



***Employees' Retirement System
of the
City of Baton Rouge and Parish of East Baton Rouge***

*January 1, 2015
Actuarial Valuation Report*

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This report provides information regarding the actuarial valuation prepared for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The information presented in this report is based on:

- the actuarial assumptions included in this report;
- the plan provisions;
- member information furnished to us by the Plan Administrator;
- asset information furnished to us by the Plan Trustee.

We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we may have made assumptions we believe are reasonable for the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report.

The interest rate, other economic assumptions, and demographic assumptions have been selected by the plan sponsor with our recommendations. The assumptions used, in our opinion, are reasonable and represent a reasonable expectation of future experience under the plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

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.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

To our knowledge there have been no significant events prior to the current year's measurement date or as of the date of this report which could materially affect the results contained herein.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report.

Nyhart

David D. Harris

David D. Harris, ASA, EA, MAAA

Heath W Merlak

Heath Merlak, FSA, EA, MAAA

Randall L. Stanley

Randall L. Stanley, FSA, EA, MAAA

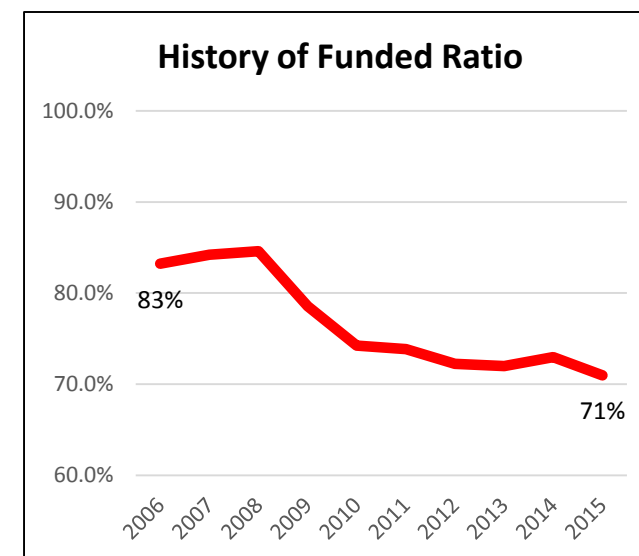
May 8, 2015

Date

Summary Results

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement.

	January 1, 2014	January 1, 2015
Funded Status Measures		
Accrued Liability	\$1,471,977,274	\$1,559,275,063
Actuarial Value of Assets	1,074,038,336	1,106,575,866
Unfunded Accrued Liability	\$397,938,938	\$452,699,197
Funded Percentage	73.0%	71.0%
Cost Measures		
Required Contribution	\$38,715,270	\$39,173,320
Required Contribution (as a percentage of payroll)	28.10%	28.90%
Asset Information		
Market Value of Assets	\$1,060,092,202	\$1,072,492,947
Actuarial Value of Assets	\$1,074,038,336	\$1,106,575,866
Actuarial Value / Market Value	101.3%	103.2%
Member Information		
Active Members	3,283	3,181
Terminated Vested Members	24	22
Retirees, Beneficiaries, and Disabled Members	3,428	3,513
Total	6,735	6,716
Total Payroll	\$137,789,518	\$135,556,888



Changes since Prior Valuation and Key Notes

There have been no changes to the system provisions since the last valuation.

Multiple assumptions changed based on the 2009-2014 Experience Study. These assumptions are:

- Inflation
- Salary Increases
- Rate of Return
- Retirement, Withdrawal and Disability Rates
- Mortality Table

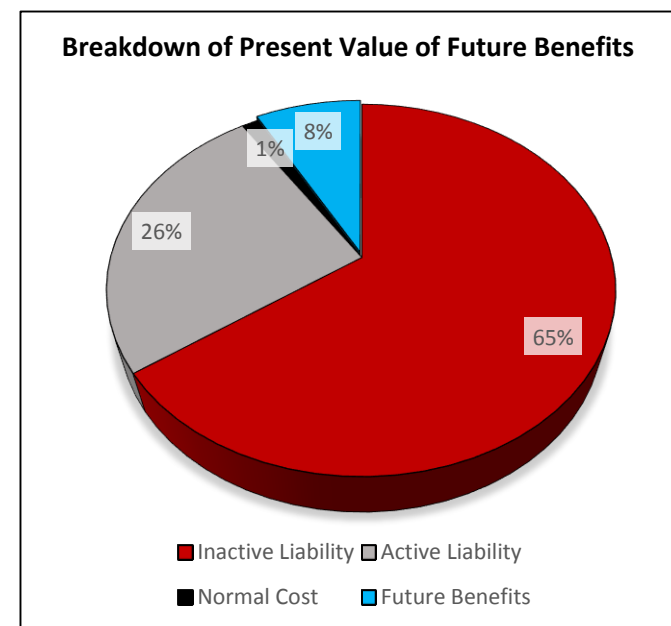
Details about these changes can be found in the Actuarial Assumptions of this Report. The overall impact of these changes on the 1/1/2015 plan year contribution was a decrease of \$353,310 or 0.26% of payroll. The impact of the assumptions increased the actuarial accrued liability by \$47,540,972.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 67 to replace GASB Statement No. 25 ("Financial Reporting for Pension Plans") and Statement No. 68 to replace Statement No. 27 ("Financial Reporting for Pensions"). A separate report will provide the necessary disclosures under GASB 67 for the fiscal year ending 12/31/2014. Information required by GASB 27 (prior to the required adoption of GASB 68) is included in the Appendix of this report.

Present Value of Future Benefits

The Present Value of Future Benefits represents the discounted value of all future benefits expected to be payable to current members, considering future service and compensation not yet earned.

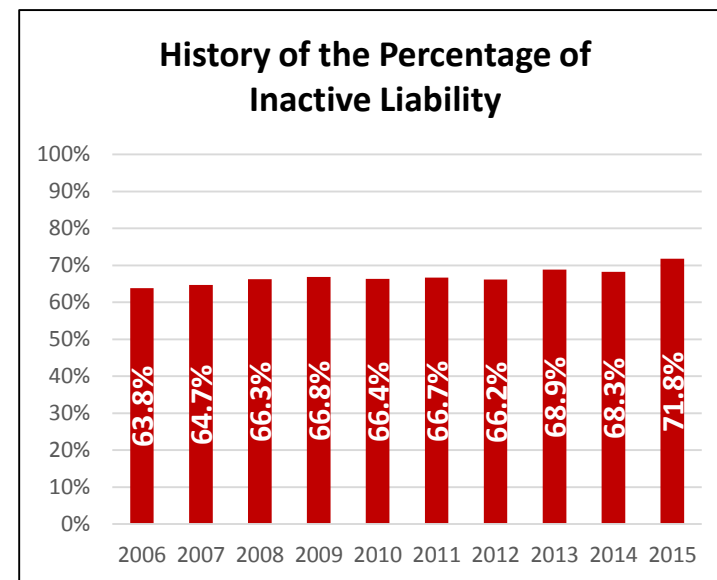
	January 1, 2015
Present Value of Future Benefits	
Active members	
Retirement	\$542,044,411
Disability	29,294,415
Death	8,879,295
Termination	17,408,050
Total Active	\$597,626,171
Inactive members	
Retired members	\$668,759,916
DROP members	357,093,226
Beneficiaries	56,469,205
Disableds	29,337,748
Terminated Vested members	7,818,933
Total Inactive	\$1,119,479,028
Total	\$1,717,105,199
 Present Value of Future Salaries	 \$949,971,009



Accrued Liability

The Accrued Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions. It is not a long-term snapshot of the liabilities.

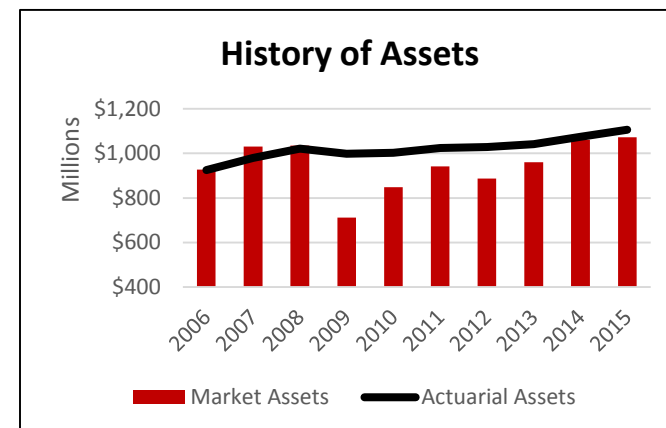
	January 1, 2015
Accrued Liability	
Active members	
Retirement	\$407,950,633
Disability	17,612,449
Death	5,600,492
Termination	8,632,461
Total Active	<u>\$439,796,035</u>
Inactive members	
Retired members	\$668,759,916
DROP members	357,093,226
Beneficiaries	56,469,205
Disableds	29,337,748
Terminated Vested members	7,818,933
Total Inactive	<u>\$1,119,479,028</u>
Total	\$1,559,275,063
Normal Cost	\$21,575,938



Asset Information

The amount of assets backing the pension promise is the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly impacts the ultimate cost.

		January 1, 2015
Market Value Reconciliation		
Market value of assets - beginning of prior year		\$1,060,092,202
Contributions		
City	\$38,356,684	
Member	13,372,400	
Severance	1,534,821	
MERS	<u>1,006,487</u>	54,270,392
Investment income		57,419,460
Investment expenses		(6,888,351)
Benefit payments ⁽¹⁾		(90,949,249)
Administrative expenses		(1,388,242)
Decrease/(Increase) in SBP Account		<u>(63,265)</u>
Market value of assets - beginning of current year		\$1,072,492,947
Return on Market Value		4.8%
Actuarial Value of Plan Assets		
Value at beginning of current year		\$1,106,575,866



⁽¹⁾ Includes Benefit Payments, Contribution Refunds, Supplemental Benefit Payments, and DROP Distributions

Asset Information (continued)

Actuarial Value of Assets are used to develop funded percentages and contribution requirements.

	January 1, 2015
1. Actuarial Value of Assets – beginning of prior year	\$1,074,038,336
2. Expected Actuarial Value of Assets	
(a) Actuarial Value of Assets – beginning of year	\$1,074,038,336
(b) Contributions	54,270,392
(c) Benefit Payments	(90,949,249)
(d) Expenses	(1,388,242)
(e) Expected Return (7.50%) (1/2 year for (b), (c) and (d))	79,125,359
(f) Expected Actuarial Value of Assets – end of year	\$1,115,096,596
3. Market Value of Assets – beginning of current year	\$1,072,492,947
4. Amount subject of phase in (3-2(f))	(\$42,603,649)
5. Phase in of Asset Gain/(Loss)	
20% x (\$42,603,649)	(\$8,520,730)
6. Transfer of Excess Investment Return	\$0
7. Actuarial Value of Assets – beginning of current year (2(f)+5+6)	\$1,106,575,866
8. Return on Actuarial Value of Assets	6.69%

Development of Recommended Contribution

The minimum required contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws. The recommended contribution is composed of the normal cost, administrative expenses, plus an amortization charge.

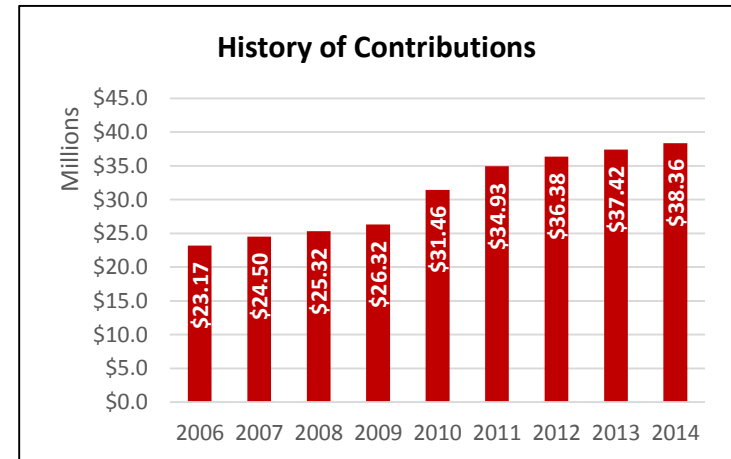
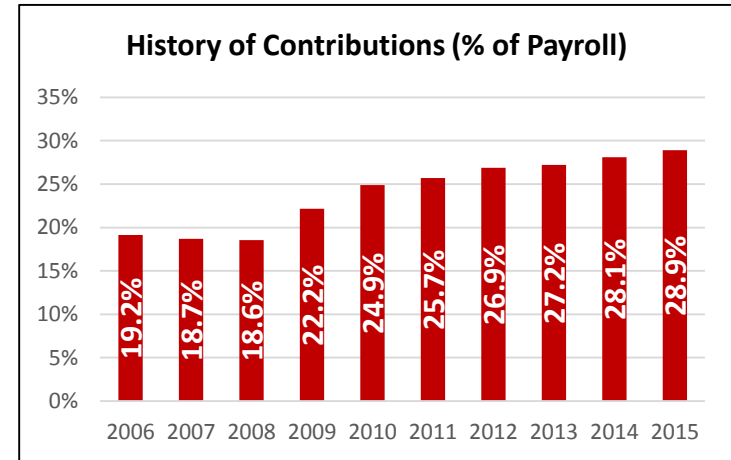
January 1, 2015

Funded Position

1. Entry Age Accrued Liability	\$1,559,275,063
2. Actuarial Value of Plan Assets	1,106,575,866
3. Unfunded Actuarial Accrued Liability (UAAL)	\$452,699,197

Employer Contributions

1. Normal Cost	\$21,575,938
2. Administrative Expenses	1,388,242
3. Amortization of UAAL	26,981,751
4. Applicable Interest	1,778,862
5. Total Recommended Contribution	\$51,724,793
6. Expected Member Contributions	(12,551,473)
7. Expected Employer Contributions	\$39,173,320
As a percentage of payroll	28.90%

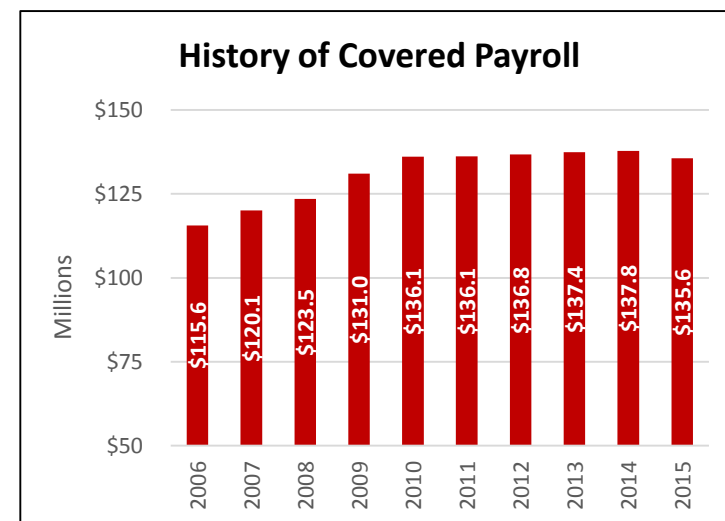


Reconciliation of Unfunded Actuarial Liability

	January 1, 2015
1. Unfunded Actuarial Accrued Liability, beginning of prior year	\$397,938,938
2. Normal Cost	23,180,006
3. Employer Contributions (net of Administrative expenses)	(52,882,150)
4. Interest	29,600,840
5. Expected Unfunded Actuarial Accrued Liability	\$397,837,634
6. Liability changes due to:	
(a) Amendments	0
(b) Assumptions	47,540,972
(c) Funding Methods	0
(d) (Gain)/Loss on Demographics	(1,200,139)
(e) (Gain)/Loss on Assets	8,520,730
(f) Total	\$54,861,563
7. Unfunded Actuarial Liability beginning of current year (5+6(f))	\$452,699,197

The foundation of a reliable actuarial report is the member information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	January 1, 2015
Member Counts	
Active Members	3,181
Retired Members	2,670
Beneficiaries	639
Disabled Members	204
Terminated Vested Members	22
Total Members	6,716
Active Members Demographics	
Average Age	43.5
Average Service	8.9
Average Compensation	\$42,615
Covered Payroll	\$135,556,888



Demographic Information (continued)

January 1, 2015

Retiree Statistics

Average Age	66.4
Average Monthly Benefit	\$2,406

Beneficiary Statistics

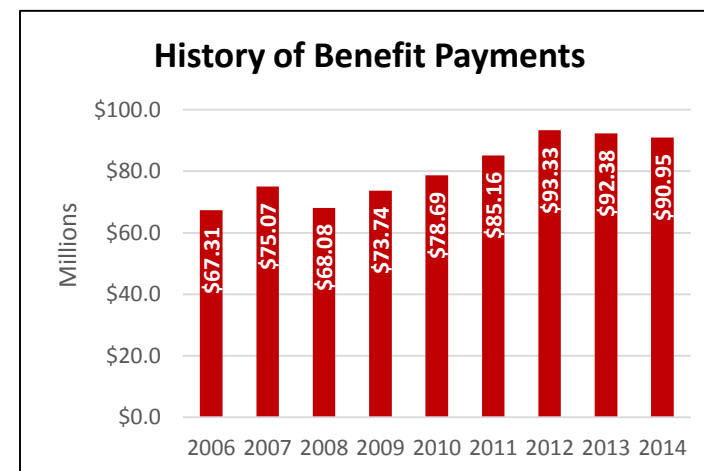
Average Age	70.5
Average Monthly Benefit	\$840

Disabled Members Statistics

Average Age	62.2
Average Monthly Benefit	\$1,290

Terminated Members Statistics

Average Age	53.7
Average Monthly Benefit	\$1,024



	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
Prior Year	3,283	24	202	2,585	641	6,735
Active						0
To Non-Participating	(177)					(177)
To Disabled	(5)		5			0
To Retired	(134)			134		0
To Lump Sum Cash-Out	(197)					(197)
To Death	(6)					(6)
Terminated Vested						0
To Retired		(2)		2		0
Disabled						0
To Death			(4)			(4)
Retired						0
To Lump Sum Cash-Out				(3)		(3)
To Death				(54)		(54)
Survivor						0
To Lump Sum Cash-Out					(2)	(2)
To Death					(26)	(26)
Lump Sum Cash-Out						0
To Non-Participating						0
To Active	15					15
To Disabled			1			1
Death						0
To Non-Participating						0
To Lump Sum Cash-Out						0
Additions	402			6	28	436
Departures					(2)	(2)
Current Year	3,181	22	204	2,670	639	6,716

Active Member Schedule

Active member information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	54	51	3								108	30,068
25 to 29	101	182	77	2							362	34,260
30 to 34	55	164	184	52	1						456	39,728
35 to 39	39	94	113	102	52	1					401	45,928
40 to 44	42	78	90	88	105	34					437	46,145
45 to 49	28	61	73	68	74	69	13				386	47,968
50 to 54	34	44	80	75	58	96	16				403	44,595
55 to 59	25	61	97	51	54	70	9	1			368	42,579
60 to 64	18	33	41	26	22	29	2				171	42,827
65 to 69	3	12	16	13	10	9	1		1		65	44,165
70 & up	2	4	8	5	4	1					24	35,764
Total	401	784	782	482	380	309	41	1	1		3,181	42,615

Plan Effective Date

This plan was effective December 31, 1953 and was most recently amended effective September 10, 2014 (Ord. No. 15762)

Fiscal Year

Calendar year

Authority for Provisions

The plan is established and amended by the City of Baton Rouge, Louisiana and Parish of East Baton Rouge acting through its board of trustees.

Eligibility for Membership

Any regular employee of the City-Parish, excluding Police employees who elected to transfer into Municipal Police Employees' Retirement System of Louisiana (MPERS) as of February 26, 2000 and Police employees hired after that date. Part-time council members with service prior to January 1, 1997, retroactive to December 31, 1976.

Accrued Benefit

Creditable Service not yet 25 years: 2.5% of Final Average Compensation for each year of Creditable Service

Creditable Service at least 25 years: 3.0% of Final Average Compensation for each year of Creditable Service

Maximum of 90% of Final Average Compensation

Benefits

Normal Retirement

Eligibility Age 55 with 10 years of service, or 20 years of service regardless of age

Benefit 2.5% of Final Average Compensation for each year of Creditable Service

Eligibility 25 years of service, regardless of age

Benefit 3.0% of Final Average Compensation for each year of Creditable Service (Maximum of 90% of Final Average Compensation)

Early Retirement

Eligibility	Less than 25 years of Creditable Service and prior to age 55
Benefit	Benefits are reduced by 3%/year prior to age 55

Termination

Eligibility	Member terminates employment, but does not retire
Benefit	Accumulated contributions without interest

Eligibility	Member terminates employment with at least 10 years of Creditable Service, but does not retire
Benefit	Benefits, based on Creditable Service and Final Average Compensation at termination date, deferred to age 55. If Member contributions are withdrawn, benefit is forfeited.

Death

Eligibility	Member eligible for retirement
Benefit	(1) Surviving spouse may elect Option 2 benefits (including 100% Joint & Survivor actuarially equivalent to 50% Joint & Survivor, without reduction for early commencement) or a refund of the Member's contributions

Eligibility	Member not eligible for retirement
Benefit	(2) Surviving spouse may elect a monthly benefit of \$600 payable until remarriage, or a refund of the Member's contributions

Eligibility	Eligible children under age 18
Benefit	(3) Monthly benefit of \$150 per child (maximum \$300), payable until age 18. These benefits are in addition to any benefits payable under (1)
or	(2).

Eligibility	Member died prior to May 24, 1989
Benefit	(4) Monthly benefit to surviving spouse of \$600

Eligibility No benefits are payable under (1), (2), (3) or (4)

Benefit \$150 monthly benefit to unmarried dependent parent until death or remarriage

Disability

Eligibility Ordinary Disability after 10 or more years of Creditable Service

Benefit 2.5% of Final Average Compensation times Creditable Service, with a minimum benefit of 50% of Final Average Compensation

Eligibility Service Connected Disability

Benefit 50% of Final Average Compensation, plus 1.5% of Final Average Compensation times Creditable Service in excess of 10 years, with a combined maximum benefit of 90% of Final Average Compensation

Final Average Compensation

Average compensation during the highest 36 consecutive months of Creditable Service

Creditable Service

Service credited under Retirement System; military service (maximum of three years); additional military service as required under USERRA for which member contributions are received

Vesting

If a member terminates employment for any reason other than retirement, death, or disability, he/she will be entitled to receive a nonforfeitable (vested) interest in their Accrued Benefit depending on years of service as shown below.

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 10	0%
10 or more	100%

Contributions

Members: 8% of compensation. Effective January 1, 2002, member contribution is equal to Maximum Employer Contribution, if less than 8%. If the Maximum Employer Contribution rate is 17% or greater, the member contribution rate will be 50% of the Employer Contribution rate, but not more than 9.5%. The Maximum Employer Contribution rate is the larger of the City rate and the Special Funds rate.

Employer Contribution: Balance, actuarially determined. Maximum Employer Contribution: Employer Contribution plus adjusting percentages for pro rata allocation of obligations for transfer of members to plans maintained by the State or a political subdivision thereof.

MERS payments received for 2006 and later are reserved for future Supplemental Benefit Payments

Payment Forms

Normal Form Normal form is joint and 50% contingent survivor. For members entitled to Service Retirement Benefits, actuarially equivalent to regular retirement allowance.

Optional Forms Option 1: Refund of excess of Member's contributions over aggregate benefits paid;
Option 2: 100% Joint & Survivor to designated contingent annuitant;
Option 3: Any other form approved by the Board

Retirement Benefit Adjustments

For Members who retired before December 31, 1989, or surviving spouses of such Members, who did not enter DROP, an annual payment of \$600 at July 1, 1992 plus \$30 for each year retired since then (excluding first year)

Supplemental Benefit Payments

To be funded from (i) 1/10 of the first 2%, and 1/20 of the remainder, of excess return on the actuarial value of assets, provided the aggregate experience from all sources is an actuarial gain; (ii) decreases in Retirement Benefit Adjustment payments under 1:269 since July, 2002; and (iii) MERS payments received for 2006 and later

Deferred Retirement Option Plan (DROP):

- Eligibility Prior to July 1, 1991, eligible to retire with an immediate service retirement allowance and between 25 and 30 years of Creditable Service
- Duration The lesser of 5 years, or 32 years minus Creditable Service at DROP entry
- Benefit Service retirement allowances are paid into the Member's DROP account, and credited with interest at the rate set by the Board of Trustees. No further Member or employer contributions are payable, and no further benefits are accrued.

Upon retirement and termination of DROP participation (or death), the Member (or beneficiary) may elect one of the following:

- (a) A lump sum of the DROP account balance;
- (b) A life annuity based on the DROP balance;
- (c) Any other method of payment approved by the Board of Trustees

Normal survival benefits payable to survivors of retirees are paid upon death of the Member while a DROP participant

- Eligibility On and after July 1, 1991, eligible to retire with an immediate service retirement allowance and between 25 and 30 years of Creditable Service. On and after July 1, 2002, Member has at least ten (10) years of Creditable Service and has attained at least age 55, with DROP duration not greater than three (3) years.
- Benefit Comparable to pre-July 1, 1991 provisions, except interest is not credited to DROP account until the conditions of DROP participation have been satisfied. If the Member does not terminate employment at the end of the DROP period, potential interest credits are forfeited.

Compensated Absences

- Eligibility Upon written consent of the Member or his surviving spouse, the Retirement System will provide the following with respect to unused, accumulated vacation time and sick leave
- Benefit (a) Cash payment for a portion, with the remainder added to the Member's Creditable Service, on the basis of one (1) hour for each two (2) hours of unused time
(b) Conversion of all of the accumulated time to Creditable Service, on the basis of one (1) hour for each hour of unused accumulated time and sick leave
- Average Any unused time converted to service credit is included in determining eligibility for retirement and benefits. For purposes of determining Final Compensation, compensation at the time of retirement or death is assumed to continue for the period of added service.

System Provisions Not Included

We are not aware of any system provisions not included in the valuation

Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results of this report

Actuarial Assumptions

Valuation Date	January 1, 2015
Participation and Asset Information Collected as of	January 1, 2015
Investment Return	7.25% per year, compounded annually, net of investment expenses
Inflation	2.75% per year
Annual Pay Increases	Inflation, plus

<u>Age</u>	<u>BREC/Regular</u>	<u>Fire/Police</u>
	<u>%</u>	<u>%</u>
30	2.50	4.00
35	1.50	2.00
40	1.25	2.00
45	.75	1.00
50	.50	0
55	0	0

Aggregate Payroll Growth 2.50% per year

Mortality RP-2000 Healthy Combined Blue Collar Projected with Scale BB to 2019, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
	<u>%</u>	<u>%</u>
20	.0326	.0180
30	.0686	.0277
40	.1295	.0829
50	.2278	.1854
60	.7237	.4089
70	2.0079	1.4815

Disabled Mortality RP-2000 Disabled Mortality Projected with Scale BB to 2019

Withdrawal Rates

<u>Age</u>	<u>Turnover</u>
20	.079
25	.077
30	.072
35	.063
40	.052
45	.040
50	.026
55	.009
60	.001

Probabilities of turnover are in accordance with the Eleventh Actuarial Valuation of the Railroad Retirement System based on Table T-5. The turnover rates are modified as follows, based on years of employment:

<u>Years of Service</u>	<u>BREC/Regular</u>	<u>Fire/Police</u>
	<u>%</u>	<u>%</u>
0-1	400	110
2	270	85
3	220	45
4-10	180	45
11-15	70	25
16+	50	15

Retirement Rates

Before 25 Years of creditable service		After 25 Years of creditable service	
<u>Age</u>	<u>Retirement</u>	<u>Service</u>	<u>Retirement</u>
55-60	10%	25	20%
61-63	20%	26	30%
64	25%	27	40%
65+	100%	28+	100%

Assumed Transfers to Retirement System (for accumulated vacation and sick leave, e.g.)

	<u>Total</u>
BREC	1.00 year
Regular	1.00 year
Fire	1.75 years
Police	1.50 years

Actuarial Assumptions

Disability Rates

<u>Age</u>	<u>Disability</u>
20	.0006
25	.0006
30	.0006
35	.0007
40	.0011
45	.0022
50	.0046
55	.0102
60	.0320
61	.0355
62	.0400
63	.0450
64	.0410
65	.0195

Probabilities of disability are in accordance with the Eleventh Actuarial Valuation of the Railroad Retirement System. The disability rates for all members are increased by 100%.

Type of Disability

A percentage of disabilities is assumed to be ordinary disabilities, as shown below:

BREC, Regular	25% service-connected, 75% ordinary
Fire	50% service-connected, 50% ordinary
Police	75% service-connected, 25% ordinary

Actuarial Value of Assets

Market Value as of January 1, 1996. Beginning January 1, 1997, adjusted Market Value with 20% of unrealized gains (or losses) recognized each year. Beginning January 1, 2002, Expected Value Method, with 20% of investment gains (or losses) recognized each year.

Actuarial Cost Method

Entry Age Normal. This method produces a normal cost as a level percentage of pay over the service life of each participant and amortization of the Unfunded Actuarial Accrued Liability (UAAL). Gains and losses are reflected in the UAAL and are included in its amortization.

Starting January 1, 2015, the UAAL is amortized over a 30-year period using an annual total payroll growth assumption. The period will be reduced in successive years until reaching a 15-year open period.

Percent Married

80% of employees are assumed married with males three years older than their female spouses.

Administrative Expense Load

The actual amount of the prior year's expense is added to the normal cost.

Withdrawal of Employee Contributions

100% of employees who terminate (other than retirement, death, or disability) are assumed to withdraw their contributions.

Other

The liability for Retirement Benefit Adjustments and the funding of the Supplemental Benefit Payments from decreases in the Retirement Benefit Adjustments is combined into a perpetuity

Sources of Data

Membership and asset data as of January 1, 2015 was furnished by Retirement Office staff.

Changes Since Prior Valuation

1. Investment return to 7.25% from 7.50%
2. Annual inflation to 2.75% from 3.50%
3. Healthy mortality to RP2000 Healthy Combined Blue Collar Projected to 2019 (Scale BB) from 1994 GAM set forward 2 years
4. Disabled mortality to RP2000 Disabled Mortality Projected to 2019 (Scale BB) from 1994 GAM set forward 2 years
5. Service-related multipliers to turnover rates increased
6. Retirement rates adjusted
7. Multiplier to disability rates increased for Regular and BREC to 100% from 25%
8. Amortization method for unfunded liability to 30-year closed (phasing down to 15-year open) from 30-year open

Supplemental Benefit Payments Account

1. RBA Payments in 2002	\$783,450		
2. Accumulation of SBP Account			
a. Year	<u>2012</u>	<u>2013</u>	<u>2014</u>
b. Valuation Interest Rate	7.50%	7.50%	7.50%
c. Balance at Beginning of Year	1,197,578	1,247,763	1,322,485
d. Interest on Balance	89,818	93,582	99,186
e. RBA Payments in Year	574,050	548,490	548,490
f. Addition to SBP Account (1 – 2e)	209,400	234,960	234,960
g. MERS Contribution for Previous Year			
i. Date received	7/16/2012	6/3/2013	6/16/2014
ii. Amount	865,096	939,361	973,406
iii. Days	169	212	199
h. Interest on g(ii)	30,041	40,920	39,803
i. MERS Contribution for Current Year			
i. Date received	6/3/2013	6/16/2014	--/--/2015
ii. Amount	939,361	973,406	1,006,487
j. Distributions from SBP Account			
i. Date of Distributions	9/24/2012	9/16/2013	9/15/2014
ii. Amount	1,194,143	1,240,864	1,288,575
iii. Days	99	107	108
k. Interest on j(ii)	<u>24,292</u>	<u>27,282</u>	<u>28,596</u>
l. Balance at End of Year (c+d+f+h+i(ii)-j(ii)-k)	1,247,763	1,322,485	1,385,750
m. Transfer of Excess Investment Income*	<u>0</u>	<u>0</u>	<u>0</u>
n. Final Balance at End of Year	1,247,763	1,322,485	1,385,750

*1/10 of first 2% and 1/20 of additional excess returns

Transfer of Excess Investment Income

1. Actuarial Value of Assets as of 01/01/2014	\$1,074,038,336
2. Contributions from Employer, Members, Other	54,270,392
3. Benefits, Refunds, and Administrative Expense	92,337,491
4. Theoretical Actuarial Value of Assets without Return at 12/31/2014 (1.+ 2. + 3.)	\$1,035,971,237
5. Average Actuarial Value of Assets during 2014 (1. + 4.)/2	\$1,055,004,787
6. Expected Return at 7.50% (5. x 0.075)	79,125,359
7. Actual Return	70,604,629
8. Excess Investment Return	0
9. Excess Investment Return Transfer	
a. 10% of first 2% $0.10 \times \$0 =$	0
b. 5% of additional return $0.05 \times \$0 =$	<u>0</u>
c. Total Preliminary Excess Return Transfer	0
10. Experience Gain for 2014	\$(7,320,591)
11. Final Excess Investment Return Transfer (lesser of 9(c) and 10, but not less than zero)	\$0

Active Member Schedule

Active member information grouped based on age and service.

BREC

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	12	3									15	20,488
25 to 29	21	16	8								45	29,029
30 to 34	14	23	17	6							60	36,304
35 to 39	13	12	13	12							50	37,997
40 to 44	11	13	12	11	6	2					55	39,629
45 to 49	5	16	9	9	1	3					43	39,844
50 to 54	12	8	14	17	3	3					57	39,639
55 to 59	7	13	15	11	5	1					52	40,611
60 to 64	7	6	8	5	2						28	33,885
65 to 69		5	3	1		1					10	34,896
70 & up	1	1	3	2	1						8	33,156
Total	103	116	102	74	18	10					423	36,687

Active Member Schedule

Active member information grouped based on age and service.

GENERAL

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	32	17	2								51	27,134
25 to 29	65	125	32								222	32,484
30 to 34	37	124	114	11	1						287	37,288
35 to 39	25	73	82	51	16	1					248	42,279
40 to 44	31	64	66	61	60	14					296	41,684
45 to 49	23	45	63	48	52	39	8				278	43,184
50 to 54	22	36	66	57	49	66	12				308	41,389
55 to 59	18	48	82	40	49	61	9	1			308	42,117
60 to 64	11	27	32	21	19	28	2				140	43,845
65 to 69	3	7	13	12	10	8	1		1		55	45,850
70 & up	1	3	5	3	3	1					16	37,068
Total	268	569	557	304	259	218	32	1	1		2,209	40,334

Active Member Schedule

Active member information grouped based on age and service.

FIREFIGHTERS

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	10	31	1								42	37,052
25 to 29	15	41	37	2							95	40,887
30 to 34	4	17	53	35							109	48,039
35 to 39	1	9	18	39	34						101	58,606
40 to 44		1	12	16	29	14					72	65,076
45 to 49			1	11	21	23	5				61	73,736
50 to 54				1	4	25	4				34	79,327
55 to 59						6					6	76,498
60 to 64			1		1	1					3	78,821
65 to 69												
70 & up												
Total	30	99	123	104	89	69	9				523	55,778

Active Member Schedule

Active member information grouped based on age and service.

POLICE

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25												
25 to 29												
30 to 34												
35 to 39					2						2	56,426
40 to 44					10	4					14	68,696
45 to 49						4					4	74,844
50 to 54					2	2					4	66,896
55 to 59						2					2	63,189
60 to 64												
65 to 69												
70 & up												
Total					14	12					26	67,998

Membership Data

1. Actives

	<u>Count</u>	<u>Average Salary</u>
		-\$-
BREC	423	36,687
Regular	2,209	40,334
Fire	523	55,778
Police	<u>26</u>	67,998
Total	3,181	42,615

2. Annuitants

	<u>Count</u>	<u>Average Annuity</u>
		-\$-
Retirees	2,338	26,889
Beneficiaries	639	10,078
Disabilities	204	15,475
DROP	<u>332</u>	42,831
Total	3,513	15,529

3. Inactive Members

	<u>Count</u>	<u>Average Deferred Annuity</u>
		-\$-
Deferred Vested	22	12,289

Retired and Terminated Members Data

	<u>Number</u>	<u>Benefits</u>
BREC		-\$-
DROP	16	347,662
Retired	134	3,042,612
Beneficiaries	26	187,010
Disabled	8	91,270
Vested Terminated	<u>2</u>	<u>23,577</u>
Subtotal	186	3,692,131
 REGULAR		
DROP	238	8,895,971
Retired	1,546	36,983,496
Beneficiaries	369	3,512,950
Disabled	143	2,153,720
Vested Terminated	<u>17</u>	<u>179,585</u>
Subtotal	2,313	51,725,722
 FIRE		
DROP	67	4,385,349
Retired	448	16,615,844
Beneficiaries	145	1,745,814
Disabled	29	585,963
Vested Terminated	<u>2</u>	<u>43,058</u>
Subtotal	691	23,376,028
 POLICE		
DROP	11	590,813
Retired	210	6,223,570
Beneficiaries	99	994,137
Disabled	24	325,977
Vested Terminated	<u>1</u>	<u>24,129</u>
Subtotal	345	8,158,626
 TOTAL		
DROP	332	14,219,795
Retired	2,338	62,865,522
Beneficiaries	639	6,439,911
Disabled	204	3,156,930
Vested Terminated	<u>22</u>	<u>270,349</u>
 GRAND TOTAL	3,535	86,952,507

Supplementary Information for GASB 27

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Actual City Contribution</u>	<u>Percentage Contribution</u>
	<u>-\$-</u>	<u>-\$-</u>	<u>-%</u>
2005	20,785,669	21,947,383 ⁽¹⁾	106
2006	22,129,069	25,029,841 ⁽²⁾	113
2007	22,431,367	26,812,456 ⁽³⁾	120
2008	22,931,211	27,161,196 ⁽⁴⁾	118
2009	29,050,693	28,550,151 ⁽⁵⁾	98
2010	33,890,884	34,240,596 ⁽⁶⁾	101
2011	35,001,688	37,305,836 ⁽⁷⁾	107
2012	36,777,168	39,134,851 ⁽⁸⁾	106
2013	37,417,818	40,133,560 ⁽⁹⁾	107
2014	38,715,270	40,897,992 ⁽¹⁰⁾	106
2015	39,173,320		

- (1) Including a MERS contribution of \$614,589, and a DROP Severance Contribution of \$1,310,297.
(2) Including a MERS contribution of \$665,909, and a DROP Severance Contribution of \$1,196,592.
(3) Including a MERS contribution of \$720,280, and a DROP Severance Contribution of \$1,591,009.
(4) Including a MERS contribution of \$799,678, and a DROP Severance Contribution of \$1,043,625.
(5) Including a MERS contribution of \$832,766, and a DROP Severance Contribution of \$1,399,949.
(6) Including a MERS contribution of \$846,107, and a DROP Severance Contribution of \$1,935,967.
(7) Including a MERS contribution of \$865,096, and a DROP Severance Contribution of \$1,512,701.
(8) Including a MERS contribution of \$939,361, and a DROP Severance Contribution of \$1,813,042.
(9) Including a MERS contribution of \$973,406, and a DROP Severance Contribution of \$1,741,065.
(10) Including a MERS contribution of \$1,006,487, and a DROP Severance Contribution of \$1,534,821.

Experience Review

The following table quantifies the effects of each component of experience in 2014, based on the latest assumptions and method changes adopted by the Board as a result of the 2009-2013 Experience Study.

Table 1 - 2014 Gain/Loss Analysis

	<u>No. Active</u>	<u>Unfunded Actuarial Liability</u>	<u>Employer Contribution</u>	
		-\$-	-\$-	-%-
2014 - Actual	3,283	397,938,938	38,715,270	28.10
2015 - Expected (for Continuing Members)	2,817	397,837,634	37,726,483	30.49
<u>Elements of Experience</u>				
Investment Return		+8,520,730	+540,372	+0.40
Salary Increases		-4,046,219	-306,878	-0.31
Retirements, DROP	+107	+1,433,818	+90,931	+0.07
Mortality	+1	-467,752	-29,665	-0.02
Disability	+12	-185,079	-11,737	-0.01
Turnover	-158	-1,375,127	-87,208	-0.07
New Members	+402	+570,624	+1,215,352	-1.69
Data, Other		+2,869,596	+388,980	+0.30
Total	<u>+364</u>	<u>+7,320,591</u>	<u>+1,800,147</u>	<u>-1.33</u>
Assumption Changes		+47,540,972	-353,310	-0.26
2014 Actual	<u>3,181</u>	<u>452,699,197</u>	<u>39,173,320</u>	<u>28.90</u>

The expected 2015 components reflects a primary objective of the actuarial cost method, under which normal costs are a level percentage of payroll, and the January 1, 2015 unfunded liability is amortized over 30 years, increasing by 2.5% annually, while successive years amortization period will reduce until reaching a 15-year open period, if the aggregate experience of the Retirement System is the same as that predicted by the actuarial assumptions. This means that the expected 2015 Normal Cost is 9.4% of expected payroll, and the expected 2015 City/Parish contribution is \$37,726,483.

Analysis of Financial Experience

Gains and Losses in Unfunded Actuarial Liability During Years Ended 2009 - 2014
Resulting From Differences between Assumed Experience and Actual Experience

\$ Gain or (Loss) For Year

<u>Elements of Experience</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Investment Return	\$(38,437,581)	\$(20,396,885)	\$(35,231,052)	\$(20,304,794)	\$(3,486,533)	\$(8,520,730)
Salary Increases	2,882,364	7,087,550	(623,723)	3,017,967	12,896,696	4,046,219
Retirements	3,839,301	26,986,427	15,933,989	3,351,339	(398,081)	(1,433,818)
Mortality	(6,198,778)	(9,830,807)	(14,988,684)	(3,643,276)	1,047,985	467,752
Disability	163,987	(570,786)	(10,597)	148,348	(698,808)	185,079
Turnover	(9,883,007)	(10,119,063)	1,878,566	571,654	(1,710,221)	1,375,127
New Members	(2,143,500)	(1,461,549)	(1,671,178)	(2,204,660)	(1,417,682)	(570,624)
Contribution Differences	2,279,010	3,620,538	5,303,016	N/A	N/A	N/A
Leaves, Transfers, Etc.	<u>1,630,981</u>	<u>(3,055,745)</u>	<u>702,493</u>	<u>3,124,006</u>	<u>0</u>	<u>(2,869,596)</u>
Gain or (Loss) from Experience	(48,146,233)	(11,360,858)	(34,010,186)	(15,939,416)	6,233,356	(7,320,591)
Non Recurring Elements:						
Plan Amendment-Minimum Benefits	--	--	--	--	--	--
Assumption Change	(24,625,616)	--	--	--	--	(47,540,972)
Actuarial Method Change						
Data (Optional Forms)	--	--	--	--	(12,509,006)	--
Valuation Software	--	--	--	5,306,905	13,556,351	--
Composite Gain/(Loss) During Year	<u>\$(72,771,849)</u>	<u>\$(11,360,858)</u>	<u>\$(34,010,186)</u>	<u>\$(10,632,511)</u>	<u>\$7,280,701</u>	<u>\$(54,861,563)</u>

Accrued Liability (Detail)

	January 1, 2015
Accrued Liability	
Active members	
Retirement	\$407,950,633
Disability	17,612,449
Death	5,600,492
Termination	<u>8,632,461</u>
Total Active	\$439,796,035
Inactive members	
Retired members	\$658,313,916
DROP (Future Benefits)	171,939,192
DROP (Accounts)	185,154,034
Leave Balances	5,582,027
Beneficiaries	56,469,205
RBA Benefits	10,446,000
Disableds	29,337,748
Terminated Vested members	<u>2,236,906</u>
Total Inactive	\$1,119,479,028
Total	\$1,559,275,063

Summary of Actuarial Accrued Liabilities and Percentage Covered by Net Assets Available for Benefits

Valuation Date	(1)	(2)	(3)	(4)	Net Assets Available for Benefits	Percentage of Actuarial Liabilities Covered by Assets			
	Active Members Contributions*	Retirees and Survivors**	Terminated Vested Members	Active Members Employer Provided		(1)	(2)	(3)	(4)
	-\$-	-\$-	-\$-	-\$-	-\$-	-%-	-%-	-%-	-%-
01/01/06	185,590,714	592,961,470	2,777,542	329,752,003	926,869,870	100.0	100.0	100.0	44.1
01/01/07	196,143,559	629,048,416	3,398,410	334,584,762	1,031,031,076	100.0	100.0	100.0	60.5
01/01/08	212,407,644	660,297,629	3,229,816	330,713,124	1,035,391,227	100.0	100.0	100.0	48.2
01/01/09	235,554,734	689,274,354	3,719,456	341,556,008	711,989,579	100.0	69.1	0.0	0.0
01/01/10	256,663,672	720,761,899	4,156,485	368,492,011	848,628,273	100.0	82.1	0.0	0.0
01/01/11	267,075,592	742,436,557	4,396,791	371,813,179	941,863,350	100.0	90.9	0.0	0.0
01/01/12	270,043,946	762,106,926	4,255,920	386,811,384	887,029,701	100.0	81.0	0.0	0.0
01/01/13	270,204,544	788,868,802	3,909,968	383,826,148	960,010,682	100.0	87.4	0.0	0.0
01/01/14	271,758,390	831,113,713	2,267,254	366,837,917	1,060,092,202	100.0	94.9	0.0	0.0
01/01/15	284,306,327	932,088,088	2,236,906	340,643,742	1,072,492,947	100.0	84.6	0.0	0.0

* Including DROP accounts.

** Including DROP participants' future benefits.