City of Fort Collins
General Employees' Retirement Plan
January 1, 2014 Actuarial Valuation

Prepared by:

Joel E. Stewart, ASA, EA, MAAA

Consulting Actuary

Katie Antoline, ASA, MAAA

Associate Actuary

Milliman, Inc.
1400 Wewatta Street, Suite 300
Denver, CO 80202-5549

Tel +1 303 299 9400
Fax +1 303 299 9018

milliman.com

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Milliman

1400 Wewatta Street
Suite 300
Denver, CO 80202-5549
USA

Main +1 303 299 9400
Fax +1 303 299 9018

milliman.com

March 17, 2014

Retirement Committee Members
City of Fort Collins
215 North Mason Street
Fort Collins, Colorado 80522

Re: City of Fort Collins General Employees' Retirement Plan - 2014 Actuary's Report

Dear Retirement Committee Members:

As part of our engagement with the Board, we performed an actuarial valuation of the City of Fort Collins General Employees' Retirement Plan as of January 1, 2014, for the Plan Year ending December 31, 2014. Our findings are set forth in this actuary's report. This report reflects the benefit provisions in effect as of January 1, 2014.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by City staff. This information includes, but is not limited to, plan provisions, participant census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the Plan. Further, in our opinion, each actuarial assumption used is reasonably related to the experience of the Plan and to reasonable expectations which, in combination, represent our best estimate of anticipated experience under the Plan.

In compliance with the Committee, this actuarial valuation is based on an investment return assumption of 6.50%. The investment return assumption is specified by the Committee. Based on Milliman's capital market outlook model, this assumption is approximately the 51st percentile of projected annualized 30-year returns. The 50th percentile return based on Milliman's capital market assumptions is 6.44%. We believe the current assumption is reasonable.

This valuation report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Retirement Committee has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in the February 2014 meeting.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the Plan. Actuarial computations presented in this report under GASB Statements No. 25 and 27 are for purposes of assisting the Plan and the City in fulfilling their financial accounting requirements. The computations prepared for these two purposes may differ as disclosed in our report. The calculations in the enclosed report have been made on a basis consistent with our understanding of the Plan's funding requirements and goals. The calculations in this report have been made on a basis consistent with our understanding of the plan provisions described in Appendix B of this report, and of GASB Statements No. 25 and 27. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. The effects of GASB Statements No. 67 and No. 68 have not been included in this valuation report.

Milliman's work is prepared solely for the use and benefit of the City of Fort Collins General Employees' Retirement Plan ("Plan"). To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

(a) The Plan may provide a copy of Milliman's work, in its entirety, to the Plan's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

(b) The Plan may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the Plan Sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

We respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,

Joel E. Stewart, ASA, EA, MAAA
Consulting Actuary

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JANUARY 1, 2014 ACTUARIAL VALUATION

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SECTION 1
SUMMARY OF THE VALUATION RESULTS

This is a report of our actuarial valuation of the Plan as of January 1, 2014. A summary of our valuation results follows:

1. *Overview of Results*

The following table summarizes some of the key results of our valuation of the Plan, along with the comparable figures from the prior year valuation.

	January 1, 2014	January 1, 2013
Market Value of Assets (MV)	$ 44,692,556	$ 39,489,447
Actuarial Value of Assets (AV)	41,530,376	38,940,438
Ratio of AV to MV	92.9%	98.6%
Discount Rate for Liabilities	6.50%	6.80%
Present Value of Future Benefits	$ 58,760,427	$ 57,348,259
Present Value of Future Normal Costs	2,577,619	2,665,267
Actuarial Liability (AL)	$ 56,182,808	$ 54,682,992
Funded Ratio (AV / AL)	73.9%	71.2%
Funded Ratio (MV / AL)	79.5%	72.2%
Unfunded Actuarial Liability (AL - AV)	$ 14,652,432	$ 15,742,554
Actuarial Liability in Excess of the Market Value of Assets:	$ 11,490,252	$ 15,193,545
GASB 25 & 27 Information		
Net Pension Obligation (End of Prior Year)	$ 3,203,138	$ 2,765,738

2. *Analyze recent plan experience and select appropriate actuarial assumptions.*

To value the Plan, the actuary must predict future events such as investment return, mortality, and rates of termination and retirement by means of “actuarial assumptions.” The validity of our valuation depends on how closely future Plan experience follows our assumptions. Experience different from that assumed gives rise to actuarial gains or losses, which affect future costs.

The actuarial assumptions we used in this valuation are stated in Appendix A. The following comments address some of the more important assumptions.

a. *Rate of investment return*

This actuarial valuation was prepared assuming a 6.5% investment return. A study of actual investment performance on the market value of assets produced the following results:

Annual Rate of Investment Return			
For One-Year Period		For Period Ending December 31, 2013	
Ending December 31	Annual Rate	Period	Average Annual Rate
2013	18.7%	1 year	18.7%
2012	11.6	2 years	15.1
2011	(3.1)	3 years	8.7
2010	11.1	4 years	9.3
2009	20.5	5 years	11.4
2008	(26.5)	6 years	4.0
2007	12.2	7 years	5.1
2006	13.6	8 years	6.1
2005	8.5	9 years	6.4
2004	9.5	10 years	6.7
2003	18.8	11 years	7.7
2002	(9.3)	12 years	6.2
2001	(4.0)	13 years	5.4
2000	(3.5)	14 years	4.7
1999	21.1	15 years	5.7
1998	8.8	16 years	5.9
1997	10.5	17 years	6.2
1996	10.1	18 years	6.4
1995	13.8	19 years	6.8
1994	(0.2)	20 years	6.4

* Rates of return for 1999 and earlier as reported by the prior actuary and used without audit.

One of the most important assumptions in an actuarial valuation is the investment return assumption, which represents the expected long-term rate of return on plan assets. Actuarial Standard of Practice (ASOP) No. 27 provides guidance to actuaries on selecting assumptions for measuring obligations under defined benefit pension plans. ASOP No. 27 instructs actuaries to consider recent and long-term historical economic data, and also explicitly advises against giving undue weight to recent experience.

Recognizing that there is not one "right answer", ASOP No. 27 calls for the actuary to develop a best estimate range for the valuation investment return assumption, and then to recommend a specific point within that range. Milliman's investment practice has developed a model that provides a best estimate range based on a Plan's asset allocation and certain assumptions regarding future economic experience.

Based on this model at December 31, 2013, a 30-year time horizon and the target investment allocation, we have developed the following estimate range using an underlying 2.5% inflation assumption:

Percentile	Expected Rate of Return
75th	7.90%
50th	6.44%
25th	4.99%

In other words, there is a 50% probability that the annual return will be higher than 6.44% under the target investment policy, and a 50% probability that the return will be less than 6.44%. The current assumption of 6.50% represents the 51st percentile of this range.

b. *Withdrawal and retirement rates*

On December 31, 2010 the GERP was amended to allow members to cease accruals in the plan and either elect to receive a lump sum or leave their accrued benefit in the plan until early or normal retirement. The analysis that follows excludes these participants.

Withdrawal rates

The actual number of participants leaving employment during 2013 prior to retirement is one, which is consistent with the number expected to terminate in 2013. Withdrawal experience has been adjusted for terminations that had reached retirement eligibility but not yet commenced, and is summarized in the following table for the last five years:

	2009	2010	2011	2012	2013	Total
Actual	6	5	4	1	1	17
Expected	3	3	2	1	1	10
A/E						170%

We are not recommending any changes at this time for withdrawal, but will continue to monitor this assumption in the future to determine whether any changes are warranted.

Retirement rates

Eleven active participants were expected to retire during 2013, which is consistent with the number expected to retire in 2013. Retirement experience from the past five years, adjusted for terminations that had reached retirement eligibility but not yet commenced, is summarized in the following table:

	2009	2010	2011	2012	2013
Actual	11	9	10	13	11
Expected	21	19	16	10	11
A/E	52%	47%	63%	130%	100%

The retirement assumption was updated with the January 1, 2012 actuarial valuation. We are not recommending any changes at this time for retirement, but will continue to monitor this assumption in the future.

c. *Salary increase assumption*

The assumed rate of future salary increases used for the valuation of the plan is a graded table based on age, as shown in Appendix A, which anticipated average salary increases during 2013 of 3.9%. Average salary increases for those participants continuing in covered employment was 2.5%, with the median salary increase from 2013 to 2014 of 2.5%, based on a comparison of actual compensation rates for 2013 and 2014. Although the actual increases for the last few years have been lower than expected, we do not recommend a change at this time, as current economic conditions may have influenced the short-term results. We will continue to monitor this experience.

d. *Form of payment assumption*

It is assumed that 30% of participants retiring from active status or terminating employment prior to retirement will elect a lump sum. Analysis of lump sum elections over the last five years produces the following.

	2009	2010[1]	2011	2012	2013	Total
Lump sums	5	6	2	2	4	19
Total exits	17	14	14	14	12	71
% taking a lump sum						27%

1. Excludes experience of those opting out as a result of the plan change on 12/31/2010.

The Retirement Committee has adopted the use of the assumptions for the January 1, 2014 actuarial valuation at their February 2014 meeting.

3. *Review the financial effect of experience gains and losses and changes in plan benefits.*

Under the entry age normal cost method, an explicit actuarial liability is calculated, and is compared to the actuarial value of assets in order to determine the unfunded actuarial liability (UAL). Actuarial gains and losses on the unfunded actuarial liability can then be measured. The UAL is expected to increase by the normal cost and for interest due to the passage of time each year and is reduced by the amount of contributions made to the Plan. The following table summarizes the change in the UAL during 2013.

Actual UAL, January 1, 2013:	$ 15,742,554
Expected changes during 2013:	(545,822)
Expected UAL, January 1, 2014:	$ 15,196,732
Changes:	
Asset (gain) or loss	$ (1,986,170)
Salary changes different than assumed	(273,473)
Pensioner mortality	125,032
Retirement and other Terminations	(111,573)
Other demographic (gains)/losses	60,921
Change in investment return assumption	1,640,963
Total	$ (544,300)
Actual UAL, January 1, 2014:	$ 14,652,432

4. *Provide the disclosure information required by Government Accounting Standards Board Statement (GASB) No. 25 and No. 27.*

Section 6 sets forth certain information required for the plan's disclosures under GASB No. 25 and No. 27. The effects of GASB Statements No. 67 and No. 68 have not been included in this valuation report.

Contributions are currently equal to 10.5% of compensation plus a supplemental amount determined by the City.

Highlights of the 2013 plan year

- There were 439 members reported on January 1, 2014, 128 of whom were active members who continue to accrue benefits under the plan. The remaining 311 were inactive members retaining benefits under the plan.
- The plan assets earned 18.7% during the 2013 plan year on a market value basis. The average annual return over the last 20 years is 6.4%. The assumed return for the 2013 plan year was 6.8%.
- At the end of 2013, the market value of assets was $44,692,556. The actuarial value of assets was $41,530,376 at January 1, 2014.
- As of January 1, 2014, the ratio of the actuarial value of assets to the actuarial liability was 73.9%. The ratio of the market value of assets to the actuarial liability was 79.5%.

Changes in Accounting Standards

In August 2012, the GASB issued Statements No. 67 and 68 which will replace Statements No. 25 and 27. These new standards reflect a fundamental break from how retirement systems report their assets, liabilities, and expenses.

- GASB Statement No. 67 is for retirement plans and is effective for plan years starting after June 15, 2013.
- GASB Statement No. 68 is for employers and is effective for plan years starting after June 15, 2014.

One important change under the new standards is that the entire "Net Pension Liability" (NPL) will be recognized on the employer balance sheets. The NPL is the difference between the Actuarial Accrued Liability (AAL) and the assets measured on a market value basis. The NPL should be very similar to the Unfunded Actuarial Accrued Liability (UAAL). The current balance sheet amount is called the Net Pension Obligation, which is the cumulative difference between the pension cost and the employer contributions to the plan.

The new NPL will differ somewhat from the current UAAL for plans without many assets. That is because the discount rate will be based on yields on long-term, tax-free municipal bonds instead of investment return assumptions for payments beyond the Plan's projected solvency date.

The measured annual plan expense will be much more volatile under the new standards. The current measure is called the Annual Required Contribution (ARC), which is a less volatile measure as it allows for longer amortization periods than will be typical under the new standards.

Finally, another issue is the significantly expanded plan financial disclosures. Milliman will work with the City in order to assure that those expanded disclosure requirements are being satisfied with the next valuation report.

SECTION 2
SCOPE OF THE REPORT

Section 1 of this report presents a summary of the findings resulting from this valuation.

Section 3 contains a summary of the data we received regarding participants of the Plan.

Section 4 describes the basis we use in assigning values to the assets, and contains summaries of the assets in Tables 7, 8 and 9.

Section 5 expands upon Section 1 in various areas of our findings, and describes the actuarial concepts and methods upon which the findings are based.

Section 6 provides the required GASB No. 25 and No. 27 disclosure information.

Section 7 provides historical statistics of the Plan and a 20-year projection of benefit payments.

All of the calculations of the valuation were carried out using certain assumptions as to the future experience of the plan. Appendix A summarizes these assumptions. Appendix B outlines the benefit provisions of the Plan as of January 1, 2014.

SECTION 3
PARTICIPANT DATA

The actuarial valuation of the plan is based on the participant data provided to us by the City. The data includes active participants, terminated vested participants who retain benefits under the plan, and retirees and beneficiaries receiving benefits as of January 1, 2014. A total of 439 participants were reported to us and included in this valuation. Table 1 includes a reconciliation of the participant data from January 1, 2013 to January 1, 2014.

The age and service characteristics of the 128 active participants in the plan as of January 1, 2014 are shown in Table 2. As indicated in Table 2, the average age of the active participants on the valuation date was 58.6, an increase from the average age of 57.9 of the active participants on January 1, 2013. The average years of service of the active participants on January 1, 2014 was 25.3, up from the 24.7 average years of service of the active participants on January 1, 2013.

In addition to the active members, there were 121 inactive participants not yet in pay status retaining benefits under the plan. Table 3 contains a summary of the number of inactive participants not yet in pay status but retaining benefits under the plan, and the amounts of those benefits.

Tables 4 and 5 summarize the information provided on the 190 members who are currently receiving monthly benefits. Table 4 contains a summary of the number of participants receiving benefits and the amounts of those benefits, while Table 5 lists the benefits being paid as of January 1 of each year from 1985 to 2014. Counts and total annual benefit amounts are separated by status and sex.

Table 6 displays the list of the retirement dates and status of participants eligible for normal or delayed retirement in the next five years.

Because participation in the plan was frozen as of January 1, 1999, the number of participants in the plan has declined over the years, as illustrated below:

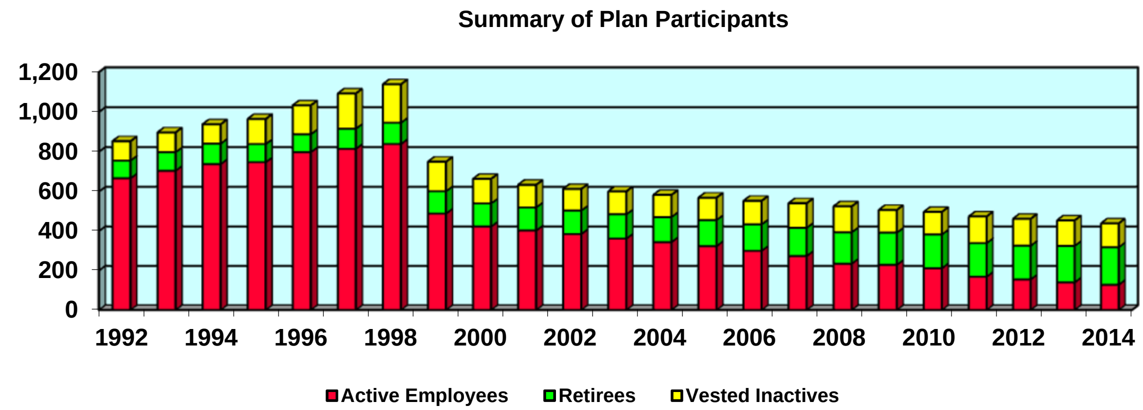


TABLE 1
RECONCILIATION OF PARTICIPANT DATA
(January 1, 2013 to January 1, 2014)

	Actives	Terminated Vested	Retired	Beneficiary	Total
Included in January 1, 2013 Valuation:	140	129	162	23	454
Change due to:					
New entrants	N/A	N/A	N/A	N/A	N/A
Rehired	0	0	0	N/A	0
Termination					
Nonvested	0	N/A	N/A	N/A	0
Vested	(2)	2	N/A	N/A	0
Retirement	(6)	(4)	10	0	0
Disabled	0	(1)	1	0	0
Death no Beneficiary	0	(1)	(2)	(4)	(7)
Death with Beneficiary	0	0	(2)	2	0
Cash out	(4)	(4)	0	0	(8)
Other	0	0	0	0	0
Net change	(12)	(8)	7	(2)	(15)
Included in January 1, 2014 Valuation:	128	121	169	21	439

TABLE 2
SUMMARY OF ACTIVE PARTICIPANTS AS OF JANUARY 1, 2014

	Years of Service							
	1 to 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 & Up	Total
Age	**Number of Participants**							
Under 25	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0
35 to 39	0	0	0	1	0	0	0	1
40 to 44	0	0	0	4	0	0	0	4
45 to 49	0	0	0	4	3	0	0	7
50 to 54	0	1	1	2	6	5	0	15
55 to 59	0	0	0	6	14	6	4	30
60 to 64	0	0	0	7	15	13	19	54
65 & Up	0	0	0	3	5	4	5	17
Total	0	1	1	27	43	28	28	128
	Salary							
Under 25	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0
35 to 39	0	0	0	62,896	0	0	0	62,896
40 to 44	0	0	0	224,792	0	0	0	224,792
45 to 49	0	0	0	223,124	179,677	0	0	402,801
50 to 54	0	47,378	47,378	105,304	362,560	284,639	0	847,259
55 to 59	0	0	0	349,434	881,159	342,193	256,272	1,829,058
60 to 64	0	0	0	401,965	1,030,958	905,179	1,346,882	3,684,984
65 & Up	0	0	0	146,772	256,972	309,293	438,035	1,151,072
Total	0	47,378	47,378	1,514,287	2,711,326	1,841,304	2,041,189	8,202,862

TABLE 2 (CONTINUED)
SUMMARY OF ACTIVE PARTICIPANTS AS OF JANUARY 1, 2014

	Years of Service							
	1 to 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 & Up	Total
Age	**Average Compensation**							
Under 25	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0
35 to 39	0	0	0	62,896	0	0	0	62,896
40 to 44	0	0	0	56,198	0	0	0	56,198
45 to 49	0	0	0	55,781	59,892	0	0	57,543
50 to 54	0	47,378	47,378	52,652	60,427	56,928	0	56,484
55 to 59	0	0	0	58,239	62,940	57,032	64,068	60,969
60 to 64	0	0	0	57,424	68,731	69,629	70,889	68,240
65 & Up	0	0	0	48,924	51,394	77,323	87,607	67,710
Total	0	47,378	47,378	56,085	63,054	65,761	72,900	64,085

HISTORICAL SUMMARY

	2007	2008	2009	2010	2011	2012	2013	2014
Not Vested:	0	0	0	0	0	0	0	0
Partially Vested:	2	0	0	0	0	0	0	0
Fully Vested:	272	235	229	212	169	155	140	128
Total:	274	235	229	212	169	155	140	128
Total Compensation:	$15,288,465	$13,851,399	$13,958,960	$12,897,653	$10,399,205	$9,582,235	$8,834,557	$8,202,862
Average Rate of Pay:	$55,797	$58,942	$60,956	$60,838	$61,534	$61,821	$63,104	$64,085
Average Service:	19.1	20.5	21.5	22.1	23.0	24.2	24.7	25.3
Average Age:	54.3	54.8	55.6	56.1	56.8	57.5	57.9	58.6

TABLE 3
SUMMARY OF DEFERRED VESTED AND DEFERRED DISABLED PARTICIPANTS
AS OF JANUARY 1, 2014

Age	Number	Total Annual Benefit	Average Monthly Benefit
30-34	0	$ 0	$ 0
35-39	0	0	0
40-44	3	28,212	784
45-49	1	4,013	334
50-54	22	214,309	812
55-59	43	411,933	798
60-64	43	387,729	751
65 & Up	9	129,466	1,199
Total	121	$ 1,175,662	$ 810

HISTORICAL SUMMARY

	2008	2009	2010	2011	2012	2013	2014
Deferred Vested							
Number:	128	112	113	134	135	128	120
Total Annual Benefit:	$929,585	$786,930	$828,324	$1,308,605	$1,402,476	$1,320,218	$1,162,402
Average Monthly Benefit:	$605	$586	$611	$814	$866	$860	$807
Average Age:	54.3	54.6	55.4	56.2	57.0	57.6	58.0
Deferred Disabled							
Number:	3	3	1	1	1	1	1
Total Annual Benefit:	$60,980	$60,981	$13,260	$13,260	$13,260	$13,260	$13,260
Average Monthly Benefit:	$1,694	$1,694	$1,105	$1,105	$1,105	$1,105	$1,105
Average Age:	56.3	57.3	53.0	54.0	55.0	56.0	57.0

TABLE 4
SUMMARY OF RETIREES, DISABLEDS, AND BENEFICIARIES AS OF JANUARY 1, 2014

	Retirees			Disabled Retirees			Beneficiaries			Total		
Age	Number	Annual Benefit	Average Monthly Benefit	Number	Annual Benefit	Average Monthly Benefit	Number	Annual Benefit	Average Monthly Benefit	Number	Annual Benefit	Average Monthly Benefit
55-59	3	$31,994	$889	0	$0	$0	1	$2,773	$231	4	$34,767	$724
60-64	10	139,433	1,162	0	0	0	0	0	0	10	139,433	1,162
65-69	48	647,495	1,124	2	33,774	1,407	1	2,594	216	51	683,863	1,117
70-74	38	611,229	1,340	3	46,015	1,278	1	9,474	790	42	666,718	1,323
75-79	38	396,465	869	0	0	0	2	15,062	628	40	411,527	857
80-84	13	100,368	643	1	11,258	938	5	28,812	480	19	140,438	616
Above 85	13	130,123	834	0	0	0	11	93,239	706	24	223,362	776
Total	163	$2,057,107	$1,052	6	$91,047	$1,265	21	$151,954	$603	190	$2,300,108	$1,009

HISTORICAL SUMMARY

	2007	2008	2009	2010	2011	2012	2013	2014
Retirees								
Number:	119	133	137	141	141	143	157	163
Total Annual Benefit:	$1,131,317	$1,391,269	$1,389,056	$1,544,520	$1,551,801	$1,553,258	$1,836,582	$2,057,107
Average Monthly Benefit:	$792	$872	$845	$913	$917	$905	$975	$1,052
Average Age:	71.9	71.4	71.5	71.8	72.4	72.5	72.6	72.8
Disabled								
Number:	8	8	7	8	6	6	5	6
Total Annual Benefit:	$69,538	$69,537	$63,995	$88,050	$76,483	$76,483	$61,091	$91,047
Average Monthly Benefit:	$724	$724	$762	$917	$1,062	$1,062	$1,018	$1,265
Average Age:	73.0	74.0	74.3	74.1	72.5	73.5	72.4	72.2
Beneficiaries								
Number:	16	18	19	22	23	22	23	21
Total Annual Benefit:	$97,520	$107,583	$124,591	$138,291	$147,516	$140,353	$160,626	$151,954
Average Monthly Benefit:	$508	$498	$546	$524	$534	$532	$582	$603
Average Age:	79.0	80.1	81.1	81.2	81.3	81.6	82.4	82.1

TABLE 5
NUMBER OF PENSIONERS AND AMOUNT OF ANNUAL ANNUITY AS OF THE END OF EACH YEAR

Year	Retirement*				Beneficiaries*				Disability**				All	
	Male		Female		Male		Female		Male		Female			
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1985	46	$130,578		$	5	$ 5,643		$		$		$	51	$136,221
1986	67	250,103			7	14,058							74	264,161
1987	72	267,262			6	12,904							78	280,166
1988	70	264,467			6	9,299							76	273,766
1989	75	355,402			5	15,931							80	371,333
1990	65	370,147	19	38,437	2	3,561	3	12,370	2	2,041	0	0	91	426,556
1991	64	370,359	17	42,832	3	4,736	3	14,349	2	2,041	0	0	89	434,317
1992	65	375,014	18	51,214	3	4,736	4	15,640	2	2,041	1	5,692	93	454,337
1993	67	393,340	22	79,136	3	4,736	7	35,056	3	18,485	1	5,692	103	536,445
1994	60	394,223	17	75,333	1	3,099	8	39,381	3	21,369	2	10,884	91	544,287
1995	55	359,659	17	77,358	1	3,099	11	55,120	4	25,825	2	10,884	90	531,945
1996	66	466,177	18	84,593	1	3,099	10	50,512	4	25,825	2	10,884	101	641,090
1997	68	477,993	21	104,091	1	3,099	10	50,512	5	35,717	2	10,884	107	682,296
1998	70	547,160	23	121,654	1	3,099	11	53,600	6	40,722	2	10,884	113	777,119
1999	74	593,649	23	133,013	1	3,099	12	61,432	5	32,577	2	10,884	117	834,654
2000	74	650,175	22	136,795	1	3,572	13	71,763	5	34,506	2	11,825	117	908,636
2001	74	656,815	23	143,199	1	3,572	13	71,763	6	45,764	2	11,825	119	932,938
2002	73	691,385	29	194,447	1	3,572	12	68,051	6	45,764	2	11,825	123	1,015,044
2003	75	750,807	31	214,130	2	9,855	12	70,742	6	45,764	1	5,543	127	1,096,841
2004	77	807,941	33	215,275	2	9,855	13	80,089	6	45,764	1	5,543	132	1,164,467
2005	78	809,581	33	215,275	2	9,855	14	87,665	6	45,764	1	5,543	134	1,173,683
2006	83	889,557	36	241,760	2	9,855	14	87,665	7	63,995	1	5,543	143	1,298,375
2007	90	1,080,910	43	310,359	2	9,855	16	97,728	7	63,994	1	5,543	159	1,568,389
2008	90	1,050,492	47	338,564	2	9,855	17	114,736	7	63,995	0	0	163	1,577,642
2009	92	1,160,329	49	384,191	2	9,855	20	128,436	8	88,050	0	0	171	1,770,861
2010	90	1,151,934	51	399,867	3	18,484	20	129,032	6	76,483	0	0	170	1,775,800
2011	90	1,141,103	53	412,155	3	18,484	19	121,869	6	76,483	0	0	171	1,770,094
2012	101	1,382,769	56	453,813	3	18,484	20	142,142	5	61,091	0	0	185	2,058,299
2013	103	1,512,466	60	544,641	2	12,201	19	139,753	6	91,047	0	0	190	2,300,108

* Male and female splits are not available prior to 1990.
** Retirement and disability splits are not available prior to 1990.

TABLE 6
SCHEDULE OF MEMBERS ELIGIBLE FOR NORMAL OR DELAYED RETIREMENT IN THE NEXT FIVE YEARS

Normal Retirement Date	Current Status
9/1/2008	Deferred Vested
12/1/2009	Active
6/1/2011	Active
1/1/2012	Active
2/1/2012	Deferred Vested
5/1/2012	Active
5/1/2012	Active
9/1/2012	Active
11/1/2012	Active
1/1/2013	Active
1/1/2013	Active
3/1/2013	Active
5/1/2013	Active
6/1/2013	Active
12/1/2013	Active
2/1/2014	Deferred Vested
2/1/2014	Deferred Vested
3/1/2014	Active
4/1/2014	Active
4/1/2014	Active
5/1/2014	Deferred Vested
5/1/2014	Deferred Vested
5/1/2014	Deferred Vested
6/1/2014	Deferred Vested
6/1/2014	Active
6/1/2014	Deferred Vested
9/1/2014	Deferred Vested
9/1/2014	Deferred Vested
10/1/2014	Active
10/1/2014	Deferred Vested
10/1/2014	Active
11/1/2014	Active
11/1/2014	Deferred Vested
12/1/2014	Active
1/1/2015	Active
1/1/2015	Deferred Vested
1/1/2015	Active
2/1/2015	Deferred Vested

Normal Retirement Date	Current Status
3/1/2015	Active
4/1/2015	Active
4/1/2015	Active
5/1/2015	Deferred Vested
6/1/2015	Active
7/1/2015	Active
8/1/2015	Active
9/1/2015	Active
11/1/2015	Deferred Vested
12/1/2015	Active
1/1/2016	Deferred Vested
3/1/2016	Active
3/1/2016	Active
4/1/2016	Deferred Vested
4/1/2016	Deferred Vested
4/1/2016	Active
5/1/2016	Deferred Vested
7/1/2016	Active
7/1/2016	Active
7/1/2016	Active
7/1/2016	Active
8/1/2016	Active
9/1/2016	Deferred Vested
9/1/2016	Deferred Vested
10/1/2016	Active
10/1/2016	Active
11/1/2016	Deferred Vested
11/1/2016	Deferred Vested
11/1/2016	Active
12/1/2016	Active
12/1/2016	Active
1/1/2017	Deferred Vested
1/1/2017	Active
1/1/2017	Active
2/1/2017	Deferred Vested
3/1/2017	Deferred Vested
4/1/2017	Active
5/1/2017	Deferred Vested
7/1/2017	Deferred Vested
8/1/2017	Active
8/1/2017	Active
10/1/2017	Active
10/1/2017	Active
11/1/2017	Deferred Vested
11/1/2017	Active
11/1/2017	Active

Normal Retirement Date	Current Status
12/1/2017	Deferred Vested
12/1/2017	Deferred Vested
12/1/2017	Active
1/1/2018	Deferred Vested
1/1/2018	Deferred Vested
2/1/2018	Deferred Vested
2/1/2018	Active
4/1/2018	Active
5/1/2018	Active
6/1/2018	Deferred Vested
7/1/2018	Deferred Vested
8/1/2018	Deferred Vested
8/1/2018	Active
8/1/2018	Active
9/1/2018	Active
9/1/2018	Active
9/1/2018	Deferred Vested
10/1/2018	Deferred Vested
10/1/2018	Deferred Vested
10/1/2018	Active
11/1/2018	Active
11/1/2018	Deferred Vested
11/1/2018	Deferred Vested

SECTION 4
FINANCIAL DATA

Table 7 displays a Statement of the Market Value of Assets, and Table 8 presents a summary of the Changes in the Market Value of Assets. During 2013, the market value of the plan assets increased by $5,203,491. Benefit payments for 2013 were $4,044,328, an increase from $2,970,386 during the preceding year.

For the purpose of the actuarial valuation, the investment income of the Fund consists of interest and dividends as well as realized and unrealized gains and losses on investments. During 2013, investment earnings totaled $7,201,472. The fund earned 18.7% on a market value basis and earned 12.0% on an actuarial value basis. The fund earned11.6% on a market value basis for 2012.

For funding purposes, gains and losses over our assumed rate of return (7.5% for years 2009-2011 and 6.8% for 2012-2013) are recognized over a five-year period. The development of the actuarial value of assets is shown in Table 9.

TABLE 7
STATEMENT OF MARKET VALUE OF ASSETS
FOR THE PLAN YEARS 2013 AND 2012

	December 31, 2013	December 31, 2012
INVESTMENTS		
Domestic Mutual Funds	$ 25,021,661	$ 21,344,038
International Mutual Funds	6,706,097	6,529,157
Cash and Fixed Income Funds	12,910,437	11,553,498
Total	$ 44,638,195	$ 39,426,693
RECEIVABLES		
Employer Contributions	$ 0	$ 0
Accrued Interest and Dividends	54,676	63,010
Total	$ 54,676	$ 63,010
LIABILITIES		
Expenses and Benefits Payable	$ 315	$ 256
Investment Transaction	0	0
Total	$ 315	$ 256
TOTAL MARKET VALUE OF ASSETS	$ 44,692,556	$ 39,489,447

TABLE 8
CHANGE IN MARKET VALUE OF ASSETS
FOR THE PLAN YEARS 2013 AND 2012

	2013	2012
Market value at end of prior year	$ 39,489,447	$ 37,015,380
Adjustment	(382)	0
Market value at beginning of year	$ 39,489,065	$ 37,015,380
Income:		
Contributions	$ 2,067,363	$ 1,241,929
Realized and unrealized appreciation/(depreciation)	7,201,472	4,226,325
Total	$ 9,268,835	$ 5,468,254
Disbursements:		
Benefit payments:		
Periodic Payments	$ 2,170,022	$ 1,955,547
Lump Sum Distributions	1,874,306	1,014,839
Expenses	21,016	23,801
Total	$ 4,065,344	$ 2,994,187
Net income:	$ 5,203,491	$ 2,474,067
Market value at end of year	$ 44,692,556	$ 39,489,447

TABLE 9
DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

GAIN/(LOSS)

Actuarial value at beginning of year:	$ 38,940,438
Contributions:	2,067,363
Benefit Payments:	(4,044,328)
Expected Interest:	2,580,733
Expected actuarial value at end of year:	$ 39,544,206
Unrecognized asset gain/(loss) as of end of prior year:	549,009
Expected actuarial value plus prior year's unrecognized gain/(loss):	$ 40,093,215
Actual market value at end of year:	$ 44,692,556
Gain/(loss) for Year:	$ 4,599,341

ASSET GAIN/(LOSS) RECOGNIZED

	Original Amount	Recognized This Year	Recognized in Prior Years	To Be Recognized in the Future
2009	$ 6,829,340	$ 1,365,868	$ 5,463,472	$ 0
2010	1,133,859	226,772	680,315	226,772
2011	(4,174,766)	(834,953)	(1,669,907)	(1,669,906)
2012	1,543,072	308,614	308,616	925,842
2013	4,599,341	919,869	0	3,679,472
Total	$ 9,930,846	$ 1,986,170	$ 4,782,496	$ 3,162,180

ACTUARIAL VALUE OF ASSETS

1.	Expected actuarial value as of December 31, 2013	$ 39,544,206
2.	Gain/(loss) to be recognized this year	1,986,170
3.	Initial Actuarial Value of Assets (1. + 2.)	$ 41,530,376
4.	80% of Market Value	$ 35,754,045
5.	120% of Market Value	$ 53,631,067
6.	Actuarial Value of Assets (3., but not less than 4. or greater than 5.)	$ 41,530,376

SECTION 5
DEVELOPMENT OF ACTUARIAL LIABILITY

A fundamental principle in financing a benefit program is that the cost of its benefits should be related to when those benefits are *earned*, rather than to when they are *paid*. Various methods are used by actuaries to determine costs that satisfy this principle.

The actuarial valuation is prepared using the ***entry age normal*** cost method. Under this cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age. The portion of the actuarial present value of the projected benefits allocated to all service prior to the valuation date is called the Actuarial Liability. The portion of this actuarial present value of projected benefits allocated to a valuation year is called the Normal Cost.

Table 10 contains information on the actuarial balance sheet: the plan's resources and requirements. The plan requirements consist of the actuarial present value of projected plan benefits on January 1, 2014. Plan resources consist of plan assets, projected future normal costs and the plan's unfunded actuarial liability. The actuarial liability of the Plan is illustrated below:

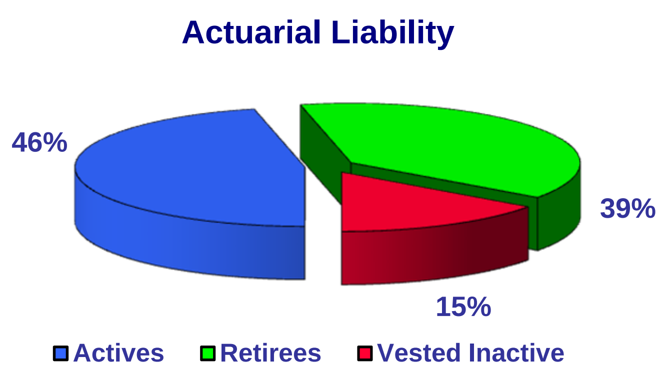


Table 11 shows how the unfunded actuarial liability was derived for the Plan.

TABLE 10
ACTUARIAL BALANCE SHEET
AS OF JANUARY 1, 2014

REQUIREMENTS

Present Value of Projected Benefits		
Retired Participants		$ 21,608,789
Vested Inactive Participants		8,473,138
Active Participants		
Retirement	$ 26,566,182	
Vested Withdrawal	294,580	
Death	284,922	
Disability	1,532,816	
Total Active		28,678,500
Total Present Value of Projected Benefits		$ 58,760,427

RESOURCES

Actuarial Value of Assets	$ 41,530,376
Present Value of Future Normal Costs	2,577,619
Unfunded Actuarial Liability	14,652,432
Total	$ 58,760,427

TABLE 11
UNFUNDED ACTUARIAL LIABILITY

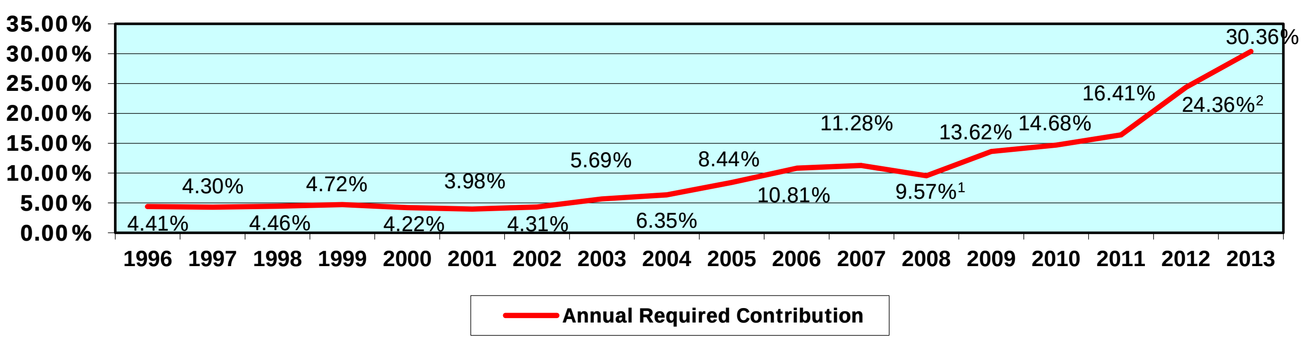
Actuarial Liability as of January 1, 2014		
Retired Participants and Beneficaries		$ 21,608,789
Vested Inactive Participants		8,473,138
Active Participants		26,100,881
Total		$ 56,182,808
Actuarial Value of Assets		$ 41,530,376
Unfunded Actuarial Liability as of January 1, 2014		$ 14,652,432
Expected Unfunded Actuarial Liability on January 1, 2014		
Unfunded Actuarial Liability as of January 1, 2013		$ 15,742,554
Normal Cost		488,144
Employer Contributions		(2,067,363)
Interest		1,033,397
Expected, January 1, 2014		$ 15,196,732
Changes		
Experience (Gain)/Loss		
Asset (Gain)/Loss	(1,986,170)	
Salary (Gain)/Loss	(273,473)	
Retirement and Withdrawal (Gain)/Loss	(111,573)	
Pensioner Mortality (Gain)/Loss	125,032	
Other Demographic	60,921	
Total Experience (Gain)/Loss		(2,185,263)
Assumption Change		1,640,963
Plan Changes		0
Unfunded Actuarial Liability on January 1, 2014		$ 14,652,432

SECTION 6
DISCLOSURE INFORMATION REQUIRED BY GOVERNMENT ACCOUNTING STANDARDS BOARD STATEMENT NO. 25 AND NO. 27

Tables 12 and 13 provide the disclosure information required by Government Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and Statement No. 27, Accounting for Pensions by State and Local Governmental Employers. The assumptions and methods used for these funding disclosures meet the parameters set forth in GASB No. 25 and No. 27, and, other than those described below, are outlined in Table 15 and Appendix A of this report.

GASB 25 generally requires two schedules of historical trend information for the plan: a schedule of funding progress and a schedule of employer contributions as they relate to the plan's Annual Required Contribution (ARC). The chart below provides historical information on the plan's ARC.

Annual Required Contribution
(as a Percent of Total Compensation)



1 Includes change to entry age normal funding method.
2 Includes change in discount rate from 7.5% to 6.8%.

The pension cost is the ARC plus an amortization of the net pension obligation. The net pension obligation is the cumulative difference between the pension cost and the employer contribution to the plan. In this context, the net pension obligation will decrease if contributions exceed the pension cost and will increase if the entire pension cost is not contributed each year. Table 12 shows the calculation of the net pension obligation and annual pension cost.

Table 13 contains the information required for the schedule of funding progress. The required schedule of employer contributions is included as Table 14. Also included in Table 14 is the three-year trend information, as required by GASB 27.

In June 2012 the Government Accounting Standards Board issued GASB Statement No. 67 and No. 68, which amended GASB 25 and GASB 27, respectively. No. 67 is effective for fiscal years beginning after June 15, 2013, and No. 68 is effective for fiscal years beginning after June 15, 2014. The effects of these accounting changes have not been included in this valuation report.

TABLE 12
CALCULATION OF NET PENSION OBLIGATION AND PENSION COST

(1) Fiscal Year	(2) Annual Required Contribution (ARC) [(a)]	(3) Net Pension Obligation (NPO) as of January 1 [Prior year (10)]	(4) Interest Rate for Fiscal Year	(5) Interest on NPO to End of Year [(3) * (4)]	(6) Amortization Factor	(7) ARC Adjustment [(3) / (6)]	(8) Annual Pension Cost (APC) [(2)+(5)-(7)]	(9) Actual Employer Contribution	(10) Net Pension Obligation at End of Year [(8)-(9)+(3)]
2007	1,725,108	643,536	7.50%	48,265	6.0460	106,440	1,666,933	866,694	1,443,775
2008	1,325,710	1,443,775	7.50%	108,283	8.3477	172,955	1,261,038	1,807,834	896,979
2009	1,901,281	896,979	7.50%	67,273	8.4814	105,759	1,862,795	1,005,901	1,753,873
2010	1,892,946	1,753,873	7.50%	131,540	8.7353	200,780	1,823,706	2,100,467	1,477,112
2011	1,706,844	1,477,112	7.50%	110,783	8.3154	177,635	1,639,992	1,345,466	1,771,638
2012	2,334,577	1,771,638	6.80%	120,471	8.0890	219,019	2,236,029	1,241,929	2,765,738
2013	2,681,999	2,765,738	6.80%	188,070	7.5710	365,306	2,504,763	2,067,363	3,203,138

(a) The annual pension cost is the annual required contribution plus an amortization of the net pension obligation from the beginning of the prior year. The annual required contribution was computed under the aggregate cost method for 2007 and prior, the entry age normal cost method for 2008 and later. The ARC assumes mid-year contributions beginning in 2008.

The effects of GASB Statements No. 67 and No. 68 are not reflected on this schedule.

TABLE 13
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Liability (UAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
1/1/2008	$42,339,892	$47,789,676	$5,449,784	88.6%	$13,851,399	39.3%
1/1/2009	39,568,446	49,707,694	10,139,248	79.6%	13,958,960	72.6%
1/1/2010	39,577,509	50,300,314	10,722,805	78.7%	12,897,653	83.1%
1/1/2011	39,974,052	49,651,276	9,677,224	80.5%	10,399,210	93.1%
1/1/2012	39,973,803	53,813,281	13,839,478	74.3%	9,582,235	144.4%
1/1/2013	38,940,438	54,682,992	15,742,554	71.21%	8,834,557	178.2%
1/1/2014	41,530,376	56,182,808	14,652,432	73.92%	8,202,862	178.6%

The effects of GASB Statements No. 67 and No. 68 are not reflected on this schedule.

TABLE 14
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND THREE-YEAR TREND INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Annual Required Contribution	Employer Contribution	Percent Contributed
2007	1,725,108	866,694	50.2%
2008	1,325,710	1,807,834	136.4%
2009	1,901,281	1,005,901	52.9%
2010	1,892,946	2,100,467	111.0%
2011	1,706,844	1,345,466	78.8%
2012	2,334,577	1,241,929	53.2%
2013	2,681,999	2,067,363	77.1%

THREE-YEAR TREND INFORMATION

Fiscal Year	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
2011	1,639,992	82.0%	1,771,638
2012	2,236,029	55.5%	2,765,738
2013	2,504,763	82.5%	3,203,138

The effects of GASB Statements No. 67 and No. 68 are not reflected on this schedule.

TABLE 15
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The information presented in 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	January 1, 2014
Actuarial cost method	Entry Age Normal
Asset valuation method	An expected actuarial value is determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains or losses) for the year ended on the valuation date and assuming 6.8% interest (effective January 1, 2013). The unrecognized gain or loss is then added to the expected value. Any difference between this amount and the market value of assets is set up as a gain or loss base and amortized over five years. The expected actuarial value plus the amortization of prior gain or losses is constrained to a value of 80% to 120% of the market value of assets at the valuation date in order to determine the final actuarial value of assets.

Actuarial assumptions:

Investment rate of return* 6.5%

Projected salary increases*

Age	Total
30	4.5%
35	4.5
40	4.5
45	4.3
50	4.2
55	4.0
60	3.7
65+	3.6

* Includes inflation at 2.5%

Wage Increase for Unfunded Actuarial Liability Amortization: N/A

The effects of GASB Statements No. 67 and No. 68 are not reflected on this schedule.

SECTION 7
HISTORY AND PROJECTIONS

Table 16 shows seven years of the more important Plan statistics.

- *Assets*: Comparison of the Market Value of Assets to the Actuarial Value of Assets, including the rate of return on the Market Value of Assets, net of investment-related expenses. Investment return often represents the largest source of actuarial gain or loss.
- *Contribution*: Annual Required Contribution as a percent of pay.
- *Present Value of Projected Benefits:* This represents the present value of benefits earned currently, plus all benefits expected to be earned in the future.
- *Participant Statistics*: Changes, if any, in the active and inactive participants' characteristics over time can cause significant changes in costs.
- *Assumptions*: Changes, if any, in the assumptions used to value plan liabilities can have a dramatic effect. Several key assumptions are shown in Table 16.

Table 17 provides a projection of benefit payments over the next twenty years. This can be useful for the investment manager in planning future liquidity requirements, although this exhibit does not attempt to predict future lump sum payments to terminating employees.

TABLE 16
HISTORICAL STATISTICS

	2014	2013	2012	2011	2010	2009	2008
Assets							
Market Value of Assets	$ 44,692,556	$ 39,489,447	$ 37,015,380	$ 39,355,910	$ 37,302,262	$ 32,973,705	$ 45,770,541
Actuarial Value of Assets	$ 41,530,376	$ 38,940,438	$ 39,973,803	$ 39,974,052	$ 39,577,509	$ 39,568,446	$ 42,339,892
Ratio	92.9%	98.6%	108.0%	101.6%	106.1%	120.0%	92.5%
Market Value Return	18.7%	11.6%	(3.1)%	11.1%	20.5%	(26.5)%	12.2%
Present Value of Projected Benefits							
For retirees and beneficiaries	$ 21,608,789	$ 18,850,712	$ 16,058,012	$ 15,459,723	$ 15,544,671	$ 13,871,991	$ 13,906,218
For terminated vested participants	8,473,138	9,217,906	9,568,212	7,704,312	4,286,911	4,311,839	4,913,655
For active participants	28,678,500	29,279,641	31,223,732	28,839,842	33,569,162	34,967,356	32,654,443
Total	$ 58,760,427	$ 57,348,259	$ 56,849,956	$ 52,003,877	$ 53,400,744	$ 53,151,186	$ 51,474,316
Actuarial Liability	$ 56,182,808	$ 54,682,992	$ 53,813,281	$ 49,651,276	$ 50,300,314	$ 49,707,694	$ 47,789,676
Participant Statistics							
Retired Participants							
Number	190	185	171	170	171	163	159
Average Monthly Benefits	$ 1,009	$ 927	$ 863	$ 870	$ 863	$ 807	$ 822
Vested Inactive Participants							
Number	121	129	136	135	114	115	131
Average Monthly Benefits	$ 810	$ 861	$ 867	$ 816	$ 615	$ 614	$ 630
Active Participants							
Number of Participants	128	140	155	169	212	229	235
Average Compensation	$ 64,085	$ 63,104	$ 61,821	$ 61,534	$ 60,838	$ 60,956	$ 58,942
Average Years of Service	25.3	24.7	24.2	23.0	22.1	21.5	20.5
Average Age	58.6	57.9	57.5	56.8	56.1	55.6	54.8
Actuarial Assumptions							
Interest	6.50%	6.80%	6.80%	7.50%	7.50%	7.50%	7.50%
Salary Growth	Table	Table	Table	Table	Table	Table	Table
Mortality Table Utilized	RP-2000; Proj. 2021	RP-2000; Proj. 2021	RP-2000; Proj. 2021	RP-2000; Proj. 2021	94GAM	94GAM	94GAM

TABLE 17
TWENTY-YEAR PROJECTION OF BENEFIT PAYMENTS

Plan Year	Estimated Annual Benefit Payments
2014	3,424,000
2015	3,749,000
2016	4,088,000
2017	4,285,000
2018	4,428,000
2019	4,791,000
2020	4,881,000
2021	4,947,000
2022	4,994,000
2023	5,124,000
2024	4,997,000
2025	5,008,000
2026	4,878,000
2027	4,915,000
2028	4,748,000
2029	4,672,000
2030	4,439,000
2031	4,369,000
2032	4,220,000
2033	4,029,000

APPENDIX A
ACTUARIAL PROCEDURES AND ASSUMPTIONS

The actuarial assumptions used in the valuation are intended to estimate future experience affecting projected benefit flow and investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the plan's benefits.

The tables in this section give rates of decrement, referred to in actuarial notation by the general symbol "q'." The underlying theory is described more fully in Jordan, *Life Contingencies*, Society of Actuaries (Second Edition, 1967), page 277. Any age referred to in a table is always the age of the person at his or her nearest birthday.

Actuarial Cost Method

The actuarial cost method we use to calculate the funding requirements of the Plan is called the *entry age normal cost method*.

Under this cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age. The portion of the actuarial present value of the projected benefits allocated to all service prior to the valuation date is called the Actuarial Liability. The portion of this actuarial present value of projected benefits allocated to a valuation year is called the Normal Cost.

Actuarial Value of Assets

An expected actuarial value is determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains or losses) for the year ended on the valuation date and assuming 7.5% interest for years 2009 through 2011, and 6.8% for 2012 and 2013. The unrecognized gain or loss is then added to the expected value. Any difference between this amount and the market value of assets is set up as a gain or loss base and amortized over five years. The expected actuarial value plus the amortization of prior gain or losses is constrained to a value of 80% to 120% of the market value of assets at the valuation date in order to determine the final actuarial value of assets.

Investment Earnings

6.50% per annum, compounded annually net of investment-related expenses.

COLA

None.

Wage Increase

3.50%

Earnings Progression

Annual salary increases are based on a table graded by age, as displayed below:

Age	Percentage Increase at Age			
	Inflation	Productivity	Merit	Total
35	2.5%	1.0%	1.0%	4.5%
40	2.5	1.0	1.0	4.5
45	2.5	1.0	0.8	4.3
50	2.5	1.0	0.7	4.2
55	2.5	1.0	0.5	4.0
60	2.5	1.0	0.2	3.7
65+	2.5	1.0	0.1	3.6

Retirement

The following table sets forth the probability of retirement according to age.

Age	Probability of Retirement
55	2%
56	2
57	2
58	2
59	2
60	2
61	2
62	10
63	10
64	10
65	40
66	40
67	30
68	30
69 & Over	100

Deferred Vested participants were assumed to retire at age 65.

Disablement

Graduated rates are used. See table below for sample rates.

Withdrawal Rates

Graduated rates are used. Sample rates are as follows:

Age at Termination	Withdrawal		Disability
	Male	Female	
35	8.58%	9.53%	0.19%
45	3.89	5.24	0.45
55	2.00	3.29	1.19
60	1.50	2.15	1.80

Mortality

Healthy Lives, Pre-retirement – RP-2000 Healthy Non-Annuitant Mortality Table projected to 2021 using Scale AA

Healthy Lives, Post-retirement – RP-2000 Healthy Annuitant Mortality Table projected to 2021 using Scale AA

Disabled Lives – RP-2000 Disabled Retiree Mortality Table projected to 2021 using Scale AA

Expenses

The average of the prior three year's expenses:

Year	Expenses
2013	$ 21,016
2012	23,801
2011	24,052
Total	$ 68,869
Average	$ 22,956

Marriage Rates

85% of all active and terminated participants not currently receiving benefits are assumed to be married. Male spouses are assumed to be three years older than their female spouses.

Future Credited Service

The Future Credited Service rate is equal to the member's Full Time Equivalent (FTE) rate as of December 31 preceding the current valuation year.

Form of Payment

30% of participants terminating or retiring from active service are assumed to elect a lump sum.

Changes in Actuarial Assumptions and Methods as of January 1, 2014

- The investment return rate assumption was lowered to 6.5% to better reflect anticipated plan experience.

APPENDIX B
PLAN SUMMARY

All actuarial calculations are based upon our understanding of the provisions of City of Fort Collins General Employees' Retirement Plan, as adopted and in effect on January 1, 2014. This summary does not attempt to cover all of the detailed provisions.

Plan Year

The Plan Year is the 12-month period beginning January 1 and ending December 31.

Effective Date

The original effective date of the plan is January 1, 1971. The plan was most recently restated effective January 1, 2012 and amended effective February 5, 2013.

Eligible Employee Classification

All persons employed to fill a classified position defined by the city, excluding police officers and firefighters, shall become a member of the Plan on the later of the Effective Date of the Plan or Date of Hire.

The Plan was frozen to new entrants as of January 1, 1999.

Accrued Benefit

The Accrued Benefit for each Member is the Member's Normal Retirement Benefit calculated using Average Monthly Compensation and Credited Service as of the calculation date. In no event will a Member's Accrued Benefit be less than the Accrued Benefit earned as of June 30, 2003.

Average Monthly Compensation

A Member's Average Monthly Compensation, as of a given date, is the average of the highest 60 consecutive months of considered compensation during the last 120 months of Credited Service. In the event that a participant was employed on a part time basis during any portion of this period, the compensation will be converted to a full time equivalent for purposes of calculating the Average Monthly Compensation.

Compensation

Compensation is the gross compensation included as taxable income on Form W-2, excluding bonuses, compensatory time recorded as additional hours, overtime pay, workers' compensation accrued vacation pay, taxable fringe benefits, but including any amounts contributed by the City to a salary reduction agreement including Code Sections 125, 132(f)(4), 402(a)(8), 403(b), 402(a), and 457.

Credited Service

A Year of Service is credited for each plan year a member works 2,080 hours. If the member works less than 2,080 hours, a partial Year of Service will be credited on a prorate basis based on the number of hours for which compensation is paid. Service is credited while a member is on long-term disability as long as no benefits are being paid from the plan.

Vested Accrued Benefit

A Participant's Vested Accrued Benefit as of a given date is equal to the product of his Accrued Benefit multiplied by his Vested Percentage as of that same date.

Vesting Schedule

Members become vested in their Accrued Benefit according to the following schedule:

Years of Credited Service	Percent Vested
Less than 2	0%
2	40%
3	60%
4	80%
5 and over	100%

Normal Retirement Date

A Participant's Normal Retirement Age is the first of the month coincident with or next following the attainment of age 65.

Normal Retirement Benefits

Each Member who becomes eligible for a Normal Retirement Benefit under the plan will be entitled to receive a monthly retirement pension benefit beginning at the Member's Normal Retirement Date and payable in the Normal Benefit Form equal to:

- 1.5% of Average Monthly Compensation, multiplied by Credited Service.

Normal Benefit Form

Life Annuity - Monthly pension benefit payable for the lifetime of the Member.

Early Retirement

(a) Early Retirement Date

A Member's Early Retirement Date is the first day of the month so elected by the Member which coincides with or next follows the date upon which the Member attains age 55 and completes 2 Years of Service.

(b) Early Retirement Benefit

A Member's Early Retirement Benefit is a monthly pension benefit equal to his Accrued Benefit determined as of his Early Retirement Date, reduced by $1/15^{th}$ for the first 5 years and $1/30^{th}$ for each of the next 5 years payments commence prior to age 65.

Optional Benefit Forms

Optional Benefit Forms are available and equal to the Actuarial Equivalent of the Normal Benefit Form and may be in an amount more than or less than that provided by the Normal Benefit Form depending on the option selected. Such distribution may be as a Joint & 50% or 100% Survivor Annuity, a Life Annuity with 120 payments guaranteed, or a Lump Sum.

Pre-Retirement Death Benefit

If a Member dies prior to commencing pension payments, the Member's beneficiary will receive a single sum benefit in an amount equal to 47% of the actuarial equivalent value of the Member's Accrued Benefit. If the beneficiary is the Member's spouse, the spouse may elect a monthly benefit which is the actuarial equivalent of the single sum benefit. (The 47% factor is stated in the Plan Document Article XI, Section 11. It was developed assuming that the participant quit the day prior to death and elected a 50% joint and survivor benefit.)

Termination Benefit

In the event of the termination of a Member's employment for any reason other than death, disability or retirement after completing 2 Years of Service, the Member will become entitled to receive a monthly pension benefit commencing on his Normal Retirement Date equal to his Vested Accrued Benefit.

If the deferred benefit to which the Member is to be paid at his Normal Retirement Date has an actuarial equivalent value less than $5,000, the entire benefit will be paid to the terminated participant as a single lump sum.

Disability Benefit

(a) Total Disability

The monthly benefit, payable for life commencing at normal retirement date, is equal to the normal retirement benefit considering annual rate of compensation at disability and credited service he would have accumulated if employment had continued uninterrupted to his normal retirement date.

(b) Permanent Partial Disability

A member may accrue Credited Service under the Plan for any period of time up to a maximum accrual of two (2) years.

Instead of the disability benefit described above, the disabled participant may elect to take a lump-sum distribution at any time.

City Contributions

The entire cost of the plan is to be paid by the City.

Plan Changes

- Amendment 2 was adopted and executed effective on or before the valuation date. This amendment had no impact on the valuation of the Plan.