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August 31, 2016

Board of Trustees  
City of Gainesville  
Consolidated Police Officers' and Firefighters' Retirement Plan  
200 East University Avenue  
Gainesville, FL 32601

Board Members:

This valuation provides information concerning the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan ("the Plan"), in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 67. This Statement is an amendment of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, effective for the fiscal year ending September 30, 2015.

The enclosed exhibits contain the following information:

- Exhibit I – Schedule of Changes in Net Pension Liability, Related Ratios, and Sensitivity of the Net Periodic Liability to Changes in the Discount Rate
- Exhibit II – Schedule of City Contributions
- Exhibit III – Projection of Fiduciary Net Position
- Exhibit IV – Actuarial Present Values of Projected Benefit Payments
- Exhibit V – Summary of Member Data and Member Statistics

#### **Data, Assumptions, Methods and Plan Provisions**

The total pension liability as of September 30, 2015 was determined based on a roll-forward of entry age normal liabilities as of October 1, 2014.

The economic and demographic assumptions used were adopted by the Board in consultation with Buck Consultants. The Board's established practice is to review the experience of the Plan at least once every five years to determine if any changes to the valuation assumptions are warranted. In general, the assumptions used in the valuation are based on recommendations made and approved by the Board as part of an experience study covering the 5-year period ending September 30, 2010. The investment return assumption was lowered from 8.3% to 8.2% as of September 30, 2015. The Board reviewed the investment rate of return assumption in April of 2016 based on the Board's established investment policy and a simulation of future capital markets.

The projection of cash flows used to determine the discount rate assumes that plan member and state contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates less the member and State contributions. Based on those assumptions, the

pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In preparing the actuarial results, we have relied upon information provided by the City of Gainesville regarding plan provisions, plan participants, plan assets, contribution rates and other matters used in the actuarial valuation. As of September 30, 2015, the net position held in trust for deferred retirement option plan ("DROP") is \$5,811,462. The member data used as of October 1, 2014 was supplied by the City pension administration office. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. The accuracy of the results presented herein is dependent on the accuracy of the data.

Unless otherwise noted, the Data, Assumptions, Methods and Plan Provisions used in this valuation are the same as those documented in our *City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan Actuarial Valuation Report as of October 1, 2014* dated July 2015.

#### **Certification**

We certify that the information contained in this Actuarial Report has been prepared in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information fairly presents the actuarial position of the Plan in accordance with the requirements of GASB Statement No. 67 as of September 30, 2015.

The Board may use this report for the review of the operation of the plan and as a source of information for the City's financial statements. The report may also be used in the preparation of the Plan's audited financial statements.

Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, you should ask Buck to review any statement you wish to make on the results contained in this report. Buck will not accept any liability for any such statement made without prior review.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

In our opinion, the actuarial assumptions used are appropriate for purposes of the valuation and are reasonably related to the experience of the Plan and to reasonable long-term expectations. The mortality improvement assumption was selected in accordance with Actuarial Standard of Practice No. 35.

This report was prepared under the supervision of Joseph L. Griffin, an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Academy's qualification Standards to issue this Statement of Actuarial Opinion. This report has been prepared in accordance with all applicable Actuarial Standards of Practice and I am available to answer questions about it.

Buck Consultants, LLC



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Joseph L. Griffin, ASA, EA, MAAA  
Principal, Consulting Actuary



# City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Exhibit I

Information Required Under GASB 67 as of September 30, 2015

Schedule of Changes in Net Pension Liability and Related Ratios	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 4,094,841	\$ 3,730,365
Interest	23,375,806	19,299,422
Changes of benefit terms	0	0
Differences between expected and actual experience	(140,568)	0
Changes of assumptions	2,608,508	2,523,158
Benefit payments, including refunds of employee contributions	(17,602,583)	(12,898,782)
Net change in total pension liability	\$ 12,336,004	\$ 12,654,163
Total pension liability-beginning	\$ 245,915,632	\$ 233,261,469
Total pension liability-ending (a)	\$ 258,251,636	\$ 245,915,632
<b>Plan fiduciary net pension</b>		
Contributions- City	\$ 3,682,847	\$ 3,855,020
Contributions-member	1,972,417	2,067,685
Contributions-state	1,269,827	1,259,995
Net investment income	(93,259)	21,911,535
Benefit payments, including refunds of employee contributions	(17,602,583)	(12,898,782)
Administrative expense	(609,229)	(609,264)
Other	0	0
Net change in plan fiduciary net position	\$ (11,379,980)	\$ 15,586,189
Plan fiduciary net position-beginning	\$ 217,047,910	\$ 201,461,721
Plan fiduciary net position-ending (b)	\$ 205,667,930	\$ 217,047,910
City's net pension liability-ending (a)-(b)	\$ 52,583,706	\$ 28,867,722
Plan fiduciary net position as a percentage of the total pension liability	79.64%	88.26%
Covered-employee payroll	\$ 24,540,979	\$ 24,364,333
Net pension liability as a percentage of covered-employee payroll	214.27%	118.48%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate	1% Decrease	Current	1% Increase
	7.20%	Discount Rate 8.20%	9.20%
Net pension liability	\$ 81,481,528	\$ 52,583,706	\$ 28,464,934

## Notes to Schedule for 2015:

**A. Benefit changes:** None.

**B. Changes of assumptions:** The investment rate of return assumption was changed from 8.30% to 8.20% effective September 30, 2015.



# City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Exhibit II

Information Required Under GASB 67 as of September 30, 2015

Schedule of City Contributions	2015	2014
Actuarially determined contribution	\$ 3,682,847	\$ 3,855,020
Contributions related to the actuarially determined contribution	3,682,847	3,855,020
Contribution deficiency (excess)	\$ 0	\$ 0

## Notes to Schedule for 2015:

**A. Valuation date:** Actuarially determined contribution calculated as of October 1, 2013 applies for the fiscal year ended September 30, 2015.

## B. Methods and assumptions used to determine the actuarially determined contribution:

<b>Actuarial cost method:</b>	Entry Age Normal
<b>Amortization method:</b>	Level percent, closed
<b>Amortization period:</b>	30 years
<b>Asset valuation method:</b>	Actuarial value
<b>Inflation:</b>	3.00%
<b>Salary increases:</b>	Please refer to the Actuarial Assumptions and Methods section of the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan Actuarial Valuation Report as of October 1, 2013 dated September 2014.
<b>Payroll Growth:</b>	2.94%
<b>Investment rate of return:</b>	8.40%, net of investment expenses
<b>Retirement age:</b>	Please refer to the Actuarial Assumptions and Methods section of the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan Actuarial Valuation Report as of October 1, 2013 dated September 2014.
<b>Healthy Mortality:</b>	The RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment. 50% of deaths among active Members are assumed to be service incurred, and 50% are assumed to be non-service incurred.
<b>Disabled Mortality:</b>	The RP-2000 Disabled Retiree Mortality Table
<b>Other information:</b>	Please refer to the Actuarial Assumptions and Methods section of the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan Actuarial Valuation Report as of October 1, 2013 dated September 2014.



# City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Exhibit III

Information Required Under GASB 67 as of September 30, 2015

Projection of Fiduciary Net Position (000's omitted)							
Fiscal Year	Beginning						Ending
Ending	Fiduciary	Member	State/City	Benefit	Admin.	Investment	Fiduciary
Sept. 30	Net Position	Contributions	Contributions	Payments	Expenses	Earnings	Net Position
2015	\$ 217,048	\$ 1,972	\$ 4,953	\$ 17,603	\$ 609	\$ (93)	\$ 205,668
2016	205,668	1,897	\$ 4,966	15,864	609	16,471	212,528
2017	212,528	1,823	\$ 5,294	16,224	609	17,029	219,841
2018	219,841	1,829	\$ 5,997	17,057	609	17,623	227,623
2019	227,623	1,780	\$ 6,248	17,733	609	18,242	235,551
2020	235,551	1,742	\$ 6,553	18,186	609	18,885	243,934
2021	243,934	1,737	\$ 6,945	18,726	609	19,566	252,847
2022	252,847	1,712	\$ 7,253	19,349	609	20,283	262,137
2023	262,137	1,684	\$ 7,581	20,167	609	21,023	271,649
2024	271,649	1,620	\$ 7,857	20,982	609	21,779	281,313
2025	281,313	1,553	\$ 8,154	21,645	609	22,553	291,319
2026	291,319	1,504	\$ 8,442	21,968	609	23,370	302,057
2027	302,057	1,504	\$ 8,838	22,662	609	24,239	313,367
2028	313,367	1,457	\$ 9,092	23,872	609	25,125	324,560
2029	324,560	1,330	\$ 9,162	25,357	609	25,979	335,064
2030	335,064	1,166	\$ 9,140	26,227	609	26,798	345,331
2031	345,331	1,069	\$ 9,343	26,924	609	27,615	355,826
2032	355,826	998	\$ 9,492	27,835	609	28,442	366,314
2033	366,314	881	\$ 9,502	28,836	609	29,256	376,508
2034	376,508	757	\$ 9,432	29,644	609	30,051	386,495
2035	386,495	654	\$ 8,728	30,823	609	30,789	395,233
2036	395,233	481	\$ 8,498	31,039	609	31,480	404,044
2037	404,044	445	\$ 8,589	32,185	609	32,157	412,442
2038	412,442	276	\$ 8,369	32,448	609	32,819	420,849
2039	420,849	209	\$ 8,755	32,869	609	33,505	429,839
2040	429,839	106	\$ 7,906	33,292	609	34,185	438,135
2041	438,135	0	\$ 5,173	32,900	609	34,765	444,563
2042	444,563	0	\$ 3,563	32,477	609	35,244	450,283
2043	450,283	0	\$ 1,270	32,007	609	35,638	454,575
2044	454,575	0	\$ 1,270	31,518	609	36,010	459,727
2045	459,727	0	\$ 1,270	30,968	609	36,455	465,875
2046	465,875	0	\$ 1,270	30,420	609	36,982	473,097
2047	473,097	0	\$ 1,270	29,805	609	37,599	481,552
2048	481,552	0	\$ 1,270	29,165	609	38,319	491,366
2049	491,366	0	\$ 1,270	28,481	609	39,151	502,698
2050	502,698	0	\$ 1,270	27,757	609	40,110	515,711
2051	515,711	0	\$ 1,270	27,018	609	41,208	530,561
2052	530,561	0	\$ 1,270	26,241	609	42,457	547,438
2053	547,438	0	\$ 1,270	25,428	609	43,874	566,545
2054	566,545	0	\$ 1,270	24,582	609	45,476	588,100



# City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Exhibit III

Information Required Under GASB 67 as of September 30, 2015

Projection of Fiduciary Net Position (000's omitted)								
Fiscal Year	Beginning	Member	State/City	Benefit	Admin.	Investment	Ending	
Ending	Fiduciary	Contributions	Contributions	Payments	Expenses	Earnings	Fiduciary	
Sept. 30	Net Position						Net Position	
2055	588,100	0	\$ 1,270	23,709	609	47,279	612,330	
2056	612,330	0	\$ 1,270	22,815	609	49,303	639,479	
2057	639,479	0	\$ 1,270	21,905	609	51,566	669,801	
2058	669,801	0	\$ 1,270	20,981	609	54,091	703,571	
2059	703,571	0	\$ 1,270	20,049	609	56,898	741,080	
2060	741,080	0	\$ 1,270	19,115	609	60,012	782,638	
2061	782,638	0	\$ 1,270	18,183	609	63,458	828,573	
2062	828,573	0	\$ 1,270	17,256	609	67,263	879,241	
2063	879,241	0	\$ 1,270	16,334	609	71,455	935,022	
2064	935,022	0	\$ 1,270	15,423	609	76,067	996,327	
2065	996,327	0	\$ 1,270	14,518	609	81,131	1,063,600	
2066	1,063,600	0	\$ 1,270	13,623	609	86,684	1,137,322	
2067	1,137,322	0	\$ 1,270	12,735	609	92,765	1,218,012	
2068	1,218,012	0	\$ 1,270	11,855	609	99,418	1,306,235	
2069	1,306,235	0	\$ 1,270	10,984	609	106,688	1,402,600	
2070	1,402,600	0	\$ 1,270	10,124	609	114,625	1,507,761	
2071	1,507,761	0	\$ 1,270	9,277	609	123,283	1,622,428	
2072	1,622,428	0	\$ 1,270	8,443	609	132,720	1,747,366	
2073	1,747,366	0	\$ 1,270	7,626	609	142,998	1,883,398	
2074	1,883,398	0	\$ 1,270	6,833	609	154,186	2,031,412	
2075	2,031,412	0	\$ 1,270	6,064	609	166,354	2,192,362	
2076	2,192,362	0	\$ 1,270	5,326	609	179,582	2,367,279	
2077	2,367,279	0	\$ 1,270	4,627	609	193,954	2,557,267	
2078	2,557,267	0	\$ 1,270	3,973	609	209,560	2,763,514	
2079	2,763,514	0	\$ 1,270	3,368	609	226,497	2,987,304	
2080	2,987,304	0	\$ 1,270	2,817	609	244,871	3,230,018	
2081	3,230,018	0	\$ 1,270	2,817	609	244,871	3,472,732	
2082	3,472,732	0	\$ 1,270	2,817	609	244,871	3,715,445	
2083	3,715,445	0	\$ 1,270	2,817	609	244,871	3,958,159	
2084	3,958,159	0	\$ 1,270	2,817	609	244,871	4,200,873	
2085	4,200,873	0	\$ 1,270	2,817	609	244,871	4,443,587	
2086	4,443,587	0	\$ 1,270	2,817	609	244,871	4,686,300	
2087	4,686,300	0	\$ 1,270	2,817	609	244,871	4,929,014	
2088	4,929,014	0	\$ 1,270	2,817	609	244,871	5,171,728	
2089	5,171,728	0	\$ 1,270	2,817	609	244,871	5,414,442	
2090	5,414,442	0	\$ 1,270	2,817	609	244,871	5,657,155	
2091	5,657,155	0	\$ 1,270	2,817	609	244,871	5,899,869	
2092	5,899,869	0	\$ 1,270	2,817	609	244,871	6,142,583	



# City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Exhibit IV

Information Required Under GASB 67 as of September 30, 2015

Actuarial Present Values of Projected Benefit Payments (000's omitted)							
Fiscal Year	Beginning	Benefit	Benefit Payments		Present Value of Benefit Payments		
			Funded	Unfunded	Funded	Unfunded	Using a Single
Ending	Fiduciary	Payments	Portion	Portion	Portion at	Portion at	Discount Rate of
Sept. 30	Net Position				8.20%	3.48%	8.20%
2015	\$ 217,048	\$ 17,603	\$ 17,603	\$ 0	\$ 16,922	\$ 0	\$ 16,922
2016	205,668	15,864	15,864	0	14,095	0	14,095
2017	212,528	16,224	16,224	0	13,323	0	13,323
2018	219,841	17,057	17,057	0	12,945	0	12,945
2019	227,623	17,733	17,733	0	12,438	0	12,438
2020	235,551	18,186	18,186	0	11,789	0	11,789
2021	243,934	18,726	18,726	0	11,219	0	11,219
2022	252,847	19,349	19,349	0	10,714	0	10,714
2023	262,137	20,167	20,167	0	10,321	0	10,321
2024	271,649	20,982	20,982	0	9,924	0	9,924
2025	281,313	21,645	21,645	0	9,462	0	9,462
2026	291,319	21,968	21,968	0	8,875	0	8,875
2027	302,057	22,662	22,662	0	8,462	0	8,462
2028	313,367	23,872	23,872	0	8,238	0	8,238
2029	324,560	25,357	25,357	0	8,087	0	8,087
2030	335,064	26,227	26,227	0	7,731	0	7,731
2031	345,331	26,924	26,924	0	7,335	0	7,335
2032	355,826	27,835	27,835	0	7,008	0	7,008
2033	366,314	28,836	28,836	0	6,710	0	6,710
2034	376,508	29,644	29,644	0	6,375	0	6,375
2035	386,495	30,823	30,823	0	6,126	0	6,126
2036	395,233	31,039	31,039	0	5,702	0	5,702
2037	404,044	32,185	32,185	0	5,464	0	5,464
2038	412,442	32,448	32,448	0	5,091	0	5,091
2039	420,849	32,869	32,869	0	4,767	0	4,767
2040	429,839	33,292	33,292	0	4,462	0	4,462
2041	438,135	32,900	32,900	0	4,075	0	4,075
2042	444,563	32,477	32,477	0	3,718	0	3,718
2043	450,283	32,007	32,007	0	3,387	0	3,387
2044	454,575	31,518	31,518	0	3,082	0	3,082
2045	459,727	30,968	30,968	0	2,799	0	2,799
2046	465,875	30,420	30,420	0	2,541	0	2,541
2047	473,097	29,805	29,805	0	2,301	0	2,301
2048	481,552	29,165	29,165	0	2,081	0	2,081
2049	491,366	28,481	28,481	0	1,878	0	1,878
2050	502,698	27,757	27,757	0	1,692	0	1,692
2051	515,711	27,018	27,018	0	1,522	0	1,522
2052	530,561	26,241	26,241	0	1,366	0	1,366





# City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Exhibit IV

Information Required Under GASB 67 as of September 30, 2015

Actuarial Present Values of Projected Benefit Payments (000's omitted)							
Fiscal Year Ending Sept. 30	Beginning Fiduciary Net Position	Benefit Payments	Benefit Payments		Present Value of Benefit Payments		
			Funded Portion	Unfunded Portion	Funded Portion at 8.20%	Unfunded Portion at 3.48%	Using a Single Discount Rate of 8.20%
2053	547,438	25,428	25,428	0	1,223	0	1,223
2054	566,545	24,582	24,582	0	1,093	0	1,093
2055	588,100	23,709	23,709	0	974	0	974
2056	612,330	22,815	22,815	0	867	0	867
2057	639,479	21,905	21,905	0	769	0	769
2058	669,801	20,981	20,981	0	681	0	681
2059	703,571	20,049	20,049	0	601	0	601
2060	741,080	19,115	19,115	0	530	0	530
2061	782,638	18,183	18,183	0	466	0	466
2062	828,573	17,256	17,256	0	408	0	408
2063	879,241	16,334	16,334	0	357	0	357
2064	935,022	15,423	15,423	0	312	0	312
2065	996,327	14,518	14,518	0	271	0	271
2066	1,063,600	13,623	13,623	0	235	0	235
2067	1,137,322	12,735	12,735	0	203	0	203
2068	1,218,012	11,855	11,855	0	175	0	175
2069	1,306,235	10,984	10,984	0	150	0	150
2070	1,402,600	10,124	10,124	0	128	0	128
2071	1,507,761	9,277	9,277	0	108	0	108
2072	1,622,428	8,443	8,443	0	91	0	91
2073	1,747,366	7,626	7,626	0	76	0	76
2074	1,883,398	6,833	6,833	0	63	0	63
2075	2,031,412	6,064	6,064	0	52	0	52
2076	2,192,362	5,326	5,326	0	42	0	42
2077	2,367,279	4,627	4,627	0	34	0	34
2078	2,557,267	3,973	3,973	0	27	0	27
2079	2,763,514	3,368	3,368	0	21	0	21
2080	2,987,304	2,817	2,817	0	16	0	16
2081	3,230,018	2,817	2,817	0	15	0	15
2082	3,472,732	2,817	2,817	0	14	0	14
2083	3,715,445	2,817	2,817	0	13	0	13
2084	3,958,159	2,817	2,817	0	12	0	12
2085	4,200,873	2,817	2,817	0	11	0	11
2086	4,443,587	2,817	2,817	0	10	0	10
2087	4,686,300	2,817	2,817	0	9	0	9
2088	4,929,014	2,817	2,817	0	9	0	9
2089	5,171,728	2,817	2,817	0	8	0	8
2090	5,414,442	2,817	2,817	0	7	0	7

# City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan

Information Required Under GASB 67 as of September 30, 2015

Exhibit V

Summary of Member Data	October 1, 2014	October 1, 2013
<b>Active Members</b>	396	389
<b>Inactive Members not in Receipt</b>		
Terminated Members	19	17
Disabled Members	0	0
Beneficiaries	0	0
<b>Total Inactive Members Not Receiving Benefits</b>	19	17
<b>Members Receiving Benefits</b>		
Retired Members	355	351
Disabled Members	25	25
Beneficiaries	30	26
<b>Total Members Receiving Benefits</b>	410	402
<b>Total Members</b>	825	808

Member Statistics	October 1, 2014	October 1, 2013
<b>Active members</b>		
Number	396	389
Average age	38.0	37.8
Average service	10.1	10.1
<b>Terminated vested members</b>		
Number	19	17
Average age	50.4	52.3
Average annual retirement benefits	\$13,062	\$12,736
<b>Retired members</b>		
Number	355	351
Average age	63.3	62.8
Average annual retirement benefits	\$36,964	\$35,730
<b>Disabled members</b>		
Number	25	25
Average age	58.1	57.1
Average annual retirement benefits	\$16,943	\$16,943
<b>Survivors and beneficiaries of members</b>		
Number	30	26
Average age	72.0	73.0
Average annual retirement benefits	\$17,649	\$15,165
<b>Total Number of Members</b>	825	808