

July 31, 2014

The Board of Trustees  
City of Pontiac General Employees Retirement System  
Pontiac, Michigan

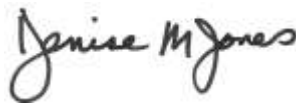
Dear Board Members:

*The purpose of the annual actuarial valuation of the City of Pontiac General Employees Retirement System, as of December 31, 2013 is to:*

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired, active and vested inactive 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, vested inactive members, retirees, beneficiaries and assets was provided by the Retirement System Administrator. This data has been reviewed for reasonableness, but no attempt has been made to audit such information. The valuation was based on the provisions of the Retirement System as amended through December 31, 2013. The actuarial assumptions used in this valuation represent reasonable expectations of future experience under the System. The valuation was performed under the supervision of a member of the American Academy of Actuaries, as indicated, who meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Denise M. Jones  
Senior Consultant



Sandra W. Rodwan  
Member, American Academy of Actuaries

***City of Pontiac  
General Employees  
Retirement System***

*Actuarial Valuation as of December 31, 2013*

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***Section One:***  
***Valuation Summary***



**Purpose of Valuation**

The purpose of the annual actuarial valuation of the City of Pontiac General Employees Retirement System as of December 31, 2013 is to:

- ❖ Compute the liabilities associated with benefits likely to be paid on behalf of current retired, active and vested inactive 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 December 31, 2013 were computed to be \$279,931,726. The funding value of accrued assets was \$396,857,874. The ratio of the funding value of accrued assets to accrued liabilities was 141.8%.

**Funding Value of Assets**

A smoothed market value of assets was used for the December 31, 2013 valuation. This method, which spreads capital gains and losses (realized and unrealized) over five years, is the same as the method used for last year’s valuation.

**Financial Data**

	<u>12/31/2013</u>	<u>12/31/2012</u>
Smoothed Valuation Assets	\$396,857,874	\$369,621,671
Market Value of Assets	490,472,889	\$423,528,788

### **Retirement System Experience**

The overall experience of the Retirement System during 2013 was more favorable than expected based on the long-term assumptions. The recognized investment income on the smoothed funding value of assets was more than assumed (14.6% vs. 7.5% assumed).

### **Benefit Provision Changes**

Active members were assumed to be eligible to retire if they were within 3 months of the service credit needed to retire.

The Teamsters #214 straight life benefit formula was increased to 2.50% from 2.25% for this valuation.

Also included in the valuation was the two year temporary increase to current retirees and various early retirement incentive programs that were effective during the year.

### **Assumption and Method Changes**

The amortization of the full funding credit was changed from level percent of payroll to level dollar amortization. Normal cost contributions for the remaining active members are also shown as dollar amounts for this year's valuation.

**Participant Data**

	<u>12/31/2013</u>	<u>12/31/2012</u>
Active Members	32	57
Active Member Payroll	\$1,574,964	\$2,742,912
Retirees and Beneficiaries		
General	719	700
Annual Pensions	\$15,831,698	\$15,247,701
Hospital	413	421
Annual Pensions	\$4,111,919	\$4,224,104
Total	1,132	1,121
Annual Pensions	\$19,943,617	\$19,471,805
Vested Inactive Members		
General	193	192
Estimated Annual Pensions	\$2,352,657	\$2,357,092
Hospital	68	85
Estimated Annual Pensions	\$250,377	\$300,289
Total	261	277
Annual Pensions	\$2,603,034	\$2,657,381

**Computed City's Contribution**

The employer Normal Cost contribution was computed to be \$279,188. Accrued valuation assets exceeded the actuarial accrued liabilities. The excess of the funding value of assets over the actuarial accrued liabilities was amortized over an open 30 year period and applied as a temporary funding credit to offset the employer normal cost.

The total employer contribution was therefore computed to be \$0, which includes a temporary funding credit that completely offsets the normal cost contribution.

**Conclusion:** Accrued valuation assets exceeded actuarial accrued liabilities as of December 31, 2013. The funding credit based on 30 year amortization of the excess was more than sufficient to fully offset the City's computed Normal Cost contribution for the fiscal year beginning July 1, 2015.



***Section Two:***

***Actuarial Calculations –  
Funding***





**Computed Contribution for the Year Beginning July 1, 2015**

The Normal Cost can be viewed as the long-term on-going cost of the Retirement System.

The excess of valuation assets over accrued liabilities was amortized as a level dollar amount over 30 years to produce a temporary funding credit. At the time valuation assets no longer exceed accrued liabilities, the minimum on-going contribution is the normal cost.

**Contribution Recommendation:**

Normal Cost	
Regular Retirement	\$208,481
Pre-retirement Death	7,521
Disability	46,423
Withdrawal	<u>16,763</u>
Total Normal Cost	\$279,188
Member Portion	0
<b>City’s Computed Normal Cost</b>	<b>\$279,188</b>
Temporary Funding Credit	(279,188)
<b>City’s Total Contribution</b>	<b>\$0</b>

**Unfunded Actuarial Accrued Liability**

	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>Actuarial Accrued Liabilities</b>	\$279,931,726	\$247,968,743
<b>Assets Allocated to Funding</b>	<u>396,857,874</u>	<u>369,621,671</u>
<b>Unfunded Actuarial Accrued Liabilities</b>	\$(116,926,149)	\$(121,652,928)

**Recommended City Contributions**

<b>Valuation Date Dec. 31</b>	<b>Fiscal Year Beginning July 1</b>	<b>Annual Required Contribution@</b>
1996		\$1,596,409
1997#*		1,069,980
1998		598,231
1999#		133,572
2000		158,921
2001#*		140,226
2002#		49,456
2003	2005	49,163
2004	2006	0
2005	2007	0
2006	2008	0
2007	2009	0
2008	2010	0
2009#	2011	0
2010	2012	0
2011	2013	0
2012	2014	0
<b>2013</b>	<b>2015</b>	<b>0</b>

@Including temporary full funding credits.

#Retirement System amended.

\*Valuation assumptions revised.

**Note:** Results shown throughout this report for years prior to 2007 were prepared by the previous actuarial firm.

**Determination of Unfunded Accrued Liability**

<b>A. Accrued Liability</b>	
1. For retirees and beneficiaries	
a. Benefit payments – General	\$214,097,861
b.                              Hospital	<u>43,607,644</u>
c. Total: (a) + (b)	<u>257,705,505</u>
2. For vested terminated members	
a. General	14,358,750
b. Hospital	<u>2,802,221</u>
c. Total (a) + (b)	<u>17,160,971</u>
3. For present active members	
a. Value of expected future benefit payments	7,499,991
b. Value of future normal costs	<u>2,434,741</u>
c. Active member accrued liability: (a) – (b)	<u>5,065,250</u>
4. Total: (1.c) + (2.c) + (3.c)	<u>279,931,726</u>
<b>B. Present Assets (valuation basis)</b>	<u>396,857,874</u>
<b>C. Unfunded Accrued Liability: (A4) – (B)</b>	<u>\$(116,926,149)</u>
<b>D. Funded Position: (B)/(A.4)</b>	<u>141.8%</u>

**History of Assets and Accrued Liabilities**

<b>Valuation Date December 31,</b>	<b>Valuation Assets</b>	<b>Actuarial Accrued Liabilities</b>	<b>Funded Ratio</b>	<b>Unfunded Actuarial Accrued Liabilities</b>
1995*	\$237,353,362	\$174,206,716	136.2%	-
1996*	256,723,386	184,624,697	139.1	-
1997*#	287,764,412	189,207,579	152.1	-
1998	315,420,281	194,984,577	161.8	-
1999*	350,846,897	209,172,136	167.7	-
2000*	378,063,942	217,942,909	173.5	-
2001*#	395,743,819	227,901,435	173.6	-
2002*	393,214,033	235,422,367	167.0	-
2003	394,367,065	247,396,857	159.4	-
2004	394,807,254	258,365,787	152.8	-
2005	391,409,757	260,103,260	150.5	-
2006	409,983,490	266,457,429	153.9	-
2007	433,028,186	257,940,349	167.9	-
2008	416,678,512	261,497,756	159.3	-
2009*	405,193,572	255,720,207	158.5	-
2010	399,573,669	253,866,554	157.4	-
2011	383,349,729	249,739,988	153.5	-
2012	369,621,671	247,968,743	149.1	-
<b>2013</b>	<b>396,857,874</b>	<b>279,931,726</b>	<b>141.8</b>	<b>-</b>

\*Plan amended.

#Certain assumptions revised.

**Note:** Results shown throughout this report for years prior to 2007 were prepared by the previous actuarial firm.

**Aggregate Gain/Loss - Year Ended December 31, 2013**

(1) UAAL <sup>a</sup> at start of year	\$(121,652,928)
(2) Normal cost	488,563
(3) Interest accrual	(9,105,980)
(4) Contributions	0
(5) Expected UAAL before changes	(130,270,345)
(6) Change from amendments	13,474,390
(7) Change from assumption revision	0
(8) Expected UAAL after changes	(116,795,955)
(9) Actual UAAL	(116,926,149)
(10) Gain(Loss)	130,193
(11) Percent of AAL <sup>b</sup>	0.1%

<sup>a</sup> Unfunded Actuarial Accrued Liability.

<sup>b</sup> Actuarial Accrued Liability at beginning of year \$247,968,743.

## Comments and Conclusion

**Comment 1:** The overall experience of the Retirement System during the year ended December 31, 2013 was more favorable than expected based upon the long-term assumptions. The primary source of the favorable experience was the recognized rate of investment return on the smoothed funding value of assets (14.6% vs. 7.5% assumed). Offsetting the favorable experience were earlier retirements than expected.

**Comment 2:** The present value of future benefits payable to current retirees and beneficiaries was computed to be \$257,705,505. The Reserve for Retired Benefit Payments was reported to be \$211,570,137. We recommend that the difference, \$46,135,368, be transferred from the Reserve for Employer Contributions to the Reserve for Retired Benefit Payments so that the assets allocated to retired lives is equal to the retiree liability as of December 31, 2013.

**Conclusion:** Accrued valuation assets exceeded actuarial accrued liabilities as of December 31, 2013. The funding credit based on 30 year amortization of the excess was more than sufficient to fully offset the City's computed Normal Cost contribution for the fiscal year beginning July 1, 2015.

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***Section Three:***

***Retirement System  
Benefit Provisions***



## Benefit Provision Summary

### *Service Retirement*

#### *Eligibility:*

**Teamsters #214:** Age 50 with 30 years of service or age 55 with 25 years of service or age 60 with 10 years of service. Plan is closed to new hires effective 6/1/2010.

**Court/MAPE:** Age 50 with 25 years of service or age 55 with 10 years of service.

**PPFDA, PPMA and SAEA and AFSCME #2002:** Age 50 with 25 years of service or age 60 with 10 years of service. Plan is closed to new AFSCME hires effective 6/1/2010 and all others 4/1/2013.

**Non-Union City and District Court:** Age 50 with 25 years of service or age 55 with 20 years of service or age 60 with 10 years of service. Plan is closed to new hires effective 4/1/2013.

#### *Annual Benefit:*

**Teamsters #214:** Straight life pension equals 2.50% of 3 year final average compensation (FAC) times years of service.

**Court/MAPE:** Straight life pension equals 2.00% of 3 year final average compensation (FAC) times years of service.

**PPFDA:** Straight life pension equals 2.25% of 3 year final average compensation (FAC) times years of service.

**PPMA, AFSCME #2002, Non-Union City and District Court:** Straight life pension equals 2.50% of 3 year final average compensation (FAC) times years of service.

**SAEA:** Straight life pension equals 3.00% of 3 year final average compensation (FAC) times the first 20 years of service plus 2.5% of the next 5 years of service plus 1.0% of the next five years of service to a maximum of 77.5% of FAC.

#### *Average final salary (FAC):*

**Teamsters #214:** highest 3 consecutive years out of the last 12 with some lump sums included. **All others:** highest 3 consecutive years out of the last 10 with some lump sums included.

### *Reduced Retirement*

#### *Eligibility:*

**Teamsters #214:** Age 50 with 25 years of service.

#### *Annual Benefit:*

Regular retirement benefit reduced for service less than 30 years.



***Deferred Retirement***

*Eligibility:*

10 or more years of service, benefit begins at age 60 (age 55 for Court/MAPE); or with 25 or more years of service (including NOMC service after 1993), benefit begins at age 55 (age 50 for Court/MAPE).

*Annual Benefit:*

Computed as a regular retirement but based upon service and FAC at termination date.

***Duty Disability Retirement***

*Eligibility:*

No age or service requirements.

*Annual Benefit:*

Computed as a regular retirement benefit. Upon termination of worker's compensation additional service credit is granted for period in receipt of worker's compensation and benefit is recomputed. Minimum benefit prior to voluntary retirement age is the greater of a) 15% of final average earnings, or b) an amount equal to worker's compensation benefit.

***Non-Duty Disability***

*Eligibility:*

10 or more years of service.

*Annual Benefit:*

Same as a regular retirement, with a minimum benefit of 15% of final average compensation.

***Duty Death in Service Survivor's Pension***

*Eligibility:*

No age or service requirements.

*Annual Benefit:*

Payable upon expiration of worker's compensation to the survivors of a member who died in the line of duty. Same amount that was paid by worker's compensation to widow, dependent widower, children under 18 and dependent parents.

***Non-Duty Death in Service Survivor's Pension***

*Eligibility:*

10 years of service.

*Annual Benefit:*

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

***Member Contributions***

None.

***City Contributions***

Actuarially determined amounts which are sufficient to cover both (i) normal costs of the plan and (ii) financing unfunded accrued benefit values over a selected period of future years.

***Post Retirement Adjustment***

**Court/MAPE:** 2.50% of original retirement income for 14 years.

**All others:** 2.00% of original retirement income for 18 years.

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*Section Four:*

***Actuarial Assumptions  
And Methods***



**Actuarial Assumptions**

**Economic Assumptions**

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

(ii) **Salary Increases**

Across-the-Board 4.5%  
 Merit and Longevity Age-related rates

**Sample Annual Rates of Salary Increase**

Sample Ages	Base Economic	Non-Teamsters		Teamsters		
		Merit & Longevity	Total	Years of Service	Merit & Longevity	Total
20	4.5%	4.9%	9.4%	1 to 10	2.5%	7.0%
25	4.5%	3.7%	8.2%	thereafter	1.0	5.5
30	4.5%	2.9%	7.4%			
35	4.5%	2.1%	6.6%			
40	4.5%	1.6%	6.1%			
45	4.5%	1.4%	5.9%			
50	4.5%	1.3%	5.8%			
55	4.5%	1.1%	5.6%			
60	4.5%	1.1%	5.6%			

**Demographic Assumptions**

**(i) Mortality**

1983 Group Annuity Mortality Table

Sample Ages	Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	\$132.63	\$141.91	29.2	34.9
55	124.30	135.50	24.8	30.2
60	113.90	127.17	20.6	25.7
65	101.22	116.64	16.7	21.3
70	87.30	103.61	13.2	17.1
75	72.78	88.75	10.2	13.4
80	58.43	73.55	7.6	10.2

The 1983 Group Annuity Mortality Table for males and females with a 5 year set forward was used for disabled lives.

**(ii) Disability**

Sample Ages	Percent Becoming Disabled Within Next Year
25	0.42%
30	0.45%
35	0.51%
40	0.67%
45	0.92%
50	1.36%
55	2.20%
60	4.32%

**(iii) Termination of Employment**

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

<b>Sample Ages</b>	<b>Years of Service</b>	<b>% of Active Members Separating Within One Year</b>
All	0	20.0%
	1	18.0
	2	15.0
	3	12.0
	4	10.0
20	5 & Over	7.0
25		7.0
30		6.0
35		4.8
40		3.5
45		2.4
50		1.5
55		1.0
60		1.0

**(iv) Retirement Rates**

Age-related rates

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

<b>Age Related Rates</b>	
<b><u>Age</u></b>	<b><u>Percent Retiring</u></b>
50	35%
51	30
52	25
53	25
54	25
55	25
56	25
57	50
58	50
59	50
60	20
61	25
62	30
63	30
64	25
65	50
66 and up	100

**Unused Sick Leave** – Final average earnings are assumed to be increased for lump sum payment by 7% for City employees and 8.25% for non-union District Court and non-union City employees.

## **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;

***Financing of Unfunded Actuarial Accrued Liability.*** The excess of accrued valuation assets over actuarial accrued liability was amortized as a level dollar amount over 30 years and applied as a temporary funding credit.





***Section Five:***  
***Valuation Data***



**Asset Summary**

As of December 31, 2013 the market value of assets was reported to be \$490,472,889.  
The funding value of assets (smoothed market value) was computed to be \$396,857,874.

**Funding Value of Assets**

	<b>2012</b>	<b>2013</b>
A. Funding Value Beginning of Year	\$383,349,729	\$369,621,672
B. Market Value End of Year	423,528,788	490,472,889
C1. Market Value BOY (Before audit adjustment)	395,299,593	423,528,788
C2. Market Value BOY (After audit adjustment)	395,299,593	423,528,788
D. Non-Investment Net Cash Flow		
Contribution Income	-	-
Net Interest & Dividend Income	10,657,334	9,159,756
Other Non-investment Net Income	33,505	25,795
Benefit Payments & Refunds	21,497,123	23,946,984
Administrative Expenses	536,785	945,502
Total	(11,343,069)	(15,706,935)
E. Investment Income		
E1. Market Total B-C1-D	39,572,265	82,651,036
E2. Amount for Phased-In Recognition: E1*20%	7,914,453	16,530,207
F. Phased-In Recognition of Investment Income		
F1. Current Year: 0.20 x E1	7,914,453	16,530,207
F2. First Prior Year	(2,610,388)	7,914,453
F3. Second Prior Year	8,971,598	(2,610,388)
F4. Third Prior Year	12,137,268	8,971,598
F5. Fourth Prior Year	(28,797,918)	12,137,268
F6. Total Phased-In Amount	(2,384,988)	42,943,138
G. Min. Funding Value: 80% of Mkt. Val.	338,823,030	392,378,311
H. Funding Value End of Year: A+D+F6	369,621,671	396,857,874
I. Difference Between Market and Funding Value	\$53,907,117	\$93,615,015
J. Recognized Rate of Return	2.22%	14.59%
K. Estimated Market Rate of Return	9.53%	17.78%

## Participant Summary

### Retirees and Beneficiaries Included in the Valuation

There were 1,132 retirees and beneficiaries included in the valuation, with annual pensions totaling \$19,943,617 as of December 31, 2013.

### Pensions Being Paid Historical Schedule

Valuation Date December 31	No.	Annual Pensions	Average Pension	Discounted Value of Pensions	
				Total	Average
1990	665	\$5,297,811	\$7,967	\$55,451,078	\$83,385
1991	680	5,588,609	8,219	58,293,171	85,725
1992	732	6,588,936	9,001	73,144,465	99,924
1993	766	7,184,847	9,380	81,484,846	106,377
1994	833	8,212,033	9,858	93,650,511	112,426
1995	840	7,955,901	9,471	93,058,132	110,783
1996	843	8,238,862	9,773	97,215,236	115,321
1997	859	8,643,538	10,062	101,915,799	118,645
1998	868	8,874,800	10,224	104,381,190	120,255
1999	896	9,576,564	10,688	113,489,411	126,662
2000	907	10,011,035	11,038	118,807,717	130,990
2001	937	10,817,986	11,545	126,931,474	135,466
2002	954	11,381,934	11,931	132,099,146	138,469
2003	979	12,425,465	12,692	146,268,623	149,406
2004	1,010	13,593,765	13,459	161,453,904	159,855
2005	1,054	15,719,370	14,914	189,707,170	179,988
2006	1,069	16,310,555	15,258	199,185,609	186,329
2007	1,086	17,806,089	16,396	201,487,931	185,532
2008	1,097	18,230,374	16,618	203,046,012	185,092
2009	1,105	18,569,564	16,805	203,164,691	183,859
2010	1,112	19,044,892	17,127	209,720,255	188,597
2011	1,118	19,317,937	17,279	219,255,728	196,114
2012	1,121	19,471,805	17,370	219,675,185	195,964
<b>2013</b>	<b>1,132</b>	<b>19,943,617</b>	<b>17,618</b>	<b>257,705,505</b>	<b>227,655</b>

**Retired Members and Survivors - December 31, 2013**

<b>Attained Age</b>	<b>Age &amp; Service Retirement</b>		<b>Survivor</b>		<b>Disability</b>		<b>Totals</b>	
	<b>No.</b>	<b>Annual Pensions</b>	<b>No.</b>	<b>Annual Pensions</b>	<b>No.</b>	<b>Annual Pensions</b>	<b>No.</b>	<b>Annual Pensions</b>
20-24		\$ -	1	\$8,102		\$ -	1	\$8,102
30-34			1	41,137			1	41,137
35-39			1	11,759	1	10,258	2	22,017
40-44	5	84,228	3	40,357			8	124,585
45-49	7	231,493	1	11,791	1	21,819	9	265,103
50-54	30	752,159	4	31,998	3	34,937	37	819,094
55-59	81	2,347,018	3	45,002	11	164,454	95	2,556,474
60-64	214	4,918,098	10	182,648	18	231,116	242	5,331,862
65-69	180	3,450,288	12	108,745	4	71,805	196	3,630,838
70-74	153	2,243,865	17	232,060	11	160,096	181	2,636,021
75-79	100	1,427,353	12	158,912	12	129,029	124	1,715,294
80-84	93	1,316,141	24	265,117	5	42,733	122	1,623,991
85-89	54	674,684	17	137,135		-	71	811,819
90-94	26	228,313	6	54,277	2	13,214	34	295,804
95 & Over	7	42,015	2	19,461			9	61,476
<b>Totals</b>	<b>950</b>	<b>\$17,715,655</b>	<b>114</b>	<b>\$1,348,501</b>	<b>68</b>	<b>\$879,461</b>	<b>1,132</b>	<b>\$19,943,617</b>

## General Retired Members and Survivors - December 31, 2013

Attained Age	Age & Service Retirement		Survivor		Disability		Totals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
20-24		\$ -	1	\$8,102		\$ -	1	\$8,102
30-34			1	41,137			1	41,137
35-39			1	11,759	1	10,258	2	22,017
40-44	5	84,228	3	40,357			8	124,585
45-49	6	228,119	1	11,791	1	21,819	8	261,729
50-54	29	749,569	3	20,818	2	28,428	34	798,815
55-59	72	2,282,310	2	42,035	10	158,988	84	2,483,333
60-64	177	4,584,887	9	175,421	18	231,116	204	4,991,424
65-69	113	2,793,248	11	106,168	4	71,805	128	2,971,221
70-74	69	1,408,315	12	195,543	11	160,096	92	1,763,954
75-79	39	763,874	10	145,635	5	67,220	54	976,729
80-84	32	598,304	16	201,645	2	16,458	50	816,407
85-89	21	271,609	13	103,278		-	34	374,887
90-94	9	118,062	5	47,508	2	13,214	16	178,784
95 & Over	3	18,574		-			3	18,574
<b>Totals</b>	<b>575</b>	<b>\$13,901,099</b>	<b>88</b>	<b>\$1,151,197</b>	<b>56</b>	<b>\$779,402</b>	<b>719</b>	<b>\$15,831,698</b>

## Hospital Retired Members and Survivors - December 31, 2013

Attained Age	Age & Service Retirement		Survivor		Disability		Totals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
45-49	1	\$3,374		\$ -		\$ -	1	\$3,374
50-54	1	2,590	1	11,180	1	6,509	3	20,279
55-59	9	64,708	1	2,967	1	5,466	11	73,141
60-64	37	333,207	1	7,227			38	340,434
65-69	67	657,040	1	2,577			68	659,617
70-74	84	835,554	5	36,517			89	872,071
75-79	61	663,479	2	13,277	7	61,809	70	738,565
80-84	61	717,837	8	63,472	3	26,275	72	807,584
85-89	33	403,075	4	33,857			37	436,932
90-94	17	110,251	1	6,769			18	117,020
95 & Over	4	23,441	2	19,461			6	42,902
<b>Totals</b>	<b>375</b>	<b>\$3,814,556</b>	<b>26</b>	<b>\$197,304</b>	<b>12</b>	<b>\$100,059</b>	<b>413</b>	<b>\$4,111,919</b>

**Active Members – December 31, 2013**

Attained Age	Service					Totals	
	0-4	5-9	10-14	15-19	20-24	No.	Payroll
25-29		1				1	\$35,616
30-34			2			2	78,471
35-39		2	1	1		4	169,997
40-44	2	3	3	1		9	486,877
45-49				2		2	82,754
50-54	2	1	1	1	1	6	320,851
55-59	1		1	2		4	247,818
60-64		2		1		3	111,654
65-69			1			1	40,926
<b>Totals</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>32</b>	<b>\$1,574,964</b>

**Group Averages**

Age: 47.1 years  
Service: 10.6 years  
Annual Pay: \$49,218

**Active Members – Three-Year Summary**

	2013	2012	2011
Active Members	32	57	87
Valuation Payroll	\$1,574,964	\$2,742,912	\$3,968,743
Average Compensation	\$49,218	\$48,121	\$45,617
Average Age (yrs.)	47.1	47.9 yrs.	47.2 yrs.
Average Service (yrs.)	10.6	13.0 yrs.	11.6 yrs.

**Total Inactive Vested Members – December 31, 2013**

<b>Attained Age</b>	<b>No.</b>	<b>Estimated Annual Benefit</b>
30-34	7	\$55,687
35-39	17	171,507
40-44	46	442,402
45-49	32	393,078
50-54	76	863,017
55	11	114,308
56	19	154,810
57	15	128,153
58	7	94,589
59	12	111,085
60	6	37,550
61	1	10,500
62	2	15,763
63	2	1,794
64	5	3,286
65	1	1,200
69	1	1,200
70	1	3,105
<b>Totals</b>	<b>261</b>	<b>\$2,603,034</b>



**General Inactive Vested Members  
December 31, 2013**

<u>Attained Age</u>	<u>No.</u>	<u>Estimated Annual Benefit</u>
30-34	7	\$55,687
35-39	17	171,507
40-44	43	441,636
45-49	27	384,959
50-54	53	777,826
55	6	102,256
56	14	139,765
57	9	87,502
58	7	94,589
59	6	59,007
60	3	31,361
62	1	6,562
<b>Totals</b>	<b>193</b>	<b>\$2,352,657</b>

**Hospital Inactive Vested Members  
December 31, 2013**

<b>Attained Age</b>	<b>No.</b>	<b>Estimated Annual Benefit</b>
40-44	3	\$773
45-49	5	8,119
50-54	23	85,184
55	5	12,052
56	5	15,045
57	6	40,651
59	6	52,078
60	3	6,189
61	1	10,500
62	1	9,201
63	2	1,794
64	5	3,286
65	1	1,200
66	1	1,200
70	1	3,105
<b>Totals</b>	<b>68</b>	<b>\$250,377</b>



***Section Six:***  
***Accounting Disclosures***



**GASB Statement No. 25 Supplementary Information**

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

Valuation Date:	December 31, 2013
Actuarial Cost Method:	Individual Entry Age
Amortization method:	Level dollar, open
Remaining amortization period:	30 years
Asset valuation method:	5-year smoothed market value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.6% -9.4%
Includes inflation at	4.5%

Membership data as of December 31, 2013, indicated in Section Five of this report.

## Analysis of Funding Progress

Valuation Date 12/31	(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
1995*	\$237,353,362	\$174,206,716	136.2%	\$(63,146,646)	\$15,057,551	-
1996*	256,723,386	184,624,697	139.1	(72,098,689)	15,915,806	-
1997*#	287,764,412	189,207,579	152.1	(98,556,833)	18,295,631	-
1998	315,420,281	194,984,577	161.8	(120,435,704)	18,362,384	-
1999*	350,846,897	209,172,136	167.7	(141,674,761)	18,747,510	-
2000*	378,063,942	217,942,909	173.5	(160,121,033)	18,728,688	-
2001*#	395,743,819	227,901,435	173.6	(167,842,384)	19,887,803	-
2002*	393,214,033	235,422,367	167.0	(157,791,666)	20,039,136	-
2003	394,367,065	247,396,857	159.4	(146,970,208)	20,807,612	-
2004	394,807,254	258,365,787	152.8	(136,441,467)	21,320,477	-
2005	391,409,757	260,103,260	150.5	(131,306,497)	16,751,815	-
2006	409,983,490	266,457,429	153.9	(143,526,061)	14,996,753	-
2007	433,028,186	257,940,349	167.9	(175,087,837)	13,559,473	-
2008	416,678,512	261,497,756	159.3	(155,180,756)	14,414,481	-
2009*	405,193,572	255,720,207	158.5	(149,473,365)	12,553,146	-
2010	399,573,669	253,866,554	157.4	(145,707,115)	9,493,229	-
2011	383,349,729	249,739,988	153.5	(133,609,741)	3,968,743	-
2012	369,621,671	247,968,743	149.1	(121,652,928)	2,742,912	-
<b>2013*</b>	<b>396,857,874</b>	<b>279,931,726</b>	<b>141.8</b>	<b>(116,926,149)</b>	<b>1,574,964</b>	<b>-</b>

\*Plan amended.

#Certain assumptions revised.

**Note:** Results shown throughout this report for years prior to 2007 were prepared by the previous actuarial firm.

**Required Supplementary Information  
Schedule of Employer Contributions**

<b>Valuation Date Dec. 31</b>	<b>Fiscal Year Beginning July 1</b>	<b>Annual Required Contributions*</b>
1996		\$1,596,409
1997		1,069,980
1998		598,231
1999		133,572
2000		158,921
2001		140,226
2002		49,456
2003	2005	49,163
2004	2006	0
2005	2007	0
2006	2008	0
2007	2009	0
2008	2010	0
2009	2011	0
2010	2012	0
2011	2013	0
2012	2014	0
<b>2013</b>	<b>2015</b>	<b>0</b>

\* Including temporary full funding credits.

Note: Beginning with the December 31, 2003 actuarial valuation, the annual required contributions apply to the fiscal year beginning 18 months after the valuation date.