

October 17, 2014

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

Dear Board Members:

The purpose of the annual actuarial valuation of the City of Tecumseh Employees Retirement System as of June 30, 2014 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, 2015.

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 of June 30, 2014. The actuarial assumptions used in this valuation represent reasonable expectations of future experience under the System. This valuation has been prepared under the supervision of a Member of the American Academy of Actuaries who meets the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



Denise M. Jones
Senior Consultant



Sandra W. Rodwan
Member, American Academy of Actuaries

***City of Tecumseh
Employees Retirement System***

Actuarial Valuation as of June 30, 2014

Table of Contents

Section One: Valuation Summary

Valuation Summary.....	1
------------------------	---

Section Two: Actuarial Calculations – Funding

Computed Contribution Rates.....	3
----------------------------------	---

Unfunded Actuarial Accrued Liability.....	4
-------------------------------------------	---

Actuarial Balance Sheet	6
-------------------------------	---

Section Three: Retirement System Benefit Provisions

Benefit Provision Summary	8
---------------------------------	---

Section Four: Actuarial Assumptions and Methods

Actuarial Assumptions	12
-----------------------------	----

Actuarial Methods	16
-------------------------	----

Section Five: Valuation Data

Asset Summary.....	17
--------------------	----

Participant Summary	19
---------------------------	----

Section Six: Accounting Disclosures

Information for GASB Statements No. 43/45	25
-------------------------------------------------	----





Section One:
Valuation Summary



Purpose of Valuation

The purpose of the annual actuarial valuation of the City of Tecumseh Employees Retirement System as of June 30, 2014 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, 2015.

Liabilities and Funded Condition of Retirement System

Accrued liabilities of the Retirement System as of June 30, 2014 were computed to be \$22,532,061 for pensions and \$1,379,720 for Health Insurance. The funding value of accrued assets was \$18,522,501 for pensions and \$1,373,932 for Health Insurance. The ratio of the funding value of accrued assets to accrued liabilities was 82.2% for pensions and 99.6% for Health Insurance.

Funding Value of Assets

A smoothed market value of assets was used for the June 30, 2014 valuation. This method, which spreads the difference between actual and expected investment return over seven 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 13.22% for pensions and 1.12% for Health Insurance.

The City's total contribution rate was computed to be 23.56% for pensions and 1.14% for Health Insurance. This includes an amortization payment of 10.34% for pensions and 0.02% for Health Insurance.

Retirement System Experience

The aggregate experience of the Retirement System was more favorable than assumed during the year ended June 30, 2014. The primary source of the favorable experience was average salary increases which were less than assumed.

Assumption and Method Changes

There were no assumption and method changes included in this valuation.

Benefit Provision Changes

There were no benefit provision changes in this valuation.

Participant Data

Active Members	<u>6/30/2014</u>		<u>6/30/2013</u>	
	Number	Payroll	Number	Payroll
General	27	\$1,486,544	27	\$1,496,909
Police/Fire	<u>17</u>	<u>914,367</u>	<u>16</u>	<u>849,688</u>
Total Active Members	44	\$2,400,911	43	\$2,346,597
Vested Inactives	5	\$49,391	5	\$46,842
Retirees and Survivors	40	\$1,055,357	38	\$994,867

Financial Data

	<u>06/30/2014</u>	<u>06/30/2013</u>
Funding Value of Assets	\$19,896,433	\$18,996,606
Market Value of Assets	21,393,649	18,395,489

Conclusion

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



Section Two:

***Actuarial Calculations –
Funding***



Computed Contribution Rates for The Year Beginning July 1, 2015

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 24 years. This is a 1 year decrease from the 25 year period used last year.

Contribution Recommendation:

	<u>Percents of Payroll</u>		
	<u>Pension</u>	<u>Health Insurance</u>	<u>Totals</u>
Normal Cost			
Regular Retirement	14.92%	0.79%	15.71%
Pre-retirement Death	0.33	0.02	0.35
Disability	0.00	0.00	0.00
Withdrawal	<u>3.19</u>	<u>0.31</u>	<u>3.50</u>
Total Normal Cost	18.44%	1.12	19.56
Unfunded Actuarial Accrued Liability	10.34	0.02	10.36
Total Computed Contribution	28.78	1.14	29.92
Member Portion	5.22	0.00	5.22
City's Net Contribution Rate	23.56%	1.14%	24.70%
City's Dollar Contribution	\$608,874	\$28,018	\$636,892

Unfunded Actuarial Accrued Liability

	June 30, 2014		June 30, 2013	
	<u>Pensions</u>	<u>Health Ins.</u>	<u>Pensions</u>	<u>Health Ins.</u>
Actuarial Accrued Liabilities	\$22,532,061	\$1,379,720	\$21,831,342	\$1,367,524
Assets Allocated to Funding	<u>18,522,501</u>	<u>1,373,932</u>	<u>18,000,577</u>	<u>996,030</u>
Unfunded Actuarial Accrued Liabilities	\$4,009,560	\$5,788	\$3,830,765	\$371,494

Recommended City Contributions

Valuation Date June 30	Fiscal Year Beginning July 1	Percent of Valuation Payroll		Actual Dollar Contributions
		Pensions	Health Ins.	
1990*	1991	0.19%	0.00%	\$0
1995	1996	4.55	2.41	111,820
1996**	1997	13.82	1.81	299,016
1997	1998	13.86	1.71	328,411
1998	1999	13.58	1.67	322,432
1999*	2000	13.64	1.48	343,918
2000*	2001	14.54	1.53	376,667
2001	2002	14.58	1.42	403,989
2002*	2003	16.37	1.58	456,833
2003	2004	18.10	1.74	519,020
2004	2005	19.30	1.75	552,123
2005#	2006	18.79	2.25	563,908
2006	2007	18.87	2.22	587,740
2007	2008	18.61	2.23	596,477
2008*	2009	21.11	2.23	590,354
2009	2010	18.16	2.39	525,812
2010	2011	21.98#	2.46	489,751
2011#	2012	22.75	1.79	564,664
2012	2013	24.49	2.57	613,838
2013	2014	23.78	2.18	
2014	2015	23.56	1.14	

*After retirement system amendments.

**Funding policy revised.

#Actuarial assumptions revised. The computed contribution for pensions in the 2010 valuation based on the revised assumptions was 18.57%.

History of Assets and Accrued Liabilities

Valuation Date 6/30	Valuation Assets	Actuarial Accrued Liabilities	Funded Ratio	Unfunded Actuarial Accrued Liabilities
1985	\$2,476,128	\$2,062,759	120.0%	\$(413,369)
1990	4,038,160	2,611,543	154.6	(1,426,617)
1995	5,909,477	6,352,640	93.0	443,163
1996	6,183,251	6,688,771	92.4	505,520
1997	6,643,928	7,166,601	92.7	522,673
1998	7,429,870	7,784,434	95.4	354,564
1999	8,286,539	8,479,456	97.7	192,917
2000	9,497,499	9,623,399	98.7	125,900
2001	10,334,242	10,390,868	99.5	56,626
2002	10,796,391	11,476,620	94.1	680,229
2003	11,326,122	12,831,205	88.3	1,505,083
2004	11,735,749	13,832,854	84.8	2,097,105
2005	12,620,082	15,147,703	83.3	2,527,621
2006	13,802,018	16,463,083	83.8	2,661,065
2007	15,256,256	17,760,549	85.9	2,504,293
2008	16,335,367	19,283,287	84.7	2,947,920
2009	16,552,830	18,857,912	87.8	2,305,082
2010	16,782,939	20,265,978	82.8	3,483,039
2011	17,927,431	21,686,249	82.7	3,758,818
2012	18,407,082	23,083,259	79.7	4,676,177
2013	18,996,606	23,198,866	81.9	4,202,260
2014	19,896,433	23,911,781	83.2	4,015,348

Results shown throughout this report for years prior to 2009 were prepared by the previous actuarial firm.

Actuarial Balance Sheet June 30, 2014**Actuarial Assets**

	Pension	Health Insurance	Total
Accrued Assets			
Assets from system's financial statements (market value)	\$19,916,328	\$1,477,321	\$21,393,649
Funding value adjustment	<u>(1,393,827)</u>	<u>(103,389)</u>	<u>(1,497,216)</u>
Total accrued assets	18,522,501	1,373,932	19,896,433
Actuarial present value of expected future contributions			
For normal costs	3,906,376	201,486	4,107,862
For unfunded actuarial accrued liabilities	<u>4,009,560</u>	<u>5,788</u>	<u>4,015,348</u>
	7,915,936	207,274	8,123,210
Total Actuarial Present Value of Present and Expected Future Resources	\$26,438,437	\$1,581,206	\$28,019,643

Actuarial Present Values (Liability)

To retirees and beneficiaries	\$13,064,495	\$839,398	\$13,903,893
To vested terminated members	532,656	98,024	630,680
To active members			
Allocated to service rendered prior to valuation date	8,934,910	442,298	9,377,208
Allocated to service rendered after valuation date	<u>3,906,376</u>	<u>201,486</u>	<u>4,107,862</u>
Total Actuarial Present Value of Present and Expected Future Resources	\$26,438,437	\$1,581,206	\$28,019,643

Comments and Conclusion

Comment 1: The overall experience of the Retirement System was more favorable than assumed during the year ended June 30, 2014. The primary source of the favorable experience was average salary increases which were less than assumed.

Comment 2: The allocation of the funding value of assets between pensions and health is based on the reported allocation of the market value.

Comment 3: The Governmental Accounting Standards Board (GASB) Statements 43 and 45 concern financial reporting for “Other Post-Employment Benefits” (OPEB), which are non-pension benefits including retiree health benefits. Statement 43 applies to OPEB plans and Statement 45 applies to the plan sponsor.

In Section 6 of this Report, Accounting Disclosures, we have included information for GASB Statements 43 and 45. We have assumed for this purpose that assets considered in determining the unfunded actuarial accrued liability for OPEB meet the GASB Statements 43 and 45 requirements as follows: a) irrevocably held in a trust or equivalent arrangement, b) dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan, and c) legally protected from creditors of the employer or the plan.

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

Regular Retirement

Members Hired Prior to July 1, 2011

Eligibility:

Non-Union and Operating Engineers: 30 years of service regardless of age or age 55 with 5 or more years of service.

Police and Fire: 25 years of service regardless of age or age 55 with 5 or more years of service.

Annual Benefit:

Non-Union and Operating Engineers: Straight life pension equals 2.5% of 3 year final average salary (FAS) times total service to a maximum of 80%.

Police and Fire: Straight life pension equals 2.75% of 3 year final average salary times total service to a maximum of 75%.

Members Hired After July 1, 2011

Eligibility:

Age 60 with 6 or more years of service.

Annual Benefit:

1.5% of 3 year final average salary of base salary only.

Deferred Retirement

Members Hired Prior to July 1, 2011

Eligibility:

5 or more years of service. Benefit begins upon attainment of age 55. Accumulated contributions remain in System.

Annual Benefit:

Computed as service retirement but based upon service, FAS at termination.

Members Hired After July 1, 2011

Eligibility:

6 or more years of service. Benefit begins upon attainment of age 60. Accumulated contributions remain in System.

Annual Benefit:

Computed as service retirement but based upon service, FAS at termination.

Duty Disability Retirement

Eligibility:

No age or service requirements. Must be eligible for worker's compensation benefits.

Annual Benefit:

Computed as a regular retirement with a minimum benefit of 16 2/3% of FAS.

Non-Duty Disability

Eligibility:

5 years of service. Disability must be approved by a medical committee.

Annual Benefit:

Computed as a regular retirement with a minimum benefit of 16 2/3% of FAS.

Duty Death in Service Survivors Pension

Eligibility:

25 years of service or age 55 with 5 years of service.

Annual Benefit:

Computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor benefit.

Member Contributions

Members Hired Prior to July 1, 2011 -

Non-Union and Operating Engineers: 5.5% of pay

Police and Fire: 6.73% of pay.

Post-Retirement Increases

Members Hired Prior to July 1, 2011

Annual Benefit:

Each July 1, starting July 1, 1994, all pensioners who have been receiving pension benefits for at least one year will receive an increase. The increase will be equal to the increase in the CPI (but not more than 2.8%) multiplied by the member's current benefit.

Members Hired After July 1, 2011

None

Optional Benefits

Straight Life: Member receives an amount calculated in accordance with the formula for life. Benefits terminate upon member's death.

Option A: 100% joint and survivor benefit. Member receives an amount for his/her life which is calculated as a straight life benefit then actuarially reduced. If the member predeceases the named beneficiary, then the named beneficiary receives the same amount until his/her death. Benefits terminate when both the member and the named beneficiary have died.

Option B: 50% joint and survivor benefit. Member receives an amount for his/her life which is calculated as a straight life benefit then actuarially reduced. If the member predeceases the named beneficiary, then the named beneficiary receives 50% of what the member was receiving until his/her death. Benefits terminate when both the member and the named beneficiary have died.

Post-Retirement Health Benefits

Members Hired Prior to July 1, 2011

Eligibility: 5 or more years of service and age 55 for all members of the City of Tecumseh Employees Retirement System who have left active service, their eligible spouses and eligible surviving spouses.

An eligible spouse is the current spouse of the member who was married to the member on the date of retirement. An eligible surviving spouse is the person who was married to the member on both the date of retirement and the date of the member's death.

Annual Benefit: The lower of

- 1) a percentage of the health insurance premiums for the appropriate fiscal year (the percentage paid is based on accrued service at the time of retirement and is 5% per year of service up to 100%), or
- 2) the annual maximum for the appropriate fiscal year.

The annual maximum is increased annually each July 1 by the percentage increase in the CPI (but not more than 2.5%). For the 2013/2014 fiscal year, the annual maximum is \$1,805.16.

Retired members who waive post-retirement health benefits in any given year, retain the right to begin receiving benefits in future years.

Members Hired After July 1, 2011

None

Section Four:

***Actuarial Assumptions
And Methods***



Actuarial Assumptions

Economic Assumptions

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

- (ii) **Salary Increases**
 - Across-the-Board 3.75%
 - Merit and Longevity Service-related rates

Sample Annual Rates of Salary Increase

Service	Base	Promotion, Longevity	Total
1-5	3.75%	4.20%	7.95%
6-10	3.75	2.50	6.25
11-15	3.75	2.00	5.75
20 and Over	3.75	0.80	4.55

Demographic Assumptions

(i) Mortality

1971 Group Annuity Mortality Table projected to 2000, set back 0 years for males and 6 years for females.

Sample Ages	Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	\$164	\$183	24.02	29.21
60	146	168	19.84	24.86
65	127	150	13.00	20.74
70	107	131	12.73	16.86
75	88	111	9.86	13.37
80	70	91	7.44	10.40

(ii) Disability

Sample Ages	Percent Becoming Disabled Within Next Year	
	Men	Women
20	0.00%	0.00%
25	0.00	0.00
30	0.00	0.00
35	0.00	0.00
40	0.00	0.00
45	0.00	0.00
50	0.00	0.00
55	0.00	0.00
60	0.00	0.00
65	0.00	0.00

(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	15.00%	15.00%	15.00%
	1	17.00	17.00	17.00
	2	17.00	17.00	17.00
	3	15.00	15.00	15.00
	4	10.00	10.00	10.00
25	5 & Over	3.50	9.60	3.50
30		3.50	8.35	3.50
35		3.08	4.98	3.08
40		2.80	0.98	2.80
45		2.59	0.00	2.59
50		2.24	0.00	2.24
55		0.00	0.00	0.00
60		0.00	0.00	0.00

(iv) Retirement Rates

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

Age-related rates:

Age Retiring	Percent Retiring		
	General	Police	Fire
55	20%	35%	20%
56	15	25	15
57	5	20	5
58	5	15	5
59	5	15	5
60	5	15	5
61	5	15	5
62	5	25	5
63	20	100	20
64	30	100	30
65	100	100	100

Service-related rates:

Service	Percent Retiring		
	General	Police	Fire
25-29	--%	15%	--%
30	30	15	30
31	30	15	30
32-40	15	15	15

An active member is eligible for retirement after attaining age 55 with 5 or more years of service or after attaining 30 years of service (25 years for Police).

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 24 years, a decrease of 1 year from the 25 year period used for the June 30, 2013 annual valuation.

Active member payroll was assumed to increase 3.75% 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, 2014

a. Revenues		
Member Contributions		\$132,084
Employer Contributions		613,838
Investment Income (Net of Expenses)		<u>3,343,943</u>
Total Income		\$4,089,865
b. Expenses		
Pensions		\$1,017,739
Post-retirement health benefits paid		40,516
Refunds		0
Non-Investment Expenses		<u>33,450</u>
Total Expenses		1,091,705
Total revenues minus total expenditures		\$2,998,160

Asset Reconciliation

Market Value of Assets – June 30, 2013	\$18,395,489
Revenues	4,089,865
Expenditures	1,091,705
Adjustments	0
Market Value of Assets – June 30, 2014	\$21,393,649

Asset Summary

As of June 30, 2014 the market value of assets was reported to be \$21,393,649. The gross funding value of assets (smoothed market value) was computed to be \$19,896,433.

Funding Value of Assets

	June 30, <u>2013</u>	June 30, <u>2014</u>
1. Beginning of Year Assets		
a) Market Value	\$16,989,663	\$18,395,489
b) Valuation Assets	18,407,082	18,996,606
2. End of Year Market Value of Assets	18,395,489	21,393,649
3. Net Additions to Market Value		
a) Non Investment Net Cash Flow	(361,079)	(317,183)
b) Net Investment Income = (3c) - (3a)	1,766,905	3,315,343
c) Total Additions to Market Value	1,405,826	2,998,160
4. Average Valuation Assets = (1b) + .5 x (3a)	18,226,542	18,838,015
5. Expected Income at Valuation Rate = 7.5% x (4)	1,366,991	1,412,851
6. Investment Gain (Loss) = (3b) - (5)	399,915	1,902,491
7. Phased Recognition		
a) Current Year: (6) / 7	57,131	271,784
b) First Prior Year	(159,226)	57,131
c) Second Prior Year	193,861	(159,226)
d) Third Prior Year	(6,964)	193,861
e) Fourth Prior Year	(402,855)	(6,964)
f) Fifth Prior Year	(149,572)	(402,855)
g) Sixth Prior Year	51,239	(149,572)
h) Total Recognized Investment Gain/(Loss)	(416,387)	(195,842)
8. Change in Valuation Assets	589,525	899,826
9. End of Year Assets		
a) Market Value = (2)	18,395,489	21,939,649
b) Valuation Assets = (1b) + (8)	18,996,606	19,896,433
c) Ratio of Market to Valuation Assets	97%	108%
10. Recognized Rate of Return	5.22%	6.46%
11. Market Rate of Return	10.51%	18.18%

The smoothing period was increased to 7 years from 5 years in 2011.

Participant Summary

Retirees and Beneficiaries Included in the Valuation

There were 40 retirees and beneficiaries included in the valuation, with annual pensions totaling \$1,055,357.

During the year ended June 30, 2014, 1 member retired from the General Division, 1 member retired from deferred and 1 member retired from the Police Division. Two retirees were moved from the General Division to the Police Division. One member was removed from the General Division.

Pensions Being Paid Historical Schedule

Valuation Date June 30	No.	Annual Pensions	Average Pension	Discounted Value of Pensions	
				Total	Average
1990	19	\$87,126	\$4,586	\$874,217	\$46,011
1995	20	197,343	9,867	2,059,541	108,397
1996	19	199,283	10,489	2,104,664	110,772
1997	19	212,276	11,172	2,199,538	115,765
1998	18	208,529	11,586	2,142,417	119,023
1999	16	200,509	12,532	2,075,890	129,743
2000	15	209,730	13,982	2,277,558	151,837
2001	17	250,989	14,764	2,710,700	159,453
2002	21	347,795	16,562	4,012,411	191,067
2003	22	364,052	16,548	4,472,218	203,283
2004	24	417,761	17,407	5,292,614	220,526
2005	25	480,909	19,236	6,083,679	243,347
2006	27	564,907	20,922	7,284,194	269,785
2007	28	598,492	21,375	7,637,188	272,757
2008	30	641,143	21,371	8,027,665	267,589
2009	31	704,827	22,736	8,476,467	273,434
2010	33	801,794	24,297	10,050,508	304,561
2011	38	934,922	24,603	11,850,694	311,860
2012	39	998,135	25,593	12,695,702	325,531
2013	38	994,867	26,181	12,408,135	326,530
2014	40	1,055,357	26,384	12,841,286	321,032

Retired Members and Survivors – June 30, 2014**Summaries of Retired Members and Survivors
Tabulated by Attained Age of Recipient**

Attained Age	Service Retirement		Disability		Totals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
40		\$ -	1	\$24,781	1	\$24,781
52	1	42,093			1	42,093
55	2	59,346			2	59,346
56	1	11,264			1	11,264
57	2	67,224			2	67,224
58	3	72,844			3	72,844
59	2	93,530			2	93,530
61	3	39,204			3	39,204
62	4	141,108			4	141,108
65	1	20,028			1	20,028
66	5	161,811			5	161,811
67	1	38,407			1	38,407
68	2	33,203			2	33,203
72	1	21,707			1	21,707
74	1	33,356			1	33,356
75	1	8,432			1	8,432
76	1	12,581			1	12,581
77	1	23,437			1	23,437
78	1	41,354			1	41,354
79	1	18,647			1	18,647
83	2	42,741	1	13,993	3	56,734
84			1	14,217	1	14,217
86	1	20,049			1	20,049
Totals	37	\$1,002,366	3	\$52,991	40	\$1,055,357

Inactive Members – June 30, 2014**Summaries of Inactive Members
Tabulated by Attained Age of Recipient**

Attained Age	No.	Est. Annual Benefits
38	1	\$10,176
49	2	24,691
53	1	9,707
55	1	4,817
Totals	5	\$49,391

Active Member Summary

General Active Members as of June 30, 2014
Age and Service Distribution

Attained Age	Service							No.	Totals
	0-4	5-9	10-14	15-19	20-24	25-29	35-39		Payroll
20-24	1							1	\$ 37,045
25-29	1							1	33,467
30-34		1						1	47,475
40-44		1	3					4	233,383
45-49			4					4	211,229
50-54	2	2		2	1	3		10	546,966
55-59			2		1			3	213,544
60-64				1		1	1	3	163,435
Totals	2	4	9	3	2	4	1	27	\$1,486,544

Group Averages

Age: 49.1 years
Service: 14.4 years
Annual Pay: \$55,057

**Police/Fire Active Members as of June 30, 2014
Age and Service Distribution**

Attained Age	Service						Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	No.	Payroll
30-34		1					1	\$41,008
35-39	1	1		1			3	159,975
40-44	1	2	2	3			8	450,363
45-49			1				1	42,630
50-54					1	1	2	119,610
55-59						1	1	56,812
60-64						1	1	43,969
Totals	2	4	3	4	1	3	17	\$914,367

Group Averages

Age: 45.0 years
Service: 14.7 years
Annual Pay: \$53,786

Active Members – Two -Year Summary

	<u>2014</u>		<u>2013</u>	
	<u>General</u>	<u>Police/Fire</u>	<u>General</u>	<u>Police/Fire</u>
Active Members	27	17	27	16
Valuation Payroll	\$1,486,544	\$914,367	\$1,496,909	\$849,688
Average Compensation	\$55,057	\$53,786	\$55,441	\$53,106
Average Age (yrs.)	49.1	45.0	48.4	44.6
Average Service (yrs.)	14.4	14.7	15.4	15.8



Section Six:
Accounting Disclosures



GASB Statements 43 and 45 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, 2014
Actuarial Cost Method:	Individual Entry Age
Amortization method:	Level percent of payroll, closed
Remaining amortization period for credit:	24 years
Asset valuation method:	7-year smoothed market value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases*	3.75%-7.95%
* Includes inflation at	3.75%

Membership data as of June 30, 2014 is indicated in Section Five of this report.

GASB Statements 43/45 Supplementary Information – Post-Retirement Health Benefits**Analysis of Funding Progress**

Valuation Date June 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
2009	\$407,494	\$1,069,685	38.1%	\$662,191	\$2,862,258	23.4%
2010	504,431	1,114,486	45.3	610,055	2,607,673	23.4
2011	968,683	1,233,156	78.6	264,473	2,314,751	11.4
2012	831,649	1,381,158	60.2	549,509	2,299,116	23.9
2013	996,030	1,367,524	72.8	371,494	2,267,474	16.4
2014	1,373,932	1,379,720	99.6	5,788	2,126,759	0.3

Schedule of Employer Contributions

Valuation Date June 30	Fiscal Year Beginning July 1	Computed Rates as Percents of Valuation Payroll	Computed Dollar Contribution Based on Projected Valuation Payroll
2009	2010	2.39%	\$79,054
2010	2011	2.46	74,132
2011	2012	1.79	47,882
2012	2013	2.57	68,283
2013	2014	2.18	57,124
2014	2015	1.14	28,018