

ESTERO FIRE RESCUE
FIREFIGHTERS' RETIREMENT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2015

DETERMINES THE CONTRIBUTION
FOR THE 2015/16 FISCAL YEAR



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January 5, 2016

Introduction

This report presents the results of the October 1, 2015 actuarial valuation of the Estero Fire Rescue Firefighters' Retirement Plan. 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 2016/17 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 minimum required contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2016/17 plan year. The minimum required contribution rate is 24.86% of covered payroll, which represents an increase of 2.74% of payroll from the prior valuation.

The normal cost rate is 24.84%, which is 2.67% higher 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 2.23% of payroll due to investment losses and increased by another 0.44% of payroll due to demographic experience. Although the market value of assets lost 0.25% during the 2014/15 plan year, the actuarial value of assets



is based on a five-year phase-in of the market value gains and losses that occur after September 30, 2013. On this basis, the actuarial value of assets earned 1.45% during the 2014/15 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the District 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 District's 2016/17 minimum required contribution will be equal to 24.86% multiplied by the total pensionable earnings for the 2016/17 plan year for the active employees who are covered by the plan and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2016/17 plan year. As of the date of this report, the allowable portion of the Chapter 175/185 contribution is \$267,811 per 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 \$26,102,825. As illustrated in Table I-A, current assets are sufficient to cover \$15,719,506 of this amount, the employer's 2015/16 expected contribution will cover \$1,043,668 of this amount, the employer's 2016/17 expected contribution will cover \$1,225,773 of this amount, and future employee contributions are expected to cover \$1,118,850 of this amount, leaving \$6,995,028 to be covered by future employer funding beyond the 2016/17 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Advance Employer Contribution

The District 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 \$658,107, which reflects the advance employer contribution of \$531,135 as of October 1, 2014 plus \$126,972 which was contributed in excess of the minimum required contribution for the 2014/15 plan year as shown in Table II-F.

The District 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 District may apply all or any portion of the advance employer contribution as an extra contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2015 would reduce the normal cost rate to 23.08% of payroll and would reduce the minimum required contribution for the 2016/17 plan year to 22.99% of payroll.

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. Specifically, Table II-A



shows the development of the actuarial value of assets, which is based on the market value of assets, adjusted to reflect a five-year phase-in of the net investment gains and losses that occur after September 30, 2013. 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.

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.

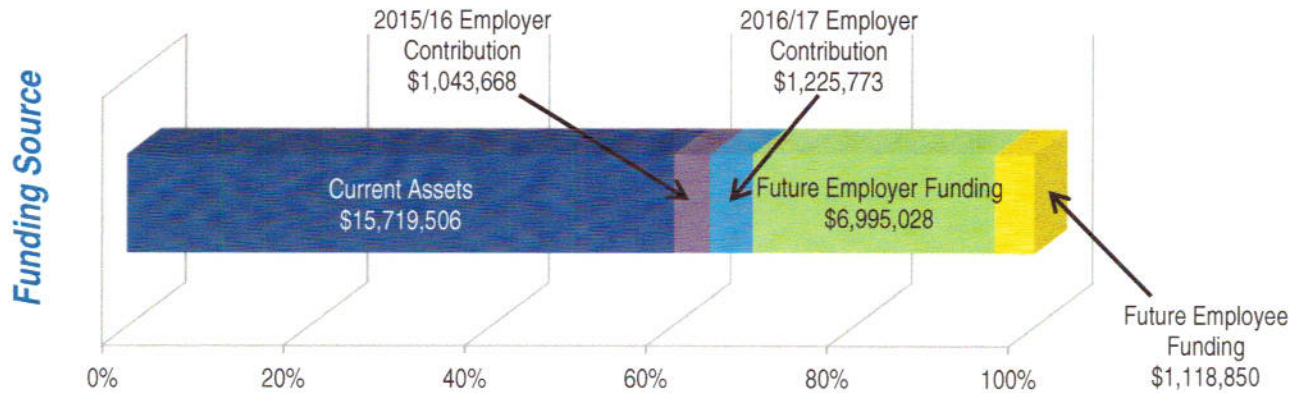
Enrolled Actuary No. 14-04927

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 2016/17 Plan Year

Present Value of Future Benefits	\$25,653,882
Present Value of Future Administrative Expenses	\$448,943
Actuarial Value of Assets	(\$15,719,506)
Present Value of Future Employee Contributions	(\$1,118,850)
Present Value of Future Normal Costs	\$9,264,469
Present Value of Future Payroll	÷ \$37,295,006
Normal Cost Rate	= 24.841%
Expected Payroll	x \$4,718,212
Normal Cost	\$1,172,053
Adjustment to Reflect Semi-Monthly Employer Contributions	\$41,807
Expected Employer Contribution for the 2015/16 Plan Year	(\$1,043,668)
Remaining Contribution Due/(Credit) for the 2015/16 Plan Year	\$170,192
	x 0.07
One Year's Interest Charge/(Credit) on the Remaining Contribution	\$11,913
Preliminary Employer Contribution for the 2016/17 Plan Year	\$1,225,773
Expected Payroll for the 2016/17 Plan Year	÷ \$4,930,532

Minimum Required Contribution Rate **24.86%**

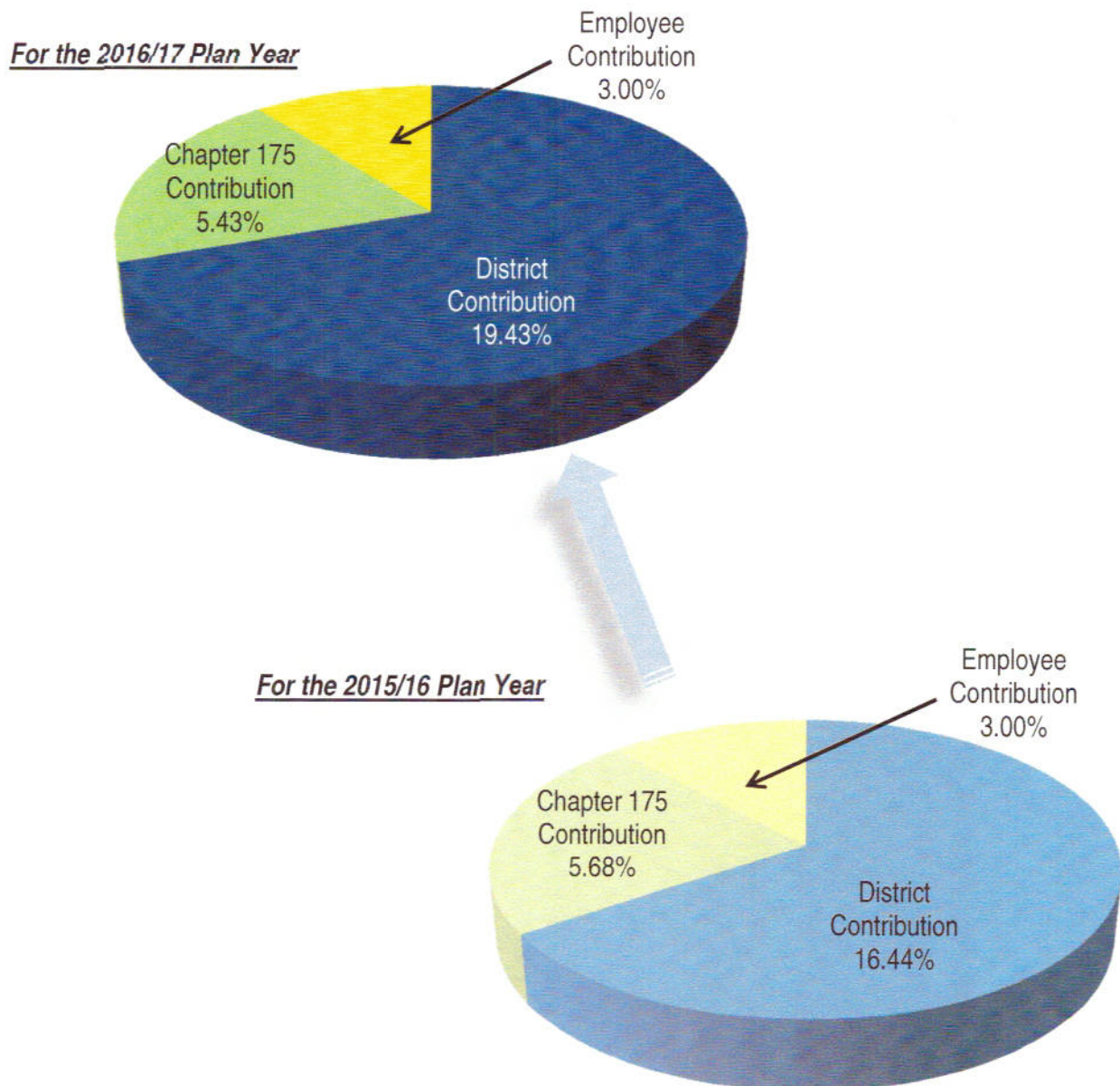
(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Minimum Required Contribution

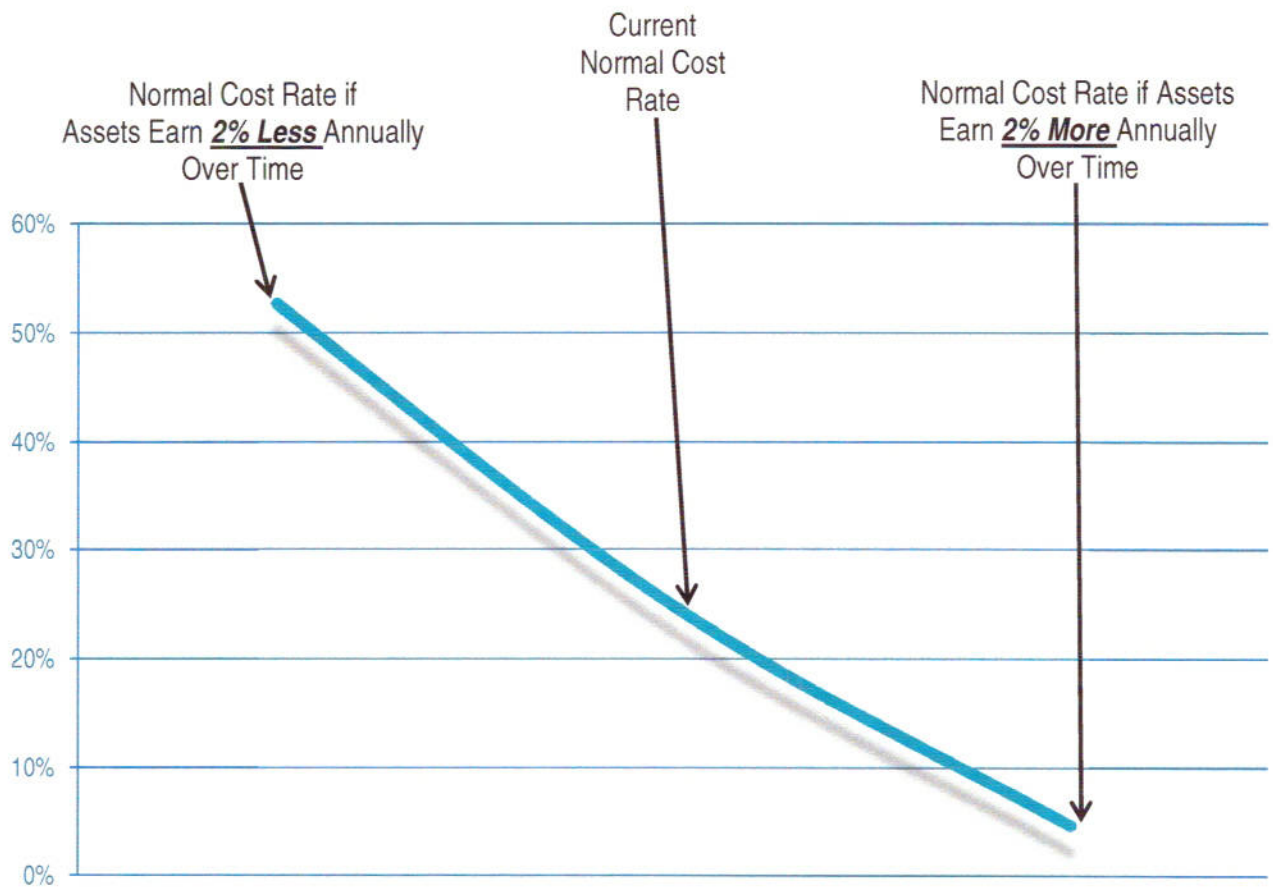
Table I-A
(continued)

The minimum required contribution rate of 24.86% includes both the District contribution and the allowable Chapter 175 contribution. In addition, employees are required to contribute 3.00% of pensionable earnings. The actual District contribution rate is expected to be approximately 19.43% based on the allowable Chapter 175 contribution for the previous year. The chart below shows the expected contribution rate by source for the 2016/17 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan 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	22.17%
Increase (decrease) due to investment gains and losses	2.23%
Increase (decrease) due to demographic experience	0.44%
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>24.84%</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$20,261,515	\$20,261,515	\$20,261,515
Termination benefits	\$1,925,919	\$1,925,919	\$1,925,919
Disability benefits	\$1,233,828	\$1,233,828	\$1,233,828
Death benefits	\$171,861	\$171,861	\$171,861
Refund of employee contributions	\$56,472	\$56,472	\$56,472
Sub-total	\$23,649,595	\$23,649,595	\$23,649,595
<u>Deferred Vested Participants</u>			
Retirement benefits	\$848,117	\$848,117	\$848,117
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$848,117	\$848,117	\$848,117
<u>Due a Refund of Contributions</u>	\$33,917	\$33,917	\$33,917
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$644,148	\$644,148	\$644,148
Disability retirements	\$302,993	\$302,993	\$302,993
Beneficiaries receiving	\$175,112	\$175,112	\$175,112
DROP participants	\$0	\$0	\$0
Sub-total	\$1,122,253	\$1,122,253	\$1,122,253
<u>Grand Total</u>	<u>\$25,653,882</u>	<u>\$25,653,882</u>	<u>\$25,653,882</u>
Present Value of Future Payroll	\$37,295,006	\$37,295,006	\$37,295,006
Present Value of Future Employee Contribs.	\$1,118,850	\$1,118,850	\$1,118,850
Present Value of Future Employer Contribs.	\$9,264,469	\$9,264,469	\$9,264,469



Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$9,004,335	\$9,004,335	\$9,004,335
Termination benefits	\$1,073,140	\$1,073,140	\$1,073,140
Disability benefits	\$756,130	\$756,130	\$756,130
Death benefits	\$85,990	\$85,990	\$85,990
Refund of employee contributions	\$35,739	\$35,739	\$35,739
Sub-total	\$10,955,334	\$10,955,334	\$10,955,334
<u>Deferred Vested Participants</u>			
Retirement benefits	\$848,117	\$848,117	\$848,117
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$848,117	\$848,117	\$848,117
<u>Due a Refund of Contributions</u>	\$33,917	\$33,917	\$33,917
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$644,148	\$644,148	\$644,148
Disability retirements	\$302,993	\$302,993	\$302,993
Beneficiaries receiving	\$175,112	\$175,112	\$175,112
DROP participants	\$0	\$0	\$0
Sub-total	\$1,122,253	\$1,122,253	\$1,122,253
<u>Grand Total</u>	<u>\$12,959,621</u>	<u>\$12,959,621</u>	<u>\$12,959,621</u>



Present Value of Vested Benefits

Table I-F

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$8,876,317	\$8,876,317	\$8,876,317
Termination benefits	\$835,740	\$835,740	\$835,740
Disability benefits	\$756,130	\$756,130	\$756,130
Death benefits	\$73,014	\$73,014	\$73,014
Refund of employee contributions	\$80,022	\$80,022	\$80,022
Sub-total	\$10,621,223	\$10,621,223	\$10,621,223
<u>Deferred Vested Participants</u>			
Retirement benefits	\$848,117	\$848,117	\$848,117
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$848,117	\$848,117	\$848,117
<u>Due a Refund of Contributions</u>	\$33,917	\$33,917	\$33,917
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$644,148	\$644,148	\$644,148
Disability retirements	\$302,993	\$302,993	\$302,993
Beneficiaries receiving	\$175,112	\$175,112	\$175,112
DROP participants	\$0	\$0	\$0
Sub-total	\$1,122,253	\$1,122,253	\$1,122,253
<u>Grand Total</u>	<u>\$12,625,510</u>	<u>\$12,625,510</u>	<u>\$12,625,510</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$13,453,263	\$13,453,263	\$13,453,263
Termination benefits	\$1,360,450	\$1,360,450	\$1,360,450
Disability benefits	\$853,812	\$853,812	\$853,812
Death benefits	\$117,404	\$117,404	\$117,404
Refund of employee contributions	\$38,767	\$38,767	\$38,767
Sub-total	\$15,823,696	\$15,823,696	\$15,823,696
<u>Deferred Vested Participants</u>			
Retirement benefits	\$848,117	\$848,117	\$848,117
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$848,117	\$848,117	\$848,117
<u>Due a Refund of Contributions</u>	\$33,917	\$33,917	\$33,917
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$644,148	\$644,148	\$644,148
Disability retirements	\$302,993	\$302,993	\$302,993
Beneficiaries receiving	\$175,112	\$175,112	\$175,112
DROP participants	\$0	\$0	\$0
Sub-total	\$1,122,253	\$1,122,253	\$1,122,253
<u>Grand Total</u>	<u>\$17,827,983</u>	<u>\$17,827,983</u>	<u>\$17,827,983</u>



Actuarial Value of Assets

Table II-A

	<u>Net Investment Gain (Loss)</u>		<u>Unrecognized Gain (Loss)</u>
For the 2011/12 plan year	N/A	x 20%	N/A
For the 2012/13 plan year	N/A	x 40%	N/A
For the 2013/14 plan year	\$1,125,520	x 60%	\$675,312
For the 2014/15 plan year	(\$40,658)	x 80%	(\$32,526)
			<u>\$642,786</u>

Market Value of Assets as of October 1, 2015 \$17,020,399

Minus DROP account balances \$0

Minus advance employer contributions (\$658,107)

Minus excess Chapter 175/185 contributions \$0

Adjustment for unrecognized gain or loss as shown above,
but restricted to an amount that keeps the actuarial value
of assets within an 80%-120% corridor of the market value (\$642,786)

Actuarial Value of Assets as of October 1, 2015 \$15,719,506

<u>Historical Actuarial Value of Assets</u>	
October 1, 2006	\$1,806,377
October 1, 2007	\$2,557,480
October 1, 2008	\$3,186,640
October 1, 2009	\$3,802,396
October 1, 2010	\$4,732,004
October 1, 2011	\$6,873,907
October 1, 2012	\$8,155,956
October 1, 2013	\$13,182,471
October 1, 2014	\$14,500,351
October 1, 2015	\$15,719,506

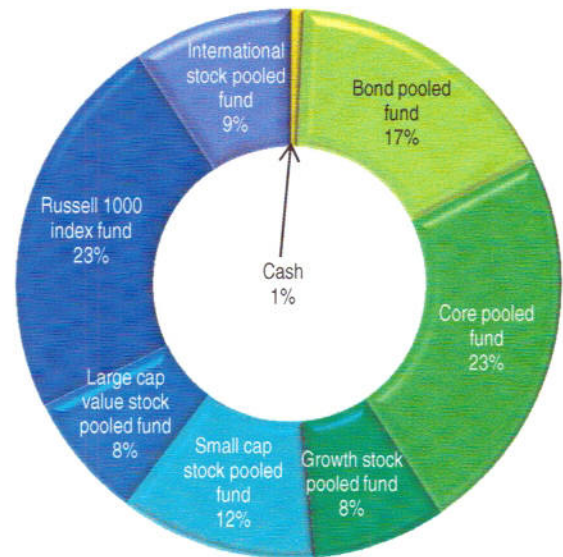


Market Value of Assets

Table II-B

As of October 1, 2015

Market Value of Assets	<u>\$17,020,399</u>
Cash	\$136,163
Bond pooled fund	\$2,859,427
Core pooled fund	\$3,914,692
Growth stock pooled fund	\$1,344,612
Small cap stock pooled fund	\$1,991,387
Large cap value stock pooled fund	\$1,276,530
Russell 1000 index fund	\$3,897,671
International stock pooled fund	\$1,599,917

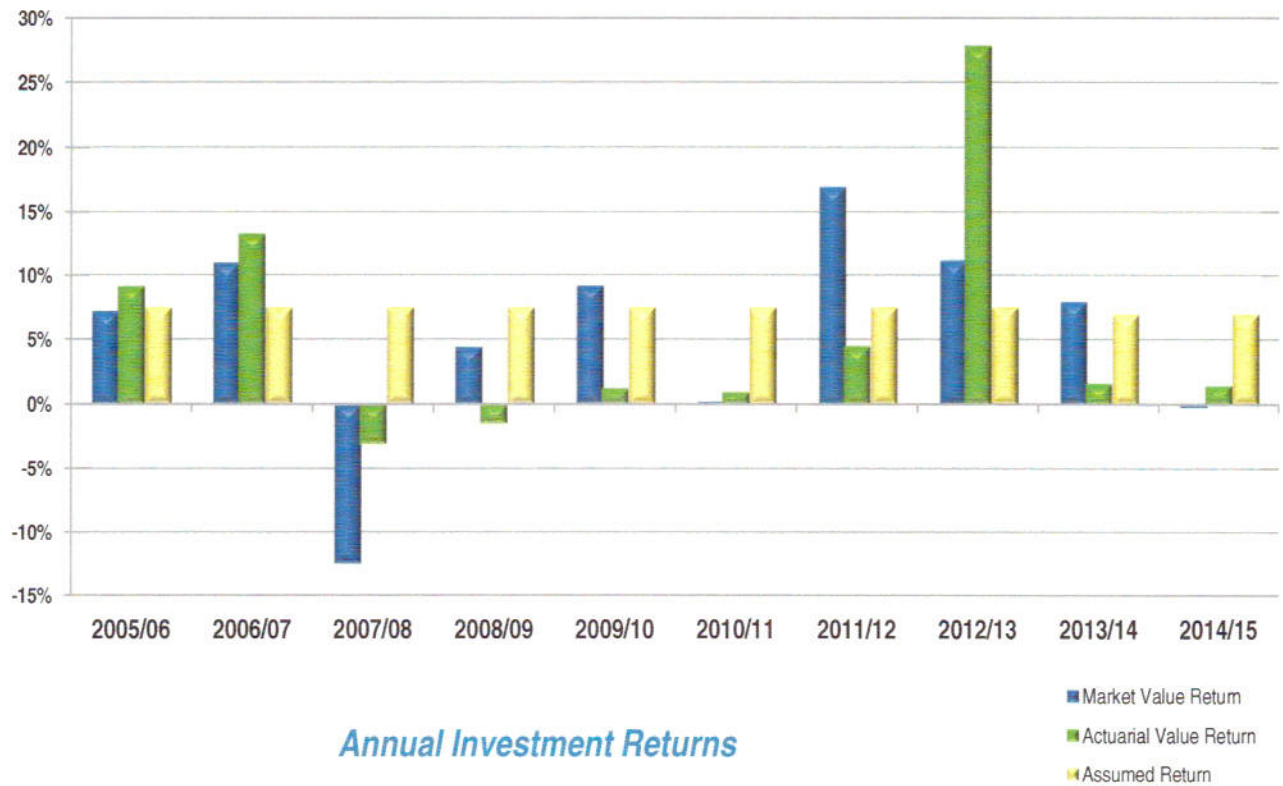
**Historical Market Value of Assets**

October 1, 2006	\$2,200,316
October 1, 2007	\$3,084,095
October 1, 2008	\$3,635,859
October 1, 2009	\$4,997,691
October 1, 2010	\$6,719,379
October 1, 2011	\$7,683,850
October 1, 2012	\$10,055,571
October 1, 2013	\$13,452,391
October 1, 2014	\$15,931,902
October 1, 2015	\$17,020,399



Investment Return

Table II-C

*Annual Investment Returns*

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2005/06	7.20%	9.17%	7.50%
2006/07	11.05%	13.35%	7.50%
2007/08	-12.47%	-3.06%	7.50%
2008/09	4.43%	-1.48%	7.50%
2009/10	9.20%	1.21%	7.50%
2010/11	0.20%	0.94%	7.50%
2011/12	16.97%	4.51%	7.50%
2012/13	11.18%	27.83%	7.50%
2013/14	7.97%	1.64%	7.00%
2014/15	-0.25%	1.45%	7.00%
10yr. Avg.	5.25%	5.22%	7.40%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2014	\$15,931,902	\$14,500,351
<i>Increases Due To:</i>		
Employer Contributions	\$871,489	\$871,489
Chapter 175/185 Contributions	\$345,330	\$345,330
Employee Contributions	\$146,502	\$146,502
Share Plan Transfer	(\$77,519)	(\$77,519)
Total Contributions	<u>\$1,285,802</u>	<u>\$1,285,802</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	<u>(\$40,658)</u>	
Total Investment Income	(\$40,658)	\$216,972
Other Income	\$0	
Total Income	<u>\$1,245,144</u>	<u>\$1,502,774</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$93,875)	(\$93,875)
Refund of Employee Contributions	\$0	\$0
DROP Credits		\$0
Total Benefit Payments	<u>(\$93,875)</u>	<u>(\$93,875)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$62,772)	(\$62,772)
Advance Employer Contribution		(\$126,972)
Excess Chapter 175/185 Contribution		\$0
Total Expenses	<u>(\$156,647)</u>	<u>(\$283,619)</u>
As of October 1, 2015	<u>\$17,020,399</u>	<u>\$15,719,506</u>



Historical Trust Fund Detail

Table II-E

Income

Plan	Employer	Chapter	Employee	Share		Realized	Unrealized	
<u>Year</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Plan</u>	<u>Interest /</u>	<u>Gains /</u>	<u>Gains /</u>	<u>Other</u>
				<u>Transfer</u>	<u>Dividends</u>	<u>Losses</u>	<u>Losses</u>	<u>Income</u>
2005/06	\$233,252	\$185,628	\$69,976	\$0	\$0	\$0	\$132,145	\$0
2006/07	\$307,711	\$269,186	\$75,365	\$0	\$0	\$0	\$276,638	\$0
2007/08	\$609,411	\$331,070	\$101,797	\$0	\$0	\$0	-\$446,665	\$0
2008/09	\$726,676	\$373,692	\$118,295	\$0	\$0	\$0	\$186,989	\$0
2009/10	\$821,645	\$327,823	\$117,544	\$0	\$0	\$0	\$515,402	\$0
2010/11	\$890,424	\$336,261	\$122,143	-\$285,127	\$0	\$0	\$14,624	\$0
2011/12	\$720,076	\$267,811	\$125,340	\$0	\$0	\$0	\$1,387,118	\$0
2012/13	\$2,083,349	\$0	\$205,447	\$0	\$0	\$0	\$1,244,635	\$0
2013/14	\$839,232	\$654,290	\$134,012	-\$118,668	\$0	\$0	\$1,125,520	\$0
2014/15	\$871,489	\$345,330	\$146,502	-\$77,519	\$0	\$0	-\$40,658	\$0

Expenses

Plan	Monthly				<u>Other Actuarial Adjustments</u>		
<u>Year</u>	<u>Benefit</u>	<u>Contrib.</u>	<u>Admin.</u>	<u>Invest.</u>	<u>DROP</u>	<u>Advance</u>	<u>Excess</u>
	<u>Payments</u>	<u>Refunds</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Credits</u>	<u>Employer</u>	<u>Chapter</u>
2005/06	\$7,373	\$318	\$17,534	\$0	\$0	-\$54,452	\$134,494
2006/07	\$12,726	\$9,866	\$22,529	\$0	\$0	-\$88,877	\$218,052
2007/08	\$18,305	\$3,794	\$21,750	\$0	\$0	\$0	\$279,936
2008/09	\$18,305	\$0	\$25,515	\$0	\$0	\$184,594	\$322,558
2009/10	\$18,305	\$13,843	\$28,578	\$0	\$0	\$51,134	\$276,689
2010/11	\$67,160	\$0	\$46,694	\$0	\$0	\$267,811	-\$1,405,798
2011/12	\$93,875	\$0	\$34,749	\$0	\$0	\$34,049	\$0
2012/13	\$93,875	\$0	\$42,736	\$0	\$0	-\$267,668	\$0
2013/14	\$93,875	\$8,546	\$52,454	\$0	\$0	\$261,215	\$0
2014/15	\$93,875	\$0	\$62,772	\$0	\$0	\$126,972	\$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

DROP Account Reconciliation

DROP Balance as of October 1, 2014	\$0
DROP Benefit Credits	\$0
DROP Investment Credits	\$0
DROP Benefits Paid Out	\$0
Net DROP Credit	\$0
DROP Balance as of October 1, 2015	\$0

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2014	\$531,135
Additional Employer Contribution	\$1,139,300
Minimum Required Contribution	(\$1,012,328)
Net Increase in Advance Employer Contribution	\$126,972
Advance Employer Contribution as of October 1, 2015	\$658,107

Excess Chapter 175/185 Contribution

Excess Chapter 175/185 Contribution as of October 1, 2014	\$0
Additional Chapter 175/185 Contribution	\$345,330
Share Plan Transfer	(\$77,519)
Allowable Chapter 175/185 Contribution	(\$267,811)
Net Increase in Excess Chapter 175/185 Contribution	\$0
Excess Chapter 175/185 Contribution as of October 1, 2015	\$0



Allowable Chapter 175/185 Contribution

Table II-G

1997 Base Amounts

Chapter 175 Regular Distribution	\$0
Chapter 175 Supplemental Distribution	\$0
Chapter 185 Distribution	\$0

Qualifying Benefit Improvements

Prior Resolution	\$51,134
Resolution 2011-03	\$216,677



Historical Chapter 175/185 Contributions

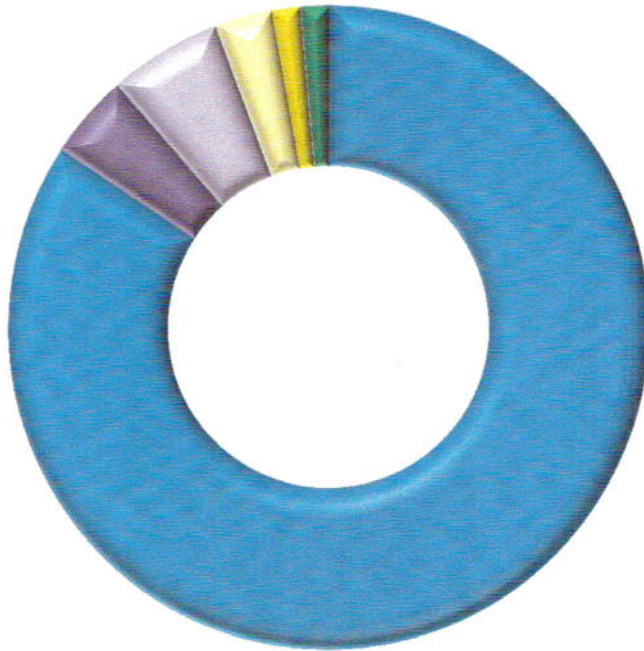
Table II-H

<i>Total Accumulated Excess Chapter 175/185 Contribution</i>				\$0
	<u>Chapter 175 Regular Distribution</u>	<u>Chapter 175 Supplemental Distribution</u>	<u>Chapter 185 Distribution</u>	<u>Allowable Amount</u>
1998 Distribution	\$0	\$0	\$0	\$0
1999 Distribution	\$0	\$0	\$0	\$0
2000 Distribution	\$17,375	\$0	\$0	\$0
2001 Distribution	\$44,684	\$0	\$0	\$0
2002 Distribution	\$82,744	\$0	\$0	(\$113,193)
2003 Distribution	\$104,260	\$0	\$0	(\$53,243)
2004 Distribution	\$140,205	\$0	\$0	(\$51,134)
2005 Distribution	\$185,628	\$0	\$0	(\$51,134)
2006 Distribution	\$269,186	\$0	\$0	(\$51,134)
2007 Distribution	\$288,552	\$42,518	\$0	(\$51,134)
2008 Distribution	\$328,893	\$44,799	\$0	(\$51,134)
2009 Distribution	\$327,823	\$0	\$0	(\$51,134)
2010 Distribution	\$333,647	\$2,614	\$0	(\$267,811)
2011 Distribution	\$338,804	\$0	\$0	(\$267,811)
2013 Distribution	\$654,290	\$0	\$0	(\$535,622)
2014 Distribution	\$345,330	\$0	\$0	(\$267,811)
Interest Adjustment				\$2,371
Transfer to Share Plan				(\$552,307)
One-Time Use				(\$1,189,121)



Summary of Participant Data

Table III-A

As of October 1, 2015*Participant Distribution by Status***Total Participants 70**Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2006	49	0	0	1	50
October 1, 2007	50	0	3	2	55
October 1, 2008	51	0	2	2	55
October 1, 2009	52	0	4	2	58
October 1, 2010	51	0	3	2	56
October 1, 2011	50	0	3	4	57
October 1, 2012	50	0	4	4	58
October 1, 2013	53	0	6	4	63
October 1, 2014	51	0	7	4	62
October 1, 2015	59	0	7	4	70



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, 2014</u>	51	0	3	4	0	2	1	1	62
<u>Change in Status</u>									
Re-employed									
Terminated									
Retired									
<u>Participation Ended</u>									
Transferred Out									
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired	8								8
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2015</u>	59	0	3	4	0	2	1	1	70

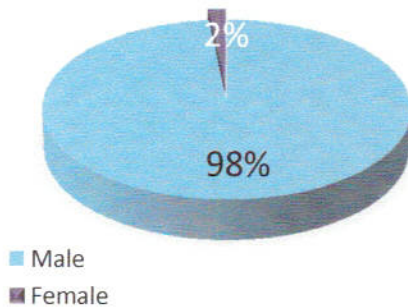


Active Participant Data

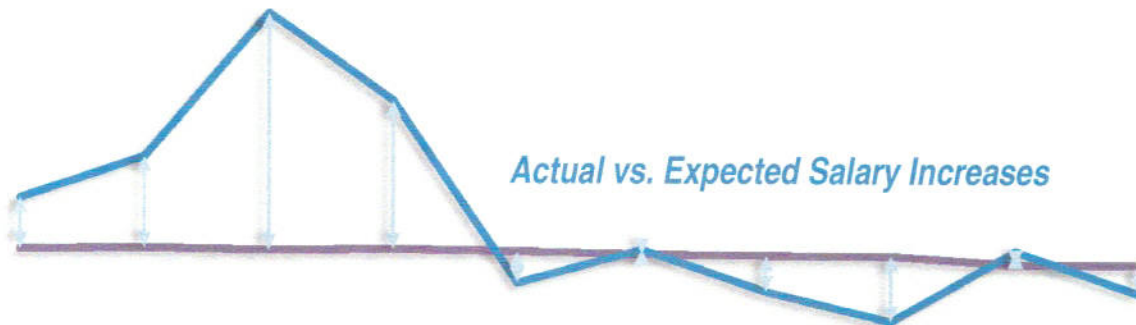
Table III-C

As of October 1, 2015

Gender Mix



Average Age	38.6 years
Average Service	9.4 years
Total Annualized Compensation for the Prior Year	\$4,808,020
Total Expected Compensation for the Current Year	\$4,718,212
Average Increase in Compensation for the Prior Year	2.37%
Expected Increase in Compensation for the Current Year	4.50%
Accumulated Contributions for Active Employees	\$1,181,257



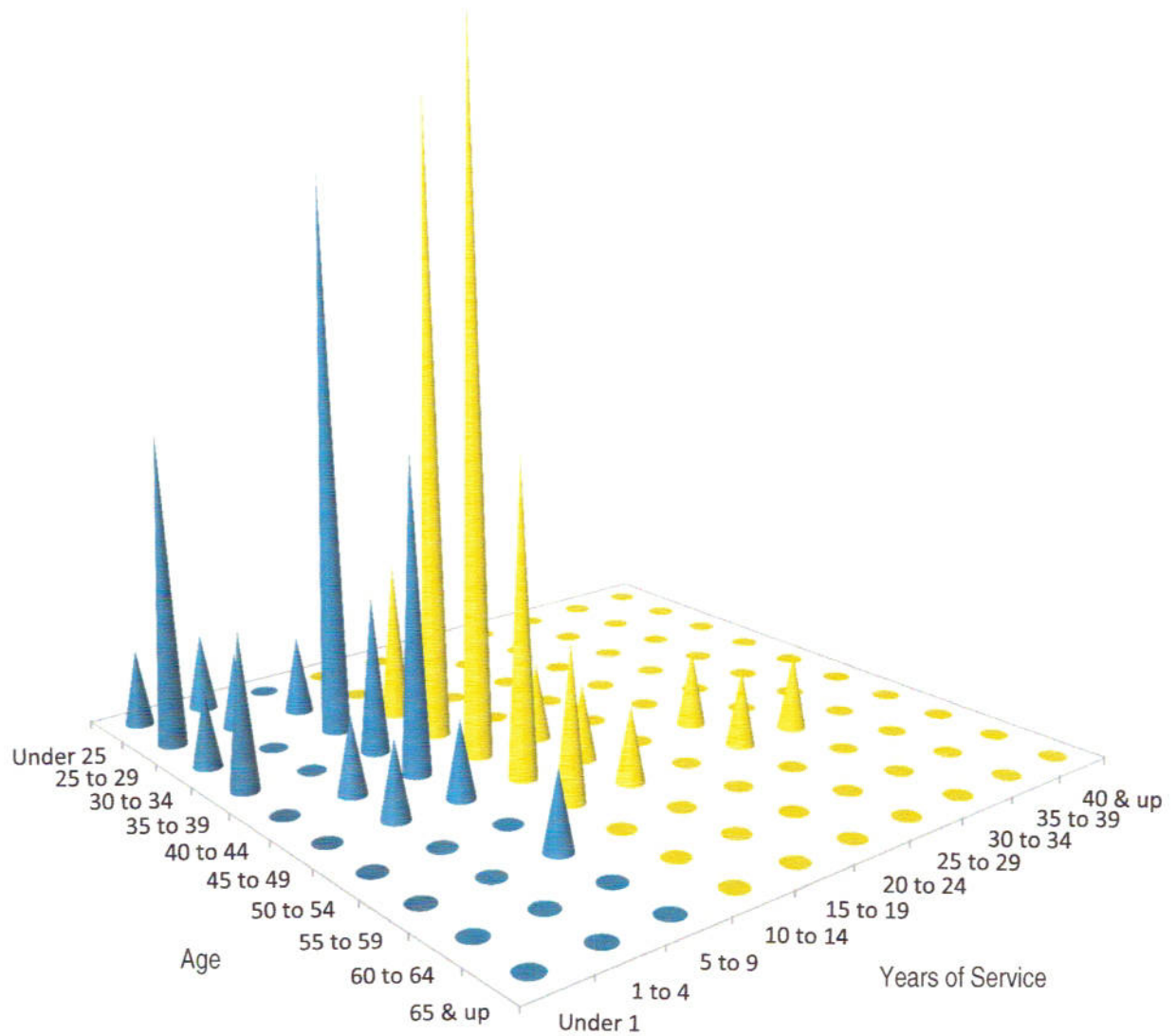
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2006	34.9	4.8	\$47,602	5.53%	9.35%
October 1, 2007	34.0	5.0	\$50,106	5.64%	12.39%
October 1, 2008	34.6	5.9	\$65,869	5.46%	22.95%
October 1, 2009	35.3	6.0	\$73,889	5.56%	16.53%
October 1, 2010	36.5	7.1	\$76,456	5.41%	3.08%
October 1, 2011	36.8	7.5	\$82,281	5.22%	5.57%
October 1, 2012	37.4	8.2	\$82,097	5.14%	2.47%
October 1, 2013	38.4	8.9	\$81,233	5.11%	0.25%
October 1, 2014	39.1	9.5	\$85,793	4.50%	5.50%
October 1, 2015	38.6	9.4	\$81,492	4.50%	2.37%



Active Age-Service Distribution

Table III-D



- ▲ Eligible to retire
- ▲ May be eligible to retire
- ▲ Not eligible to retire



Active Age-Service-Salary Table

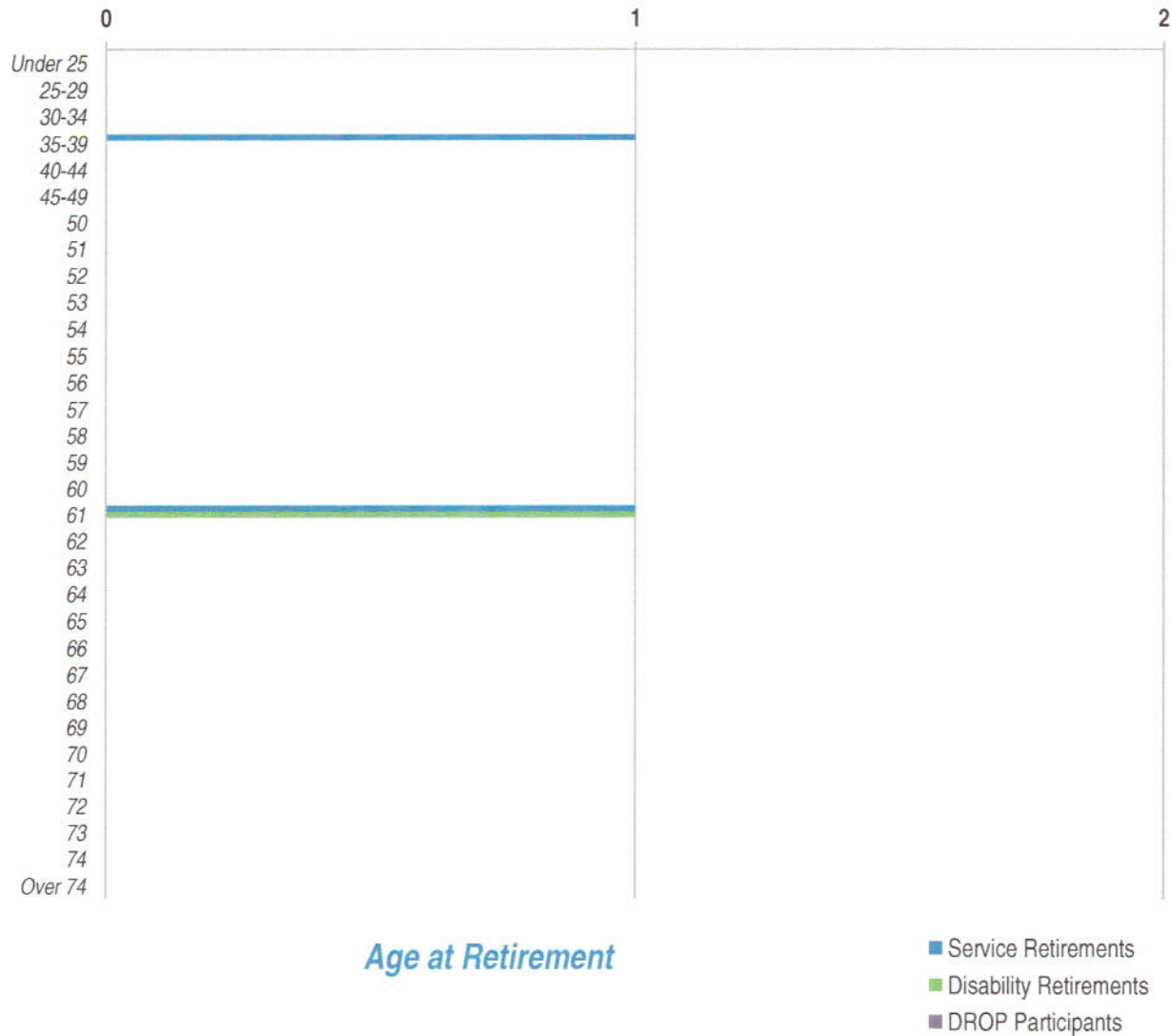
Table III-E

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	1	1	0	0	0	0	0	0	0	0	2
Avg. Pay	40,325	71,707	0	0	0	0	0	0	0	0	56,016
25 to 29	4	1	1	0	0	0	0	0	0	0	6
Avg. Pay	42,032	62,447	62,469	0	0	0	0	0	0	0	48,840
30 to 34	1	0	7	2	0	0	0	0	0	0	10
Avg. Pay	40,678	0	76,419	91,919	0	0	0	0	0	0	75,945
35 to 39	2	0	2	8	0	0	0	0	0	0	12
Avg. Pay	40,524	0	89,070	85,297	0	0	0	0	0	0	78,463
40 to 44	0	1	4	9	1	0	0	0	0	0	15
Avg. Pay	0	62,447	76,867	91,056	130,571	0	0	0	0	0	88,000
45 to 49	0	1	1	4	1	0	1	0	0	0	8
Avg. Pay	0	62,447	79,513	88,451	140,908	0	105,809	0	0	0	92,810
50 to 54	0	0	0	2	1	0	1	1	0	0	5
Avg. Pay	0	0	0	121,275	108,599	0	70,253	105,809	0	0	105,442
55 to 59	0	0	1	0	0	0	0	0	0	0	1
Avg. Pay	0	0	112,254	0	0	0	0	0	0	0	112,254
60 to 64	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
65 & up	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
Total	8	4	16	25	3	0	2	1	0	0	59
Avg. Pay	41,272	64,762	79,673	91,283	126,693	0	88,031	105,809	0	0	81,492



Inactive Participant Data

Table III-F

*Age at Retirement*

- Service Retirements
- Disability Retirements
- DROP Participants

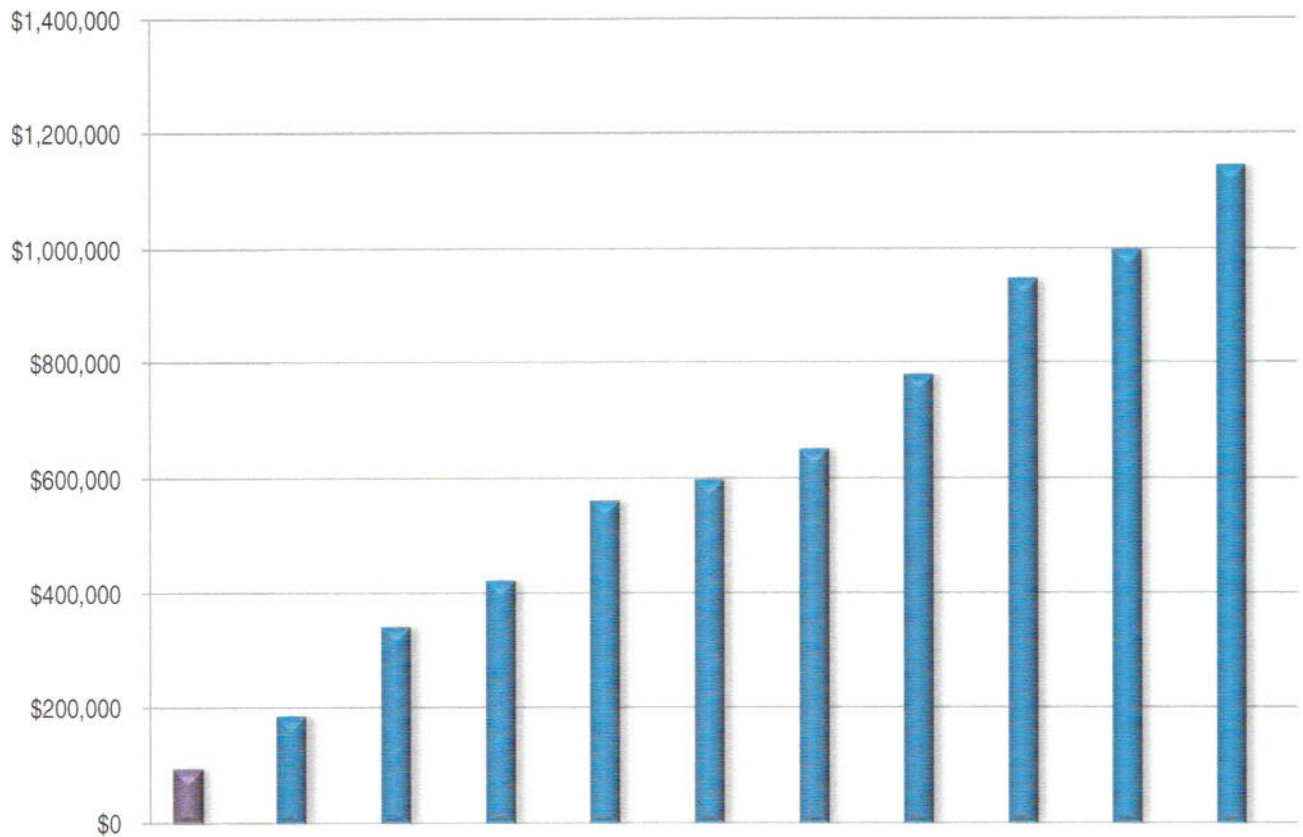
Average Monthly Benefit

Service Retirements	\$2,313.31
Disability Retirements	\$2,080.49
Beneficiaries Receiving	\$1,115.83
DROP Participants	Not applicable
Deferred Vested Participants	\$3,208.38
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G

Actual

For the period October 1, 2014 through September 30, 2015

\$93,875

Projected

For the period October 1, 2015 through September 30, 2016

\$186,188

For the period October 1, 2016 through September 30, 2017

\$341,727

For the period October 1, 2017 through September 30, 2018

\$423,334

For the period October 1, 2018 through September 30, 2019

\$562,138

For the period October 1, 2019 through September 30, 2020

\$598,439

For the period October 1, 2020 through September 30, 2021

\$650,228

For the period October 1, 2021 through September 30, 2022

\$778,875

For the period October 1, 2022 through September 30, 2023

\$948,081

For the period October 1, 2023 through September 30, 2024

\$999,130

For the period October 1, 2024 through September 30, 2025

\$1,143,811



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, adjusted to reflect a five-year phase-in of the net investment gains and losses that occur after September 30, 2013.

3. **Interest (or Discount) Rate**

7.00% per annum

4. **Salary Increases**

Plan compensation is assumed to increase at the rate of 4.50% per annum, unless actual plan compensation is known for a prior plan year.

5. **Decrement**

- Pre-retirement mortality: Sex-distinct 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.
- Post-retirement mortality: Sex-distinct 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.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

- **Disability:** Age- and gender-based rates of disability were assumed, ranging from 0.067% for males and 0.040% for females at age 25, 0.119% for males and 0.118% for females at age 35, 0.462% for males and 0.435% for females at age 45, and 1.000% for males and 0.840% for females at age 55; all disabilities are assumed to be service-related.
- **Termination:** With respect to participants with less than 10 years of service, the termination rates are both gender- and service-based, ranging from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between eight and 10 years of service; with respect to participants with at least 10 years of service, the termination rates are both gender- and age-based, ranging from 4.28% for males and 5.41% for females at age 25 to 0.00% for both genders at age 55.
- **Retirement:** For those participants whose normal retirement age is age 53 or earlier, retirement is assumed to occur at the rate of 15% at age 50, 10% at each of ages 51 and 52, and 100% at the earlier of age 53 or normal retirement age. For those participants whose normal retirement age is age 54 or later, retirement is assumed to occur at the rate of 15% at each of ages 50 through 54 and 100% at age 55, except that 40% retirement is assumed to occur at a normal retirement age of 54.

6. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity, except that participants who terminate their service with less than 10 years of service are assumed to receive a refund of their accumulated employee contributions.

7. Expenses

The total projected benefit liability has been loaded by 1.75% to account for anticipated administrative expenses. 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 were 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 prior to December 1, 2000 plus 3.70% of Average Final Compensation multiplied by Credited Service earned during the period December 1, 2000 through September 30, 2010 plus 3.00% of Average Final Compensation multiplied by Credited Service earned after September 30, 2010

2. Normal Retirement Age and Benefit

- **Age**
Age 55 with at least 10 years of Credited Service; or
Age 52 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 66 $\frac{2}{3}$ % joint and contingent annuity (optional);
Actuarially reduced 75% joint and contingent annuity (optional);
Actuarially reduced 100% joint and contingent annuity (optional);
Social security level income 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 \$1,000)

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

3. Early Retirement Age and 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



Summary of Plan Provisions

Table V-A

(continued)

4. Service Incurred Disability Eligibility and Benefit

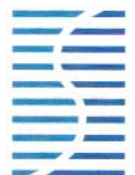
- **Eligibility**
The participant is eligible if his disability was incurred during the course of his employment with the District.
- **Condition**
The Board must find that the participant has a physical or mental condition resulting from bodily injury, disease, or a mental disorder which renders him incapable of employment as a firefighter.
- **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 District-provided disability compensation from exceeding his Average Final Compensation:
 - (a) Monthly Accrued Benefit; or
 - (b) 42% 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 District.
- **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 District-provided disability compensation from exceeding his Average Final Compensation:
 - (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; 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, provided that the participant made all required contributions. Firefighters hired on or before December 1, 2000 who did not opt to participate in the plan until January 1, 2007 do not receive credit for service prior to 2007 unless they make a contribution equal to the full actuarial cost of their prior service. In addition, the participant may purchase up to five additional years of Credited Service for certain military service or other firefighter service by paying into the plan the full actuarial cost thereof, subject to the restrictions on such service purchases as set forth in the legal plan document.



Summary of Plan Provisions

Table V-A

(continued)

12. Participation Requirement

All full-time firefighters of the Estero Fire District who are hired after December 1, 2000 automatically become a participant in the plan on their date of hire. Firefighters hired on or before December 1, 2000 could elect to participate as of that date or were given an additional opportunity to participate effective January 1, 2007. The Fire Chief may irrevocably opt not to participate in the plan.

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.

14. Participant Contribution

3.00% of earnings

15. Definition of Actuarially Equivalent

- **Interest Rate**
7.50% per annum
- **Mortality Table**
1983 Group Annuity Mortality Table, blended 50%/50% for males and females, and set back two years

16. Plan Effective Date

December 1, 2000

17. Deferred Retirement Option Plan (DROP)

A participant who reaches his Normal Retirement Age is eligible to participate in the DROP for a period of up to 60 months. The DROP accounts are credited with interest at the rate of 6.50% per annum.



Summary of Plan Amendments

Table V-B

No significant plan changes were adopted since the previous valuation was completed.

