and earned 0.00% during the 2014/15 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate. The demographic gain



occurred primarily because plan compensation decreased by 13.48% during the past two years and the plan has 23% fewer active participants.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2015/16 minimum required contribution will be equal to zero. If an actuarial valuation is not prepared as of October 1, 2016, then the 0.00% contribution rate will also apply to the 2016/17 plan year.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$1,825,056. As illustrated in Table I-A, current assets are sufficient to cover all of this amount. Again, demographic and investment experience that differs from that assumed could increase the future funding requirement.

Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2015, the advance employer contribution is \$12,493, which reflects the advance employer contribution of \$23,459 as of October 1, 2013 less \$10,966 to cover the net shortfall between the minimum required contribution for the 2013/14 and 2014/15 plan years and the actual City contribution as shown in Table II-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2015/16 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the City may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution.

Excess Chapter 175/185 Contributions

As of October 1, 2015, the plan has accumulated excess Chapter 175/185 contributions of \$175,159 as shown in Table II-F. This amount is equal to the accumulated excess Chapter 175/185 contribution balance of \$175,159 as of October 1, 2013. The total Chapter 175/185 distribution received during the 2013/14 plan year was \$57,346, which consisted of a \$12,784 regular Chapter 175 distribution, a \$6,819 supplemental Chapter 175 distribution, and a \$37,743 Chapter 185 distribution. The total Chapter 175/185 distribution received during the 2014/15 plan year was \$45,626, which consisted of a \$12,188 regular Chapter 175 distribution, a \$7,070 supplemental Chapter 175 distribution, and a \$26,368 Chapter 185 distribution. All of the 2013/14 and 2014/15 distribution was allowed to be used as an offset to the City's minimum required contribution.



Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2015, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Refund of Participant Contributions

It is our understanding that there are six participants who are due a refund of their contributions. We have estimated the accumulated amount of their refunds to be \$1,845 as of October 1, 2015. The average amount owed to each individual is \$308. If possible, we recommend that the accumulated contributions be distributed to these individuals in order to simplify the administration of the plan and to reduce future administrative costs.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

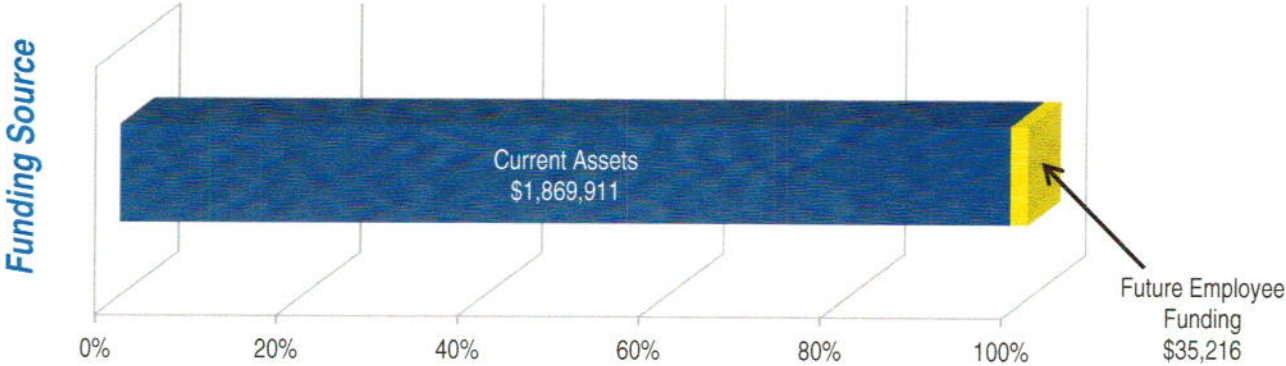
Enrolled Actuary No. 14-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



For the 2015/16 Plan Year

Present Value of Future Benefits	\$1,763,428
Present Value of Future Administrative Expenses	\$61,628
Actuarial Value of Assets	(\$1,869,911)
Present Value of Future Employee Contributions	(\$35,216)
Present Value of Future Normal Costs	\$0
Present Value of Future Payroll	÷ \$3,521,584
Normal Cost Rate	= 0%
Expected Payroll	x \$429,146
Normal Cost	\$0
Adjustment to Reflect Mid-Year Employer Contribution	\$0
Preliminary Employer Contribution for the 2015/16 Plan Year	\$0
Expected Payroll for the 2015/16 Plan Year	÷ \$429,146

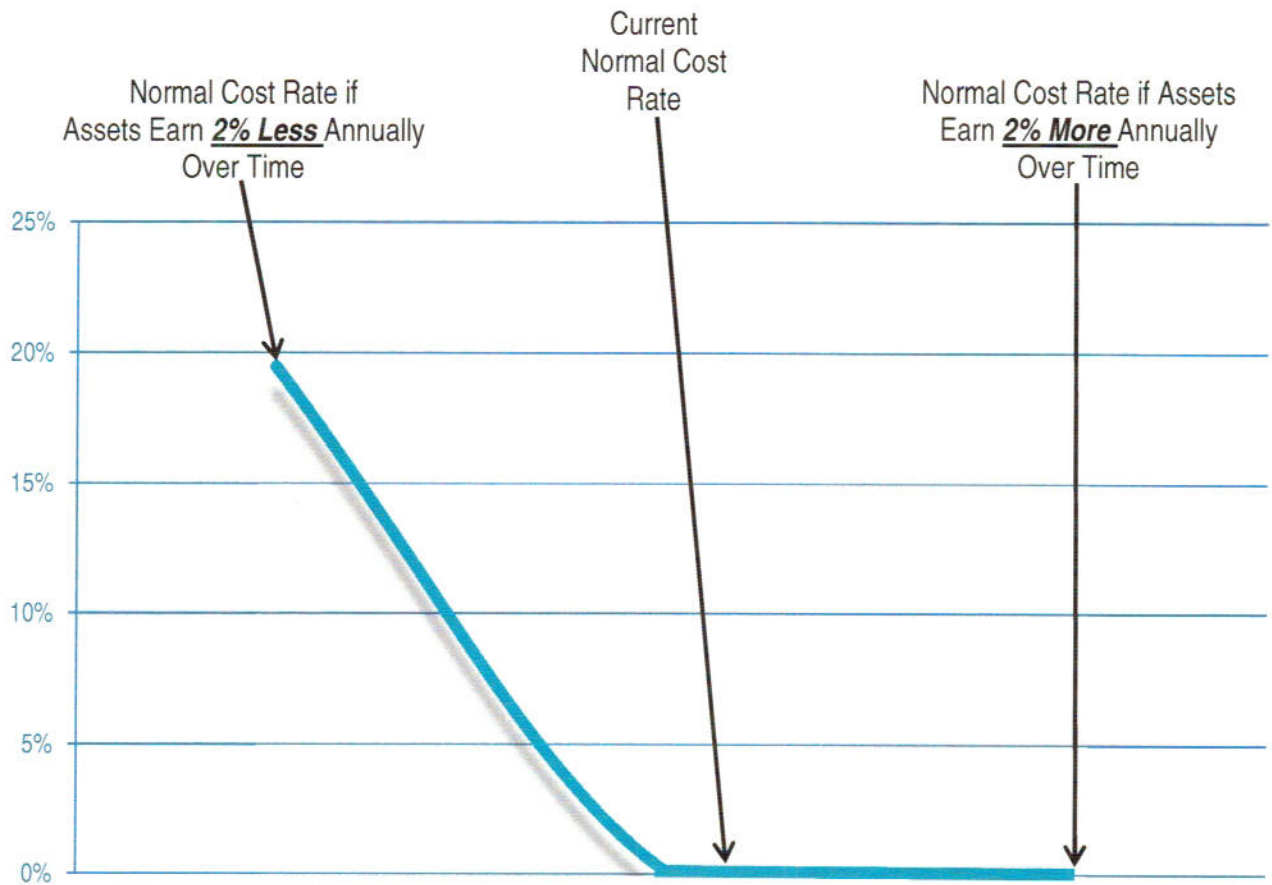
Minimum Required Contribution Rate 0.00%

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Previous normal cost rate	13.03%
Increase (decrease) due to investment gains and losses	2.39%
Increase (decrease) due to demographic experience	-15.42%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>0.00%</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$1,546,609	\$1,546,609	\$1,546,609
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$1,546,609	\$1,546,609	\$1,546,609
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Due a Refund of Contributions</u></i>	\$1,845	\$1,845	\$1,845
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$214,974	\$214,974	\$214,974
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$214,974	\$214,974	\$214,974
<i><u>Grand Total</u></i>	<u>\$1,763,428</u>	<u>\$1,763,428</u>	<u>\$1,763,428</u>
Present Value of Future Payroll	\$3,521,584	\$3,521,584	\$3,521,584
Present Value of Future Employee Contribs.	\$35,216	\$35,216	\$35,216
Present Value of Future Employer Contribs.	\$0	\$0	\$0



Present Value of Accrued Benefits

Table I-E

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$671,433	\$671,433	\$671,433
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$671,433	\$671,433	\$671,433
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Due a Refund of Contributions</u></i>	\$1,845	\$1,845	\$1,845
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$214,974	\$214,974	\$214,974
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$214,974	\$214,974	\$214,974
<i><u>Grand Total</u></i>	<u>\$888,252</u>	<u>\$888,252</u>	<u>\$888,252</u>



Present Value of Vested Benefits

Table I-F

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$579,347	\$579,347	\$579,347
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$579,347	\$579,347	\$579,347
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Due a Refund of Contributions</u></i>	\$1,845	\$1,845	\$1,845
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$214,974	\$214,974	\$214,974
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$214,974	\$214,974	\$214,974
<i><u>Grand Total</u></i>	<u>\$796,166</u>	<u>\$796,166</u>	<u>\$796,166</u>



Entry Age Normal Accrued Liability

Table I-G

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$856,691	\$856,691	\$856,691
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$856,691	\$856,691	\$856,691
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Due a Refund of Contributions</u></i>	\$1,845	\$1,845	\$1,845
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$214,974	\$214,974	\$214,974
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$214,974	\$214,974	\$214,974
<i><u>Grand Total</u></i>	<u>\$1,073,510</u>	<u>\$1,073,510</u>	<u>\$1,073,510</u>

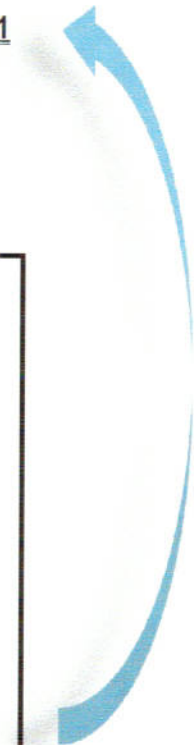


Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2015	\$2,057,563
Minus advance employer contributions	(\$12,493)
Minus excess Chapter 175/185 contributions	(\$175,159)
Actuarial Value of Assets as of October 1, 2015	<u>\$1,869,911</u>

Historical Actuarial Value of Assets	
October 1, 2006	\$435,522
October 1, 2007	\$565,801
October 1, 2008	\$471,294
October 1, 2009	\$547,459
October 1, 2010	\$708,103
October 1, 2011	\$802,214
October 1, 2012	\$1,089,023
October 1, 2013	\$1,632,551
October 1, 2014	\$1,836,204
October 1, 2015	\$1,869,911

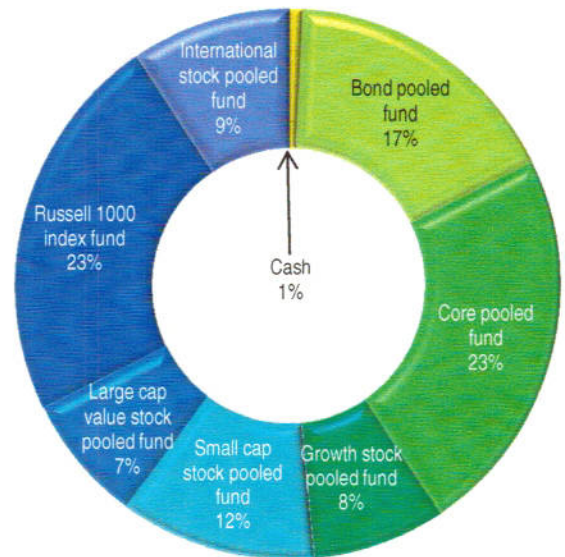


Market Value of Assets

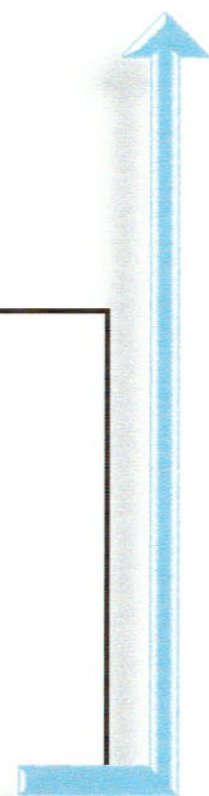
Table II-B

As of October 1, 2015

Market Value of Assets	<u>\$2,057,563</u>
Cash	\$16,459
Bond pooled fund	\$345,646
Core pooled fund	\$473,205
Growth stock pooled fund	\$162,536
Small cap stock pooled fund	\$240,717
Large cap value stock pooled fund	\$154,306
Russell 1000 index fund	\$471,148
International stock pooled fund	\$193,397
Employee contribution receivable	\$149

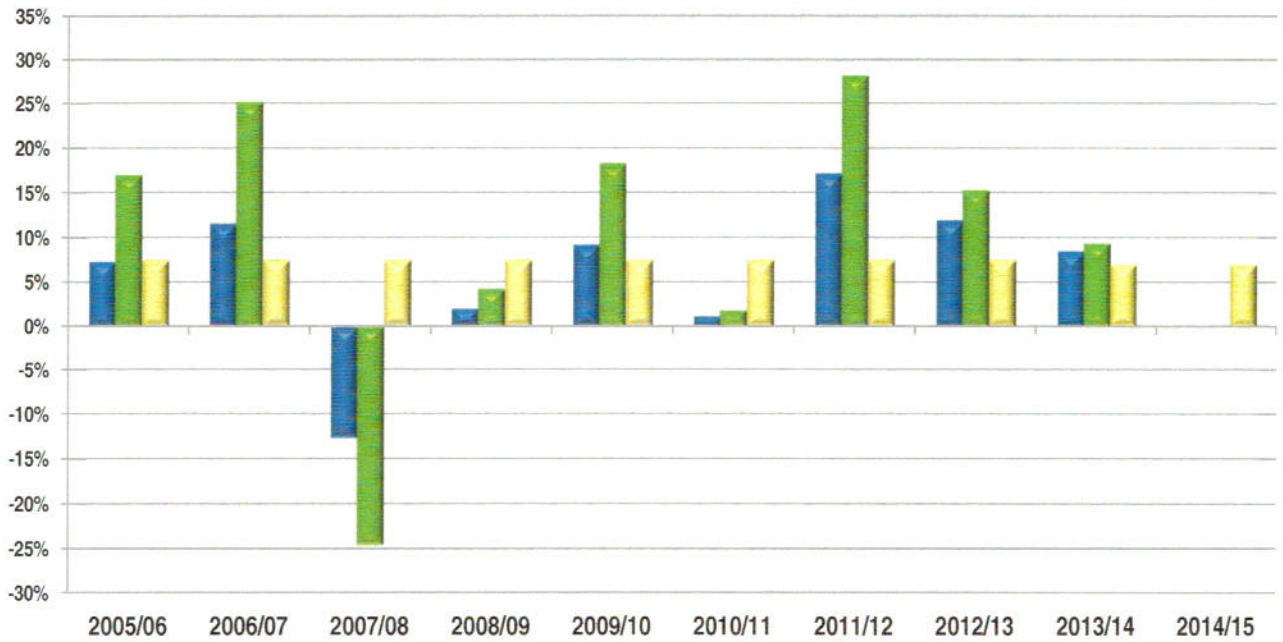


Historical Market Value of Assets	
October 1, 2006	\$931,368
October 1, 2007	\$1,109,157
October 1, 2008	\$1,038,949
October 1, 2009	\$1,109,444
October 1, 2010	\$1,278,077
October 1, 2011	\$1,343,073
October 1, 2012	\$1,610,547
October 1, 2013	\$1,831,169
October 1, 2014	\$2,020,062
October 1, 2015	\$2,057,563



Investment Return

Table II-C



Annual Investment Returns

- Market Value Return
- Actuarial Value Return
- Assumed Return

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2005/06	7.33%	17.06%	7.50%
2006/07	11.61%	25.17%	7.50%
2007/08	-12.68%	-24.59%	7.50%
2008/09	2.01%	4.28%	7.50%
2009/10	9.23%	18.30%	7.50%
2010/11	1.06%	1.84%	7.50%
2011/12	17.16%	28.16%	7.50%
2012/13	11.93%	15.33%	7.50%
2013/14	8.47%	9.45%	7.00%
2014/15	0.00%	0.00%	7.00%
10yr. Avg.	5.30%	8.43%	7.40%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2013	\$1,831,169	\$1,632,551
<i>Increases Due To:</i>		
Employer Contributions	\$21,302	\$21,302
Chapter 175/185 Contributions	\$102,972	\$102,972
Employee Contributions	\$10,033	\$10,033
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$134,307</u>	<u>\$134,307</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$156,553	
Total Investment Income	<u>\$156,553</u>	\$156,553
Other Income	\$0	
Total Income	<u>\$290,860</u>	<u>\$290,860</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$32,924)	(\$32,924)
Refund of Employee Contributions	(\$7,437)	(\$7,437)
Total Benefit Payments	<u>(\$40,361)</u>	<u>(\$40,361)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$24,105)	(\$24,105)
Advance Employer Contribution		\$10,966
Excess Chapter 175/185 Contribution		\$0
Total Expenses	<u>(\$64,466)</u>	<u>(\$53,500)</u>
As of October 1, 2015	<u><u>\$2,057,563</u></u>	<u><u>\$1,869,911</u></u>



Historical Trust Fund Detail

Table II-E

Income

<u>Plan</u> <u>Year</u>	<u>Employer</u> <u>Contribs.</u>	<u>Chapter</u> <u>Contribs.</u>	<u>Employee</u> <u>Contribs.</u>	<u>Service</u> <u>Purchase</u> <u>Contribs.</u>	<u>Interest /</u> <u>Dividends</u>	<u>Realized</u> <u>Gains /</u> <u>Losses</u>	<u>Unrealized</u> <u>Gains /</u> <u>Losses</u>	<u>Other</u> <u>Income</u>
2005/06	\$0	\$99,165	\$3,298	\$0	\$0	\$0	\$60,527	\$0
2006/07	\$0	\$97,937	\$4,237	\$0	\$0	\$0	\$111,940	\$0
2007/08	\$0	\$99,148	\$4,205	\$0	\$0	\$0	-\$145,393	\$0
2008/09	\$0	\$71,447	\$4,594	\$0	\$0	\$0	\$21,366	\$0
2009/10	\$0	\$91,021	\$4,311	\$0	\$0	\$0	\$105,277	\$0
2010/11	\$0	\$71,260	\$5,212	\$0	\$0	\$0	\$13,784	\$0
2011/12	\$0	\$57,695	\$5,022	\$0	\$0	\$0	\$233,454	\$0
2012/13	\$0	\$51,072	\$5,839	\$0	\$0	\$0	\$193,777	\$0
2013/14	\$0	\$57,346	\$5,349	\$0	\$0	\$0	\$156,484	\$0
2014/15	\$21,302	\$45,626	\$4,684	\$0	\$0	\$0	\$69	\$0

Expenses

<u>Plan</u> <u>Year</u>	<u>Monthly</u> <u>Benefit</u> <u>Payments</u>	<u>Contrib.</u> <u>Refunds</u>	<u>Admin.</u> <u>Expenses</u>	<u>Invest.</u> <u>Expenses</u>	<u>Other Actuarial Adjustments</u>	
					<u>Advance</u> <u>Employer</u> <u>Contribs.</u>	<u>Excess</u> <u>Chapter</u> <u>Contribs.</u>
2005/06	\$0	\$2,510	\$10,784	\$0	\$0	\$48,737
2006/07	\$27,437	\$0	\$8,888	\$0	\$0	\$47,510
2007/08	\$16,462	\$3,283	\$8,423	\$0	-\$24,421	\$48,720
2008/09	\$16,462	\$3,662	\$6,788	\$0	-\$26,689	\$21,019
2009/10	\$16,462	\$5,641	\$9,873	\$0	-\$32,604	\$40,593
2010/11	\$16,462	\$704	\$8,094	\$0	-\$49,947	\$20,832
2011/12	\$16,462	\$0	\$12,235	\$0	-\$26,602	\$7,267
2012/13	\$16,462	\$4,904	\$8,701	\$0	-\$44,288	-\$278,618
2013/14	\$16,462	\$0	\$13,824	\$0	-\$14,760	\$0
2014/15	\$16,462	\$7,437	\$10,281	\$0	\$3,794	\$0

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



Other Reconciliations

Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2013	\$23,459
Additional Employer Contribution	\$57,346
Minimum Required Contribution	(\$72,106)
Net Increase in Advance Employer Contribution	(\$14,760)
Advance Employer Contribution as of October 1, 2014	<u>\$8,699</u>
Additional Employer Contribution	\$66,928
Minimum Required Contribution	(\$63,134)
Net Increase in Advance Employer Contribution	\$3,794
Advance Employer Contribution as of October 1, 2015	<u>\$12,493</u>

Excess Chapter 175/185 Contribution

Excess Chapter 175/185 Contribution as of October 1, 2013	\$175,159
Additional Chapter 175/185 Contribution	\$57,346
Allowable Chapter 175/185 Contribution	(\$57,346)
Net Increase in Excess Chapter 175/185 Contribution	\$0
Excess Chapter 175/185 Contribution as of October 1, 2014	<u>\$175,159</u>
Additional Chapter 175/185 Contribution	\$45,626
Allowable Chapter 175/185 Contribution	(\$45,626)
Net Increase in Excess Chapter 175/185 Contribution	\$0
Excess Chapter 175/185 Contribution as of October 1, 2015	<u>\$175,159</u>



Allowable Chapter 175/185 Contribution

Table II-G

1997 Base Amounts

Chapter 175 Regular Distribution	\$9,418
Chapter 175 Supplemental Distribution	\$4,222
Chapter 185 Distribution	\$36,788



Historical Chapter 175/185 Contributions

Table II-H

Total Accumulated Excess Chapter 175/185 Contribution **\$175,159**

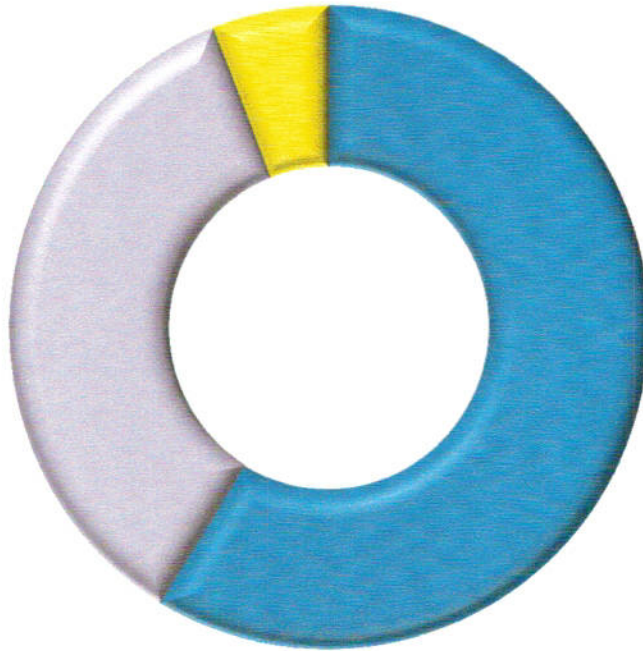
	Chapter 175 Regular <u>Distribution</u>	Chapter 175 Supplemental <u>Distribution</u>	Chapter 185 <u>Distribution</u>	Allowable <u>Amount</u>
1998 Distribution	\$11,624	\$0	\$53,585	(\$46,206)
1999 Distribution	\$14,569	\$6,346	\$13,321	(\$26,961)
2000 Distribution	\$15,033	\$8,313	\$44,857	(\$50,428)
2001 Distribution	\$16,233	\$7,899	\$70,044	(\$50,428)
2002 Distribution	\$17,708	\$8,999	\$59,867	(\$50,428)
2003 Distribution	\$15,914	\$9,867	\$59,431	(\$50,428)
2004 Distribution	\$15,190	\$9,557	\$65,151	(\$50,428)
2005 Distribution	\$19,229	\$8,773	\$71,164	(\$50,428)
2006 Distribution	\$17,659	\$11,539	\$68,740	(\$50,428)
2007 Distribution	\$18,958	\$15,039	\$65,151	(\$50,428)
2008 Distribution	\$15,206	\$14,880	\$41,361	(\$50,428)
2009 Distribution	\$12,632	\$8,099	\$70,290	(\$50,428)
2010 Distribution	\$12,924	\$6,223	\$52,113	(\$50,428)
2011 Distribution	\$12,581	\$6,185	\$38,929	(\$50,428)
2012 Distribution	\$12,605	\$6,831	\$31,636	(\$329,690)
2013 Distribution	\$12,784	\$6,819	\$37,743	(\$57,346)
2014 Distribution	\$12,188	\$7,070	\$26,368	(\$45,626)
Interest Adjustment				\$20,897



Summary of Participant Data

Table III-A

As of October 1, 2015



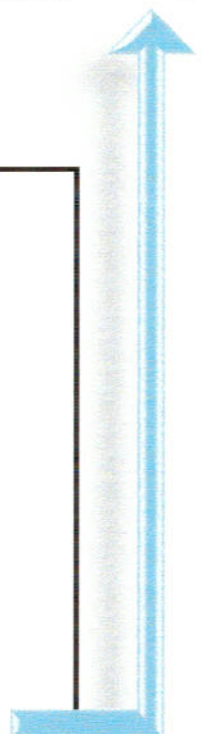
Participant Distribution by Status

<u>Actively Employed Participants</u>		
◆	Active Participants	10
◆	DROP Participants	0
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	0
◆	Due a Refund of Contributions	6
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	0
◆	Disability Retirements	1
◆	Beneficiaries Receiving	0

Total Participants 17

Number of Participants Included in Prior Valuations

	Active	DROP	Inactive	Retired	Total
October 1, 2006	N/A	N/A	N/A	N/A	N/A
October 1, 2007	11	0	6	1	18
October 1, 2008	N/A	N/A	N/A	N/A	N/A
October 1, 2009	10	0	6	1	17
October 1, 2010	N/A	N/A	N/A	N/A	N/A
October 1, 2011	12	0	6	1	19
October 1, 2012	N/A	N/A	N/A	N/A	N/A
October 1, 2013	13	0	6	1	20
October 1, 2014	N/A	N/A	N/A	N/A	N/A
October 1, 2015	10	0	6	1	17



Data Reconciliation

Table III-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2013</u>	13	0	0	6	0	0	1	0	20
<u>Change in Status</u>									
<i>Re-employed</i>									
<i>Terminated</i>	(4)			4					
<i>Retired</i>									
<u>Participation Ended</u>									
<i>Transferred Out</i>									
<i>Cashed Out</i>				(4)					(4)
<i>Died</i>									
<u>Participation Began</u>									
<i>Newly Hired</i>	1								1
<i>Transferred In</i>									
<i>New Beneficiary</i>									
<u>Other Adjustment</u>									
<u>October 1, 2015</u>	10	0	0	6	0	0	1	0	17

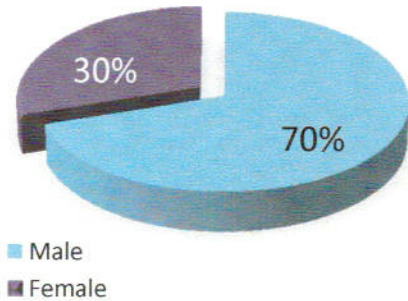


Active Participant Data

Table III-C

As of October 1, 2015

Gender Mix



Average Age	41.1 years
Average Service	7.9 years
Total Annualized Compensation for the Prior Year	\$412,640
Total Expected Compensation for the Current Year	\$429,146
Average Increase in Compensation for the Prior Year	-2.90%
Expected Increase in Compensation for the Current Year	4.00%



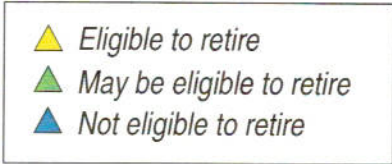
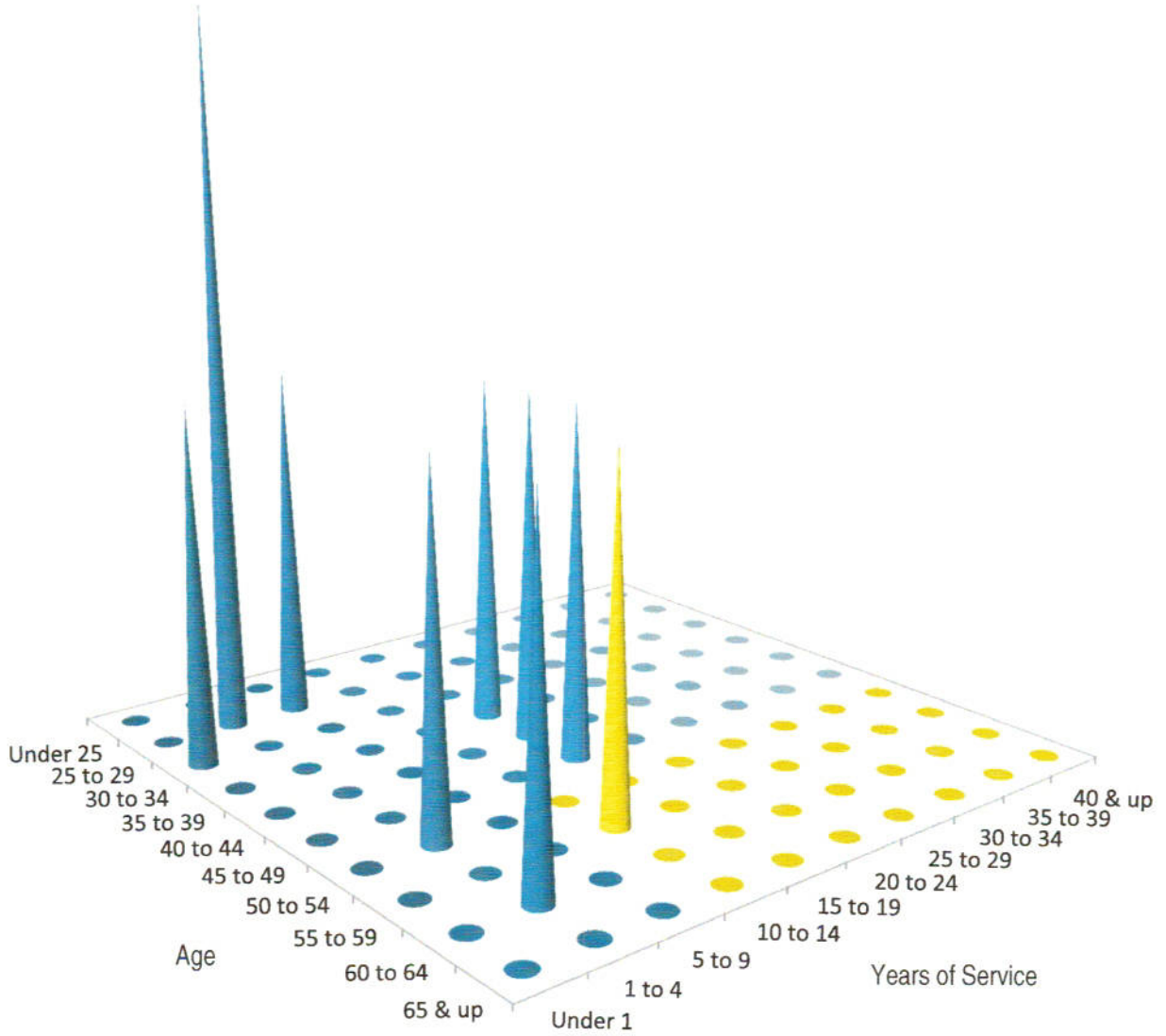
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2006	N/A	N/A	N/A	N/A	N/A
October 1, 2007	36.6	5.2	\$40,426	5.52%	25.11%
October 1, 2008	N/A	N/A	N/A	5.57%	3.03%
October 1, 2009	36.6	5.4	\$42,325	5.50%	4.34%
October 1, 2010	N/A	N/A	N/A	6.02%	1.55%
October 1, 2011	33.6	4.8	\$42,145	6.06%	-1.15%
October 1, 2012	N/A	N/A	N/A	6.20%	-3.24%
October 1, 2013	36.5	5.5	\$41,687	6.14%	12.49%
October 1, 2014	N/A	N/A	N/A	4.00%	-10.90%
October 1, 2015	41.1	7.9	\$41,264	4.00%	-2.90%



Active Age-Service Distribution

Table III-D



Active Age-Service-Salary Table

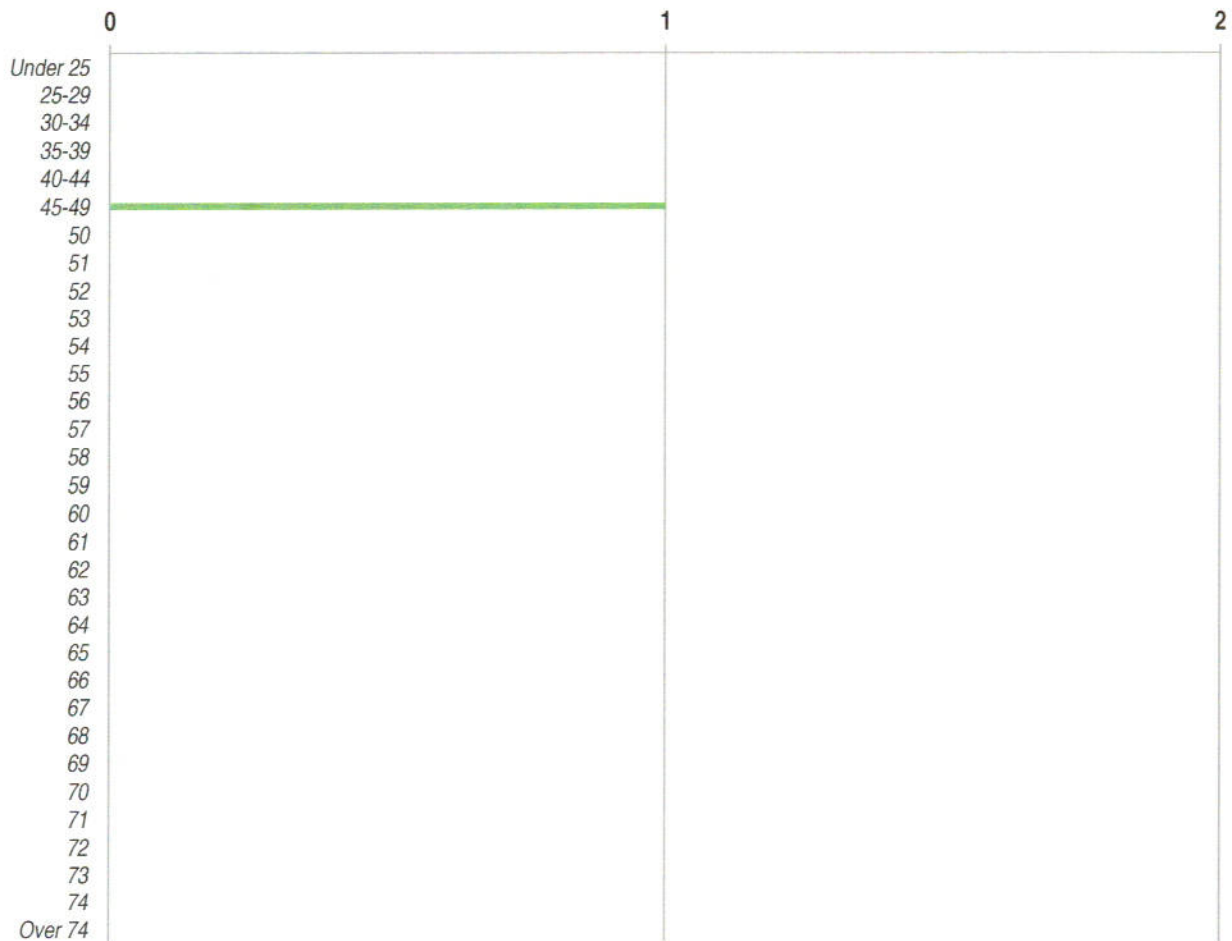
Table III-E

Attained Age	Completed Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	2	1	0	0	0	0	0	0	0	0	3
Avg.Pay	0	35,799	36,628	0	0	0	0	0	0	0	0	36,075
30 to 34	1	0	0	0	0	0	0	0	0	0	0	1
Avg.Pay	32,453	0	0	0	0	0	0	0	0	0	0	32,453
35 to 39	0	0	0	0	1	0	0	0	0	0	0	1
Avg.Pay	0	0	0	0	41,756	0	0	0	0	0	0	41,756
40 to 44	0	0	0	0	1	0	0	0	0	0	0	1
Avg.Pay	0	0	0	0	53,136	0	0	0	0	0	0	53,136
45 to 49	0	0	0	0	1	0	0	0	0	0	0	1
Avg.Pay	0	0	0	0	49,914	0	0	0	0	0	0	49,914
50 to 54	0	1	0	0	0	0	0	0	0	0	0	1
Avg.Pay	0	33,965	0	0	0	0	0	0	0	0	0	33,965
55 to 59	0	0	0	1	0	0	0	0	0	0	0	1
Avg.Pay	0	0	0	42,022	0	0	0	0	0	0	0	42,022
60 to 64	0	1	0	0	0	0	0	0	0	0	0	1
Avg.Pay	0	51,168	0	0	0	0	0	0	0	0	0	51,168
65 & up	0	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	4	1	1	3	0	0	0	0	0	0	10
Avg.Pay	32,453	39,183	36,628	42,022	48,269	0	0	0	0	0	0	41,264



Inactive Participant Data

Table III-F



Age at Retirement

- Service Retirements
- Disability Retirements
- DROP Participants

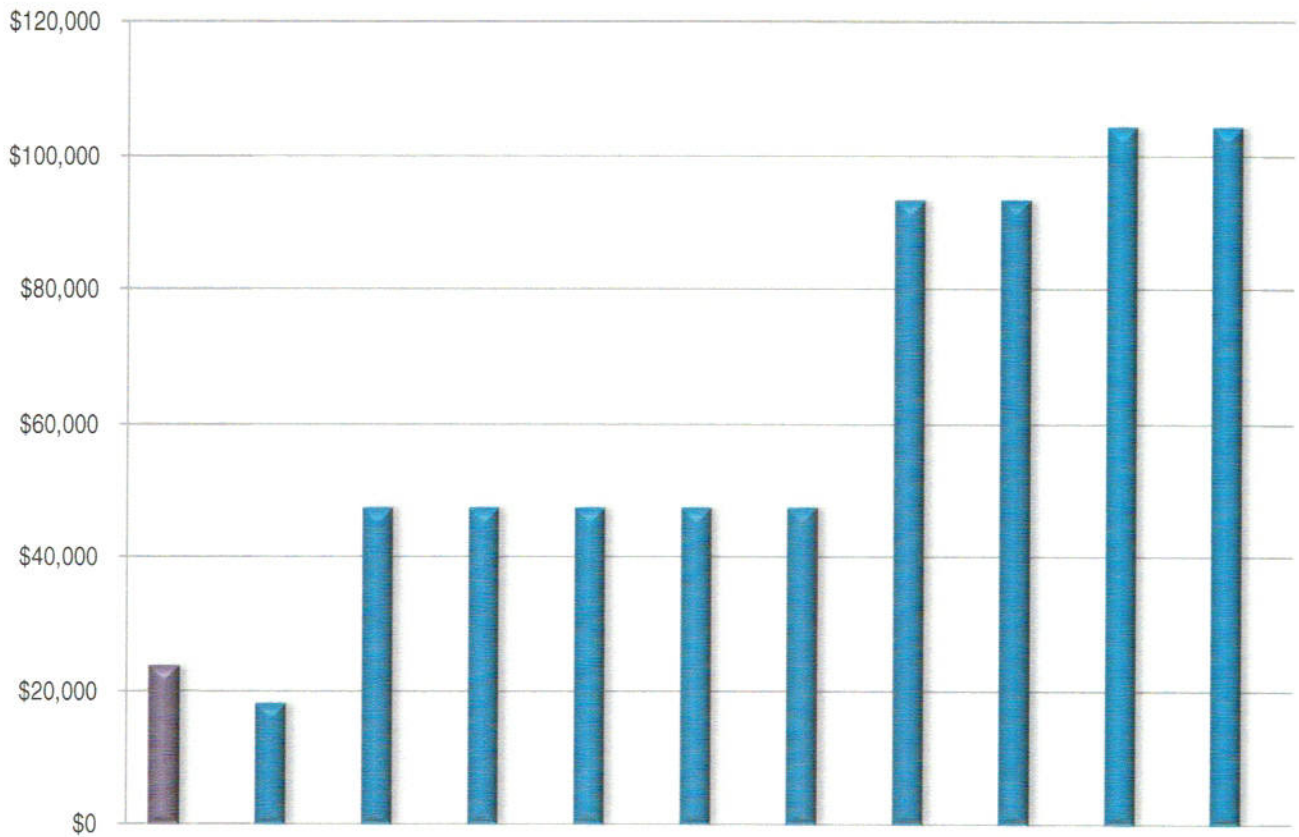
Average Monthly Benefit

Service Retirements	Not applicable
Disability Retirements	\$1,371.86
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	Not applicable
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G



Actual

For the period October 1, 2014 through September 30, 2015 \$23,899

Projected

For the period October 1, 2015 through September 30, 2016	\$18,323
For the period October 1, 2016 through September 30, 2017	\$47,489
For the period October 1, 2017 through September 30, 2018	\$47,506
For the period October 1, 2018 through September 30, 2019	\$47,522
For the period October 1, 2019 through September 30, 2020	\$47,537
For the period October 1, 2020 through September 30, 2021	\$47,552
For the period October 1, 2021 through September 30, 2022	\$93,409
For the period October 1, 2022 through September 30, 2023	\$93,419
For the period October 1, 2023 through September 30, 2024	\$104,397
For the period October 1, 2024 through September 30, 2025	\$104,400



Summary of Actuarial Methods and Assumptions

Table IV-A

1. Actuarial Cost Method

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. Asset Method

The actuarial value of assets is equal to the market value of assets.

3. Interest (or Discount) Rate

7.00% per annum

4. Salary Increases

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

5. Decrements

- Pre-retirement mortality: None is assumed.
- Post-retirement mortality: Sex-distinct mortality rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.
- Disability: None is assumed.
- Termination: None is assumed.
- Retirement: Retirement is assumed to occur at the most valuable retirement age.

No decrements are assumed to occur during the year that immediately follows the valuation date.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

6. **Form of Payment**

Future retirees have been assumed to select the 10-year certain and life annuity.

7. **Expenses**

Administrative expenses are assumed to be equal to 1.75% of covered payroll. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table IV-B

No assumptions or methods have been changed since the completion of the previous valuation.



Summary of Plan Provisions

Table V-A

1. Monthly Accrued Benefit

2.00% of Average Final Compensation multiplied by Credited Service earned through September 30, 2011, plus 2.50% of Average Final Compensation multiplied by Credited Service earned thereafter

(Employees may purchase a 2.50% benefit formula multiplier for Credited Service earned prior to October 1, 2011 by paying the full actuarial cost thereof.)

2. Normal Retirement Age and Benefit

- **Age**

- Age 55 with at least 10 years of Credited Service; or
 - Any age with at least 25 years of Credited Service

- **Amount**

- Monthly Accrued Benefit

- **Form of Payment**

- Actuarially increased single life annuity (optional);
 - 10-year certain and life annuity (normal form of payment);
 - Actuarially reduced 50% joint and contingent annuity (optional);
 - Actuarially reduced 66²/₃% joint and contingent annuity (optional);
 - Actuarially reduced 75% joint and contingent annuity (optional);
 - Actuarially reduced 100% joint and contingent annuity (optional);
 - Any other actuarially equivalent form of payment approved by the Board; or
 - Actuarially equivalent lump sum distribution (automatic if the single sum value of the participant's benefit is less than or equal to \$5,000 or the monthly annuity is less than \$100)

(Note: A participant may change his joint annuitant up to two times after retirement.)

3. Early Retirement Age and Benefit

- **Age**

- Age 50 with at least 10 years of Credited Service

- **Amount**

- Monthly Accrued Benefit (payable at Normal Retirement Age); or
 - Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)

- **Form of Payment**

- Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

4. **Service Incurred Disability Eligibility and Benefit**

- **Eligibility**

The participant is eligible if his disability was incurred during the course of his employment with the City.

- **Condition**

The Board must find that the participant has a physical or mental condition resulting from bodily injury, disease, or a mental disorder which renders him incapable of employment as a firefighter or police officer.

- **Amount Payable**

A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Monthly Earnings:

- (a) Monthly Accrued Benefit; or
- (b) 65% of Average Final Compensation

5. **Non-Service Incurred Disability Eligibility and Benefit**

- **Eligibility**

The participant must have earned at least 10 years of Credited Service if his disability was incurred other than during the course of his employment with the City.

- **Condition**

Same as for a Service Incurred Disability Benefit

- **Amount Payable**

A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Monthly Earnings:

- (a) Monthly Accrued Benefit; or
- (b) 25% of Average Final Compensation

6. **Delayed Retirement Age and Benefit**

- **Age**

After Normal Retirement Age

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

7. Deferred Vested Benefit

- **Age**
Any age with at least 10 years of Credited Service
- **Amount**
Monthly Accrued Benefit (payable at Normal Retirement Age); or
Monthly Accrued Benefit reduced by 3% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)
- **Form of Payment**
Same as for Normal Retirement

8. Pre-Retirement Death Benefit

In the case of the death of a vested participant prior to retirement, his beneficiary will receive the participant's Monthly Accrued Benefit payable for 10 years beginning on the participant's early or normal retirement date. In the case of the death of a non-vested participant prior to retirement, his beneficiary will receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan.

9. Average Final Compensation

Average of the highest five years of Compensation out of the last 10 years of employment (or career average, if higher).

10. Compensation

Fixed monthly compensation, including up to 300 hours of overtime pay for police officers, but excluding lump sum payments for accrued sick leave and other lump sum payments such as exit bonuses, severance payments, and holiday bonuses; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

11. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death. In addition, employees are allowed to purchase up to five years of additional service for prior military service or public safety employment by paying the full actuarial cost thereof.



Summary of Plan Provisions

Table V-A

(continued)

12. Participation Requirement

All full-time firefighters and police officers of the City of Dunnellon, Florida automatically become a participant in the plan on their date of hire.

13. Accumulated Contributions

The Employee Contributions accumulated with no interest; if the participant terminates his employment with less than 10 years of Credited Service, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan.

12. Participant Contribution

1.00% of earnings

13. Definition of Actuarially Equivalent

Based on 7.00% interest per annum and the unisex mortality table promulgated by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 417(e)(3).

14. Plan Effective Date

January 1, 1996

15. Deferred Retirement Option Plan (DROP)

A DROP is available to all active participants who are eligible for normal retirement. Individuals may participate in the DROP for a period of up to five years.



Summary of Plan Amendments

Table V-B

No significant plan changes were adopted since the completion of the previous valuation.

