GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

CITY OF ORLANDO GENERAL EMPLOYEES' PENSION FUND

ACTUARIAL VALUATION REPORT

SEPTEMBER 30, 2015

GRS
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April 19, 2016

The City of Orlando
and
The Pension Advisory Committee
City of Orlando General Employees' Pension Fund
Orlando, Florida

The results of the September 30, 2015 Actuarial Valuation of the City of Orlando General Employees' Pension Fund are presented in this report. The purpose of the annual valuation is to measure the Fund's funding progress and to determine the City's contribution rate for the fiscal year beginning October 1, 2016 in accordance with established funding policies. The results of the valuation may not be applicable for other purposes. Information required by Statement Nos. 67 and 68 of the Governmental Accounting Standards Board (GASB) is provided in a separate report.

This report should not be relied on for any purpose other than those described above. It was prepared at the request of the Board and is intended for use by the Pension Fund and those designated or approved by the Board. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

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 this assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial valuation highlights and our Statement by Enrolled Actuary are contained in Section A.

Valuation results are contained in Section B.

The valuation was based upon information, furnished by the City, concerning Pension Fund benefits, financial transactions, and individual members, terminated members, retired members and beneficiaries. Data was checked for reasonableness and missing information, but was not audited. We are not responsible for the accuracy or completeness of the data provided by the City. This information is summarized in Section C.

A description of the actuarial valuation process, actuarial assumptions, and definitions of technical terms are contained in Section D.

Additional Disclosures are contained in Section E.

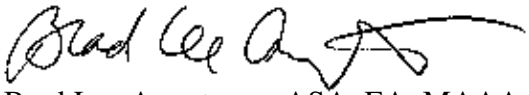
The computed contribution shown on page B-1 may be considered as a minimum contribution that complies with the Board's funding policy. Users of this report should be aware that contributions made at that amount do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the Fund in excess of those presented in this report be considered.

The contribution in this report is determined using the actuarial assumptions and methods disclosed in Section D of this report. This report includes certain risk metrics but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and others significant risks that may have a material effect on the plan's financial condition.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that the information contained in this report is accurate and fairly presents the actuarial position of the City of Orlando General Employees' Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. The actuarial assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable.

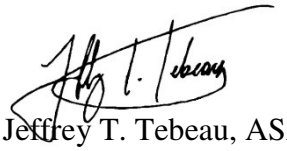
Brad Lee Armstrong, David T. Kausch and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,



Brad Lee Armstrong, ASA, EA, MAAA

David T. Kausch, FSA, EA, MAAA



Jeffrey T. Tebeau, ASA, MAAA

BLA/DTK:bd

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REPORT OF SEPTEMBER 30, 2015 ACTUARIAL VALUATION

SECTION A

VALUATION HIGHLIGHTS AND STATEMENT BY ENROLLED ACTUARY

ACTUARIAL VALUATION HIGHLIGHTS
SEPTEMBER 30, 2015

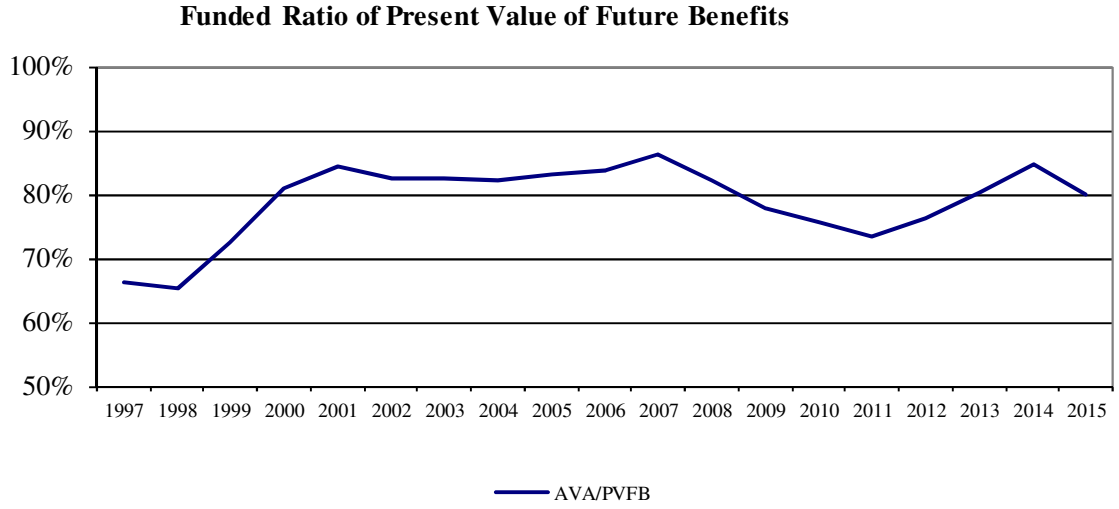
FUNDING OBJECTIVE

The funding objective of the Pension Fund is to establish and receive contributions which, expressed as dollar amounts, will remain approximately level from generation to generation of Orlando citizens, during the lifetime of the Fund.

The annual actuarial valuation measures the relationship between Pension Fund obligations and assets and determines the contribution amount for the ensuing year.

VALUATION RESULTS - FUNDING PROGRESS INDICATORS

With the Fund closed to new hires, costs have been computed using the aggregate cost method. The design of the aggregate cost method is to target that all benefits are fully funded when the plan has no active members. This is being accomplished through level-dollar amortization adopted during the most recent experience study. Under the aggregate cost method, the Present Value of Future Benefits (PVFB) is reduced by the actuarial value of assets and the present value of future member contributions. The remainder is financed by City contributions as a level dollar amount. The method does not generate an actuarial accrued liability. The percentage of PVFB funded by the actuarial value of assets is shown below.



Funded ratios are located on page E-3.

VALUATION RESULTS - FUNDING PROGRESS INDICATORS

The overall activities of the members during the year increased the obligations of the Fund approximately $0.6 million more than expected because certain individual assumptions deviated from expected:

8.70% actuarial value rate of return versus 8.0% expected.

31 retirements versus 26 expected.

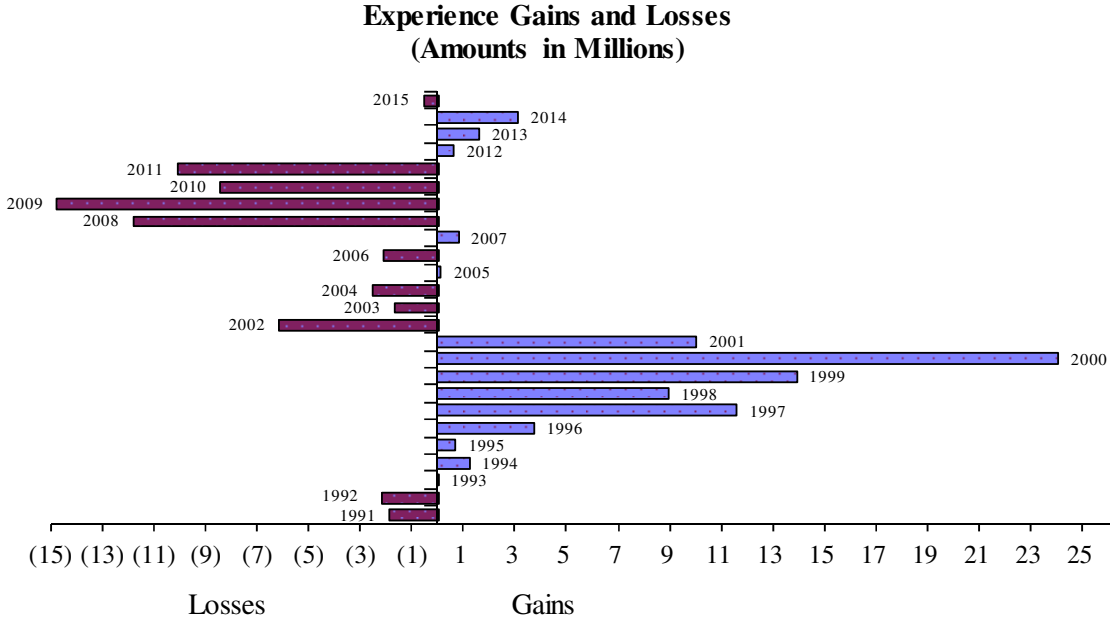
0 vested termination of members versus 2 expected.

32 retiree removals versus 28 expected.

3.11% increase in salary versus 4.32% expected.

The estimated market value rate of return, net of investment expenses, on assets was (0.4)% versus an 8.0% long-term assumption. The asset valuation method recognizes a portion of this year's gain and combines it with portions of gains and losses that occurred from 2012 – 2014. The result is a $1.4 million recognized investment gain for the year which results in the 8.70% actuarial value rate of return shown above. Note that for funding purposes, deviations from assumed market value investment experience is smoothed over a 4-year period and the ratio of market value to actuarial value is restricted to an 85% to 115% corridor. Please refer to page C-6 for further details.

The net result of the participant and fiscal activities was favorable, generating a $0.56 million net experience loss, which represents 0.2% of the Present Value of Future Benefits at the beginning of the year.



Derivation of the current and prior years' experience gain(loss) is located on page B-5.

VALUATION RESULTS - CONTRIBUTION REQUIREMENT

The contribution requirements for the 2015-2016 and 2016-2017 fiscal years are:

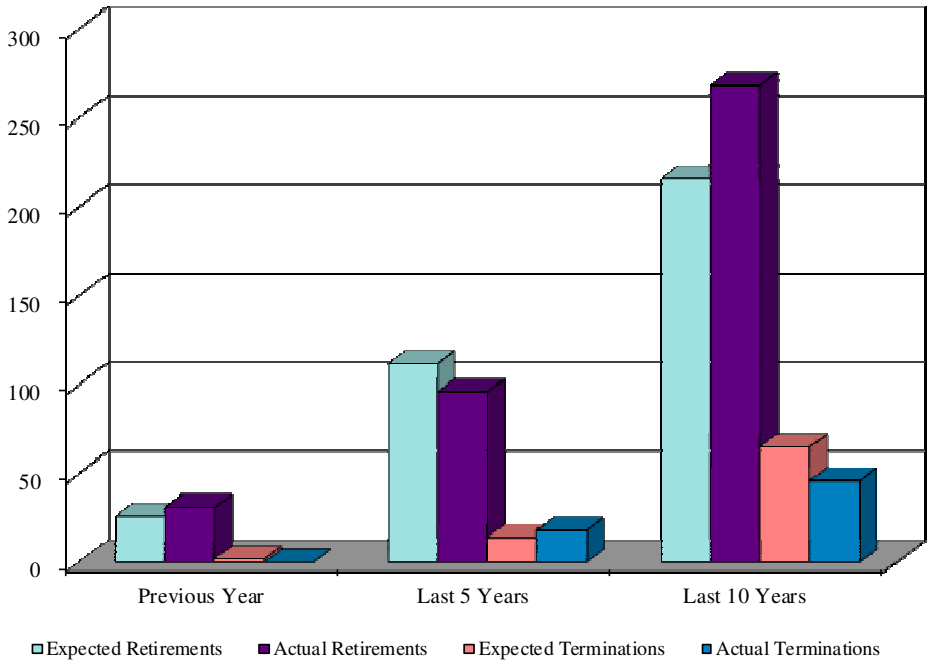
4.88% of pay by active members;
$8,166,704 by the City for 2015-2016; and
$7,684,072 by the City for 2016-2017.

The 2016-2017 fiscal year contribution requirement reflects a $0.5 million decrease in the City's dollar contribution requirement from the prior year.

Comparative contribution information is located on page B-6. Composition of the current City contribution amount is located on page B-1.

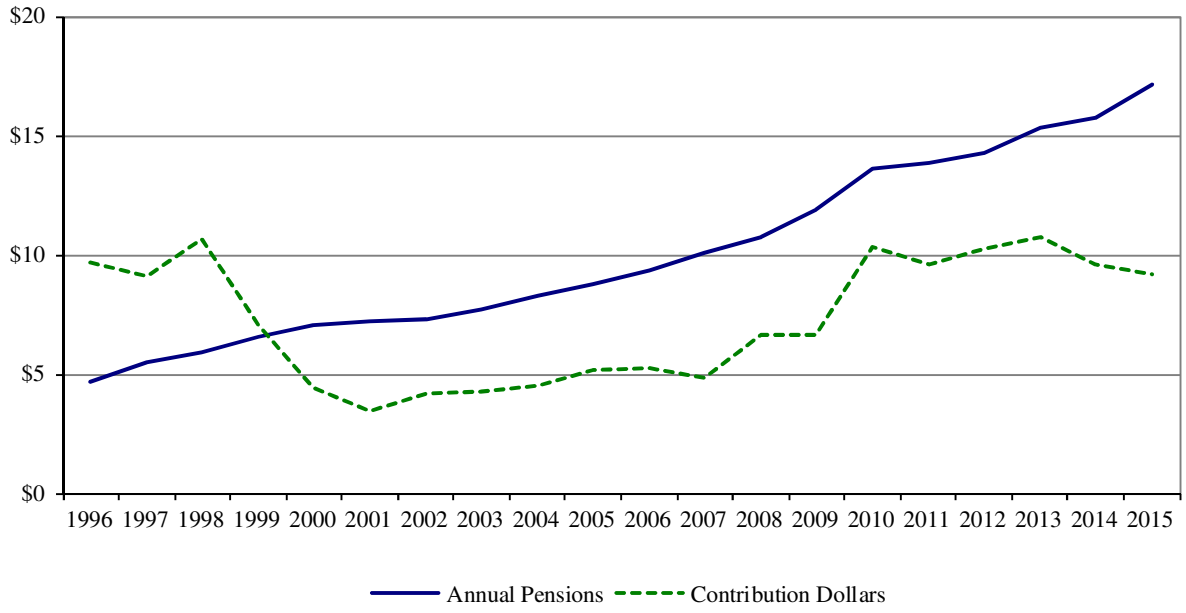
HISTORICAL COMPARISONS

Retirements and Terminations



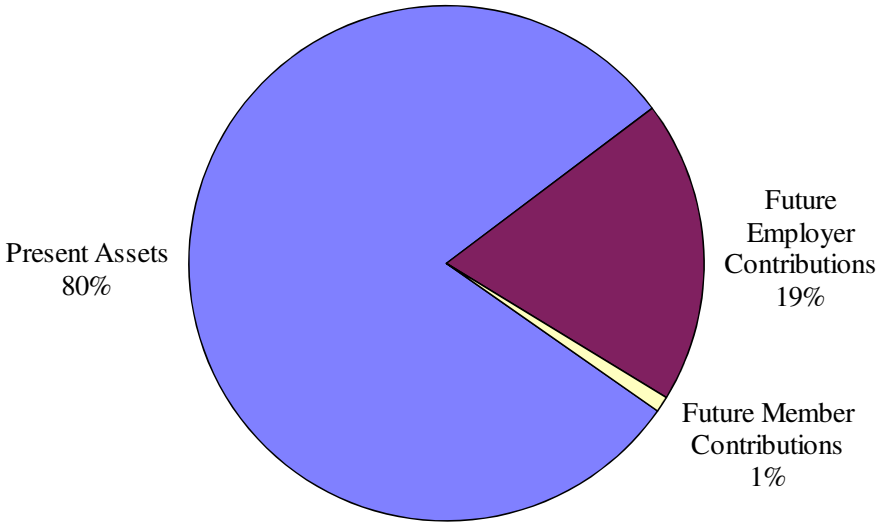
DC transfers are included in the chart above as Retirements or Terminations as appropriate. Actual retirements in the last 5 and 10 years reflect multiple early retirement incentives.

Pension Payments and Total Contributions (In Millions of Dollars)

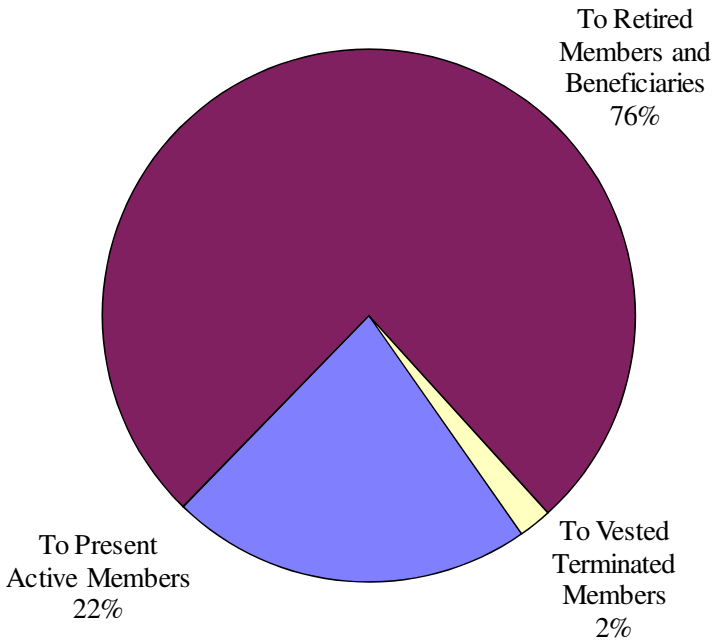


FUND OBLIGATIONS AND SOURCES OF FUNDING
SEPTEMBER 30, 2015

Present Resources and Expected Future Resources
($261 Million)



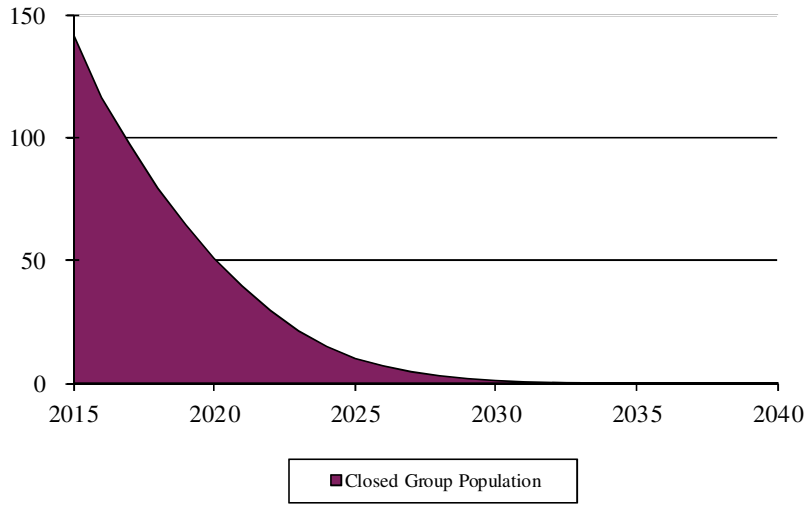
Actuarial Present Value of Expected
Future Benefit Payments and Reserves
($261 Million)



The actuarial balance sheet is located on page B-7.

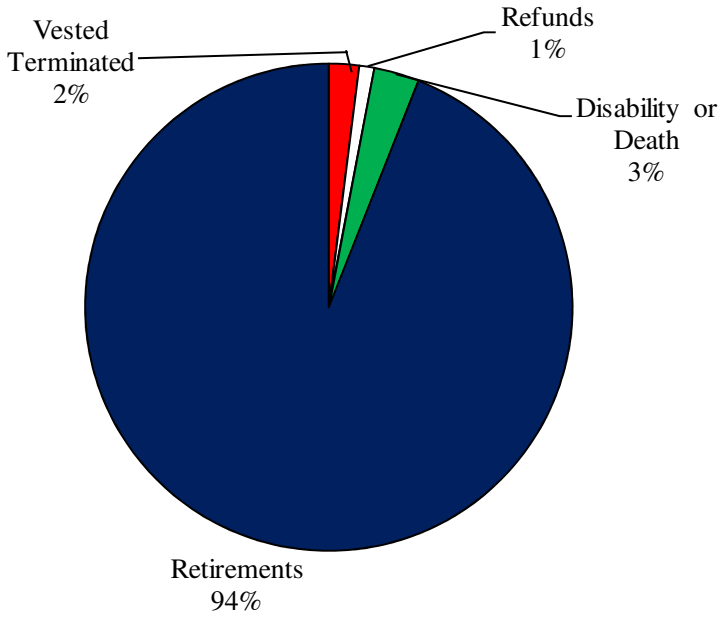
EXPECTED DEVELOPMENT OF PRESENT ACTIVE POPULATION
SEPTEMBER 30, 2015

Closed Active Group Population Projection



The charts show the expected future development of the present population in simplified terms. The pension fund presently covers 142 active members. About 94% of the present population is expected to receive monthly retirement benefits by retiring directly from active service. The remaining 6% of the present population is expected to become eligible for vested terminated, refunds, disability, or death-in-service benefits. **Within 4 years, over half of the covered membership is expected to exit the Active Member Group.**

Expected Terminations from Active Employment
For Current Active Members



COMMENTS

Plan Experience

The activities of the Pension Fund and its members generated an experience loss of $0.56 million on an aggregate basis during the plan year ended September 30, 2015. There were losses due to more than expected normal retirements, offset by lower than expected salary increases and greater than expected recognized investment return. The market value rate of return on plan assets this year was (0.4)%. The funding value rate of return on assets used to determine the contribution requirements and funded ratio for this valuation was 8.70% versus 8.00% expected. The aggregate experience loss resulted in a slightly higher dollar contribution than last year, before assumption changes. Please refer to pages C-5, C-6, C-7, C-13, D-3, D-4, and D-5 for additional experience information.

Plan Amendments

None.

Changes in Amortization Policy

Unfunded present value of future benefits was amortized using level dollar payments over a closed 8-year period beginning with the 2010 valuation. The remaining amortization period would have been 3 years for the fiscal year ending September 30, 2016. The Board reset the amortization period to be a closed 8-year period beginning with the September 30, 2015 valuation for the determination of the contribution for the fiscal year ending September 30, 2017.

Changes in Assumptions

In accordance with the Experience Study report dated September 30, 2015, the Board adopted the Florida Retirement System (FRS) mortality tables for the September 30, 2015 valuation. HB 1309 will mandate the use of the FRS mortality tables for valuation dates beginning with the September 30, 2016 actuarial valuation for all Florida retirement plans. The FRS tables use versions of the RP-2000 tables and projection scale BB in a reasonable manner. These mortality rates produce life expectancies that are longer for males and females than the mortality rates used previously. As a result of this change, liabilities increased for the Pension Fund, as well as the required City dollar contribution for the 9/30/2015 fiscal year. The assumed rate of investment return and wage inflation used for the valuation were changed from 8.00% to 7.50%, and 4.00% to 3.75%, respectively, in order to be considered reasonable. Overall, this change increased liabilities for the Pension Fund.

With a closed plan, the trustees may at some point change the investment policy to increase fixed income. We recommend that the assumed rate of investment return be reviewed with input from the Fund's investment consultant.

RISKS TO FUTURE EMPLOYER CONTRIBUTION REQUIREMENTS

Currently the Actuarial Value of Assets, which is used to determine the funded status and contribution rates for the plan, is more than the market value of assets by 4.8%, or $9.5 million (see page C-6). Therefore, there are prior years' losses to be recognized in the 2016 report.

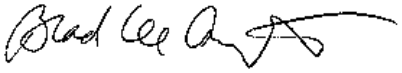
CONCLUSION

Pension Fund contribution rates are expected to fluctuate from year to year as experience emerges and economic conditions change. The expectation inherent in the funding of a pension fund is that year to year fluctuations will tend to cancel over periods of 5 to 10 years and result in stable conditions over these periods.

Over time, the funded ratio of a pension fund is expected to converge to 100%, but the basic trend may be interrupted by events such as benefit increases or changes in actuarial cost methods and assumptions, or severe market downturns. Fund experience has been in line with this expectation until the last few years. Since the implementation of the aggregate actuarial cost method in 1998, the funded status has increased from 65.3% to 80.0%.

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, of the Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.



Brad Lee Armstrong, ASA, EA, MAAA [14-5614]

April 19, 2016

Date

OTHER OBSERVATIONS

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the Present Value of Future Benefits (PVFB) and the Actuarial Value of Assets (AVA). Unless otherwise indicated, with regard to any funded status measurements presented in this report:

1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, in other words, of transferring the obligations to a unrelated third party in an arm's length market value type transaction.
2) The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. Future gains and losses would result in the funded ratio changing from 100%.

Limitations of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsors or other contributing entities to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

Risks to Future Employer Contribution Requirements

There are ongoing risks to future employer contribution requirements to which the Pension Fund is exposed, such as:

- Actual and Assumed Investment Rate of Return
- Actual and Assumed Mortality Rates
- Amortization Policy/Actuarial Cost Method

SECTION B

DETAILED VALUATION RESULTS

CONTRIBUTIONS TO FINANCE BENEFITS OF THE PENSION FUND FOR THE PLAN YEAR BEGINNING OCTOBER 1 TO BE CONTRIBUTED DURING THE FISCAL YEAR

	Contribution Development for Fiscal Year Ending September 30	
	2017	**2016**
Development of Normal Cost		
a) Present value of future benefit payments	$ 260,970,419	$ 235,908,961
b) Present value of future member contributions	(1,518,410)	($1,901,917)
c) Actuarial value of assets	(208,676,563)	(199,598,187)
d) Unfunded present value of future benefit payments	50,775,446	34,408,857
e) Interest on item d) for one year	3,808,158	2,752,709
f) City contribution expected from prior valuation	(7,858,415)	(9,062,366)
g) Interest on item f) for 12 months	(589,381)	(362,495)
h) Total City present value of future normal cost	46,135,808	27,736,705
i) Closed level dollar amortization factor*	6.07430514	3.44291272
j) Item h) divided by item i)	7,595,240	8,056,174
Administrative Expenses	88,832	110,530
Total City Normal Cost and Administrative Expenses		
Dollar Amount*	**$ 7,684,072**	**$ 8,166,704**
Percent of Payroll	**117.47%**	**100.58%**

* *Level dollar amortization with a period of 8 years for the FY ending 9/30/2017 and 4 years for the FY ending 9/30/2016.*

FS 112.64 requires City contributions to be deposited not less frequently than quarterly. Member contributions, which are in addition to the City contributions, must be deposited not less frequently than monthly.

Procedures for determining dollar contribution amounts are shown on page B-2.

Comparative contribution amounts for prior fiscal years are shown on page B-6.

DETERMINING DOLLAR CONTRIBUTIONS

For any period of time, the percent-of-payroll contribution rate needs to be converted to dollar amounts. We recommend one of the following procedures.

Procedure 1. Contribute the annual amounts of $7,684,072 for City normal cost and administrative expenses during the fiscal year beginning October 1, 2016 on at least a quarterly schedule to comply with FS112.64. The above dollar amount is based on base salary for the next year and is assumed to be contributed, on average, halfway through the fiscal year. Alternatively, if a monthly schedule is followed, the average City contribution would be $640,339 for fiscal year 2016-2017. If contributions are made on a later schedule, interest should be added at the rate of 0.60% (0.0060) for each month of delay.

Procedure 2. The City contributes an amount of $7,411,177 for City normal cost and administrative expenses, paid as a lump sum on October 1, 2016. This amount represents 90.9% of payroll.

The covered payroll is anticipated to decline sharply in the next few years since the active group is closed to new entrants. This has been addressed in part with the level dollar amortization in determining the employer rate. We recommend reviewing the percent of payroll funding policy and exploring requiring the City to contribute the full dollar amounts.

FUNDING PROGRESS INDICATORS

There is no single all-encompassing indicator that measures a pension fund's funding progress and current funded status.

Three reliable indicators of funding progress and funded status are described below and shown on page B-4.

Indicator (1) The actuarial present value of gains or losses realized in the operation of the Pension Fund - an experience indicator. Gains and losses are expected to cancel each other over a period of years (in the absence of double-digit inflation) and sizable year to year fluctuations are common. Further details on the derivation of the gain (loss) are shown on page B-5.

Indicator (2) The ratio of the actuarial value of assets to the present value of future benefits - a funding level indicator. The ratio is expected to converge to 100% as the active membership in the plan is eliminated, but the basic trend may be interrupted by certain events such as benefit improvements, changes in actuarial cost methods or changes in actuarial assumptions. The black line on page B-4 denotes where the change to the aggregate actuarial cost method in 1998 resulted in a decrease in the funded status of the fund. Information concerning the fund ratio both before and after this change in method are provided to allow the reader to draw more appropriate conclusions concerning the funded status trend of the plan.

Indicator (3) The ratio of the unfunded present value of future benefits to active member payroll - an inflation adjusted indicator. In a soundly financed pension fund, the amount of the unfunded present value of future benefits will be controlled and prevented from increasing in the absence of benefit improvements. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts which are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease over time but the basic trend may be interrupted by certain events such as benefit improvements, changes in actuarial cost methods or changes in actuarial assumptions.

FUNDING PROGRESS INDICATORS - HISTORICAL COMPARISON
($ AMOUNTS IN MILLIONS)

	Indicator (1)	Indicator (2)				Indicator (3)	
Valuation Date September 30	Gain (Loss)	Actuarial Value of Assets	Present Value of Future Benefits (PVFB)*	Funded Ratio*	Unfunded PVFB*	Active Member Payroll	Percent of Payroll
1997	11.60	$ 158.48	$ 168.52	94.0 %	$ 10.04	$63.13	15.9 %
1998 (a)#	8.95	183.32	280.84	65.3	97.52	63.46	153.7
1999	13.86	174.80	240.99	72.5	66.19	46.85	141.3
2000	24.04	169.89	210.24	80.8	40.35	35.34	114.2
2001	10.04	155.28	184.21	84.3	28.93	25.78	112.2
2002	(6.16)	157.44	191.14	82.4	33.70	26.07	129.3
2003	(1.69)	158.37	192.14	82.4	33.77	24.02	140.6
2004 (a)	(2.56)	159.84	194.40	82.2	34.56	22.26	155.2
2005 (a)	0.15	163.82	196.84	83.2	33.02	20.83	158.5
2006	(2.12)	168.45	200.89	83.9	32.44	19.63	165.3
2007	0.81	179.93	208.69	86.2	28.76	19.14	150.3
2008	(11.81)	176.36	214.26	82.3	37.90	18.36	206.4
2009	(14.76)	172.35	221.17	77.9	48.82	16.60	294.1
2010 (a)	(8.43)	173.70	229.78	75.6	56.08	13.61	412.2
2011	(10.09)	168.61	229.27	73.5	60.66	12.72	476.7
2012	0.63	175.35	229.54	76.4	54.19	11.83	457.9
2013	1.62	186.76	232.48	80.3	45.72	10.49	436.0
2014	3.12	199.60	235.91	84.6	36.31	9.80	370.4
2015	(0.56)	208.68	260.97	80.0	52.29	8.15	641.5

As of September 30, 2015, the unfunded PVFB with respect to the Market Value of Assets (MVA) is $61.77 million and the ratio of MVA to PVFB is 76.3%.

(b) Before changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

(a) After changes described in (b).

* *Prior to the September 30, 1998 valuation, the entry-age normal cost method was used. The amounts shown are based on the actuarial accrued liability under that method. Beginning with the September 30, 1998 valuation, the aggregate method was used, which does not produce an unfunded accrued liability.*

\# *Includes the change to the aggregate actuarial cost method.*

DERIVATION OF EXPERIENCE GAIN (LOSS)

	Year Ended September 30	
	2015	2014
Derivation of Experience Gain (Loss)		
(1) UPVFB* at start of year	$ 36,310,774	$ 45,719,249
(2) Employer and Employee contributions	9,150,900	9,565,371
(3) Interest accrual	2,538,826	3,274,925
(4) Expected UPVFB before changes: (1) - (2) + (3)	29,698,700	39,428,803
(5) Change from Voluntary Separation Plan	0	0
(6) Change from revised actuarial assumptions	22,038,326	0
(7) Expected UPVFB after changes: (4) + (5) + (6)	51,737,026	39,428,803
(8) Actual UPVFB at end of year	52,293,856	36,310,774
(9) Gain (loss): (7) - (8)	(556,830)	3,118,029
(10) Gain (loss) as percent of present value of future benefits at start of year	(0.24)%	1.3%

* *Unfunded Present Value of Future Benefits. This is the present value of future benefits less the actuarial value of assets.*

CITY CONTRIBUTIONS: HISTORICAL COMPARISON
($ AMOUNTS IN MILLIONS)

Valuation Date September 30	Applicable Fiscal Year	Computed % of Active Member Covered Payroll	Dollar Contribution	
			Projected	Actual
1992	92-93	10.70 %	$5.84	$5.84
1993	93-94	10.72	6.15	6.15
1994	94-95	10.57	6.37	6.37
1995 (a)	95-96	11.48	7.07	7.07
1996 (a)	96-97	12.21	7.75	7.75
1997	97-98	10.97	7.10	7.10
1998 (a)#	98-99	11.27	7.44	7.44
1999	99-00	10.14	4.75	4.75
2000	00-01	7.71	2.73	2.73
2001	01-02	8.63	2.22	2.22
2002	02-03	11.09	2.88	2.88
2003	03-04	13.06	3.12	3.12
2004 (a)	04-05	15.42	3.42	3.42
2005 (a)	05-06	19.72	4.12	4.12
2006	06-07	21.74	4.27	4.27
2007	07-08	20.31	3.85	3.85
2008	08-09	31.12	5.61	5.61
2008	09-10	53.44	6.63	9.29
2009	10-11	59.15	9.31	8.95 &
2010 (a)	11-12	79.13*	10.05	9.67 &
2011	12-13	92.58	10.59	10.19 &
2012	13-14	90.39	9.41	9.06 &
2013	14-15	100.18	9.06	8.72 &
2014	15-16	100.58	8.17	
2015	16-17	117.47	7.68	

(a) After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

 # Includes the change to the aggregate actuarial cost method.

** Contributions for the fiscal year ended 9/30/10 include $2,905,589 for the Voluntary Separation Program.*

& The City's contributions are made in a lump sum on October 1 in accordance with Procedure 2 on page B-2 of the corresponding valuation report. The actual dollar contribution under this procedure was equivalent to the projected dollar contribution.

ACTUARIAL BALANCE SHEET

Present Resources and Expected Future Resources at September 30

	2015	2014
A. Actuarial value of assets		
1. Net assets from plan financial statements (market value)	$199,212,230	$208,014,644
2. Actuarial value adjustment	9,464,333	(8,416,457)
3. Actuarial value of assets	208,676,563	199,598,187
B. Actuarial present value of expected future employer contributions	50,775,446	34,408,857
C. Actuarial present value of expected future member contributions	1,518,410	1,901,917
D. Total present and expected future resources	$260,970,419	$235,908,961

Actuarial Present Value of Expected Future Benefit Payments and Reserves

A. To retired members and beneficiaries	$197,053,626	$166,764,127
B. To vested terminated members	4,168,851	4,543,753
C. To present active members	59,747,942	64,601,081
D. Total actuarial present value of expected future benefit payments	$260,970,419	$235,908,961

ACTUARIAL PRESENT VALUE OF FUTURE BENEFIT PAYMENTS AND COMPENSATION

	September 30	
Actuarial Present Value of Future Benefit Payments	**2015**	**2014**
For present active members		
Service pensions	$ 57,867,395	$ 62,463,677
Pre-retirement survivor pensions	1,121,592	1,154,744
Termination benefits		
Deferred service pensions	718,553	935,487
Refunds of member contributions	40,402	47,173
Total	59,747,942	64,601,081
For vested terminated members		
Regular	3,700,080	4,071,938
LTD	468,771	471,815
Total	4,168,851	4,543,753
For pension recipients		
Service retirees	190,679,128	161,500,332
Disabled retirees	232,864	171,278
Beneficiaries	6,141,634	5,092,517
Total	197,053,626	166,764,127
Total actuarial present value of future benefit payments	$260,970,419	$235,908,961
Actuarial present value of future compensation	$ 31,114,953	$ 38,973,712

PROJECTION OF CITY CONTRIBUTIONS AS OF SEPTEMBER 30, 2015

Valuation Date	Unfunded Present Value of Benefits	Contribution for Fiscal Year Beginning	Employer Contribution*
9/30/2013	$43,521,106	10/1/2014	$ 9,062,366
9/30/2014	34,408,857	10/1/2015	8,166,704
9/30/2015	50,775,446	10/1/2016	7,684,072
9/30/2016	48,315,527	10/1/2017	8,115,061
9/30/2017	47,643,708	10/1/2018	8,827,516
9/30/2018	47,041,894	10/1/2019	9,676,615
9/30/2019	41,525,457	10/1/2020	9,677,811
9/30/2020	34,714,375	10/1/2021	9,679,209
9/30/2021	27,391,245	10/1/2022	9,681,247
9/30/2022	19,517,454	10/1/2023	9,685,206
9/30/2023	11,051,033	10/1/2024	1,677,987
9/30/2024	1,945,540	10/1/2025	591,411
9/30/2025	464,638	10/1/2026	496,620
9/30/2026	0	10/1/2027	110,000

* *Based upon the Fund's current actuarial assumptions being met each year in the future and includes administrative expenses of $110,000 per year for projected years after the current valuation date. Includes recognition of scheduled investment gains/(losses) known as of the valuation date, which are amortized over separate 8-year periods.*

With an amortization period of 5 years or fewer, there can be a great deal of volatility in annual contribution requirements as actual experience unfolds.

SECTION C

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA SUBMITTED BY PENSION FUND

SUMMARY OF BENEFIT PROVISIONS CONSIDERED FOR ACTUARIAL VALUATION (SEPTEMBER 30, 2015)

Participation

All persons regularly employed by the City, for more than 20 hours a week and more than 5 months a year except:

i) Police Officers
ii) Firefighters
iii) Employees of the Orlando Utilities Commission
iv) Employees of the Greater Orlando Aviation Authority
v) Prior members who have elected to transfer to the Defined Contribution Plan

This plan closed to new hires effective October 1, 1998.

Final Average Earnings

One-third (1/3) of the member's basic salary or wages for the 3 highest years during the last 10 years of credited service. Lump sum payments for unused accumulated leave time paid at termination/retirement are excluded for pension purposes.

Service (Normal) Retirement

Eligibility. Members are eligible to retire with 25 or more years of service or at age 65 or older with 5 or more years of credited service.

Pension Amount. Two and one-half percent (2.5%) of final average earnings multiplied by credited service, to a maximum pension of 75% of final average earnings. The normal form of pension is payable for life. Optional forms are available on an actuarial equivalent basis.

Service (Early) Retirement

Eligibility. Age 55 or older with 10 or more years of credited service.

Pension Amount. Two and one-half percent (2.5%) of final average earnings multiplied by credited service, to a maximum pension of 75% of final average earnings, reduced by 1/6 of 1% of the preceding amount for each month retirement precedes age 65.

SUMMARY OF BENEFIT PROVISIONS
CONSIDERED FOR ACTUARIAL VALUATION
(SEPTEMBER 30, 2015)

Vested Termination of Employment

Eligibility. Termination of employment with 5 or more years of credited service (2 or more years if an elected or appointed official prior to December 12, 1988).

Pension Amount. Computed in same manner as a normal or early service retirement pension, based on pension fund benefit provisions, final average earnings and credited service at time of termination.

Forfeiture. Terminated member may request refund of employee contributions with interest and forfeit entitlement to the deferred pension.

Disability Retirement

Benefits are funded and provided through a self-insured long-term disability plan. Vested termination of employment benefits are available to qualifying individuals.

Post-Retirement Survivor Benefits

Any excess of member contributions, with interest to date of retirement, over aggregate amount of pension paid is paid to beneficiary in a lump sum.

Other optional forms of payment are available on an actuarial equivalent basis.

Pre-Retirement Survivor Benefits

Eligibility Condition 1. Death after attaining age 40 with 10 or more years of credited service prior to termination of employment.

Eligibility Condition 2. Death after attaining 25 or more years of credited service prior to termination of employment.

Pension Amount under Condition 1. Fifty percent (50%) of the deceased member's actuarially reduced accrued normal service retirement pension will be paid to the surviving spouse if the marriage was of at least 1 year's duration at time of death.

Pension Amount under Condition 2. One Hundred Percent (100%) of the deceased member's actuarially reduced accrued normal service retirement pension will be paid to the surviving spouse.

Conversion to the DC Retirement Plan. In the event of the death of a member with 10 or more years of service, as of October, 1, 1998, or of a member who was hired before October 1, 1998 and died prior to October 1, 2001, the present value of his accrued benefit in the DB Plan may be transferred to the DC Plan by the member's designated beneficiary, or executor or administrator of the member's estate, provided such election is made within 6 months of the date of death.

Cost-of-Living Adjustment (COLA)

The monthly amount of pension shall be increased annually by 2% of the monthly amount paid during the prior year. Increases occur on the anniversary of the member's pension commencement date. Increases begin at the later of:

(a) one full year of retirement; or
(b) the earlier of:

  (1) the attainment of age 64; or
  (2) the completion of 4 full years of retirement.

Such cost-of-living adjustments shall apply in like manner to benefits payable to surviving spouses and to surviving pension beneficiaries.

Cost-of-living adjustments are payable to employees that retired on or after October 1, 1998. Terminated vested members are not eligible for the COLA.

SUMMARY OF BENEFIT PROVISIONS
CONSIDERED FOR ACTUARIAL VALUATION
(SEPTEMBER 30, 2015)

Transfers to Defined Contribution Plan

Effective October 1, 1998, members may elect to transfer to the DC Retirement Plan with the present value of their accrued benefit as of the date of transfer. Transferred participants revoke their rights to benefits under this plan. The window for transferring is unlimited except for members with less than 10 years of service as of October 1, 1998, who may only elect to transfer prior to October 1, 2001. In all cases, the amount of the transfer is calculated using actuarial equivalence factors which are cost neutral to the Fund.

Member Contributions

Member contributions: 4.88%.

City Contributions

Amounts determined actuarially in accordance with Chapter 112, Florida Statutes.

Changes Since Prior Valuation

None.

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

Statements of Change in Plan Net Assets

	Year Ended September 30	
	2015	**2014**
Additions:		
a. City Contributions	$ 8,720,265	$ 9,056,797
b. Member Contributions:		
Basic	430,140	508,079
Buybacks	495	495
c. Total Contributions	9,150,900	9,565,371
Investment Income		
d. Interest and Dividends	2,276,695	1,881,966
e. Realized Appreciation in Fair Value of Assets	-	-
f. Unrealized Appreciation in Fair Value of Assets	(2,659,781)	15,664,976
g. Securities Lending Income	38,478	43,741
h. Management & Custodian Fees	(526,180)	(575,079)
i. Securities Lending Expense	-	-
j. **Net Investment Income**	(870,788)	17,015,604
k. **Total Additions**	8,280,112	26,580,975
Deductions:		
l. Benefits	16,650,109	14,335,291
m. Refunds of Contributions	-	-
n. Administrative Expenses	88,832	110,530
o. Other Expenses	-	-
p. **Total Deductions**	16,738,941	14,445,821
Net Increase (Decrease) before Transfers	(8,458,829)	12,135,154
Transfers to Defined Contribution Plan	343,585	-
Net Increase (Decrease)	(8,802,414)	12,135,154
Net Position - Restricted for Pension Benefits:		
Beginning of Year (From Preliminary Statements)	208,014,644	195,879,490
Adjustments After Preliminary Statements Submitted	-	-
Beginning of Year (Audited Balance)	208,014,644	195,879,490
End of Year	$199,212,230	$208,014,644

Summary of Assets – Market Value

	2015	**2014**
Cash & Equivalents	$ 73,727	$ 9,062
Accounts Payable	(70,138)	(5,777,873)
Fixed Income	65,777,799	66,460,441
Global	33,093,867	22,016,698
Equity	87,333,211	99,694,663
Hedge Funds	-	9,856,153
Real Estate	11,891,633	11,322,569
Miscellaneous	1,112,131	4,432,931
Preliminary Net Assets *	$199,212,230	$208,014,644
Adjustments After Preliminary Statements Submitted	-	-
Net Position	**$199,212,230**	**$208,014,644**

* *Includes internal holding account, accounts receivable and accounts payable.*

DERIVATION OF ACTUARIAL VALUE OF ASSETS

	2013	2014	2015	2016	2017	2018
A. Actuarial Value Beginning of Year	$175,349,449	$186,759,639	$199,598,187			
B. Market Value End of Year	195,879,490	208,014,644	199,212,230			
C. Market Value Beginning of Year	180,090,447	195,879,490	208,014,644			
D. Non-Investment Net Cash Flow#	(5,197,705)	(4,880,450)	(7,931,626)			
E. Investment Income#						
E1. Market Total: (B) - (C) - (D)	20,986,748	17,015,604	(870,788)			
E2. Amount for Immediate Recognition: 8% x (A) + 4% x (D)	13,820,048	14,745,553	15,650,590			
E3. Amount for Phased-In Recognition: (E1)-(E2)	7,166,700	2,270,051	(16,521,378)			
F. Phased-In Recognition Investment Income						
F1. Current Year: 0.25 x (E3)	1,791,675	567,513	(4,130,345)			
F2. First Prior Year	3,130,571	1,791,675	567,513	$(4,130,345)		
F3. Second Prior Year	(2,516,315)	3,130,571	1,791,675	567,513	$(4,130,345)	
F4. Third Prior Year	381,916	(2,516,314)	3,130,569	1,791,675	567,512	$(4,130,343)
F5. Total Recognized Investment Gain	2,787,847	2,973,445	1,359,412	(1,771,157)	(3,562,833)	(4,130,343)
G. Corridor Adjustment	15%	15%	15%			
Upper Bound	225,261,414	239,216,841	229,094,065			
Lower Bound	166,497,567	176,812,447	169,330,396			
Adjustment to Actuarial Value to Keep within Corridor	-	-	-			
H. Actuarial Value End of Year:						
= (A) + (D) + (E2) + (F5)	186,759,639	199,598,187	208,676,563			
I. Difference between Market & Actuarial Value	9,119,851	8,416,457	(9,464,333)			
J. Actuarial Value Rate of Return#	9.6%	9.6%	8.7%			
K. Market Value Rate of Return#	11.8%	8.8%	(0.4)%			
L. Ratio of Actuarial Value to Market Value	95.3%	96.0%	104.8%			

 # Net of investment expenses.

The Actuarial Value of Assets recognizes assumed investment income (line E2) fully each year. Differences between actual and assumed investment income (line E3) are phased-in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, the Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, the Actuarial Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 3 consecutive years, it will become equal to Market Value. The Actuarial Value of Assets is limited to a corridor of 85% to 115% of the Market Value of Assets.

RETIRED MEMBER AND BENEFICIARY DATA
HISTORICAL SCHEDULE

Year Ended September 30	Added		Removed		Net Increase		End of Year		Expected Removals	
	No.	Annual Pensions#	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
1991	40	$ 467,799	17 *	$ 76,095	23	$ 391,704	481	$ 2,920,142	18	$ 80,687
1992	34	385,328	23	119,301	11	266,027	492	3,186,169	17	77,894
1993	30	366,388	22	121,000	8	245,388	500	3,431,557	20	98,817
1994	29	381,860	25	126,455	4	255,405	504	3,686,962	21	106,130
1995	50	576,610	19	81,457	31	495,153	535	4,182,115	21	114,290
1996	58	607,001	21	114,699	37	492,302	572	4,674,417	18	108,300
1997	60	895,218	20	101,014	40	794,204	612	5,468,621	16	99,537
1998	52	572,384	24	150,915	28	421,469	640	5,890,090	18	113,791
1999	56	817,332	29	186,939	27	630,393	667	6,520,483	18	124,157
2000	49	741,278	22	200,172	27	541,106	694	7,061,589	19	135,322
2001	30	444,366	37	303,929	(7)	140,437	687	7,202,026	20	154,928
2002	35	422,596	43	359,586	(8)	63,010	679	7,265,036	22	157,532
2003	37	613,424	22	183,284	15	430,140	694	7,695,176	22	166,102
2004	33	700,639	20	145,788	13	554,851	707	8,250,027	23	179,495
2005	34	694,063	30	177,622	4	516,441	711	8,766,468	24	195,270
2006	37	782,529	28	193,285	9	589,244	720	9,355,712	23	186,073
2007	40	931,788	24	199,077	16	732,712	736	10,088,424	23	201,845
2008	32	848,106	31	230,877	1	617,229	737	10,705,653	24	218,624
2009	61	1,411,570	30	208,663	31	1,202,907	768	11,908,560	26	255,238
2010	62	1,998,620	37	296,313	25	1,702,307	793	13,610,868	25	253,964
2011	23	616,376	35	396,432	(12)	219,944	781	13,830,812	26	277,153
2012	30	760,460	33	334,976	(3)	425,484	778	14,256,296	26	285,102
2013	46	1,423,948	22	368,676	24	1,055,272	802	15,311,568	26	299,524
2014	24	657,053	20	235,537	4	421,516	806	15,733,084	27	330,001
2015	49	1,698,889	32	302,785	17	1,396,104	823	17,129,188	28	357,035

** A person receiving a benefit from the long-term disability plan was moved to the vested terminated group.*
 # Includes cost-of-living adjustments for existing retirees.

AGE AND SERVICE RETIRED MEMBERS

Valuation Date		All Retired Members			New Retired Members During Prior Year			
		Average			Average			
September 30	Number	Attained Age	Retirement Age	Annual Pension	Number	Retirement Age	Service	Annual Pension
2001	586	69.5	59.7	$11,232	15	58.3 yrs.	22.9 yrs.	$21,106
2002	589	69.9	59.1	11,531	24	61.5	19.3	12,707
2003	601	70.0	58.8	11,985	32	57.6	18.8	17,557
2004	622	70.2	58.6	12,527	29	57.1	16.9	21,665
2005	626	70.3	58.4	13,257	29	57.3	18.5	22,773
2006	638	70.3	59.2	13,934	33	58.8	20.5	21,503
2007	652	70.3	59.0	14,723	40	55.5	17.9	24,604
2008	654	70.5	58.8	15,603	32	59.9	17.4	23,001
2009	686	70.1	58.8	16,624	61	60.2	15.6	21,503
2010	715	69.7	58.6	18,324	59	58.9	22.1	31,524
2011	702	70.0	58.5	18,934	16	57.1	17.8	22,576
2012	700	70.1	58.4	19,534	24	57.5	16.8	22,385
2013	720	70.3	58.4	20,393	38	60.0	17.6	26,462
2014	722	70.7	58.5	20,899	20	60.8	17.8	24,420
2015	739	70.8	58.4	22,190	31	57.7	21.7	20,813

RETIRED MEMBERS AND BENEFICIARIES

Historical Comparison

Valuation Date September 30	% Incr. in Annual Pensions	No. of Active Per Retired	Annual Pensions as % of Active Member Payroll	Average Annual Pensions
2001	0.0 %	1.0	27.9 %	$ 10,483
2002	2.9	0.9	27.9	10,700
2003	5.6	0.8	33.8	11,460
2004	7.2	0.7	37.1	11,669
2005	6.3	0.6	40.9	12,330
2006	6.7	0.6	47.7	12,994
2007	7.8	0.5	52.7	13,707
2008	6.1	0.5	58.3	14,526
2009	11.2	0.4	71.7	15,506
2010	14.3	0.3	100.0	17,164
2011	1.6	0.3	108.7	17,709
2012	3.1	0.3	120.5	18,324
2013	7.4	0.2	146.0	19,092
2014	2.8	0.2	160.5	19,520
2015	8.9	0.2	210.1	20,813

RETIRED MEMBER AND BENEFICIARY DATA
AS OF SEPTEMBER 30, 2015
BY TYPE OF BENEFITS BEING PAID

Type of Benefits Being Paid	No.	Annual Benefits	Average	Actuarial Present Value of Pensions
Straight Life	499	$ 10,350,373	$20,742	$ 114,808,104
10-Year Certain and Life Thereafter	12	287,075	23,923	3,068,481
100% Contingent Annuitant	84	2,047,574	24,376	28,058,826
66-2/3% Contingent Annuitant	67	1,796,966	26,820	23,812,380
50% Contingent Annuitant	77	1,916,355	24,888	21,164,201
Survivor Beneficiaries	79	701,220	8,876	5,861,442
Death-in-Service Survivors	5	29,625	5,925	280,192
Total Benefits Being Paid	**823**	**$17,129,188**	**$20,813**	**$197,053,626**

RETIRED MEMBER AND BENEFICIARY DATA
AS OF SEPTEMBER 30, 2015
BY ATTAINED AGE

Attained Age	No.	Annual Benefits	Average
40 - 44	2	$ 28,220	$14,110
45 - 49	8	303,178	37,897
50 - 54	24	793,604	33,067
55 - 59	80	2,823,781	35,297
60 - 64	106	3,188,043	30,076
65 - 69	165	3,961,389	24,008
70 - 74	141	2,416,934	17,141
75 - 79	124	1,963,500	15,835
80 - 84	92	1,043,384	11,341
85 - 89	50	425,846	8,517
Over 90	31	181,309	5,849
Totals	**823**	**$17,129,188**	**$20,813**

VESTED TERMINATED MEMBER DATA*
AS OF SEPTEMBER 30, 2015
BY ATTAINED AGE

Attained Age	No.	Estimated Annual Benefits
40 - 44	1	$ 10,520
45 - 49	10	91,504
50 - 54	11	72,727
55 - 59	24	133,248
60 - 64	28	201,170
65 - 69	4	12,420
Totals	**78**	**$521,589**

* *Includes Regular and LTD Vested Terminated members.*

ACTIVE AND VESTED TERMINATED MEMBERS INCLUDED IN VALUATION

Valuation Date	Active Members	Vested Term. Members	Active Member Payroll	Average in Years		
				Age	Service	Pay
9/30/91	2,119	92	$47,668,439	40.7	7.0	$22,496
9/30/92	2,205	111	53,128,978	41.0	7.3	24,095
9/30/93	2,206	132	55,889,939	41.5	7.7	25,335
9/30/94	2,213	134	58,718,175	42.2	8.2	26,533
9/30/95	2,197	160	60,103,118	42.4	8.6	27,357
9/30/96	2,201	170	61,939,225	42.9	9.0	28,141
9/30/97	2,121	201	63,131,058	43.3	9.3	29,765
9/30/98	2,068	208	63,457,210	43.8	9.9	30,685
9/30/99 #	1,449	207	46,853,029	44.6	11.0	32,335
9/30/00	998	175	35,343,262	45.9	12.0	35,414
9/30/01	665	159	25,777,150	47.4	13.9	38,763
9/30/02	619	172	26,065,429	48.1	14.8	42,109
9/30/03	543	178	24,015,995	48.9	15.9	44,228
9/30/04	499	174	22,264,155	49.5	16.6	44,618
9/30/05 &	455	168	21,459,676	50.0	17.4	47,164
9/30/06	421	159	19,626,410	50.8	18.2	46,619
9/30/07	389	148	19,140,901	51.5	18.8	49,205
9/30/08	359	142	18,358,988	52.1	19.5	51,139
9/30/09	312	131	16,600,574	52.2	20.1	53,207
9/30/10	256	124	13,606,449	52.0	20.7	53,150
9/30/11	234	119	12,723,853	52.9	21.6	54,375
9/30/12	217	111	11,833,293	53.8	22.3	54,531
9/30/13	189	96	10,486,831	54.2	23.1	55,486
9/30/14	174	93	9,803,716	54.9	24.0	56,343
9/30/15	142	78	8,151,240	55.5	24.4	57,403

 # On October 1, 1998 the plan was closed to new hires and members were allowed to transfer to a new DC plan.

& The pay reported in conjunction with the valuation included 27 pay periods.

NUMBERS ADDED TO AND REMOVED FROM ACTIVE PARTICIPATION

Year Ended	Number Added During Year		Terminations During Year								Active Members End of Year
			Retirement		Death-in-Service		Other Withdrawals				
							Vested	Other	Total		
	A	E	A	E	A	E	A	A	A	E	
9/30/91	181	172	32	23	1	5	7	132	139	253	2,119
9/30/92	258	172	28	23	1	6	14	129	143	223	2,205
9/30/93	158	157	22	28	3	6	22	110	132	223	2,206
9/30/94	176	169	21	26	8	6	10	130	140	205	2,213
9/30/95	164	180	41	29	6	6	17	116	133	196	2,197
9/30/96	161	157	34	27	2	2	19	102	121	146	2,201
9/30/97	144	186	53	38	1	2	73	97	170	146	2,121
9/30/98	126	174	33	34	5	2	71	70	141	138	2,068
9/30/99	5	0	111	38	1	2	349	163	512	127	1,449
9/30/00	3	0	72	27	1	2	310	71	381	72	998
9/30/01	4	0	58	25	0	2	218	61	279	43	665
9/30/02	4	0	18	25	0	2	22	10	32	43	619
9/30/03	0	0	30	19	0	1	32	14	46	20	543
9/30/04	5	0	28	19	0	1	16	5	21	16	499
9/30/05	1	0	30	18	1	1	11	3	14	15	455
9/30/06	0	0	23	21	1	1	7	3	10	14	421
9/30/07	0	0	27	22	0	0	4	1	5	11	389
9/30/08	0	0	26	21	1	1	0	3	3	10	359
9/30/09	1	0	43	22	0	1	4	1	5	9	312
9/30/10	3	0	53	18	1	1	5	0	5	7	256
9/30/11	0	0	13	18	0	1	9	0	9	4	234
9/30/12	1	0	14	22	0	1	4	0	4	3	217
9/30/13	0	0	24	23	0	1	4	0	4	3	189
9/30/14	0	0	14	23	0	1	1	0	1	2	174
9/30/15	0	0	31	26	1	1	0	0	0	2	142
Subtotals											
2011-2015	1	0	96	112	1	5	18	0	18	14	
2006-2015	5	0	268	216	4	9	38	8	46	65	
Expected for 9-30-16		0		24		1				1	

A represents actual number.
E represents expected number.

Transfers to the DC plan are included as Retirements, Vested Withdrawals, or Other Withdrawals, based upon eligibility for retirement at time of transfer.

ACTIVE MEMBERS AS OF SEPTEMBER 30, 2015
BY ATTAINED AGE AND YEARS OF SERVICE

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Active Member Payroll
35-39				1				1	$ 43,667
40-44					2			2	94,583
45-49				5	10	5		20	1,034,878
50-54				3	18	18	2	41	2,499,791
55-59				6	12	18	2	38	2,205,259
60					2	4		6	314,753
61				4	1	4	2	11	572,752
62					4		1	5	331,076
63				1	1	1	2	5	338,587
64				1				1	39,534
65						2		2	178,224
66				2		1		3	111,167
68				2		1		3	124,122
71				1			2	3	221,393
72					1			1	41,454
Totals				**26**	**51**	**54**	**11**	**142**	**$ 8,151,240**

Group Averages:

Age:	55.5 years
Service:	24.4 years
Annual Pay:	$57,403

RECONCILIATION OF MEMBERSHIP [PARTICIPANTS] FOR THE PLAN YEAR ENDED SEPTEMBER 30, 2015

		Vested Terminated Members		Pension Recipients	
	Active Members	Regular	LTD	All Retirees	All Beneficiaries
No. at Start of Year	174	75	18	722	84
Increase (Decrease) From					
Service Retirement					
- electing monthly lifetime payments	(31)	(10)	(1)	41	
- electing DC transfer					
Long-term Disability				1	
Deaths					
- with beneficiary				(7)	7
- without beneficiary	(1)			(18)	(7)
Other Pension Terminations		(4)			
Vested Terminations					
- electing monthly lifetime payments					
- electing DC transfer					
Other Terminations					
Rehires/Reclassifications					
No. at End of Year	**142**	**61**	**17**	**739**	**84**

SECTION D

ACTUARIAL COST METHOD, ACTUARIAL ASSUMPTIONS AND DEFINITIONS OF TECHNICAL TERMS

ACTUARIAL COST METHOD

The actuarial cost method is a procedure for allocating the actuarial present value of pension benefits to time periods. The method used for your valuation is known as the aggregate actuarial cost method, and has the following characteristics:

- The present value of future benefits is reduced by the actuarial value of assets and the present value of future member contributions. This unfunded amount is projected to the applicable fiscal year with interest less the intervening City contribution expected from the prior valuation. This projected unfunded amount is financed as a level dollar amount over a period of years remaining until the fiscal year ending September 30, 2024.

- The actuarial value of assets used for funding purposes is derived as follows: prior year actuarial value of assets are increased by actual member and City contributions and expected investment income and decreased by actual refunds, benefit payments and administrative expenses. To this amount is 25% of the difference between expected and actual investment income for each of the previous four years. The Actuarial Value of Assets is limited to no less than 85% and no more than 115% of the market value of assets.

ACTUARIAL ASSUMPTIONS USED FOR THE VALUATION

In accordance with Chapter 112, Florida Statutes, 112.661(9), the Board of Trustees adopts the assumed rate of return assumption used for actuarial valuation purposes. The actuarial assumptions are set by the Board. The rationale for the actuarial assumptions is described in the October 1, 2009 through September 30, 2014 experience study report. All actuarial assumptions are estimates of future experience, not market measures.

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future Fund activities (actuarial assumptions) to the benefit provisions and member data of the Fund, using the actuarial cost method described on page D-1.

The principal areas of risk which require estimates of future Fund activities are:

(i) Rates of inflation impacting assets of the Fund
(ii) Long-term rates of real investment return to be generated by the assets of the Fund
(iii) Rates of salary increase to members
(iv) Rates of mortality among active members, retired members and beneficiaries, and vested terminated members
(v) Rates of withdrawal of active members
(vi) Rates of disability among active members
(vii) Rates of retirement due to age and service

In making a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives - - - a period of time which can be as long as a century.

Actual activities of the Fund will not coincide exactly with estimated activities due to the nature of the activities. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activities to date. The result is a continual series of adjustments (usually small) to the computed contribution amount. From time to time one or more of the estimates are modified to reflect experience trends (but not random or temporary year-to-year fluctuations).

The actuarial assumptions regarding the INFLATION rate, REAL INVESTMENT RETURN rate, and SALARY INCREASE rates were adopted effective September 30, 2015. Other actuarial assumptions were adopted effective as indicated in this section. These estimates are used, in combination with the other estimates, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish contribution amounts which are expected to remain relatively level during the amortization period.

Rates of Investment Return. 7.50% per annum, compounded annually, net of investment expenses.

Rates of Price Inflation. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. Recent rates of inflation, as measured by the Consumers Price Index, have been:

	Year Ended September 30					Average	
	2015	2014	2013	2012	2011	3-Year	5-Year
Actual	0.0%	1.7%	1.2%	2.0%	3.9%	1.0%	1.8%

No specific price inflation assumption is used in this valuation.

Rates of Real Investment Return over Prices. This is the rate of return produced by investing a pool of assets in an inflation-free environment. The assumed real rate of return is approximately 3.75% over wages, which would correspond to an assumed real rate of return of 4.5% to 5.0% over prices. Recent rates of real investment return on the Actuarial Value of Assets have been:

	Year Ended September 30					Average	
	2015	2014	2013	2012	2011	3-Year	5-Year
Gross Rate of Return	9.0 %	9.9 %	9.9 %	7.6 %	0.4 %	9.6 %	7.3 %
Less Invest. Expenses	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Net Rate of Return	8.7	9.6	9.6	7.3	0.1	9.3	7.0
Less Inflation Rate	0.0	1.7	1.2	2.0	3.9	1.0	1.8
Net Real Rate of Return	8.7	7.9	8.4	5.3	(3.8)	8.3	5.2

The total investment return rate was computed using the approximate formula i = I divided by 1/2 (A + B - I), where I is actual realized investment income plus market value adjustments, A is the beginning of year asset value, and B is the end of year asset value.

The preceding investment return rates reflect the particular characteristics of this Fund and the method of determining the actuarial value of assets. They should not be used to measure an investment advisor's performance or for comparison with other pension funds.

Rates of Salary Increase. Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation-related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel. A schedule of long-term rates of increase in individual salaries used for the valuation follows for sample ages:

	Annual Rates of Salary Increase for Sample Ages			
Attributable to:	**30**	**40**	**50**	**60**
Merit & Seniority	2.60 %	0.90 %	0.30 %	0.30 %
Other Sources	3.75	3.75	3.75	3.75
Total	6.35 %	4.65 %	4.05 %	4.05 %

Lump sum payments for unused leave time are not included in the calculation of final average earnings.

Recent rates of salary change experience, as measured by average reported pay, have been:

	Year Ended September 30					Average		
	2015	**2014**	**2013**	**2012**	**2011**	**3-Year**	**5-Year**	**10-Year**
Rate of Average Salary Increase:								
Actual (1)	3.1 %	1.1 %	3.4 %	0.3 %	1.8 %	2.5 %	1.9 %	3.6 %
Assumed	4.3	4.3	4.3	4.3	4.4	4.3	4.3	5.1

(1) Excluding terminations and new entrants.

Recent comparisons of the net rate of investment return to the rate of actual increase in salaries have been:

	Year Ended September 30					Average	
	2015	2014	2013	2012	2011	3-Year	5-Year
Net Rate of Investment Return*	8.7 %	9.6 %	9.6 %	7.3 %	0.1 %	9.3 %	7.0 %
Rate of Average Salary Increase	3.1	1.1	3.4	0.3	1.8	2.5	1.9
Difference:							
Actual	5.6	8.6	6.2	7.0	(1.7)	6.8	5.1
Target	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %

* *Net of investment expenses.*

Rates of Mortality. This estimate is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. The mortality tables used to measure retired life mortality were the Florida Retirement System (FRS) Mortality Tables, as described below:

- Male non-disabled mortality: fully generational mortality. 50% of the RP-2000 Annuitant White Collar Table and 50% of the RP-2000 Annuitant Blue Collar Table, projected with scale BB.
- Female non-disabled mortality: fully generational mortality. 100% of the RP-2000 Annuitant White Collar Table, projected with scale BB.
- Male disabled mortality: 100% of the RP-2000 Disabled Male Table set back 4 years.
- Female disabled mortality: 100% of the RP-2000 Disabled Female Table, set forward 2 years. Sample values follow:

	RP-2000 Fully Generational Mortality Tables			
	Value of $1 Monthly for Life		Mandated Future Life Expectancy (Years)	
Sample Ages in 2015	Men	Women	Men	Women
50	$ 143.63	$ 149.33	34.40	38.07
55	137.87	143.65	29.76	33.05
60	129.60	136.14	25.09	28.15
65	118.82	126.38	20.58	23.42
70	105.61	114.37	16.35	18.98
75	90.24	100.30	12.51	14.92
80	73.73	84.56	9.21	11.32

The margin for future mortality improvements is included in projection scales.

Rates of Withdrawal from Active Membership. These rates represent the probabilities of members leaving employment for reasons other than death or disability and prior to their becoming eligible to retire.

Sample Ages	Rates of Withdrawal Within Next Year
25	5.00%
30	4.00%
35	3.50%
40	3.00%
45	2.50%
50	2.50%
55	2.50%
60	2.50%

These rates were first used for the September 30, 2010 valuation.

Rates of Disability. These rates represent the probabilities of active members becoming disabled.

Sample Ages	Rates of Disability Within Next Year
25	0.04%
30	0.04%
35	0.12%
40	0.22%
45	0.42%
50	0.72%
55	1.12%
60	1.66%

These rates were first used for the September 30, 2005 valuation.

Rates of Retirement. These rates represent the probabilities of eligible members retiring.

Rates of Retirement Within Next Year				
Years of Service	Service Based Rates	Retirement Ages	Age Based Rates	
			Early	Normal
25	25%	55	10%	
26	20%	56	7%	
27	20%	57	7%	
28	20%	58	7%	
29	20%	59	7%	
30	30%	60	7%	
31	30%	61	7%	
32	30%	62	10%	
33	30%	63	10%	
34	30%	64	10%	
35	100%	65		20%
		66		20%
		67		20%
		68		20%
		69		20%
		70		100%

These rates were first used for the September 30, 2010 valuation.

Expenses. Administrative expenses are included as an additional employer contribution to provide for reimbursement of these expenses. Investment expenses are offset against gross investment income. This is unchanged from previous valuations.

Active Member Group Size. The valuation was based on a closed active member group size.

Transfers to the DC Plan. Rates of Retirement and Rates of Withdrawal include members transferring to the DC Plan.

Marital Status. Eighty percent of active members who meet the age and service requirements for pre-retirement surviving benefits are estimated to be married. Female spouses are assumed to be 3 years younger than the male participant. Male spouses are assumed to be 3 years older than the female participant. This is unchanged from previous valuations.

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS
SEPTEMBER 30, 2015

Pay Increase Timing:	Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Decrement Timing:	Decrements of all types are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the anniversary of the valuation date.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Operation:	Disability does not operate during retirement eligibility.
Service Credit Accruals:	It is assumed that members accrue one year of service credit per year.
Normal Form of Benefit:	A straight life benefit is the normal form of benefit.
Benefit Service:	Exact Fractional service is used to determine the amount of benefit payable.
City Contributions:	Beginning with the 2010 valuation, dollar contributions are developed using closed level dollar amortization.

DEFINITIONS OF TECHNICAL TERMS

Accrued Service - Service credited under the system which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability - The difference between the actuarial present value of future benefits payments and the actuarial present value of future normal costs. Also referred to as "accrued liability" or "past service liability."

Actuarial Assumptions - Estimates of expected future experience with respect to rates of mortality, disability, withdrawal, retirement, rate or rates of investment income, inflation and salary increases. Decrement estimates (rates of mortality, disability, withdrawal and retirement) are generally based on past experience, often modified for projected changes in conditions. Fiscal estimates (investment income and salary increases) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method - A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal cost and actuarial accrued liabilities. Sometimes referred to as the "actuarial valuation cost method."

Actuarial Equivalent - A single amount or series of amounts which is of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Present Value - The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as "present value."

Actuarial Value of Assets - The value of assets derived by spreading capital value changes (unrealized and realized gains and losses) in equal dollar installments over four years. This treatment removes the timing of investment activities from the valuation process.

Amortization - Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying it off with a lump sum payment.

Experience Gain (Loss) - The difference between actual experience costs and anticipated actuarial costs -- during the period between two actuarial valuation dates.

Normal Cost - The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as "current service cost."

SECTION E

ADDITIONAL DISCLOSURES

GASB Statements No. 67 and No. 68 are the accounting standards which replaced GASB Statements No. 25 and No. 27. GASB Statement No. 67 is first effective for fiscal year 2014 and GASB Statement No. 68 is first effective for fiscal year 2015. A separate GASB Statements No. 67 and No. 68 report has been issued outside of this report. This section contains historical GASB Statements No. 25 and No. 27 reporting information for prior fiscal years and illustrative information for fiscal year 2015.

PRESENT VALUE OF FUTURE BENEFIT PAYMENTS

The present value of future benefit payments is the discounted value of benefits likely to be paid to participants based on the assumptions found in Section D of this report. Allocation of the unfunded actuarial present value of projected benefits over future service was based on the aggregate actuarial cost method. Assumptions, including projected pay increases, were the same as used to determine the Fund's dollar annual required contribution between the valuation date and assumed exit age.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board (GASB).

The aggregate actuarial accrued liability was determined as part of an actuarial valuation of the plan as of September 30, 2015. Significant actuarial assumptions used in determining the aggregate actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 7.50% per year compounded annually, (b) projected salary increases of 3.75% per year compounded annually, attributable to inflation and other sources, (c) additional projected salary increases of 4.0% to 0.3% per year attributable to seniority/merit, and (d) the assumption that benefits will increase after retirement according to the COLA provisions.

As of September 30, 2015, the unfunded present value of future benefit payments was determined as follows:

Present Value of Future Benefit Payments	
Active members (142 vested, 0 non-vested)	$ 59,747,942
Retired members and beneficiaries receiving benefits (823 recipients)	197,053,626
Vested terminated members not yet receiving benefits (78 deferred)	4,168,851
Total Present Value of Future Benefit Payments	260,970,419
Actuarial Value of Assets (market value was $199,212,230)	208,676,563
Unfunded Present Value of Future Benefit Payments	$ 52,293,856

During the year ended September 30, 2015 the Plan experienced a net change of the present value of future benefit payments of $25,061,458, of which $22,038,326 were due to changes in actuarial assumptions. There were no changes in benefit provisions.

DETERMINATION OF ACTUARIAL VALUE OF ASSETS (1)

Original Period FY	Amount to be Allocated (2)	2011-2012	2012-2013	2013-2014	2014-2015	Remaining Amount to be Allocated Per Year	Remaining Amount to be Allocated Total
At 9/30/04 After Reamortization:							
08/09	$ (11,471,042)	$ (2,076,044)					
09/10	1,527,670	381,918	$ 381,916				
10/11	(10,065,259)	(2,516,315)	(2,516,315)	$ (2,516,314)			
11/12	12,522,282	3,130,571	3,130,571	3,130,571	$ 3,130,569		
12/13	7,166,700		1,791,675	1,791,675	1,791,675	$ 1,791,675	$ 1,791,675
13/14	2,270,051			567,513	567,513	567,513	1,135,025
14/15	(16,521,378)				(4,130,345)	(4,130,345)	(12,391,033)
TOTAL		$ (1,079,870)	$ 2,787,847	$ 2,973,445	$ 1,359,412		$ (9,464,333)
Net contribution per year (3)		7,816,517	8,622,343	9,865,103	7,718,964		
Beginning actuarial value		168,612,802	175,349,449	186,759,639	199,598,187		
Ending actuarial value		$ 175,349,449	$ 186,759,639	$ 199,598,187	$ 208,676,563		

(1) General Employees' Pension Plan includes Component Units' employees.

(2) Represents the difference between assumed and actual investment income to be smoothed over the present and three future periods, (1/4) each year.

(3) Represents net change in actuarial value from non-investment cash flow and assumed investment income.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

(Dollar amounts are in millions)

Based on Aggregate Cost Method

Actuarial Valuation Date September 30	Actuarial Value of Assets (a)	Present Value of Future Benefits (PVFB) (b)	Unfunded PVFB (b)-(a)	Funded Ratio (a)/(b)	Active Member Covered Payroll (c)	UPVFB as a Percentage of Active Member Covered Payroll ((b-a)/c)
2005 *	$163.82	$196.84	$33.02	83.2 %	$20.83	158.5 %
2006	168.45	200.89	32.44	83.9	19.63	165.3
2007	179.93	208.69	28.76	86.2	19.14	150.3
2008	176.36	214.26	37.90	82.3	18.36	206.4
2009	172.35	221.17	48.82	77.9	16.60	294.1
2010 *	173.70	229.78	56.08	75.6	13.61	412.2
2011	168.61	229.27	60.66	73.5	12.72	476.7
2012	175.35	229.54	54.19	76.4	11.83	457.9
2013	186.76	232.48	45.72	80.3	10.49	436.0
2014	199.60	235.91	36.31	84.6	9.80	370.4
2015 *	208.68	260.97	52.29	80.0	8.15	641.5

Based on Entry Age Normal Cost Method

Actuarial Valuation Date September 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b)-(a)	Funded Ratio (a)/(b)	Active Member Covered Payroll (c)	Unfunded AAL as a Percentage of Active Member Covered Payroll ((b-a)/c)
2005 *	$ 163.82	$ 179.50	$15.68	91.3 %	$ 20.83	75.3 %
2006	168.45	185.47	17.02	90.8	19.63	86.7
2007	179.93	194.11	14.18	92.7	19.14	74.1
2008	176.36	200.85	24.49	87.8	18.36	133.4
2009	172.35	209.54	37.19	82.3	16.60	224.0
2010 *	173.70	219.82	46.12	79.0	13.61	339.0
2011	168.61	220.72	52.11	76.4	12.72	409.7
2012	175.35	222.12	46.77	78.9	11.83	395.4
2013	186.76	226.27	39.51	82.5	10.49	376.6
2014	199.60	230.45	30.85	86.6	9.80	314.8
2015 *	208.68	256.07	47.39	81.5	8.15	581.5

* *After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.*

CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The City's funding policy provides for periodic employer contributions at actuarially determined dollar amounts that are designed to accumulate sufficient assets to pay benefits when due. Effective October 1, 1998, the contributions are determined using the aggregate actuarial cost method. Prior to this, the normal cost and actuarial liability were determined using the entry age actuarial cost method.

During the year ended September 30, 2015, contributions totaling $9,150,900 -- $8,720,265 employer and $430,635 employee -- were made in accordance with contribution requirements determined by an actuarial valuation of the Fund as of September 30, 2013. Employer contributions represented 100.2% of September 30, 2013 projected payroll.

Schedule of Employer Contributions

Fiscal Year 10/1 - 9/30	Valuation Date 9/30	% of Payroll	Annual Required Contribution	Percentage Contributed
2005-06	2005	19.72 %	$ 4,123,327	100.0 %
2006-07	2006	21.74	4,273,029	100.0
2007-08	2007	20.31	3,845,482	100.0
2008-09	2008	31.12	5,610,990	100.0
2009-10	2008	53.44	9,285,893	100.0 *
2010-11	2009	56.92	8,954,631	100.0 #
2011-12	2010	76.14	9,674,888	100.0 #
2012-13	2011	92.58	10,188,687	100.0 #
2013-14	2012	90.39	9,412,100	100.0 #
2014-15	2013	100.2	9,062,366	100.0 #
2015-16	2014	100.6	8,166,704	
2016-17	2015	117.5	7,684,072	

** Contributions for the fiscal year ended 9/30/10 include $2,905,589 for the Voluntary Separation Program.*

 # The City's contributions were made in a lump sum on October 1 in accordance with Procedure 2 on page B-2 of the applicable valuation reports.

This information is presented in draft form for review by the City's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the City's financial statements.

GENERAL EMPLOYEES' DEFINED BENEFIT PENSION FUND
SOLVENCY TEST

Valuation Date	Present Value of Future Benefits For (1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active and Inactive Members (Employer Financed Portion)	Actuarial Value of Assets	Portion of Present Values Covered by Reported Assets (1)	(2)	(3)
9/30/2002	$ 8,665,985	$ 69,301,328	$ 113,175,688	$ 157,437,031	100 %	100 %	70.22 %
9/30/2003	8,805,811	74,343,426	108,986,137	158,371,400	100	100	69.02
9/30/2004	8,958,362	80,402,348	105,043,094	159,835,973	100	100	67.09
9/30/2005 (a)	9,177,225	87,768,222	99,889,571	163,818,363	100	100	66.95
9/30/2006	9,340,861	94,213,477	97,336,870	168,447,554	100	100	66.67
9/30/2007	9,411,309	102,952,924	96,321,741	179,926,736	100	100	70.14
9/30/2009	8,832,690	124,093,416	88,245,425	172,348,998	100	100	44.67
9/30/2010 (a)	7,701,747	144,763,685	77,309,648	173,699,838	100	100	27.47
9/30/2011	7,774,127	147,179,038	74,320,507	168,612,802	100	100	18.38
9/30/2012	7,756,847	151,310,608	70,476,474	175,349,449	100	100	23.10
9/30/2013	7,169,512	161,965,094	63,344,283	186,759,639	100	100	27.82
9/30/2014	7,476,438	166,764,127	61,668,396	199,598,187	100	100	41.12
9/30/2015 (a)	6,400,380	197,053,626	57,516,413	208,676,563	100	100	9.08

(a) After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.

SECTION F

PRESENT VALUE OF ACCRUED BENEFITS UNDER VALUATION ASSUMPTIONS AND UNDER FRS ASSUMED INVESTMENT RATE OF RETURN

PRESENT VALUE OF ACCRUED BENEFITS

		September 30, 2015 After Changes	September 30, 2015 Before Changes	September 30, 2014
Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35)				
(i)	Vested accrued benefits			
	Retired members and beneficiaries	$ 197,053,626	$181,205,330	$ 166,764,127
	Terminated members	$4,168,851	$3,780,559	$4,543,753
	Active members (includes non-forfeitable accum. member contributions)	45,132,147	43,216,692	51,674,586
	Total	$ 246,354,624	$ 228,202,581	$ 222,982,466
(ii)	Non-vested accrued benefits	0	0	0
(iii)	Total actuarial p.v. of accrued benefits	$ 246,354,624	$ 228,202,581	$ 222,982,466
(iv)	Actuarial p.v. of accrued benefits at begin. of year	$ 222,982,466	$ 222,982,466	$ 215,926,060
(v)	Changes attributable to:			
	Amendments	$ 0	$ 0	$ 0
	Assumption change	18,152,043	0	0
	Operation of decrements	21,870,224	21,870,224	21,391,696
	Benefit payments	(16,650,109)	(16,650,109)	(14,335,291)
	Other	0	0	0
(vi)	Net change	23,372,158	5,220,115	7,056,405
(vii)	Actuarial p.v. of accr. benefits at end of year	$ 246,354,624	$ 228,202,581	$ 222,982,466
Actuarial Present Value of Accrued Benefits Using FRS Interest Rate				
(i)	Vested	$ 241,895,430	$ 231,992,784	$ 226,496,119
(ii)	Non-Vested	0	0	0
(iii)	Total	241,895,430	231,992,784	226,496,119
(iv)	Market Value of Assets (MVA)	199,212,230	199,212,230	208,014,644
(v)	Funded Ratio Using FRS Interest Rate and MVA	82.35%	85.87%	91.84%

GRS
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April 19, 2016

Ms. Katrina A. Laudeman, Treasurer
City of Orlando General Employees'
Pension Fund
400 South Orange Avenue, 4th Floor
Orlando, Florida 32801

Dear Katrina:

Enclosed please find 15 copies of the report of the September 30, 2015 actuarial valuation of the City of Orlando General Employees' Pension Fund.

One copy should be sent, within 60 days to:

Department of Management Services
Division of Retirement
Bureau of Local Retirement Systems
P.O. Box 9000
Tallahassee, Florida 32315-9000

Sincerely,

Brad Lee Armstrong, ASA, EA, MAAA

BLA:bd
Enclosures

cc: Christopher P. McCullion, Deputy Chief Financial Officer