

City of York
Officers and Employees Retirement Fund
Actuarial Valuation
as of January 1, 2015

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Table of Contents

Executive Summary

Actuarial Certification

Summary of Principal Plan Benefit Provisions (SPPB)

Actuarial Assumptions and Methods

Section 1 - Summary of Plan Assets and Summary of Plan Membership

Section 2 - Act 205 Funding Calculations

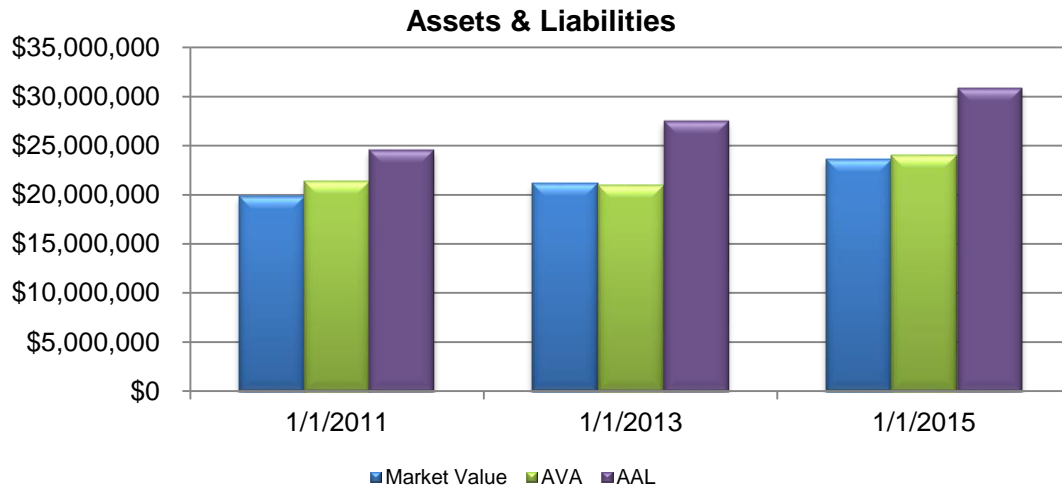
Section 3 - Supplemental Information

Appendix

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Executive Summary

The purpose of the valuation report is to determine the actuarial status of the Plan and to serve as the basis for satisfying the reporting requirements under Act 205.

The Summary of Principal Plan Benefit Provisions (SPPB) may be found following the Actuarial Certification. This summary represents our understanding of the current plan provisions in effect at January 1, 2015. Following the SPPB is a summary of the Actuarial Assumptions and Methods used in this valuation report. Changes to any assumptions from the prior valuation are indicated on the second page which include changes to the mortality and disability assumptions.



	<u>1/1/2011</u>	<u>1/1/2013</u>	<u>1/1/2015</u>
Market Value of Assets (MVA)	\$19,799,155	\$21,132,484	\$23,605,042
Actuarial Value of Assets (AVA)	\$21,366,032	\$20,996,579	\$24,015,037
Actuarial Accrued Liability (AAL)	\$24,567,150	\$27,527,632	\$30,853,331
Unfunded Actuarial Accrued Liability (UAAL)	\$3,201,118	\$6,531,053	\$6,838,294
Normal Cost	\$586,375	\$587,182	\$598,372
W-2 Payroll	\$7,600,411	\$7,459,574	\$7,283,412
Percentage of W-2 Payroll	7.7%	7.9%	8.2%
Estimated Minimum Municipal Obligation (MMO)	\$823,785	\$1,164,934	\$1,270,122
Participant Counts:			
Active	191	179	168
Vested Former	27	28	31
Receiving Benefits	89	104	120
Total	<u>307</u>	<u>311</u>	<u>319</u>

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Executive Summary

Section 1

At the beginning of Section 1, there is a summary of the receipts and disbursements for 2013 and 2014. The Plan received contributions of \$973,812 during 2013, and \$953,519 during 2014. There were monthly benefit payments to former participants totaling \$1,329,802 during 2013, and \$1,368,947 during 2014. The investment return earned by the plan assets was approximately 14.6% for 2013, and approximately 2.3% for 2014.

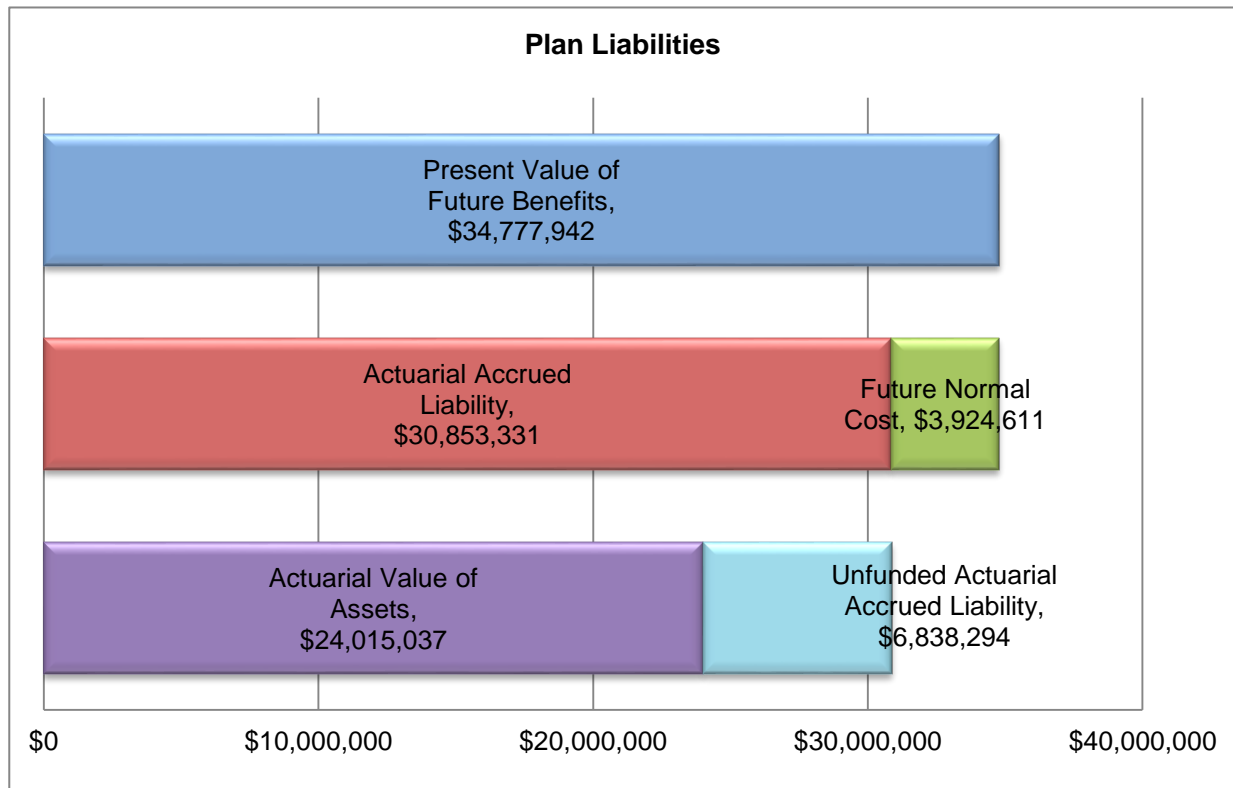
The following is a summary of the net dollar-weighted rates of investment return for the past six calendar years on both a market value and actuarial value basis.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Market Value of Assets	22.8%	13.0%	(2.3%)	12.2%	14.6%	2.3%
Actuarial Value of Assets	11.8%	1.9%	0.2%	0.2%	11.0%	7.9%

Section 2

The Act 205 funding calculations are included in Section 2. The first page shows the development of the actuarial value of assets. As of December 31, 2014, the actuarial value of assets is \$24,015,037.

Page 2 of Section 2 shows that the actuarial present value of future benefits is \$34,777,942. Since the present value of future normal costs is \$3,924,611, the actuarial accrued liability at January 1, 2015, is \$30,853,331. Subtracting the actuarial value of assets of \$24,015,037 results in an unfunded actuarial accrued liability of \$6,838,294.



City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Executive Summary

Components of Financial Requirements

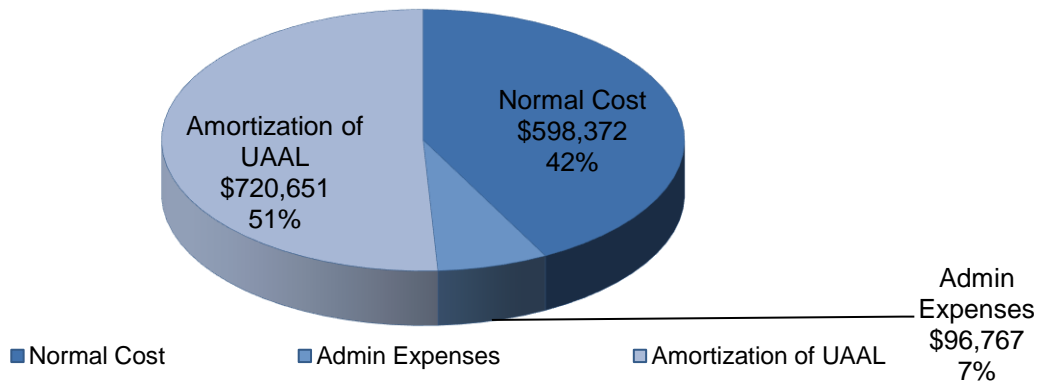
There are three cost components that make up the financial requirement of a Plan's minimum municipal obligation.

1. Normal Cost – This is the cost of pension and other benefits earned during the current year. The normal cost of the Plan is \$598,372. The normal cost represents approximately 8.2% of annual payroll.

2. Administrative Expenses – Examples of administrative expenses paid from the plan assets are expenses for: investment advisory services, actuarial services and trustee services. The Plan's estimated annual administrative expenses are \$96,767.

3. Amortization of the Unfunded Actuarial Accrued Liability – The amount of this cost is comprised of the amortization of the various gains and losses, plan amendments, and changes in actuarial assumptions that have occurred in the Plan over time. The Plan had a loss as of January 1, 2015, of \$1,089,428 due to the change in actuarial assumptions. In addition, the Plan had an actuarial gain of \$424,820 for the previous two-year period. The amortization of the Unfunded Actuarial Accrued Liability is \$720,651.

Estimated Financial Requirements



Page 5 of Section 2 contains an illustration of the annual minimum municipal obligation (MMO). Please note that the figures shown below are for illustrative purposes only. The actual minimum municipal obligation is determined through the annual budgeting process.

Illustration of Minimum Municipal Obligation

Financial Requirements	
Normal Cost	\$598,372
Administrative Expenses	\$96,767
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	\$720,651
Total	\$1,415,790
Expected Member Contributions	(\$145,668)
Minimum Municipal Obligation (not less than \$0)	\$1,270,122

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Actuarial Certification

In preparing this report, we have relied upon the data furnished to us. The data with respect to receipts and disbursements and assets of the Plan as well as the data with respect to participants and beneficiaries were furnished by the City of York. The data has been reviewed and has been determined to be reasonable and consistent.

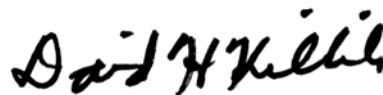
The information as contained in this report is a projection of liabilities based upon stated assumptions and is not an exact statement of the Plan's ultimate benefits and liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report due to 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 at 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 the assignment, an analysis of the potential range of such future measurements was not performed.

I certify that all costs, liabilities, rates of interest, and other factors under the Plan in Section 2 of the report have been determined on the basis of actuarial assumptions and methods, each of which is reasonable (taking into account the experience of the Plan and reasonable expectations) or which, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption and method were reasonable, and which, in combination, offer my best estimate of anticipated experience under the Plan.

I am a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and an Enrolled Actuary under ERISA, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

2/25/2016

Date



David H. Killick, F.S.A.
Consulting Actuary
Enrolled Actuary No. 14-03880

DHK/GGC

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Summary of Principal Plan Benefit Provisions
Members Hired Before January 1, 1978

Eligibility

All officers and full-time employees, other than firemen and policemen, hired before January 1, 1978, are eligible for the following benefits. Persons paid a per diem wage are not compelled to join.

Normal Retirement

The normal retirement requirement is attainment of age 60 and completion of 20 years of service, or completion of 40 years of service, regardless of age.

The normal retirement pension is payable semi-monthly for life with payments ceasing upon death.

The amount of annual pension is equal to 50% of the higher of the final rate of compensation or compensation averaged over the highest consecutive five years of employment. Service increments of 1/40th of the annual pension per year of service in excess of 20, but not beyond age 65, are provided if the member makes extra contributions. The calculation of compensation includes base salary only.

Disability Retirement

A disability benefit is provided upon permanent disability before age 55 after completion of 15 years of service. The disability retirement pension is 50% of compensation at the time of disability.

Such disability pension is reduced by Workers' Compensation benefits received.

Death Benefits

The death benefit for a member who has been married at least one year and is eligible for normal retirement is a survivor pension for his surviving spouse equal to 50% of the pension the member would have been receiving had he retired on the day prior to the date of death and had elected to receive his pension in a joint and 50% survivor benefit option form.

Vesting

A member's benefits vest upon completion of 12 years of service. The vested benefit is a deferred pension beginning at the normal retirement date equal to the benefit accrued to the date of termination.

Accrued Benefit

The benefit accrued at any date prior to normal retirement is equal to the projected normal retirement benefit, multiplied by the ratio, not to exceed one, of the number of years of service completed to date by the member to 20.

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Summary of Principal Plan Benefit Provisions
Members Hired Before January 1, 1978

Employee Contributions

Members contribute 2% of compensation. If service increments are to be provided, an additional 1/2% of compensation is contributed.

Contributions are refunded without interest on termination or death prior to becoming eligible for retirement benefits.

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Summary of Principal Plan Benefit Provisions
Members Hired On or After January 1, 1978

Eligibility

All officers and full-time employees, other than firemen and policemen, hired on or after January 1, 1978, are eligible to join the Plan with the following benefits.

Normal Retirement

The normal retirement requirement is attainment of age 60 and completion of five years of service, or completion of 40 years of service, regardless of age.

The normal retirement pension is payable semi-monthly for life with payments continuing after the member's death to the surviving spouse or, if no surviving spouse, to dependent children under the age of 18 equal to 50% of the pension the member was receiving at the time of death.

The amount of annual pension is equal to 2% of average annual compensation, multiplied by the number of complete years of service at retirement, up to a maximum of 40 years. Average annual compensation is based upon compensation for the highest five consecutive years out of the last ten years of employment. The calculation of compensation includes base salary plus longevity payments.

Early Retirement

Members are eligible for early retirement upon attainment of age 55 and completion of five years of service. The early retirement benefit is the benefit accrued to the date of early retirement, reduced 1/3 of 1% for each month early.

Disability Retirement

Members are eligible for disability retirement after completion of ten or more years of service. The disability retirement benefit is the benefit accrued to the date of disability, but not less than 50% of average monthly compensation. However, the amount of benefit shall not exceed such amount as necessary to make all benefits fully or partially financed by the City equal to 80% of compensation at the time of disability.

Death Benefits

The death benefit for a member who has been married at least one year and is eligible for early retirement is a survivor pension for his surviving spouse or, if no surviving spouse, to dependent children under the age of 18 equal to 50% of the pension the member would have been receiving had he been retired on the day of his death.

Vesting

A member's benefits vest upon completion of five years of service. The vested benefit is a deferred pension beginning at the normal retirement date equal to the benefit accrued to the date of termination.

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Summary of Principal Plan Benefit Provisions
Members Hired On or After January 1, 1978

Accrued Benefit

The benefit accrued at any date prior to normal retirement is equal to the normal retirement benefit formula, but based upon compensation and service to date.

Employee Contributions

Members contribute 2% of compensation. If a member terminates employment before completion of five years of service, member contributions are refunded with 5% compound interest.

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Actuarial Assumptions and Methods

Interest

8.00%

Salary

5.00% Annual Increase

Withdrawal

Table C-3: Rates of withdrawal at selected ages:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	15.0000%	35	10.0000%	50	2.5000%
25	15.0000%	40	7.5000%	55	1.0000%
30	12.5000%	45	5.0000%	60	0.0000%

Mortality

RP2000 Table

(This table does not include projected mortality improvements.)

Disability

SOA 1987 Group LTD Table - Males, 3-month elimination. Sample rates are shown below.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	0.1444%	35	0.2123%	50	0.7536%
25	0.1534%	40	0.2931%	55	1.2612%
30	0.1708%	45	0.4561%	60	1.8818%

Retirement

Normal Retirement Age, or age on valuation date, if greater.

Preretirement Death Benefit

Liabilities computed on the assumption that all participants will have spouses of the same age at the date of eligibility for the benefit.

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Actuarial Assumptions and Methods

Expenses

Provision for administrative expenses added to annual contribution requirement, per Act 205 of 1984.

Inflation

Moderate inflation based on long term historical average rates is a component of the actuarial assumptions used herein. Provision is not made for advance funding of sharply higher rates of inflation experienced in some years. The effects of such higher rates are reflected in the funding after their occurrence.

Actuarial Value of Assets

Each year the investment gain (excess of actual investment income including realized and unrealized appreciation over expected investment income) or loss is recognized over a five-year period. In no event is the actuarial value of assets allowed to be greater than 120% or less than 80% of market value.

Actuarial Cost Method

Entry Age Normal (required by Act 205 of 1984)

Changes in Actuarial Assumptions and Methods

	<u>Prior</u>	<u>Current</u>
Mortality	UP1984 Table with 5 year postretirement age setback for females	RP2000 Table
Disability	Loading of 5.00% added to basic pension costs	See Above

City of York Officers and Employees Retirement
Fund
Actuarial Valuation
as of January 1, 2015

Section 1

Summary of Plan Assets and Summary of Plan Membership

City of York Officers and Employees Retirement Fund
 Actuarial Valuation as of January 1, 2015
Receipts and Disbursements - January 1, 2013 to December 31, 2013

Market Value at 1/1/2013 \$ 21,132,484.00

Receipts

Employer Contributions

Received	\$ 1,139,892.00	
Receivable at 1/1/2013	(841,462.00)	
Receivable at 12/31/2013	525,301.00	
Total Employer Contributions		\$ 823,731.00

Employee Contributions Received 150,081.00

Investment Income

Income Received	\$ 238,729.00	
Accrued Income at 1/1/2013	0.00	
Accrued Income at 12/31/2013	0.00	
Total Investment Income		238,729.00

Change in Market Value 2,760,647.00

Total Receipts 3,973,188.00

Disbursements

Monthly Benefit Payments \$ (1,329,802.00)

Refund of Employee Contributions (30,701.00)

Administrative Expenses (82,967.00)

Total Disbursements (1,443,470.00)

Market Value at 12/31/2013 \$ 23,662,202.00

Approximate Net Dollar-Weighted Rate of Investment Return 14.57%

City of York Officers and Employees Retirement Fund
 Actuarial Valuation as of January 1, 2015
Receipts and Disbursements - January 1, 2014 to December 31, 2014

Market Value at 1/1/2014 \$ 23,662,202.00

Receipts

Employer Contributions

Received	\$ 1,319,102.00	
Receivable at 1/1/2014	(525,301.00)	
Receivable at 12/31/2014	0.00	
Total Employer Contributions		\$ 793,801.00

Employee Contributions Received 159,718.00

Investment Income

Income Received	\$ 281,060.00	
Accrued Income at 1/1/2014	0.00	
Accrued Income at 12/31/2014	0.00	
Total Investment Income		281,060.00

Change in Market Value 238,192.00

Total Receipts 1,472,771.00

Disbursements

Monthly Benefit Payments \$ (1,368,947.00)

Refund of Employee Contributions (50,418.00)

Administrative Expenses (110,566.00)

Total Disbursements (1,529,931.00)

Market Value at 12/31/2014 \$ 23,605,042.00

Approximate Net Dollar-Weighted Rate of Investment Return 2.25%

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Assets and Liabilities

Assets

Cash	\$	0.00
Mutual Funds		<u>23,605,042.00</u>
Total Assets in Fund		\$ 23,605,042.00
Employer Contributions Receivable		0.00
Accrued Income		<u>0.00</u>
Total Assets		\$ 23,605,042.00

Liabilities

Total Liabilities		<u>0.00</u>
Net Assets		<u><u>\$ 23,605,042.00</u></u>

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Summary of Plan Membership

Active Members	Number of Members	Annual Payroll
Active Members as of 1/1/2013	179	
New Members During the Period	51	
Returned to Active	0	
Members No Longer Active:		
Retired with Disability Benefit	0	
Retired with Service Retirement Benefit	(16)	
Separated with Deferred Benefit	(12)	
Separated with Refund of Contributions	(34)	
Separated with Neither Deferred Benefit nor Refund of Contributions	0	
Deceased	0	
Total	(62)	
Active Members as of 1/1/2015	168	\$ 7,283,412
Vested Former Members	Number of Members	Annual Benefit
Vested Former Members as of 1/1/2013	28	
Separated with Deferred Benefit	12	
Beneficiary of Deceased Participant	0	
Returned to Active	0	
Retired with Service Retirement Benefit	(5)	
Deceased or Paid in Full	(4)	
Vested Former Members as of 1/1/2015	31	\$ 347,100
Retired Members		
Retired Members as of 1/1/2013	79	
Retired with Service Retirement Benefit	21	
Deceased or Paid in Full	(5)	
Retired Members as of 1/1/2015	95	\$ 1,324,187
Disabled Members		
Disabled Members as of 1/1/2013	8	
Retired with Disability Benefit	0	
Deceased	0	
Disabled Members as of 1/1/2015	8	\$ 103,445
Spouse Beneficiaries of Deceased Members		
Spouse Beneficiaries of Deceased Members as of 1/1/2013	17	
Additional Spouse Beneficiaries of Deceased Members	2	
Deceased	(2)	
Spouse Beneficiaries of Deceased Members as of 1/1/2015	17	\$ 99,752

City of York Officers and Employees Retirement
Fund
Actuarial Valuation
as of January 1, 2015

Section 2

Act 205 Funding Calculations

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Actuarial Value of Assets

	2011	2012	2013	2014
Market Value at 1/1	\$19,799,155.00	\$19,177,880.00	\$21,132,484.00	\$23,662,202.00
Contributions	974,829.00	1,024,697.00	973,812.00	953,519.00
Benefit Payments and Expenses	(1,158,676.00)	(1,285,882.00)	(1,443,470.00)	(1,529,931.00)
Expected Investment Income ¹	1,576,578.52	1,523,783.00	1,671,812.00	1,869,920.00
Expected Value at 12/31	\$21,191,886.52	\$20,440,478.00	\$22,334,638.00	\$24,955,710.00
Market Value at 12/31	19,177,880.00	21,132,484.00	23,662,202.00	23,605,042.00
Gain/(Loss): (Market Value less Expected Value)	\$ (2,014,006.52)	\$ 692,006.00	\$ 1,327,564.00	\$ (1,350,668.00)
Percentage of Gain/(Loss) to be recognized in the future	20%	40%	60%	80%
Gain/(Loss) to be recognized in the future	\$ (402,801.30)	\$ 276,802.40	\$ 796,538.00	\$ (1,080,534.00)
Market Value at 12/31/2014				\$23,605,042.00
Total (Gain)/Loss for 2011-2014 to be recognized in the future				<u>409,994.90</u>
Actuarial Value of Assets at 12/31/2014				<u><u>\$24,015,036.90</u></u> ²
2013 Approximate Net Dollar-Weighted Rate of Investment Return				11.01%
2014 Approximate Net Dollar-Weighted Rate of Investment Return				7.90%

¹ 8.00% annual interest rate

² Actuarial Value of Assets cannot be greater than 120% nor be less than 80% of the Market Value.

City of York Officers and Employees Retirement Fund
 Actuarial Valuation as of January 1, 2015
Unfunded Actuarial Accrued Liability and Normal Cost

Unfunded Actuarial Accrued Liability

Actuarial Present Value of Future Benefits

Active Members Retirement Pension Benefits	\$ 16,352,916	
Active Members Vested Withdrawal Benefits	844,074	
Active Members Disability Benefits	1,237,069	
Active Members Preretirement Death Benefits	103,699	
Active Members Refund of Member Contributions	54,724 ¹	
Refund of Employee Contributions to Terminated Members	63,127	
Vested Former Members Benefits	2,265,856	
Retired Members Benefits	12,067,921	
Disabled Members Benefits	1,030,946	
Surviving Spouses Benefits	<u>757,610</u>	
Total	\$ 34,777,942	
Actuarial Present Value of Future Normal Costs		<u>(3,924,611)</u>
Actuarial Accrued Liability	\$ 30,853,331	
Actuarial Value of Assets		<u>(24,015,037)</u>
Unfunded Actuarial Accrued Liability		<u><u>\$ 6,838,294</u></u>
 Normal Cost		
Normal Cost		<u><u>\$ 598,372</u></u>
Normal Cost as a Percentage of Annual Payroll		<u><u>8.2%</u></u>

¹ Accumulated Member Contributions Without Interest as of 1/1/2015 = \$1,687,152

City of York Officers and Employees Retirement Fund
 Actuarial Valuation as of January 1, 2015
Analysis of the Change in the Unfunded Actuarial Accrued Liability

Unfunded Actuarial Accrued Liability at 1/1/2013	\$	6,531,053
Additions		
Normal Costs	\$ 1,203,723	
Administrative Expenses	193,533	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>1,248,442</u>	
Total		2,645,698
Contributions		
Employer Contributions	\$ (1,617,532)	
Employee Contributions	(309,799)	
Interest on Contributions	<u>(114,409)</u>	
Total		(2,041,740)
Adjustment for Funding Deviation		(961,325)
Modification in the Benefit Plan		0
Change in Actuarial Assumptions		1,089,428
Actuarial Gain		
Investment Gain	\$ (695,321)	
Experience Gain	(690,824)	
Funding Deviation	<u>961,325</u>	
Total		<u>(424,820)</u>
Unfunded Actuarial Accrued Liability at 1/1/2015	\$	<u><u>6,838,294</u></u>

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Amortization of Unfunded Actuarial Accrued Liability

Initial Date	Initial Amount	Outstanding Balance	Amortization Amount	Remaining Amortization	Nature
January 1, 2009	\$ (4,559,279)	\$ (3,828,397)	\$ (429,975)	14 Years	Assumption Chg.
January 1, 2009	7,103,800	5,965,020	669,942	14 Years	Actuarial Loss
January 1, 2011	772,250	696,208	72,829	16 Years	Actuarial Loss
January 1, 2013	3,499,935	3,340,855	330,070	18 Years	Actuarial Loss
January 1, 2015	1,089,428	1,089,428	117,849	15 Years	Assumption Chg.
January 1, 2015	(424,820)	(424,820)	(40,064)	20 Years	Actuarial Gain
Total	\$ 7,481,314	\$ 6,838,294	\$ 720,651		

Projected plan year in which the unfunded accrued liability is fully amortized is 2030.

Aggregation of Changes in Unfunded Actuarial Accrued Liability

Date of Aggregation	Aggregated Target Date	Outstanding Balance	Amortization Amount	Remaining Amortization
January 1, 2015	2030	\$ 6,838,294	\$ 720,651	16 Years

City of York Officers and Employees Retirement Fund
 Actuarial Valuation as of January 1, 2015
Illustration of Minimum Municipal Obligation

Financial Requirements

Normal Cost	\$	598,372
Administrative Expenses		96,767 ¹
Amortization of Unfunded Actuarial Accrued Liability		<u>720,651</u>
Total	\$	1,415,790
Expected Member Contributions		<u>(145,668)</u>
Minimum Municipal Obligation	\$	1,270,122 ²
Estimated Allocation of General Municipal Pension System State Aid		<u>0</u>
Net Minimum Municipal Obligation	\$	<u><u>1,270,122</u></u> ²

¹ Total Administrative Expenses for Plan Year 1/1/2013 to 12/31/2013 - \$ 82,967
 Total Administrative Expenses for Plan Year 1/1/2014 to 12/31/2014 - \$ 110,566

² This is not an actual MMO. Figures from this report will be used to prepare actual MMOs in future years.

City of York Officers and Employees Retirement Fund
 Actuarial Valuation as of January 1, 2015
**Receipts and Disbursements Excluding Bond Issue Assets -
 January 1, 2013 to December 31, 2013**

Market Value at 1/1/2013		\$ 17,236,416.99
Receipts		
Employer Contributions Received	\$ 1,082,374.00	
Employee Contributions Received	150,081.00	
Investment Income	194,715.99	
Change in Market Value	<u>2,251,683.37</u>	
Total Receipts		3,678,854.36
Disbursements		
Monthly Benefit Payments	\$ (1,329,802.00)	
Refund of Employee Contributions	(30,701.00)	
Administrative Expenses	<u>(82,967.00)</u>	
Total Disbursements		<u>(1,443,470.00)</u>
Market Value at 12/31/2013		<u><u>\$ 19,471,801.35</u></u>

City of York Officers and Employees Retirement Fund
 Actuarial Valuation as of January 1, 2015
**Receipts and Disbursements Excluding Bond Issue Assets -
 January 1, 2014 to December 31, 2014**

Market Value at 1/1/2014		\$ 19,471,801.35
Receipts		
Employer Contributions Received	\$ 1,067,807.00	
Employee Contributions Received	159,718.00	
Investment Income	231,286.36	
Change in Market Value	<u>196,009.96</u>	
Total Receipts		1,654,821.32
Disbursements		
Monthly Benefit Payments	\$ (1,368,947.00)	
Refund of Employee Contributions	(50,418.00)	
Administrative Expenses	<u>(110,566.00)</u>	
Total Disbursements		<u>(1,529,931.00)</u>
Market Value at 12/31/2014		<u><u>\$ 19,596,691.67</u></u>

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Assets and Liabilities Excluding Bond Issue Assets

Assets

Total Assets \$ 19,596,691.67

Liabilities

Total Liabilities 0.00

Net Assets \$ 19,596,691.67

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Actuarial Value of Assets

	2011	2012	2013	2014
Market Value at 1/1	\$ 15,796,984.24	\$ 15,472,732.27	\$ 17,236,416.99	\$ 19,471,801.35
Contributions	1,183,431.00	1,261,866.00	1,232,455.00	1,227,525.00
Benefit Payments and Expenses	(1,158,676.00)	(1,285,882.00)	(1,443,470.00)	(1,529,931.00)
Expected Investment Income ¹	1,264,748.94	1,236,857.94	1,370,472.76	1,545,647.87
Expected Value at 12/31	\$ 17,086,488.18	\$ 16,685,574.21	\$ 18,395,874.75	\$ 20,715,043.22
Market Value at 12/31	15,472,732.27	17,236,416.99	19,471,801.35	19,596,691.67
Gain/(Loss): (Market Value less Expected Value)	\$ (1,613,755.91)	\$ 550,842.78	\$ 1,075,926.60	\$ (1,118,351.55)
Percentage of Gain/(Loss) to be recognized in the future	20%	40%	60%	80%
Gain/(Loss) to be recognized in the future	\$ (322,751.18)	\$ 220,337.11	\$ 645,555.96	\$ (894,681.24)
Market Value at 12/31/2014				\$ 19,596,691.67
Total (Gain)/Loss for 2011-2014 to be recognized in the future				<u>351,539.35</u>
Actuarial Value of Assets at 12/31/2014				<u><u>\$ 19,948,231.02</u></u>
2013 Approximate Net Dollar-Weighted Rate of Investment Return				10.80%
2014 Approximate Net Dollar-Weighted Rate of Investment Return				7.84%

¹ 8.00% annual interest rate

² Actuarial Value of Assets cannot be greater than 120% nor be less than 80% of the Market Value.

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Unfunded Actuarial Accrued Liability Excluding Bond Issue Assets

Actuarial Present Value of Future Benefits	\$ 34,777,942
Actuarial Present Value of Future Normal Costs	<u>(3,924,611)</u>
Actuarial Accrued Liability	\$ 30,853,331
Actuarial Value of Assets	<u>(19,948,231)</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 10,905,100</u></u>

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
**Analysis of the Change in the Unfunded Actuarial Accrued Liability
Excluding Bond Issue Assets**

Unfunded Actuarial Accrued Liability at 1/1/2013		\$ 10,368,769
Additions		
Normal Costs	\$ 1,203,723	
Administrative Expenses	193,533	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>1,887,038</u>	
Total		3,284,294
Contributions		
Employer Contributions	\$ (2,150,181)	
Employee Contributions	(309,799)	
Interest on Contributions	<u>(135,100)</u>	
Total		(2,595,080)
Adjustment for Funding Deviation		(1,515,290)
Modification in the Benefit Plan		0
Change in Actuarial Assumptions		1,089,428
Actuarial Loss		
Investment Gain	\$ (551,487)	
Experience Gain	(690,824)	
Funding Deviation	<u>1,515,290</u>	
Total		<u>272,979</u>
Unfunded Actuarial Accrued Liability at 1/1/2015		<u><u>\$ 10,905,100</u></u>

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015

Amortization of Unfunded Actuarial Accrued Liability Excluding Bond Issue Assets

Initial Date	Initial Amount	Outstanding Balance	Amortization Amount	Remaining Amortization	Nature
January 1, 1985	\$ 3,626,630	4,701,275	\$ 553,891	10 Years ¹	Initial Unfunded
January 1, 2001	3,943	1,853	372	6 Years	Active Amendment
January 1, 2001	432,407	46,768	46,768	1 Year	Actuarial Loss
January 1, 2002	160,320	85,013	15,119	7 Years	Active Amendment
January 1, 2002	1,356,941	282,694	146,788	2 Years	Actuarial Loss
January 1, 2003	(1,868,133)	(1,093,433)	(176,179)	8 Years	Assumption Chg.
January 1, 2003	1,587,452	477,959	171,723	3 Years	Actuarial Loss
January 1, 2005	97,595	45,533	10,557	5 Years	Actuarial Loss
January 1, 2007	(464,858)	(260,667)	(52,209)	6 Years	Assumption Chg.
January 1, 2007	(128,735)	(72,193)	(14,458)	6 Years	Actuarial Gain
January 1, 2009	(3,497,012)	(2,936,417)	(329,795)	14 Years	Assumption Chg.
January 1, 2009	6,138,433	5,154,404	578,901	14 Years	Actuarial Loss
January 1, 2011	347,825	313,574	32,803	16 Years	Actuarial Loss
January 1, 2013	2,929,481	2,796,330	276,272	18 Years	Actuarial Loss
January 1, 2015	1,089,428	1,089,428	117,849	15 Years	Assumption Chg.
January 1, 2015	272,979	272,979	25,744	20 Years	Actuarial Loss
Total	\$ 12,084,696	\$ 10,905,100	\$ 1,404,146		

Projected plan year in which the unfunded accrued liability is fully amortized is 2027.

Aggregation of Changes in Unfunded Actuarial Accrued Liability

Date of Aggregation	Aggregated Target Date	Outstanding Balance	Amortization Amount	Remaining Amortization
January 1, 2015	2025	<u>\$ 6,203,825</u>	<u>\$ 850,255</u>	11 Years

¹ Level Percentage of Future Payroll Amortization

City of York Officers and Employees Retirement
Fund
Actuarial Valuation
as of January 1, 2015

Section 3

Supplemental Information

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Supplemental Information

Schedule of Funding Progress

Valuation Date	Market Value of Assets (a)	Entry Age Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Net Position as a % of Total Liability (b-a)/b	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/2011	\$ 19,799,155	\$ 24,567,150	\$ 4,767,995	19.4%	80.6%	\$ 7,600,411	62.7%
1/1/2012	19,177,880						
1/1/2013	21,132,484	27,527,632	6,395,148	23.2%	76.8%	7,459,574	85.7%
1/1/2014	23,662,202						
1/1/2015	23,605,042	30,853,331	7,248,289	23.5%	76.5%	7,283,412	99.5%

Schedule of Interest Rate Sensitivity Testing

Interest Rate ¹	Market Value of Assets (a)	Entry Age Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Net Position as a % of Total Liability (b-a)/b	Funded Ratio (a/b)
7.00%	\$ 23,605,042	\$ 34,272,599	\$ 10,667,557	31.1%	68.9%
8.00%	23,605,042	30,853,331	7,248,289	23.5%	76.5%
9.00%	23,605,042	27,956,916	4,351,874	15.6%	84.4%

¹ Valuation interest rate is 8.00%

City of York Officers and Employees Retirement Fund
 Actuarial Valuation as of January 1, 2015
Supplemental Information

Schedule of Contributions from the Employer and Other Contributing Entities

Year	Actuarially ¹ Determined Contribution	Contributions ² From Employer	Contribution Deficiency/ (Surplus)
2005	\$ 316,290	\$ 316,290	\$ 0
2006	332,937	336,246	(3,309)
2007	331,360	331,360	0
2008	335,270	335,270	0
2009	344,088	344,088	0
2010	376,684	376,684	0
2011	759,447	822,481	(63,034)
2012	762,020	873,883	(111,863)
2013	757,667	823,731	(66,064)
2014	724,531	793,801	(69,270)

¹ Minimum Municipal Obligation under Act 205 of 1984

² Includes general municipal pension system State aid

City of York Officers and Employees Retirement Fund
Actuarial Valuation as of January 1, 2015
Appendix

Supplemental Information for Assumptions for Act 205 Funding Calculations

In accordance with regulations under Act 205 of 1984, all actuarial assumptions are selected jointly by the actuary and the governing body of the pension Plan.

Interest Rates

The interest rate assumption is the long term expected rate of return on pension plan investments. It is based on the Plan's current asset allocation, expected long term inflation, and historical long term expected real rates of return on the Plan's major asset classes.

Salary

Based on expected long term salary increases for active participants, considering the effects of future inflation.

Inflation

Moderate inflation based on long term historical average rates is a component of the actuarial assumptions used herein.