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April 26, 2017

Board of Trustees
Travis Co. ESD No. 6 Firefighters' and
Retirement Fund
P.O. Box 340196
Austin, Texas 78734

Re: Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund – December 31, 2017 GASB
Statement No. 67 Disclosures

Dear Board Members:

Enclosed is a report which gives disclosures under Governmental Accounting Standards Board (GASB) Statement No. 67 for the Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund. Only electronic copies are being sent. Paper copies will be provided, if needed. Copies have also been sent electronically to the District, the fund's auditor, the District's auditor, the fund's recordkeeper, and the Pension Review Board.

The disclosures are intended to be used for the fund's December 31, 2017 financial statements. Please see the valuation report, dated April 24, 2017, for additional documentation concerning the valuation.

Exhibit 1 of the enclosed report shows the number of retired, vested terminated, and active members of the fund as of the end of the 2017 plan year. The December 31, 2015 actuarial valuation report provided detailed information on the plan and the most recent valuation results. The fund's December 31, 2017 audit report, which will be forwarded to the Texas Pension Review Board (PRB) upon completion, will provide the financial and other information required of the plan for 2017. Furnishing these three items to the PRB will provide the information previously reported on Forms PRB-200, PRB-300, and PRB-400. Based on a conversation with the PRB staff, it is my understanding that the fund no longer needs to file those three forms.

Form PRB-1000 for the 2017 plan year will be furnished upon completion of the audit.

Board of Trustees
April 26, 2017
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Thank you for the opportunity to serve the Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund. If you have questions concerning the disclosures, please feel free to contact me.

Sincerely,

John M. Crider, Jr.

cc: Mr. James DeWitt
Chief Financial Officer
Travis County Emergency Services
District No. 6

Ms. Sharon Smith, CPA
Financial Manager
Travis County Emergency Services
District No. 6

Ms. Jessica Marczynski
Administrative and Accounting Manager
Travis County Emergency Services
District No. 6

Ms. Stacy Britton, C.P.A.
Ms. Sara Tuttle
Ms. Danielle E. Guerrero
Montemayor Britton Bender PC

Mr. Jimmy Romell, C.P.A.
Audit Associate
Maxwell, Locke & Ritter, LLP

Ms. Ana V. Tinsley
Tinsley Administrative Solutions, LLC

Pension Review Board

Travis Co. ESD 6 Firefighters' Relief and Retirement Fund

**Disclosures Under Governmental
Accounting Standards Board
Statement Number 67
as of December 31, 2017**

April 26, 2018

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Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

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Section I - Report Text

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

This report presents the information needed for reporting by the Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund under the Governmental Accounting Standards Board Statement Number 67. The values given in this report were based upon a valuation performed as of December 31, 2015. As permitted by Paragraph 37 of GASB Statement No. 67, procedures were used to roll forward the Total Pension Liability (TPL) to December 31, 2017.

Exhibit 1 of this report gives the number of plan members in each category and shows the net pension liability (as that term is defined in GASB Statement No. 67) as of December 31, 2017. Also shown on Exhibit 1 is the net pension liability at a discount rate of (a) one percent less than the rate which was used to develop the disclosures and (b) one percent more than the rate which was used to develop the disclosures. Exhibit 2 sets out the development of the long-term expected rate of return on plan assets, and Exhibit 3 provides a schedule of changes in net pension liability and related ratios. Exhibit 3 also gives the plan's annual money-weighted internal rate of return on pension plan investments, net of pension plan investment expense. Inputs to the money-weighted internal rate of return calculation were determined at least monthly.

Appendices A, B, and C of this report set out the actuarial cost method used for the disclosures, the actuarial assumptions used for the disclosures, and a summary of the principal plan provisions, respectively. The plan does not contain an automatic cost of living increase provision. The plan's deferred retirement option plan (DROP) is a reverse DROP. Appendix C of this report contains a detailed description of the plan's DROP provisions. Under a reverse DROP, election of the DROP benefit does not occur until a member retires. An active member is *not* credited for benefit payments into an individual member account within the pension plan while continuing to provide services to the employer. Thus, active plan members do not have DROP accounts. The total of retirees' unpaid DROP accounts are shown on Exhibit 3. Retirees' unpaid DROP accounts were included in the Total Pension Liability (TPL) and, therefore, the Net Pension Liability (NPL).

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Appendix D of this report provides additional measures of plan soundness which are not required by GASB Statements No. 67 and No. 68. Trustees believe that the fund needs to provide measures which disclose the fund's level of funding in the event of a plan freeze or a plan termination. Appendix D discusses the fact that the trust fund holds more than enough assets to fully discharge plan obligations in the event of a freeze or termination.

The plan's amortization period as of the December 31, 2015 valuation date was 5.8 years. No active participants have yet begun drawing monthly benefits under the plan. The evaluations required by Paragraph 41 of GASB Statement No. 67 can therefore be made with sufficient reliability without a separate projection of cash flows. For this reason, as permitted by Paragraph 43 of GASB Statement No. 67, a separate projection of cash flows was not made.

Please see the December 31, 2015 valuation report for the plan, dated April 24, 2017, for additional documentation concerning the actuarial valuation, the disclosures in this report, and experience studies on which significant actuarial assumptions were based. The experience studies are also documented on Appendix B of this report.

Actuarial Certification

This report presents the December 31, 2017 disclosures required of the Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund under Governmental Accounting Standards Board Statement No. 67. The values given in this report were based upon a December 31, 2015 valuation with results rolled forward to December 31, 2017. Please refer to the valuation report for additional details concerning the valuation.

The valuation was performed using employee census data as of December 31, 2015, furnished by Tinsley Administrative Solutions, LLC. Financial information came from the financial statements for the years ending December 31, 2011, through 2015, prepared by Montemayor Britton Bender PC Certified Public Accountants.

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Census information as of December 31, 2017, was provided by Ana V. Tinsley of Tinsley Administrative Solutions, LLC. Financial information for the years ending December 31, 2016, and December 31, 2017, was prepared by Montemayor Britton Bender PC Certified Public Accountants. As of the date of this report, the 2017 financial information was preliminary.

A review of all data supplied showed that the information was reasonable, consistent, and complete. Accordingly, the information was relied upon as furnished.

The firm of John M. Crider, Jr. – Consulting Actuary, which prepared the December 31, 2015 valuation and the disclosures contained in this report, is compensated solely by the Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund with respect to work on the plan. This report has been prepared and certified by John M. Crider, Jr., an actuary for the firm of John M. Crider, Jr.– Consulting Actuary, who certifies that he is a member of the American Academy of Actuaries and that he meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The December 31, 2015 valuation and associated calculations were performed in accordance with generally accepted actuarial principles and practices. The December 31, 2017 disclosures in this report have been prepared in accordance with generally accepted actuarial principles and practices as well as Governmental Accounting Standards Board Statement No. 67 and No. 82.

Prepared and Certified By

original signed by

John M. Crider, Jr.

John M. Crider, Jr.

Associate of the Society of Actuaries

Member, American Academy of Actuaries

Section II - Exhibits

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Exhibit 1, Number of Members, Net Pension Liability, Single Discount Rate, and Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Actuarial Valuation Date	12/31/2015	12/31/2015
Measurement Date	<u>12/31/2016</u>	<u>12/31/2017</u>

1. Number of Members

a. Retirees and beneficiaries currently receiving benefits	0	0
b. Terminated employees entitled to but not yet receiving benefits	0	2
c. Active members	<u>83</u>	<u>79</u>
d. Total	83	81

2. Net Pension Liability

a. Total Pension Liability	\$ 19,975,426	\$ 22,330,737
b. Plan Fiduciary Net Position	<u>15,043,500</u>	<u>19,688,064</u>
c. Net Pension Liability	4,931,926	2,642,673

3. Development of the Single Discount Rate

a. Single Discount Rate	7.00%	7.00%
b. Long-term Expected Rate of Return	7.00%	7.00%
c. Long-term Municipal Bond Rate	3.78%	3.44%
d. Last year Ending December 31 in the 100-year Projection Period for Which Projected Benefit Payments Are Fully Funded	Proj'd Benefits Are Funded for All Years	Proj'd Benefits Are Funded for All Years

4. Sensitivity of the Net Pension Liability to Changes in the Discount Rate as of December 31, 2017

One Percent Decrease (6.00 Percent)	Current Discount Rate (7.00 Percent)	One Percent Increase (8.00 Percent)
\$ 7,440,934	\$ 2,642,673	\$ (473,515)

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Exhibit 2, Investments and the Long-term Expected Rate of Return On Pension Plan Assets

Asset Class	Allocation to Asset Class ¹	Asset Class Long-term Expected Real Rate of Return	Weighted Avg Expected Real Rate of Return	Gross Alpha Provided By Active Management	Weighted Average Gross Alpha	Long-term Expected Real Rate of Return ²
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Cash and cash equivalents	1.73 %	0.00 %	0.00 %	0.00 %	0.0000 %	0.0000 %
2. Fixed income						
(a) Corporate & Foreign Bonds	20.09 %	2.50 %	0.50 %	0.50 %	0.1005 %	0.6005 %
(b) Mutual Funds (Fixed income)	10.55 %	2.50 %	0.26 %	0.00 %	0.0000 %	0.2600 %
(c) High Yield Bonds	2.98 %	4.50 %	0.13 %	0.50 %	0.0149 %	0.1449 %
3. Equities						
(a) U.S. Large Cap Equities	46.46 %	7.50 %	3.48 %	0.70 %	0.3252 %	3.8052 %
(b) U.S. Mid Cap Equities	6.05 %	9.75 %	0.59 %	0.75 %	0.0454 %	0.6354 %
(c) U.S. Small Cap Equities	2.86 %	9.00 %	0.26 %	0.50 %	0.0143 %	0.2743 %
(d) International Equities	3.94 %	6.00 %	0.24 %	0.75 %	0.0296 %	0.2696 %
(e) Emerging Market Equities	4.13 %	6.00 %	0.25 %	0.75 %	0.0310 %	0.2810 %
(f) REITs	1.21 %	8.50 %	0.10 %	0.75 %	0.0091 %	0.1091 %
4. Totals	100.00 %		5.81 %			6.38 %

¹ Based on the Fund's Asset Allocation as of December 31, 2017

² Column (4) plus Column (6)

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Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Exhibit 2, Investments and the Long-term Expected Rate of Return On Pension Plan Assets (Continued)

Item (1)	Rate (2)
5. Long-term Expected Real Rate of Return On Plan Assets (line 4, col 7, above)	6.38%
6. Assumed Fees for Active Asset Management Based on Historical Experience	0.65%
7. Net Long-term Expected Real Rate of Return On Plan Assets (line 5 - line 6)	5.73%
8. Assumed Inflation	2.50%
9. Long-term Nominal Expected Rate of Return On Plan Assets (line 7 + line 8)	8.23%
10. Preliminary Discount Rate	7.00%
11. Decrease in Discount Rate Required Under GASB Stmt No. 67, Paragraph 40 & Stmt No. 68, Paragraph 26	0.00%
12. Final Discount Rate Used to Measure the Total Pension Liability (line 10 - line 11)	7.00%
13. Margin Available for Adverse Investment Experience (line 9 - line 12)	1.23%

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Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Exhibit 3, Schedule of Changes in Net Pension Liability and Related Ratios, and Schedule of Investment Returns

Discount Rate Before Assumption Changes	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Increase in Payroll Before Assumption Changes	4.00%	4.00%	4.00%	4.00%	4.00%
Actuarial Valuation Date	01/01/2014	01/01/2014	12/31/2015	12/31/2015	12/31/2015
Measurement Date	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
Total Pension Liability					
1. Total Service Cost	\$980,014	\$1,019,215	\$1,059,984	\$1,102,383	\$1,146,478
2. Interest on the Total Pension Liability	904,104	1,035,952	1,038,806	1,308,078	1,469,413
3. Changes in Benefit Terms	0	0	0	0	0
4. Difference Between Expected and Actual Experience	0	0	1,543,569	0	0
5. Changes in Assumptions	0	0	194,031	0	0
6. Benefit Payments (including refunds of member contributions)	(87,471)	(25,156)	(25,156)	(38,945)	(260,580)
7. Net Change In Total Pension Liability	1,796,647	2,030,011	3,811,234	2,371,516	2,355,311
8. Total Pension Liability-Beginning of the Year	11,996,029	13,792,676	13,792,676	17,603,910	19,975,426
9. Total Pension Liability-End of the Year	13,792,676	15,822,687	17,603,910	19,975,426	22,330,737
Plan Fiduciary Net Position					
10. Contributions - employer	899,146	943,417	943,417	1,077,176	1,121,761
11. Contributions - members	903,757	968,074	968,074	1,122,061	1,168,507
12. Net Investments Income	606,503	88,895	88,895	649,191	2,650,333
13. Benefit Payments (including refunds of member contributions)	(93,228)	(25,156)	(25,156)	(38,945)	(260,580)
14. Administrative Expense	(25,422)	(37,917)	(37,917)	(26,134)	(35,457)
15. Other	0	24,193	24,193	0	0
16. Net Change in Plan Fiduciary Net Position	2,290,756	1,961,506	1,961,506	2,783,349	4,644,564
17. Plan Fiduciary Net Position-Beginning of the Year	8,007,889	10,298,645	10,298,645	12,260,151	15,043,500
18. Plan Fiduciary Net Position-End of the Year	10,298,645	12,260,151	12,260,151	15,043,500	19,688,064
19. Net Pension Liability-End of the Year (line 9 minus line 18)	3,494,031	3,562,536	5,343,759	4,931,926	2,642,673
20. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability-End of the Year	74.67%	77.48%	69.64%	75.31%	88.17%

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Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Exhibit 3, Schedule of Changes in Net Pension Liability and Related Ratios, and Schedule of Investment Returns (continued)

Discount Rate Before Assumption Changes	7.00%	7.00%	7.00%	7.00%	7.00%
Annual Increase in Payroll	4.00%	4.00%	4.00%	4.00%	4.00%
Actuarial Valuation Date	01/01/2014	01/01/2014	12/31/2015	12/31/2015	12/31/2015
Measurement Date	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
21. Covered Employee Payroll	\$4,683,052	\$4,913,630	\$4,913,630	\$5,610,292	\$5,842,505
22. Net Pension Liability-End of the Year as a Percentage of Covered Employee Payroll	74.61%	72.50%	108.75%	87.91%	45.23%
23. Annual Money-weighted Rate of Return Net of Pension Plan Investment Expense With Inputs Determined At Least Monthly	6.80%	1.02%	1.02%	4.89%	17.21%
24. Actuarially Determined Contribution	899,146	943,417	943,417	1,077,176	1,121,761
25. Contributions in Relation to the Actuarially Determined Contribution	899,146	943,417	943,417	1,077,176	1,121,761
26. Contribution Deficiency (Excess)	-	-	-	-	-
27. Contribution as a Percentage of Covered-employee Payroll	19.20%	19.20%	19.20%	19.20%	19.20%
28. Balance of Amounts Held by the Plan Pursuant to the Reverse DROP	0	0	0	0	0
Interest on Total Service Cost	67,443	71,345	74,199	77,167	80,253
Interest on Changes in Benefit Terms	0	0	0	0	0
Interest on Difference Between Expected and Actual Experience	0	0	0	0	0
Interest on Changes in Assumptions	0	0	0	0	0
Interest on Benefit Payments	(3,061)	(880)	(880)	(1,363)	(9,120)
Interest on Beginning-of-Year Total Pension Liability	839,722	965,487	965,487	1,232,274	1,398,280
Interest on the Total Pension Liability	904,104	1,035,952	1,038,806	1,308,078	1,469,413

Notes: In accordance with Paragraph 50 of GASB Statement No. 67 and Paragraph 138 of GASB Statement No. 68, this Schedule only includes information which has been measured in conformity with Statements No. 67 and No. 68. Disclosures for years in which information was not developed in accordance with GASB Statements No. 67 and No. 68 have not been included.

John M. Crider, Jr. - Consulting Actuary

Section III - Appendices

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Appendix A, Actuarial Cost Method

Actuarial Cost Method

The actuarial cost method used in the valuation is the individual entry age normal actuarial cost method. This method is also referred to as the entry age actuarial cost method under the terminology developed by the Joint Committee on Pension Terminology.

Each employee's service cost equals the level percentage of pay contribution which, if paid annually from date of employment to date of assumed retirement, would fully fund the employee's benefits. The employee's portion of the service cost equals his or her anticipated employee contributions for the year. The employer service cost for the year equals the total service cost for all employees minus the total employee service cost.

The total pension liability is developed by subtracting the present value of future service costs from the present value of future benefits. The net pension liability is calculated by subtracting the plan fiduciary net position from the total pension liability.

Changes in the Actuarial Cost Method

The valuation date was changed from January 1, 2016, to December 31, 2015. The individual entry age normal actuarial cost method was used for both the 2015 valuation and the previous valuation.

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Appendix B, Actuarial Assumptions

- | | |
|---|---|
| 1. Discount rate | 7.00% per annum, compounded annually |
| 2. Mortality | Employee and healthy annuitant combined rates from the RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females |
| 3. Disability | Disability rates are shown on the table below. |
| 4. Termination | Termination rates are shown on the table below. |
| 5. Assumed retirement age for active members | Active members are assumed to retire once they have both attained age 55 and completed at least 20 years of service. Active members who have already attained age 55 and completed 20 years of service are assumed to retire on the valuation date. |
| 6. Assumed retirement age for vested terminated members | Benefits for vested terminated members are assumed to start on the date the member attains age 55 or, if later, the date the member would have completed 20 years of service. |

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Appendix B, Actuarial Assumptions

- | | |
|---|--|
| 7. Compensation increases for individual members | 5.00% per year, compounded annually |
| 8. Increases in total payroll | 4.00% per year, compounded annually |
| 9. Marital status | |
| a. Proportion married | Males: 100%, Females: 100% |
| b. Difference in ages | Actual age differences are used for married members. Unmarried members are assumed to be married at retirement. Males are assumed to be three years older than their spouses. |
| 10. Assumed form of payment | Benefits are assumed to be paid for the life of the member with two-thirds continued to the surviving spouse. |
| 11. Assumed death benefit to children | Each member is assumed to have two children. The first child is assumed to have been born when the member was age 25. The second child is assumed to be two years younger. It is also assumed that benefits will be paid until each child reaches the age of 18. |
| 12. Assumed contribution rates | |
| a. Members | 20.00% of compensation |
| b. District contribution on behalf of all members | 19.20% of compensation |

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Appendix B, Actuarial Assumptions

Decrements are assumed to be annual rates, rather than probabilities, and are adjusted for the interaction between competing decrements. The 7.00 percent rate of return was set by taking into account future expected rates of return for portfolios with similar asset allocations. The assumed 7.00 percent rate can be considered to include a provision for inflation at 3.00 percent per year, although other combinations of real return, risk premium and inflation are also accounted for by a 7.00 assumed rate. The same inflation component was used in the assumed rate of return on the actuarial value of assets, the assumed increases in compensation for individual members, and the other actuarial assumptions.

The valuation includes provisions for mortality improvement to 2024. The mortality table used in the valuation is updated periodically. The actuaries are not aware of any significant event that has occurred since the valuation date that would have materially changed any of the demographic assumptions selected for the valuation.

Rationale for the Actuarial Assumptions

The assumed rate of return was developed using both the plan's historical rates of return and expected future rates of return. Rate of return experience studies have been performed in connection with the plan's valuations. (See Exhibit 4 and Exhibit 5 of the valuation report as well as corresponding exhibits in prior valuation reports.)

The demographic assumptions were chosen based on expected future rates of retirement, mortality, disability, and termination. Mortality was taken from published studies and was updated to reflect future improvement. Retirement was based on the earliest retirement age and salary increase rates were developed based on the plan's own experience. Disability and termination rates were based on published rates. Demographic assumptions were tested in connection with the valuation. (See Exhibit 6 of the valuation report, as well as corresponding exhibits in prior valuation reports.)

Both economic and demographic assumptions were further tested through the calculation of the plan's aggregate experience with respect to both demographic decrements and economic assumptions. (See Exhibit 7 of the valuation report as well as corresponding exhibits in prior valuation reports.)

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Appendix B, Actuarial Assumptions

Rationale for the actuarial assumptions is also provided in the Text Section of the valuation report.

Changes in Actuarial Assumptions

The mortality table used for the valuation was changed from (a) the Employee and Healthy Annuitant Combined Rates from the RP-2000 Mortality Table, projected to 2015 using Scale AA, with separate rates for males and females, to (b) the Employee and Healthy Annuitant Combined Rates from the RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females. The mortality changes were made in order to recognize mortality improvement through the valuation date and provide a margin for future mortality improvement. Disability rates were changed from SOA Disability Study Table, Class 1 rates, to the tabular rates listed in this Appendix B. Termination rates were not changed; however, they were listed as tabular rates, rather than under their original name, Table T-1 from the Actuary's Pension Handbook.

The assumed member contribution rate was increased to 20.00 percent of pay for the December 31, 2015 valuation. The member contribution rate assumed for the 2014 valuation was 19.60 percent of pay.

The effects of the assumption changes are described in the Text Section of the valuation report. The changes in assumptions were made in order to align the assumptions with actuarial requirements as well as to most accurately reflect anticipated plan experience.

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

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Appendix B, Actuarial Assumptions

Disability and Termination Rates By Attained Age

<u>Attained Age</u>	<u>Disability Rate</u>	<u>Termination Rate</u>	<u>Attained Age</u>	<u>Disability Rate</u>	<u>Termination Rate</u>
18	0.00075	0.055000			
19	0.00080	0.055000			
20	0.00085	0.055000	45	0.00335	0.006233
21	0.00090	0.054723	46	0.00367	0.005660
22	0.00096	0.054010	47	0.00402	0.005397
23	0.00101	0.052906	48	0.00441	0.005454
24	0.00106	0.051456	49	0.00485	0.005822
25	0.00111	0.049706	50	0.00533	0.000000
26	0.00112	0.047700	51	0.00586	0.000000
27	0.00113	0.045486	52	0.00645	0.000000
28	0.00114	0.043105	53	0.00710	0.000000
29	0.00118	0.040600	54	0.00780	0.000000
30	0.00122	0.038011	55	0.00858	0.000000
31	0.00125	0.035373	56	0.00943	0.000000
32	0.00130	0.032715	57	0.01036	0.000000
33	0.00136	0.030064	58	0.01137	0.000000
34	0.00143	0.027441	59	0.01247	0.000000
35	0.00152	0.024866	60	0.01367	0.000000
36	0.00162	0.022354	61	0.01497	0.000000
37	0.00173	0.019922	62	0.01638	0.000000
38	0.00187	0.017586	63	0.01779	0.000000
39	0.00203	0.015367	64	0.01920	0.000000
40	0.00221	0.013283			
41	0.00239	0.011378			
42	0.00259	0.009700			
43	0.00281	0.008269			
44	0.00307	0.007107			

John M. Crider, Jr. - Consulting Actuary

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Appendix C, Summary of Principal Fund Provisions

Authority for the Fund and Definitions

The Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund is established under the authority of the Texas Local Fire Fighter's Retirement Act (TLFFRA). The fund is administered by a Board of Trustees. The Board is made up of three members elected from and by fund members, two representatives of Travis County Emergency Services District No. 6, and two citizen members.

Effective with the pay period ending October 19, 2013, the Travis County Emergency Services District No. 6 began contributing to the fund at a rate of 19.20 percent of each member's total W-2 pay (including regular wages and standard overtime pay, but excluding (1) lump sum payments upon termination of employment for unused sick and vacation pay and (2) payments in addition to an employee's base pay that are due to overtime other than standard overtime pay and "step-up" service). Compensation includes amounts not includable in W-2 compensation due to Internal Revenue Code Sections 125, 132(f), 401(k), 403(b) or 457(b).

Effective with the pay period ending October 17, 2015, members began contributing to the fund at a rate of 20.00 percent of pay. The definition of pay for the purposes of employee contributions is the same as the definition of pay for employer contributions. Employee contributions are "picked up" by the District under Section 414(h)(2) of the Internal Revenue Code. The change from after-tax contributions to pick-up contributions was effective January 1, 2011. For this reason, a member's contributions after December 31, 2010, are excluded from his or her taxable income. The previous member contribution rate was 19.60 percent of pay.

Fund members receive credited service for the period during which they pay into, and keep on deposit in the fund, the contributions required by the fund. Credited service is calculated in years and completed months. In addition, each member of the fund, who was an active employee as of November 1, 2008, receives credit for service with the Fire Department that was performed prior to March 1, 2008.

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Appendix C, Summary of Principal Fund Provisions

Retirement and termination benefits are calculated using a member's highest average monthly pay. Highest average monthly pay is based on an average of the 60 consecutive months of compensation which produce the highest average. Notwithstanding the above, highest average monthly pay shall be based only upon compensation since January 1, 2009.

The fund was originally effective January 1, 2008, and was most recently amended December 15, 2015.

Eligibility

An individual who is an employee of the District shall become a member of the fund if that individual is younger than 36 years old on the date that he or she begins employment with the Fire Department. An individual who is older than 36 years of age at date of employment with the fire department is eligible to be a member only if (1) the individual first became a firefighter at an age younger than age 36, (2) the board through order authorizes membership in the fund for such individual, and (3) the individual affirmatively elects to be a member and passes the physical examination provided for in Section 9(e) of TLFFRA. Any other individual who first becomes an employee after age 36 is not eligible for membership in the fund.

Normal Retirement Benefits

A member is eligible for service retirement upon completion of 20 years of service and attainment of age 55. A member who retires under the service retirement provisions of the fund will receive a monthly benefit equal to (a) 3.00 percent of the member's highest average monthly pay, multiplied by his or her years of credited service up to 20 years, plus (b) 2.15 percent of the member's highest average monthly pay, multiplied by his or her years of credited service in excess of 20 years.

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Appendix C, Summary of Principal Fund Provisions

Service retirement benefits are payable for the member's lifetime. In the event the member's death precedes that of his spouse, two-thirds of the member's benefit will be continued to the spouse for the spouse's lifetime.

In lieu of the straight service retirement benefit described above, a member may elect to receive his or her benefit under the Deferred Retirement Option Program (DROP), described later in this Appendix C.

Disability Benefits

An active member will qualify for monthly disability benefit if, prior to satisfying the requirements for a service retirement benefit, the member is unable, as a result of a physical or mental condition, to perform the duties of (a) the duties of his or her present position or (b) a position offered to him or her in the Fire Department which provides pay equal to or greater than the pay the disabled member would have received in his or her position prior to disablement.

The disability benefit commences after (a) the member has ceased receiving any compensation or vacation pay and (b) the board has determined that the member satisfies the disability benefit requirements of the fund. Disability benefits are payable in the same form as service retirement benefits. However, disability benefits stop if the member recovers to the point that he no longer meets the definition of disability under the fund.

Amount of Disability Benefit

The amount of monthly disability benefit payable under the fund will be equal to (a) 3.00 percent of the member's highest average monthly pay, multiplied by his or her years of credited service up to 20 years, plus (b) 2.15 percent of the member's highest average monthly pay, multiplied by his or her years of credited service in excess of 20 years. Years of credited service will not be less than 20.

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Appendix C, Summary of Principal Fund Provisions

Death Benefits

If a member dies while in active service, the member's surviving spouse will receive an immediate monthly benefit, payable for as long as he or she is living. The amount of monthly death benefit payable under the fund will be equal to (a) 2.00 percent of the member's highest average monthly pay, multiplied by his or her years of credited service up to 20 years, plus (b) 1.4333 percent of the member's highest average monthly pay, multiplied by his or her years of credited service in excess of 20 years. Years of credited service will not be less than 20.

In addition to the above surviving spouse's benefit, each unmarried child of the member will receive a monthly benefit of 7.47 percent of the member's highest average monthly pay. Orphan benefits continue until the child reaches age 18. However, benefits will continue until age 25 for a child who is a full-time student. Orphan benefits are doubled if the deceased member has no surviving spouse.

Termination Benefits

Members with Less Than Ten Years of Credited Service

A fund member who terminates employment prior to completing 10 years of credited service will be entitled to the return of the excess of his or her contributions to the fund over the amount of any benefits he or she has received from the fund.

Members Ten or More Years of Credited Service

A fund member who terminates employment after completing at least 10 years of credited service, but prior to the date he or she attains age 55, will be entitled to receive a monthly benefit starting at age 55. The monthly termination benefit will be equal to (a) 3.00 percent of the member's highest average monthly pay, multiplied by his or her years of credited service at date of termination of employment up to 20 years, plus (b) 2.15 percent of the member's highest average monthly pay, multiplied by his or her years of credited service at date of termination of employment in excess of 20 years.

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

GASB Statement No. 67 Disclosures as of December 31, 2017

Appendix C, Summary of Principal Fund Provisions

The DROP Program

A member is eligible to receive his benefit under the plan's DROP provision after he or she has both completed 20 years of service and attained age 55. The election to participate in the DROP may be made at the time the member elects to retire.

Amount of Monthly Retirement Income to DROP Program Participants

The monthly retirement income payable to a member who retires under the DROP will equal his service retirement benefit under the plan based on average monthly salary and years of service as of the member's DROP Date. The member's benefit will be calculated, however, using the benefit formula in effect on the member's DROP date.

A member's DROP Date is the date two years prior to the date he or she retires from the Department.

Upon retirement, the member will receive—in addition to his monthly retirement benefit—an amount equal to the sum of:

- a. the total of the monthly retirement benefits the member would have received between his or her DROP Date and the time he or she retired under the plan, and
- b. the amount of monthly contributions that the member has made to the fund between his or her DROP Date and the time he or she retired under the plan.

Amendment of the Plan

The plan document may be amended as provided in Section 7 of the Texas Fire Fighters' Retirement Act (Article 6243e, V.T.C.S.). Amending the plan requires approval of any proposed change by (a) an eligible actuary and (b) a majority of the participating members of the fund.

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

Supplemental Disclosures as of December 31, 2017

Appendix D, Additional Measures of Plan Soundness Which Are Not Part of Governmental Account Board Standards Board Statements No. 67 and No. 68

The value of accumulated benefits as of December 31, 2015, the most recent actuarial valuation date, was \$8,503,452. The value of accumulated benefits represents the value of retirement, death, disability, and termination benefits which fund members had accumulated as of December 31, 2015. It excludes the value of benefits which will be earned after that date. The market value of plan asset as of December 31, 2015, was \$12,260,151. This produces a funding ratio of 144.2 percent. The accumulated benefit funding ratio is a measure of funding to date on an ongoing-plan basis. It can also be considered a plan termination measure, as well. The fact that the ratio is considerably greater than 100 percent shows that the fund had more than enough assets to provide the benefits which had been earned as of December 31, 2015.

On a strict plan termination basis, the present value of accrued retirement benefits was approximately \$7,883,740. The value of accrued retirement benefits represents the value of only the retirement benefits which fund members had earned as of December 31, 2015. This produces a funding ratio of 155.5 percent. Again, the ratio is considerably greater than 100 percent, which shows that the fund has more than enough assets to provide the benefits which had been accrued as of December 31, 2015.

It is unusual for public pension plans to terminate. However, in the event of plan termination, it is unlikely that the plan would distribute lump sums. It is more likely that benefits would be frozen, and existing members and beneficiaries would be paid monthly, starting at retirement. Under this scenario, use of the accumulated plan benefit ratio (rather than the accrued benefit statistics) would produce a better measure of the value of plan benefits.

It should be noted that the ratios given above were calculated differently than the ratio called for under Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. The GASB funded ratio as of December 31, 2015, was 69.64 percent; however, the GASB funded ratio represents the market value of assets divided by the so-called total pension liability, which includes the value of benefits which will be earned after December 31, 2015. Thus, comparing assets as of December 31, 2015, to a value of benefits which includes future benefit accruals is not a consistent measure the plan's obligations in the event of plan termination. (The GASB funded ratio as of December 31, 2017, was 88.17 percent.)

Travis Co. ESD No. 6 Firefighters' Relief and Retirement Fund

Supplemental Disclosures as of December 31, 2017

Appendix D, Additional Measures of Plan Soundness Which Are Not Part of Governmental Account Board Standards Board Statements No. 67 and No. 68

The December 31, 2015 actuarial valuation, which measured the District's ability to fund both current and future benefits, demonstrated that the plan is a sound funding arrangement and that the contribution requirements are stable as a percentage of fire fighters' payroll. The board of trustees works to protect and to balance the interests of current as well as future taxpayers and fund members.