

**OCTOBER 1, 2005
ACTUARIAL VALUATION
FOR THE
CITY OF WILTON MANORS
RETIREMENT PLAN**



**ANNUAL EMPLOYER CONTRIBUTION
IS DETERMINED BY THIS VALUATION
FOR THE PLAN YEAR ENDING**

SEPTEMBER 30, 2006

TO BE PAID IN THE EMPLOYER FISCAL YEAR ENDING

SEPTEMBER 30, 2006

April 2006



March 29, 2006

Pension Board
City of Wilton Manors
524 NE 21st Court
Wilton Manors, FL 33305

Dear Board Members:

We are pleased to present herein our October 1, 2005 Actuarial Valuation Report for the City of Wilton Manors Pension Plan for General Employees and Police. The contribution results shown in the Report apply to the plan year ending September 30, 2006, to be paid in the City's fiscal year ending September 30, 2006.

This valuation was prepared on the basis of employee, retiree, and financial information supplied by the City, which information is summarized in this Report. Although we did not audit this information, we did review it for reasonableness and comparability to prior years. The benefits valued are those which were in effect on the valuation date.

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

Gabriel, Roeder, Smith & Company will be pleased to answer any questions pertaining to the valuation and to meet with you to review the Report.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

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SECTION I

INTRODUCTION

DISCUSSION

TOTAL REQUIRED CONTRIBUTION

The required City contribution for the plan year ending September 30, 2006, is \$1,081,629 (26.27% of payroll), as shown below:

Required City Contribution			
	General	Police	Total
Total Required Employer Contribution	\$ 578,265	503,364	1,081,629
As a % of Payroll	21.00 %	36.89 %	26.27 %
Expected State Premium Tax Refund	N/A	\$0	\$0
As a % of Payroll	N/A	--	--
Remaining City Contribution	578,265	503,364	1,081,629
As a % of Payroll	21.00 %	36.89 %	26.27 %

EXPERIENCE

Actual experience during the past year was less favorable overall than that anticipated by the actuarial assumptions. The most significant factor was the investment return of 3.1% on a valuation asset basis as compared to the assumed return of 8.0%. The return on a market value basis was 9.5%. However, the return in excess of the assumed rate was only partially recognized this year, with the remainder smoothed into future years. At the same time portions of past investment losses were recognized this year.

There was also a significant loss for Police, probably due to the number of retirements and DROPs elected while the automatic 3% cost-of-living provision was available.

CHANGES IN BENEFITS

Ordinance 882 was passed September 27, 2005. The Ordinance provided for a delayed 3% Cost of Living adjustment (COLA) for members of the police bargaining unit, including non-sworn members

participating in the General Employees plan. It applied only to bargaining unit members who retired or entered the DROP during the term of the 2002-2005 Collective Bargaining Agreement, or entered the DROP prior to the 2002-2005 Collective Bargaining Agreement.

CHANGES IN ACTUARIAL METHODS AND ASSUMPTIONS

There were no changes in actuarial methods or assumptions in connection with the current valuation.

CONCLUSION

The remainder of this Report covers detailed actuarial valuation results, financial information, other information and statistics, a summary of plan provisions, and annual filings required by law.

FINANCIAL SOUNDNESS OF THE PLAN

The purpose of this Section of the Report is to provide certain measures which indicate the financial soundness of the program. These measures relate to short term solvency, long term solvency and level funding.

The various percentages listed in this Section as of a single valuation date are not overly significant standing alone. What is more significant is the trend of the rates over a period of years. It is also important to keep in mind that each time benefits or assumptions are revised, actuarial liabilities are created or diminished. Any newly created liabilities are financed systematically over a period of future years. All actuarially computed values in this analysis are based on the actuarial assumptions utilized in the respective years' actuarial valuations.

SHORT TERM SOLVENCY

The ultimate test of financial soundness is the program's ability to pay all promised benefits when due. The program's progress in accumulating assets to pay all promised benefits can be measured by comparing the market value of assets with:

1. Accumulated contributions of active members of the program,
2. The actuarial present value (APV) of projected benefits payable to those already receiving benefits and to vested terminations, and
3. The employer-financed portion of the actuarial present value of accrued benefits payable to active participants. This amount is based on benefits earned to date without future credited service or salary increases.

The total of the first two items should generally be fully covered by assets. The portion of the third item covered by assets should increase over time. Increases in benefits will, of course, adversely affect the trend in the years when such increases are first reflected in the actuarial values.

Although different actuarial assumptions might be used in the event of a termination of the program, this test shows how much of the benefits accrued to date might be covered by assets in the event of a plan termination using the valuation assumptions.

Valuation Date	Market Value of Assets	Actuarial Present Value (APV) of Accrued Benefits	% of APV Covered by Assets
10/1/05	\$ 20,643,584	\$ 22,505,930	92 %
10/1/04	18,776,519	17,945,974	105
10/1/03	16,972,813	16,052,992	106
10/1/02	14,513,666	13,580,038	107
10/1/01	16,456,134	12,502,721	132

LONG TERM SOLVENCY

Over the longer term, the solvency of an ongoing plan can be measured by comparing the actuarial value of assets to an amount known as the Actuarial Accrued Liability (AAL) under the Entry Age Actuarial Cost Method. This item has often been called the "past service liability". Its derivation differs from the short-term solvency value derivation in several ways, but mainly due to the fact that future salary increases are included in the AAL. As in the case of the short-term solvency values, the AAL is affected immediately by any revisions in benefits or assumptions. The accumulation of assets to equal the AAL can be considered a long-range funding goal. Largely because of periodic benefit increases, very few retirement programs have attained this goal.

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	% of AAL Covered by Assets
10/1/05	\$ 20,284,630	\$ 26,608,015	76 %
10/1/04	19,595,445	23,306,822	84
10/1/03	19,018,370	21,381,035	89
10/1/02	17,310,192	19,094,379	91
10/1/01	17,353,618	17,890,346	97

LEVEL CONTRIBUTION RATES

The actuarial assumptions and cost methods have been chosen with the intent of producing required employer contributions which remain fairly level as a percentage of covered payroll. If this goal is attained, future employer contribution rates will not have to be raised materially in order to make up for the past. For many employers, this measure of the program's soundness is the most important of all.

Employer Contribution Rates As a % of Payroll			
Valuation Date	Normal Cost	Amortization of UFAAL/UAAL*	Total
10/1/05	12.11 %	13.10 %	26.27 %
10/1/04	9.94	7.13	17.78
10/1/03	15.03	1.64	17.33
10/1/02	11.19	2.93	14.69
10/1/01	6.23	3.07	9.68

* Effective 10/1/04, the actuarial cost method was change from Frozen Entry Age, which produces and Unfunded Frozen Actuarial Accrued Liability (UFAAL) to Entry Age Normal, which produces an Unfunded Actuarial Accrued Liability (UAAL).

A major factor affecting the stability of the percentages just shown is how well the actual plan experience is faring compared to the actuarial assumptions. The value of the difference between what actually occurred and what was assumed to occur is called the actuarial gain or loss. Gains tend to lower the subsequent cost of the program while losses tend to cause subsequent costs to rise. A summary of the actuarial gains and losses of the Plan is in the next Section.

Analysis of all the benchmarks listed above over a period of years will provide an indication of whether the program is becoming financially stronger or weaker.

RECENT HISTORY OF PLAN CHANGES

1. Ordinance 789, passed and effective January 26, 1999, provides for a 30 day window to participate in an early retirement incentive program. Eligible members include members who are at least 50 years of age, with at least 17 years of credited service in the plan, and whose position is eliminated by the City Council. The plan provides for up to three years granted additional service credit in order to bring credited service years to 20.
2. Ordinance 832, effective October 1, 2003 except where noted, provides for the following:
 - a. Effective September 1, 2001, a one-time irrevocable election to join the City's defined contribution plan rather than the defined benefit plan for the City Manager, Department Directors and Assistant Directors, and the City Planner.
 - b. A one-time irrevocable election to join the City's defined contribution plan rather than the defined benefit plan for newly hired General employees.
 - c. Unreduced early retirement for the City Manager, Department Directors and Assistant Directors, and the City Planner.
 - d. The purchase of credited service back to date of hire for selected employees not allowed to participate in the Plan until after six months from date of hire.
 - e. A monthly stipend to future retirees and current DROP participants after they separate from service. This provision applies only to members who first participate in the plan on or before September 30, 2005.
3. Effective October 1, 2003, the asset valuation method was changed to market value smoothed against a target rate of return without phase-in, beginning with market value at October 1, 1999, as if it had always been in effect.
4. Effective October 1, 2004, the actuarial cost method was change from Frozen Entry Age, which produces and Unfunded Frozen Actuarial Accrued Liability (UFAAL) to Entry Age Normal, which produces an Unfunded Actuarial Accrued Liability (UAAL).
5. Ordinance 882 was passed September 27, 2005, effective October 1, 2004. The Ordinance provides for a delayed 3% Cost of Living adjustment (COLA) for members of the police bargaining unit, including non-sworn members participating in the General Employees plan. It applies only to bargaining unit members who retire or enter the DROP during the term of the 2002-2005 Collective Bargaining Agreement, or enter the DROP prior to the 2002-2005 Collective Bargaining Agreement. It was first reflected in the October 1, 2005 actuarial valuation.

SECTION II

VALUATION RESULTS

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR ALL EMPLOYEES AS OF OCTOBER 1			
	2005 New	2005 Old	2004
Covered Group			
A. Number of Participants			
Actives	83	83	89
Retirees, Disabilities, Beneficiaries and Vested Terminations	50	50	44
Total Annual Covered Payroll	\$ 4,118,048	\$ 4,118,048	\$ 4,497,194
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 30,850,870	\$ 29,688,902	\$ 27,732,801
C. Actuarial Present Value of Future Normal Costs	4,242,855	4,242,855	4,425,979
D. Actuarial Accrued Liability (AAL): B - C	26,608,015	25,446,047	23,306,822
E. Valuation Assets	20,284,630	20,284,630	19,595,445
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	6,323,385	5,161,417	3,711,377
Current Cost			
G. Payment Required to Amortize UAAL As % of Payroll	\$ 539,660 13.10 %	\$ 444,090 10.78 %	\$ 320,772 7.13 %
H. Employer Normal Cost (for current year) As % of Payroll	498,570 12.11 %	498,570 12.11 %	446,646 9.93 %
I. Plan Year to which Contributions Apply	2005/06	N/A	2004/05
J. Interest	43,399	39,404	32,079
K. Total Required City Contribution As % of Payroll	1,081,629 26.27 %	982,064 23.85 %	799,497 17.78 %
M. Estimate of State Contributions	0	0	0
N. Remaining City Contributions As % of Payroll	1,081,629 26.27 %	982,064 23.85 %	799,497 17.78 %

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR GENERAL EMPLOYEES AS OF OCTOBER 1			
	2005 New	2005 Old	2004
Covered Group			
A. Number of Participants			
Actives	60	60	59
Retirees, Disabilities, Beneficiaries and Vested Terminations	30	30	32
Total Annual Covered Payroll	\$ 2,753,699	\$ 2,753,699	\$ 2,643,181
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 16,108,732	\$ 16,082,184	\$ 15,154,404
C. Actuarial Present Value of Future Normal Costs	2,974,412	2,974,412	2,872,887
D. Actuarial Accrued Liability (AAL): B - C	13,134,320	13,107,772	12,281,517
E. Valuation Assets	10,514,480	10,514,480	10,198,390
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	2,619,840	2,593,292	2,083,127
Current Cost			
G. Payment Required to Amortize UAAL	\$ 227,014	\$ 224,830	\$ 180,551
As % of Payroll	8.24 %	8.16 %	6.83 %
H. Employer Normal Cost (for current year)	328,049	328,049	296,703
As % of Payroll	11.91 %	11.91 %	11.23 %
I. Plan Year to which Contributions Apply	2005/06	N/A	2004/05
J. Interest	23,202	23,111	19,950
K. Total Required City Contribution	578,265	575,990	497,204
As % of Payroll	21.00 %	20.92 %	18.81 %
M. Estimate of State Contributions	N/A	N/A	N/A
N. Remaining City Contributions	578,265	575,990	497,204
As % of Payroll	21.00 %	20.92 %	18.81 %

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1			
	2005 New	2005 Old	2004
Covered Group			
A. Number of Participants			
Actives	23	23	30
Retirees, Disabilities, Beneficiaries and Vested Terminations	20	20	12
Total Annual Covered Payroll	\$ 1,364,349	\$ 1,364,349	\$ 1,854,013
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 14,742,138	\$ 13,606,718	\$ 12,578,397
C. Actuarial Present Value of Future Normal Costs	1,268,443	1,268,443	1,553,092
D. Actuarial Accrued Liability (AAL): B - C	13,473,695	12,338,275	11,025,305
E. Valuation Assets	9,770,150	9,770,150	9,397,055
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	3,703,545	2,568,125	1,628,250
Current Cost			
G. Payment Required to Amortize UAAL	\$ 312,646	\$ 219,260	\$ 140,221
As % of Payroll	22.92 %	16.07 %	7.56 %
H. Employer Normal Cost (for current year)	170,521	170,521	149,943
As % of Payroll	12.50 %	12.50 %	8.09 %
I. Plan Year to which Contributions Apply	2005/06	N/A	2004/05
J. Interest	20,197	16,293	12,129
K. Total Required City Contribution	503,364	406,074	302,293
As % of Payroll	36.89 %	29.76 %	16.30 %
M. Estimate of State Contributions	0	0	0
N. Remaining City Contributions	503,364	406,074	302,293
As % of Payroll	36.89 %	29.76 %	16.30 %

DERIVATION OF NORMAL COST GENERAL EMPLOYEES AS OF OCTOBER 1			
	2005 New	2005 Old	2004
A. Entry Age Normal Cost for			
Service Retirement Benefits	413,140	413,140	395,840
Vesting Benefits	24,251	24,251	24,102
Preretirement Death Benefits	7,742	7,742	8,303
Disability	46,661	46,661	43,836
Return of Contributions	25,607	25,607	24,400
Total	<u>517,401</u>	<u>517,401</u>	<u>496,481</u>
B. Normal Cost for Administrative & Investment Expenses	113,555	113,555	90,972
C. Expected Member Contributions	302,907	302,907	290,750
D. Employer Normal Cost for Plan Year Beginning October 1: A + B - C	328,049	328,049	296,703

PRESENT VALUE OF PROJECTED BENEFITS GENERAL EMPLOYEES AS OF OCTOBER 1			
	New	2005 Old	2004
A. Present Value of Future Salaries	\$ 16,576,183	\$ 16,576,183	\$ 16,202,540
B. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	9,637,768	9,637,768	9,204,109
Vesting Benefits	248,551	248,551	288,320
Preretirement Death Benefits	141,251	141,251	143,057
Disability	328,606	328,606	308,102
Return of Contributions	48,040	48,040	56,703
Total	<u>10,404,216</u>	<u>10,404,216</u>	<u>10,000,291</u>
2. Inactive Members			
Service Retirees	5,403,536	5,376,988	4,831,996
DROP Participants	0	0	0
Disability Retirees	126,591	126,591	127,452
Beneficiaries	159,561	159,561	165,582
Terminated Vested & Misc.	14,828	14,828	29,083
Total	<u>5,704,516</u>	<u>5,677,968</u>	<u>5,154,113</u>
3. Grand Total	16,108,732	16,082,184	15,154,404

DERIVATION OF NORMAL COST POLICE OFFICERS AS OF OCTOBER 1			
	2005 New	2005 Old	2004
A. Entry Age Normal Cost for Service Retirement Benefits	167,550	167,550	196,946
Vesting Benefits	12,778	12,778	20,312
Preretirement Death Benefits	4,313	4,313	6,546
Disability	2,453	2,453	4,779
Return of Contributions	14,540	14,540	23,221
Total	<u>201,634</u>	<u>201,634</u>	<u>251,804</u>
B. Normal Cost for Administrative & Investment Expenses	105,322	105,322	83,540
C. Expected Member Contributions	136,435	136,435	185,401
D. Employer Normal Cost for Plan Year Beginning October 1: A + B - C	170,521	170,521	149,943

PRESENT VALUE OF PROJECTED BENEFITS POLICE OFFICERS AS OF OCTOBER 1			
	New	2005 Old	2004
A. Present Value of Future Salaries	\$ 8,602,915	\$ 8,602,915	\$ 11,639,163
B. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	5,759,382	5,759,382	9,145,763
Vesting Benefits	172,207	172,207	191,129
Preretirement Death Benefits	84,131	84,131	184,031
Disability	69,724	69,724	159,995
Return of Contributions	19,235	19,235	16,517
Total	<u>6,104,679</u>	<u>6,104,679</u>	<u>9,697,435</u>
2. Inactive Members			
Service Retirees	6,111,296	5,331,649	2,101,454
DROP Participants	2,051,875	1,696,102	304,066
Disability Retirees	358,268	358,268	356,358
Beneficiaries	116,020	116,020	119,084
Terminated Vested & Misc.	0	0	0
Total	<u>8,637,459</u>	<u>7,502,039</u>	<u>2,880,962</u>
3. Grand Total	14,742,138	13,606,718	12,578,397

**LIQUIDATION OF THE
UNFUNDED ACTUARIAL ACCRUED LIABILITY
GENERAL EMPLOYEES**

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining in the amortization period. Details relating to the UAAL are as follows:

UAAL GENERAL EMPLOYEES AS OF OCTOBER 1, 2005					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	15	\$ (221)	\$ (24)
10/1/94 Method Change	30		18	26,388	2,607
10/1/94 Assumption Changes	30		18	(15,250)	(1,507)
10/1/95 Plan Amendment	30		19	629,453	60,688
10/1/96 Assumption Change	30		20	121,751	11,482
10/1/98 Plan Amendment	30		22	20,018	1,817
10/1/03 Plan Amendment	30	624,219	28	611,797	51,260
10/1/03 Asset Method Change	30	(785,623)	28	(769,989)	(64,514)
10/1/04 Cost Method Change	30	1,443,006	29	1,429,177	118,593
10/1/05 (Gain)/Loss	30	540,168	30	540,168	44,428
10/1/05 Plan Amendment	30	26,548	30	26,548	2,184
				<u>2,619,840</u>	<u>227,014</u>

**LIQUIDATION OF THE
UNFUNDED ACTUARIAL ACCRUED LIABILITY
POLICE OFFICERS**

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining in the amortization period. Details relating to the UAAL are as follows:

UAAL POLICE OFFICERS AS OF OCTOBER 1, 2005					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	15	\$ (4,697)	(508)
10/1/94 Method Change	30		18	23,842	2,356
10/1/94 Assumption Changes	30		18	10,272	1,015
10/1/95 Plan Amendment	30		19	467,777	45,100
10/1/96 Assumption Change	30		20	41,557	3,919
10/1/03 Plan Amendment	30	293,612	28	287,407	24,081
10/1/03 Asset Method Change	30	(694,013)	28	(679,343)	(56,919)
10/1/04 Cost Method Change	30	1,473,123	29	1,459,248	121,089
10/1/05 (Gain)/Loss	30	962,062	30	962,062	79,127
10/1/05 Plan Amendment	30	1,135,420	30	1,135,420	93,386
				<u>3,703,545</u>	<u>312,646</u>

RECENT HISTORY OF VALUATION RESULTS							
Valuation Date	Number of Members		Covered Annual Payroll	Actuarial Value of Assets	UFAAL/ UAAL*	Employer Normal Cost	
	Active	Inactive				Amount	% of Payroll
10/1/05	83	50	\$ 4,118,048	\$ 20,284,630	\$ 6,323,385	\$ 498,570	12.11 %
10/1/04	89	44	4,497,194	19,595,445	3,711,377	446,646	9.93
10/1/03	85	40	4,151,363	19,018,370	805,359	623,793	15.03
10/1/02	84	40	3,895,860	17,310,192	1,380,902	436,012	11.19
10/1/01	82	38	3,718,783	17,353,619	1,393,349	231,771	6.23
10/1/00	80	37	3,433,976	16,512,409	1,389,441	179,975	5.24
10/1/99	75	35	3,103,876	14,964,230	1,380,119	207,989	6.70

* Effective 10/1/04, the actuarial cost method was change from Frozen Entry Age, which produces an Unfunded Frozen Actuarial Accrued Liability (UFAAL) to Entry Age Normal, which produces an Unfunded Actuarial Accrued Liability (UAAL).

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long-range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long-term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gains (losses) for this and previous years are as follows:

	<u>General</u>	<u>Police</u>
A. Derivation of Actuarial Gain / (Loss)		
1. Unfunded Actuarial Accrued Liability (UAAL) Previous Valuation	\$ 2,083,127	\$ 1,628,250
2. Normal Cost (NC) Previous Valuation	296,703	149,943
3. Contributions Previous Year	497,204	302,293
4. Interest on:		
a. UAAL and NC	190,386	142,255
b. Contributions	19,888	12,092
c. Net Total: (a) - (b)	170,498	130,163
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	2,053,124	1,606,063
6. Change Due to Plan Amendments	26,548	1,135,420
7. Change Due to Assumptions or Methods	0	0
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	2,079,672	2,741,483
9. Actual UAAL Current Year	2,619,840	3,703,545
10. Actuarial Gain / (Loss): (8) - (9)	(540,168)	(962,062)
B. Approximate Portion of Gain / (Loss) Due to Investments	(516,618)	(444,455)
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	\$ (23,550)	\$ (517,607)

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/05	\$ (540,168)	\$ (962,062)	\$ (1,502,230)
9/30/04	(951,089)	(455,522)	(1,406,611)
9/30/03	(619,343)	(608,052)	(1,227,395)
9/30/02	(826,781)	(532,588)	(1,359,369)
9/30/01	(125,857)	(35,569)	(161,426)

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they be in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

Year Ended	Investment Rate of Return General & Police Combined		Salary Increases		
	Actual	Assumed	General Actual	Police Actual	Assumed
9/30/05	3.1 %	8.0 %	5.3 %	7.1 %	5.5 %
9/30/04	2.4	8.0	8.7	3.6	5.5
9/30/03	1.7	8.0	4.8	5.9	5.5
9/30/02	0.9	8.0	6.8	7.1	5.5
9/30/01	6.8	8.0	7.5	8.9	5.5
9/30/00	12.0	8.0	5.8	5.2	5.5
9/30/99	14.2	8.0	4.3	8.2	5.5
9/30/98	12.8	8.0	15.3	3.3	5.5
9/30/97	12.5	8.0	8.2	3.2	5.5

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuation both at the beginning and end of each year.

**FASB NO. 35 INFORMATION
ALL EMPLOYEES AS OF OCTOBER 1**

	2005	2004
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 12,275,272	\$ 7,701,926
b. DROP Participants	2,051,875	304,066
c. Terminated Vested Members	14,828	29,083
d. Other Members	<u>8,537,491</u>	<u>10,665,181</u>
e. Total	22,879,466	18,700,256
2. Non-Vested Benefits	<u>932,098</u>	<u>868,084</u>
3. Total: (1) + (2)	23,811,564	19,568,340
4. Accumulated Contributions of Active Members	2,769,048	3,300,542
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	19,568,340	17,540,480
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	1,161,968	0
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(988,130)	(891,632)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>4,069,386</u>	<u>2,919,492</u>
e. Net Increase	4,243,224	2,027,860
3. Total Value at End of Year	23,811,564	19,568,340
C. Market Value of Assets	20,643,584	18,776,519
D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods.		

FASB NO. 35 INFORMATION GENERAL EMPLOYEES AS OF OCTOBER 1		
	2005	2004
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 5,689,688	\$ 5,125,030
b. DROP Participants	0	0
c. Terminated Vested Members	14,828	29,083
d. Other Members	<u>5,192,707</u>	<u>4,972,102</u>
e. Total	10,897,223	10,126,215
2. Non-Vested Benefits	724,006	678,409
3. Total: (1) + (2)	11,621,229	10,804,624
4. Accumulated Contributions of Active Members	1,704,338	1,622,362
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	10,804,624	9,591,188
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	26,548	0
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(666,759)	(583,585)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,456,816</u>	<u>1,797,021</u>
e. Net Increase	816,605	1,213,436
3. Total Value at End of Year	11,621,229	10,804,624
C. Market Value of Assets	10,697,545	9,753,924
D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods.		

**FASB NO. 35 INFORMATION
POLICE OFFICERS AS OF OCTOBER 1**

	2005	2004
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 6,585,584	\$ 2,576,896
b. DROP Participants	2,051,875	304,066
c. Terminated Vested Members	0	0
d. Other Members	<u>3,344,784</u>	<u>5,693,079</u>
e. Total	11,982,243	8,574,041
2. Non-Vested Benefits	208,092	189,675
3. Total: (1) + (2)	12,190,335	8,763,716
4. Accumulated Contributions of Active Members	1,064,710	1,678,180
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	8,763,716	7,949,292
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	1,135,420	0
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(321,371)	(308,047)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>2,612,570</u>	<u>1,122,471</u>
e. Net Increase	3,426,619	814,424
3. Total Value at End of Year	12,190,335	8,763,716
C. Market Value of Assets	9,946,039	9,022,595
D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods.		

**GASB STATEMENT NO. 25
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Valuation Date	Fiscal Year End	Annual Required Contributions	Actual City Contributions	Actual State Contributions	Percentage Contributed
10/1/05	9/30/06	\$ 1,081,629	N/A	N/A	N/A
10/1/04	9/30/05	799,497	\$ 799,497	\$ 0	100 %
10/1/03	9/30/04	719,459	719,459	0	100
10/1/02	9/30/03	572,216	572,216	0	100
10/1/01	9/30/02	359,836	359,836	0	100
10/1/00	9/30/01	278,248	361,913	0	130
10/1/99	9/30/00	298,915	311,563	0	104
10/1/98	9/30/99	381,365	362,429	35,072	104
10/1/97	9/30/98	405,502	352,111	71,394	104
10/1/96	9/30/97	371,145	352,069	34,780	104

GASB STATEMENT NO. 25 SCHEDULE OF FUNDING PROGRESS						
Actuarial Valuation Date	Actuarial Value of Assets: (a)	FAAL/ AAL*: (b)	Unfunded FAAL/AAL* (UAAL): (b)-(a)	Funded Ratio: (a)/(b)	Covered Payroll: (c)	UAAL As % of Covered Payroll: [(b)-(a)]/(c)
10/1/05	\$ 20,284,630	\$ 26,608,015	\$ 6,323,385	76.2 %	\$ 4,118,048	153.6 %
10/1/04	19,595,445	23,306,822	3,711,377	84.1	4,497,194	82.5
10/1/03	19,018,370	19,823,729	805,359	95.9	4,151,363	19.4
10/1/02	17,310,192	18,691,094	1,380,902	92.6	3,895,860	35.4
10/1/01	17,353,619	18,746,968	1,393,349	92.6	3,718,783	37.5
10/1/00	16,512,409	17,901,850	1,389,441	92.2	3,433,976	40.5

* Effective 10/1/04, the actuarial cost method was change from Frozen Entry Age, which produces an Frozen Actuarial Accrued Liability (FAAL) to Entry Age Normal, which produces an Actuarial Accrued Liability (AAL).

**REQUIRED SUPPLEMENTARY INFORMATION
GASB STATEMENT NO. 25**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation:

Valuation Date	October 1, 2005
Contribution Rates:	
Employer (and State)	26.27%
Plan Members	10.67%
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level dollar amount
Remaining Amortization Period	16-30 years
Asset Valuation Method	5-year smoothed market with phase-in
Actuarial Assumptions	
Investment rate of return*	8.0%
Projected salary increases*	5.5%
Cost-of-living adjustments	N/A
*Includes inflation and other general increases at	3.5%

ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS

A. Mortality

The 1983 Group Annuity Mortality Table for males with females set back six years.

B. Interest to be Earned by Fund

8.0%, compounded annually

C. Allowances for Expenses

Actual investment and administrative expenses paid in previous year.

D. Employee Withdrawal Rates

Sample Rates are shown below:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	22.4%	37.4%
25	14.9	22.4
30	10.4	14.9
35	7.4	10.4
40	4.3	7.4
45	2.7	4.3
50	0.9	2.7
55	0.0	0.0
60 and Over	0.0	0.0

E. Disability Benefit

Sample Rates are shown below:

<u>Age</u>	<u>Males</u>	<u>Females</u>
20	0.17%	0.34%
25	0.17	0.34
30	0.17	0.34
35	0.18	0.36
40	0.20	0.40
45	0.23	0.46
50	0.29	0.58
55	0.39	0.78
60	0.59	1.18
65	0.00	0.00

F. Salary Increase Factors

Current salary was assumed to increase at 5.5% per annum.

G. Inflation Rate

An implicit rate of 3.5% is assumed to be included in the assumed interest rate to be earned by the Fund (Item B.) as well as the assumed annual salary increase factor (Item F.).

H. Retirement Age

Age	Eligible for Retirement with Early Retirement Reduction		Eligible for Unreduced Retirement	
	General	Police	General	Police
40	0%	0%	2%	5%
41	0%	0%	2%	5%
42	0%	0%	2%	5%
43	0%	0%	2%	5%
44	0%	0%	2%	5%
45	0%	0%	5%	50%
46	0%	0%	5%	50%
47	0%	0%	5%	50%
48	0%	0%	5%	50%
49	0%	0%	5%	50%
50	5%	5%	50%	100%
51	5%	5%	50%	
52	5%	5%	50%	
53	5%	5%	50%	
54	5%	5%	50%	
55	10%	10%	50%	
56	10%	10%	50%	
57	10%	10%	50%	
58	25%	25%	50%	
59	25%	25%	50%	
60	100%	100%	100%	

Also, for employees that are eligible for Normal retirement or the DROP as of the valuation date, we have assumed that they would retire one half year after the valuation date.

I. Valuation of Assets

Effective with the October 1, 2003 valuation, the assets are valued using an IRS approved smoothed market value without phase in, beginning with the market value at October 1, 1999, as if the method had always been in effect. It recognizes the difference between actual and expected investment income at the rate of 20% per year. The actuarial value of assets is calculated as market value minus unrecognized excesses (shortages) of actual investment income as compared to expected. Actual contributions and expenses are used to determine the expected return. The actuarial value of assets is further adjusted to the extent necessary to fall within the corridor of 80% to 120% of the fair market value of plan assets.

J. Cost Method

Entry Age Normal Actuarial Cost Method.

K. Changes From Previous Valuation

A 3% COLA is applied to the retirement benefits of members who retired during the period it was in effect.

MISCELLANEOUS AND TECHNICAL ASSUMPTIONS

Administrative Expenses	Expenses paid out of the fund are assumed to be equal to the actual amount for the previous year.
Benefit Service	Exact Fractional service is used to determine the benefit payable.
Cost of Living Allowances	3% for certain members covered under the police bargaining unit who retired or entered the DROP within a specified time period, with delayed commencement.
Decrement Operation	Turnover does not operate during Normal Retirement eligibility; mortality and disability operate during Normal Retirement eligibility.
Decrement Timing	Decrements of all types are assumed to occur mid year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the valuation date.
Incidence of Contributions	Contributions are assumed to be received monthly throughout the year.
Marriage Assumption	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Normal Form of Benefit	A straight life benefit is the normal form of benefit; Ten year certain and life is the normal form of disability benefit.
Option Factors	Valuation assumptions.
Pay Increase Timing	Beginning of (fiscal) year.
Reemployment, Transfers, Service Purchases	No assumption.
Service Credit Accruals	It is assumed that members accrue one year of service credit per year.
Technical Adjustments	No adjustments were made.
Vested Terminated Members	Receive the greater value of a refund of accumulated member contributions, with interest if applicable, or the vested deferred benefit.

GLOSSARY OF TERMS

1. **Actuarial Present Value** is the value of an amount or series of amounts payable at various times, determined as of the valuation date by the application of the set of actuarial assumptions.
2. **Actuarial Assumptions** are assumptions as to the occurrence of future events affecting pension costs. The previous page outlines the Actuarial Assumptions utilized in this valuation.
3. **Actuarial Cost Method** is a procedure for determining the Actuarial Present Value of pension plan benefits and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and Actuarial Accrued Liability.
4. **Entry Age Actuarial Cost Method** is a method under which the current year's cost, or Normal Cost is calculated for each individual. The Normal Cost is the amount, determined as a level amount which, if deposited each year from the time an employee was first included in the actuarial valuation (or would have been had the plan been in effect) until retirement, would fully fund his or her benefit.
5. **Entry Age Actuarial Accrued Liability** at any given time is equal to the Actuarial Present Value of Projected Benefits minus the Actuarial Present Value of future Normal Costs. Under the Entry Age Actuarial Cost Method, experience gains (losses) reduce (increase) the Actuarial Accrued Liability. Increases or decreases in the Actuarial Accrued Liability will also occur as a result of changes in pension plan benefits, actuarial assumptions, or asset valuation methods.
6. **Unfunded Actuarial Accrued Liability** is the Entry Age Actuarial Accrued Liability less the Actuarial Value of Assets.

SECTION III

PENSION FUND INFORMATION

STATEMENT OF ASSETS AT MARKET VALUE AS OF OCTOBER 1, 2005			
	General	Police	Total
Cash & Short Term Investments	\$ 444,850	\$ 414,987	\$ 859,837
General Investments			
U.S. Government Securities	2,578,667	2,405,564	4,984,231
Corporate Bonds	586,689	547,305	1,133,994
Common Stocks	7,424,463	6,926,066	14,350,529
Accrued Interest & Dividends	37,393	34,767	72,160
Sub-Total	<u>10,627,212</u>	<u>9,913,702</u>	<u>20,540,914</u>
Receivables/(Prepaid)			
Member Contributions	0	0	0
City Contributions	(12,034)	(7,316)	(19,350)
State Contributions	0	0	0
Net due from Brokers	(17,597)	(16,360)	(33,957)
Sub-Total	<u>(29,631)</u>	<u>(23,676)</u>	<u>(53,307)</u>
Payables			
Accounts Payable	15,058	14,001	29,059
DROP Benefits Payable	116,247	146,397	262,644
Sub-Total	<u>131,305</u>	<u>160,398</u>	<u>291,703</u>
Total Pension Fund Assets	10,911,126	10,144,615	21,055,741
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	213,581	198,576	412,157
Net Pension Fund Assets	10,697,545	9,946,039	20,643,584

**INCOME AND DISBURSEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 9,753,924	\$ 9,022,595	\$ 18,776,519
B. Receipts During Period			
1. Contributions			
a. Employee	299,299	187,655	486,954
b. City	497,204	302,293	799,497
c. State	0	0	0
d. Total	<u>796,503</u>	<u>489,948</u>	<u>1,286,451</u>
2. Investment Earnings			
a. Interest & Dividends	312,545	289,885	602,430
b. Net Realized and Unrealized Appreciation	634,073	588,099	1,222,172
c. Earnings Allocated to Firefighters	19,186	17,795	36,981
d. Total: a. + b. - c.	<u>927,432</u>	<u>860,189</u>	<u>1,787,621</u>
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	1,723,935	1,350,137	3,074,072
C. Disbursements During Period			
1. Benefits			
a. Monthly	568,616	301,011	869,627
b. Earnings credited to DROP, net fees	29,210	10,860	40,070
c. Refunds	68,933	9,500	78,433
c. Total	<u>666,759</u>	<u>321,371</u>	<u>988,130</u>
2. Allocated Expenses			
a. Investment Expenses	54,735	50,767	105,502
b. Administrative Expenses	58,820	54,555	113,375
c. Total Expenses	<u>113,555</u>	<u>105,322</u>	<u>218,877</u>
3. Total Disbursements During Period	780,314	426,693	1,207,007
D. Market Value as of End of Year	10,697,545	9,946,039	20,643,584

Development of Funding Value of Assets for General Employees as of October 1					
	2005	2004	2003	2002	2001
A. Market Value of Assets at Beginning of Year	\$9,753,924	\$8,882,135	\$7,674,737	\$8,773,162	\$10,009,360
B. Contributions & Commission Recapture	796,503	664,314	541,851	394,616	334,098
C. Disbursements					
1. Benefit Payments	666,759	583,585	566,780	451,008	434,768
2. Non Investment Expenses	58,820	33,678	35,971	58,500	48,249
3. Investment Expenses	54,735	57,294	56,910	60,323	58,219
4. Total Disbursements	780,314	674,557	659,660	569,831	541,236
D. Expected Investment Income	780,961	710,161	609,267	694,844	792,463
E. Expected Assets End of Year: A+B-C+D	10,551,074	9,582,053	8,166,195	9,292,791	10,594,685
F. Actual Market Value at End of Year	10,697,545	9,753,924	8,882,135	7,674,737	8,773,162
G. Excess/(Shortfall) of Actual over Expected Assets: F-E					
1. From This Year	146,471	171,871	715,940	(1,618,054)	(1,821,523)
2. From One Year Ago	171,871	715,940	(1,618,054)	(1,821,523)	148,163
3. From Two Years Ago	715,940	(1,618,054)	(1,821,523)	148,163	100,020
4. From Three Years Ago	(1,618,054)	(1,821,523)	148,163	100,020	0
H. Decreasing Fractions of Excess/(Shortfall)					
1. 80% From This Year	117,177	137,497	572,752	(1,294,443)	(1,457,218)
2. 60% From One Year Ago	103,123	429,564	(970,832)	(1,092,914)	88,898
3. 40% From Two Years Ago	286,376	(647,222)	(728,609)	59,265	40,008
4. 20% From Three Years Ago	(323,611)	(364,305)	29,633	20,004	0
5. Total	183,065	(444,466)	(1,097,056)	(2,308,088)	(1,328,312)
I. Preliminary Actuarial Value of Assets as of End of Year: F-H5	10,514,480	10,198,390	9,979,191	9,982,825	10,101,474
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value					
1. 80% of Market Value	8,558,036	7,803,139	7,105,708	6,139,790	7,018,530
2. 120% of Market Value	12,837,054	11,704,709	10,658,562	9,209,684	10,527,794
3. Valuation Assets	10,514,480	10,198,390	9,979,191	9,209,684	10,101,474
K. Investment Gain/(Loss)					
1. Actual Income on Valuation Assets	299,901				
2. Expected Income on Valuation Assets	816,519				
3. Gain/(Loss): (1) - (2)	(516,618)				

Development of Funding Value of Assets for Police Officers as of October 1					
	2005	2004	2003	2002	2001
A. Market Value of Assets at Beginning of Year	\$9,022,595	\$8,090,678	\$6,838,929	\$7,682,972	\$8,641,587
B. Contributions & Commission Recapture	489,948	513,546	448,754	368,748	317,837
C. Disbursements					
1. Benefit Payments	321,371	308,047	308,214	292,778	272,621
2. Non Investment Expenses	54,555	30,926	32,435	51,650	49,565
3. Investment Expenses	50,767	52,614	51,316	53,259	59,873
4. Total Disbursements	426,693	391,587	391,965	397,687	382,059
D. Expected Investment Income	724,338	652,133	549,386	613,480	688,758
E. Expected Assets End of Year: A+B-C+D	9,810,188	8,864,770	7,445,104	8,267,513	9,266,123
F. Actual Market Value at End of Year	9,946,039	9,022,595	8,090,678	6,838,929	7,682,972
G. Excess/(Shortfall) of Actual over Expected Assets: F-E					
1. From This Year	135,851	157,825	645,574	(1,428,584)	(1,583,151)
2. From One Year Ago	157,825	645,574	(1,428,584)	(1,583,151)	127,250
3. From Two Years Ago	645,574	(1,428,584)	(1,583,151)	127,250	85,016
4. From Three Years Ago	(1,428,584)	(1,583,151)	127,250	85,016	0
H. Decreasing Fractions of Excess/(Shortfall)					
1. 80% From This Year	108,681	126,260	516,459	(1,142,867)	(1,266,521)
2. 60% From One Year Ago	94,695	387,344	(857,150)	(949,891)	76,350
3. 40% From Two Years Ago	258,230	(571,434)	(633,260)	50,900	34,006
4. 20% From Three Years Ago	(285,717)	(316,630)	25,450	17,003	0
5. Total	175,889	(374,460)	(948,501)	(2,024,855)	(1,156,165)
I. Preliminary Actuarial Value of Assets as of End of Year: F-H5	9,770,150	9,397,055	9,039,179	8,863,784	8,839,137
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value					
1. 80% of Market Value	7,956,831	7,218,076	6,472,542	5,471,143	6,146,378
2. 120% of Market Value	11,935,247	10,827,114	9,708,814	8,206,715	9,219,566
3. Valuation Assets	9,770,150	9,397,055	9,039,179	8,206,715	8,839,137
K. Investment Gain/(Loss)					
1. Actual Income on Valuation Assets	309,840				
2. Expected Income on Valuation Assets	754,295				
3. Gain/(Loss): (1) - (2)	(444,455)				

INVESTMENT RATE OF RETURN

The investment rate of return for the General and Police Plan combined has been calculated on the following bases:

- Basis 1: Market Value Basis** - interest, dividends, realized gains (losses) and unrealized appreciation (depreciation), divided by the weighted average of the market value of the fund during the year. This figure is normally called the Total Rate of Return.
- Basis 2: Valuation Asset Basis** - investment earnings recognized in the Actuarial Value of Assets divided by the weighted average of the Actuarial Value of Assets during the year.

Year Ended	Investment Rate of Return	
	Basis 1	Basis 2
9/30/2005	9.5 %	3.1 %
9/30/2004	9.9	2.4
9/30/2003	17.4	1.7
9/30/2002	(10.6)	0.9
9/30/2001	(10.4)	6.8
9/30/2000	9.6	12.0
9/30/1999	9.2	14.2
9/30/1998	8.8	12.8
9/30/1997	26.8	12.5
9/30/1996	14.4	8.8
Average Compounded Rate of Return for Last 5 Years	2.5	3.0
Average Compounded Rate of Return for Last 10 Years	7.9	7.4

SECTION IV

MEMBER STATISTICS

STATISTICAL DATA, GENERAL EMPLOYEES			
	10/1/05	10/1/04	10/1/03
Active Participants			
Number	60	59	55
Total Annual Earnings	\$ 2,753,699	\$ 2,643,181	\$ 2,353,890
Average Annual Earnings	45,895	44,800	42,798
Averages			
Current Age	45.7	45.2	44.2
Age at Employment	37.3	36.8	35.1
Past Service	8.4	8.4	9.1
Service at Age 60	22.7	23.2	24.9
Members Receiving Benefits			
Number	29	29	23
Total Annual Pensions	\$ 577,651	\$ 523,026	\$ 270,324
Average Monthly Benefit	1,660	1,503	979
Average Current Age*	65.3	66.7	71.9
DROP Participants			
Number	0	0	4
Total Annual Pensions	\$ 0	\$ 0	\$ 140,219
Average Monthly Benefit	0	0	2,921
Average Current Age	0.0	0.0	56.0
Terminated Members with Vested Benefits			
Number	1	3	1
Total Annual Pensions	\$ 7,656	\$ 15,396	\$ 7,656
Average Monthly Benefit	638	428	638
Average Current Age	38.5	38.4	36.5

**average current age of service retirees only, excludes beneficiaries and disability retirees*

Note: Pensions shown do not include monthly supplement.

STATISTICAL DATA, POLICE OFFICERS			
	10/1/05	10/1/04	10/1/03
Active Participants			
Number	23	30	30
Total Annual Earnings	\$ 1,364,349	\$ 1,854,013	\$ 1,797,473
Average Annual Earnings	59,320	61,800	59,916
Averages			
Current Age	40.8	42.3	41.3
Age at Employment	29.6	28.2	28.1
Past Service	11.2	14.1	13.2
Service at Age 60	30.4	31.8	31.9
Members Receiving Benefits			
Number	16	11	11
Total Annual Pensions	\$ 553,053	\$ 274,492	\$ 272,932
Average Monthly Benefit	2,880	2,079	2,068
Average Current Age*	59.6	65.3	64.3
DROP Participants			
Number	4	1	1
Total Annual Pensions	\$ 156,635	\$ 28,918	\$ 26,518
Average Monthly Benefit	3,263	2,410	2,210
Average Current Age	52.3	59.2	58.2
Terminated Members with Vested Benefits			
Number	0	0	0
Total Annual Pensions	\$ 0	\$ 0	\$ 0
Average Monthly Benefit	0	0	0
Average Current Age	0.0	0.0	0.0

**average current age of service retirees only, excludes beneficiaries and disability retirees*

Note: Pensions shown do not include monthly supplement.

**RECONCILIATION OF MEMBERSHIP DATA
FROM 10/1/2004 TO 9/30/2005**

	General	Police	Total
A. Active Members			
1 Number Included in Last Valuation	59	30	89
2 New Members Included in Current Valuation	8	3	11
3 Transfers	(1)	1	
4 Non-Vested Employment Terminations	(4)	(1)	(5)
5 Vested Employment Terminations	0	(2)	(2)
6 Service Retirements	(3)	(5)	(8)
7 Disability Retirements	0	0	0
8 Deaths	0	0	0
9 DROP Retirements	0	(3)	(3)
10 Other: Returned from FMLA	1	0	1
11 Number Included in This Valuation	<u>60</u>	<u>23</u>	<u>83</u>
B. Terminated Vested Members			
1 Number Included in Last Valuation	3	0	3
2 Additions from Active Members	0	2	2
3 Lump Sum Payments	0	0	0
4 Payments Commenced	0	0	0
5 Returned to Work	(1)	0	(1)
6 Refunds	(1)	(2)	(3)
7 Number Included in This Valuation	<u>1</u>	<u>0</u>	<u>1</u>
C. DROP Participants			
1 Number Included in Last Valuation	0	1	1
2 Additions from Active Members	0	3	3
3 Retired	0	0	0
4 Deaths	0	0	0
5 Number Included in This Valuation	<u>0</u>	<u>4</u>	<u>4</u>
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	29	11	40
2 Additions from Active Members	3	5	8
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	0	0	0
5 Deaths Resulting in No Further Payments	(3)	0	(3)
6 End of Certain Period - No Further Payments	0	0	0
7 Other	0	0	0
8 Number Included in This Valuation	<u>29</u>	<u>16</u>	<u>45</u>

**Age and Service Distribution
Active General Employees
As of October 1, 2005**

<u>Ages</u>	<u>Years of Past Service</u>											<u>Totals</u>
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	1	0	0	0	0	0	0	0	0	0	0	1
25-29	0	1	1	1	1	1	0	0	0	0	0	5
30-34	2	0	0	1	0	1	0	0	0	0	0	4
35-39	0	2	0	1	1	3	1	1	0	0	0	9
40-44	0	2	0	1	0	2	1	1	1	0	0	8
45-49	1	1	2	0	0	2	1	3	0	0	0	10
50-54	0	1	0	1	1	0	1	2	2	0	0	8
55-59	2	1	1	0	0	2	1	3	0	0	0	10
60-64	0	1	0	0	0	0	1	0	1	0	0	3
65&UP	0	0	0	0	0	0	1	1	0	0	0	2
TOTAL	6	9	4	5	3	11	7	11	4	0	0	60

**Age and Service Distribution
Active Police Officers
As of October 1, 2005**

<u>Ages</u>	<u>Years of Past Service</u>											<u>Totals</u>
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	
15-19	0	0	0	0	0	0	0	0	0	0	0	0
20-24	1	0	0	0	0	0	0	0	0	0	0	1
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	1	1	0	0	0	3	0	0	0	0	0	5
35-39	0	1	0	0	0	0	0	3	0	0	0	4
40-44	0	0	0	1	0	0	1	3	0	0	0	5
45-49	0	0	0	1	0	1	0	4	0	0	0	6
50-54	0	0	0	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	1	0	0	0	0	0	1
60-64	0	0	0	0	0	0	0	0	1	0	0	1
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2	2	0	2	0	5	1	10	1	0	0	23

SECTION V
SUMMARY OF
RETIREMENT PLAN PROVISIONS

SUMMARY OF RETIREMENT PLAN PROVISIONS

A. Effective Date:

February 11, 1969, amended and restated effective April 1, 1996. The most recent amendment was Ordinance No. 882 effective during the "2002-2005 Collective Bargaining Agreement", passed September 27, 2005.

B. Eligibility Requirements:

All full-time employees (excluding elected officials and the City Administrator) shall become participants on date of employment, if employee makes the required employee contributions.

C. Credited Service:

Service in completed calendar months from date of participation to the earlier of the participant's termination of service or actual retirement date during which employee contributions are made. Employees hired prior to September, 1968, shall receive credited service from date of hire to September, 1968, regardless of whether contributions were made during that period.

D. Average Monthly Compensation:

Average Monthly Compensation (denoted AMC) is 1/36th of the highest 36 consecutive months of compensation during the 120 months preceding the earliest of his retirement date, date of termination, or date of death or disability. Compensation shall mean regular wages and salaries, including longevity pay, but excluding bonuses, overtime pay, and accumulated leave payments at termination or retirement.

E. Normal Retirement:

General and Police:

Eligibility: Earlier of (i) or (ii), where: (i) is attainment of age 60 and completion of five (5) years of credited service, if later, and (ii) is completion of 20 years of credited service, regardless of age.

Benefit: 3.0% of AMC multiplied by years of credited service.

F. Early Retirement:

General and Police:

Eligibility Attainment of age 50 and completion of 15 years of credited service.

Benefit: Benefit accrued to date of retirement reduced by 3% per year (maximum reduction 12%) to reflect commencement of benefits at an earlier age. Effective May 27, 2003, for retirements after that date, there shall be no early retirement reduction for the City Manager, Dept. Directors, Asst. Dept. Directors, or the City Planner.

G. Delayed Retirement:

General and Police:

Eligibility: Retirement after normal retirement date.

Benefit: 3.0% of AMC at delayed retirement date multiplied by years of credited service at delayed retirement date.

H. Post Retirement Supplement:

Effective October 1, 2003 for all active participants and DROP participants actually separating from service after that date, there shall be payable a monthly supplement of \$10 for each year of credited service, but not to exceed \$200 per month. The benefit is not payable during the DROP period. The benefit shall be limited to those employed by the City and participating in the Plan on or before September 30, 2005.

I. Disability Benefit:

General and Police:

Eligibility: Unable to perform duties pertaining to his occupation as determined by the Plan Administrator. Eligibility is immediate for service connected disability; 15 years of service are required to be eligible for non service connected disability.

Benefit: Service Incurred: 50% of AMC payable after 5 months of continuous disability.

Non-Service Incurred: 25% of AMC payable after 5 months of continuous disability.

Both Service Incurred and Non-Service Incurred liability benefits shall not be less than the participant's accrued benefit. The disability monthly benefit is payable for life, with 120 payments guaranteed.

J. Pre-Retirement Death Benefit:

In the event of a participant's death while still employed by the City, the beneficiary shall be entitled to receive the greater of the participant's accumulated participant contributions, or the present value of the participant's vested accrued benefit computed as of date of death.

K. Termination Benefits:

General and Police:

Eligibility: Less than 5 years of service at date of termination

Benefit: Refund of accumulated participant contributions with interest, if applicable.

L. Vested Benefit Upon Termination:

General and Police:

Eligibility: At least 5 years of credited service at date of termination

Benefit: The benefit payable at normal retirement date equal to the product of his accrued benefit and his vested percentage from the following schedule:

<u>Years of Credited Service</u>	<u>Vested Percentage</u>
Less than 5 Years	0%
5	25%
6	30%
7	35%
8	40%
9	45%
10	50%
11	60%
12	70%
13	80%
14	90%
15 or More	100%

Nevertheless, a member will become 100% vested upon attaining his early or normal retirement age.

M. Employee Contributions:

Police Officers participants shall contribute 10% of basic compensation, and General employees contribute 11 % of basic compensation.

N. Normal Form of Retirement Income:

The normal form of payment shall be a life annuity. If a participant is married as of the date benefits are to commence and he has not elected otherwise, his benefit shall be payable in the form of a Qualified Joint and Survivor Annuity.

O. Deferred Retirement Option Plan (D.R.O.P.):

The D.R.O.P. is available only if the participant makes an irrevocable election to participate after the completion of 20 years of credited service. The D.R.O.P. has a maximum five (5) year participation period, after which the participant is deemed separated from the City. If the participant dies during the D.R.O.P. period, the participant will be treated as any other vested participant in the Plan who dies prior to retirement. If the participant becomes disabled during the D.R.O.P. period, the participant will be assumed to have retired on a normal retirement on the day prior to disability.

P. Cost of Living:

Certain members of the police bargaining unit, including non-sworn members participating in the General Employees plan, receive a delayed 3% Cost of Living adjustment (COLA). It applies only to bargaining unit members who retire or enter the DROP during the term of the 2002-2005 Collective Bargaining Agreement, or enter the DROP prior to the 2002-2005 Collective Bargaining Agreement. The COLA begins on the fifth, sixth or seventh anniversary of retirement or DROP, depending on the date of retirement or DROP.

Q. Changes From Previous Valuation:

A 3% COLA is applied to the retirement benefits of members who retired during the period it was in effect.

STATE REQUIREMENTS

1. Copies of this Report are to be furnished to the Division of Retirement and the State Treasurer's Office within 60 days of receipt from the actuary, at the following addresses:

Mr. Charles Slavin
Bureau of Local Retirement
Division of Retirement
P.O. Box 9000
Tallahassee, Florida 32315-9000

Ms. Patricia Shoemaker, Bureau Chief
Bureau of Municipal Police Officers' and
Firefighters' Retirement Funds
P.O. Box 3010
Tallahassee, Florida 32315-3010

2. Contributions to the System -
 - (a) Employee contributions must be deposited to the fund on at least a monthly basis.
 - (b) City contributions must be deposited to the fund on at least a monthly basis.
 - (c) Premium tax refunds and any other revenues collected for this Plan must be deposited within 5 days of receipt by the City.
3. Information for employees -
 - (a) A written plan description is to be distributed to each member every two years.
 - (b) Pertinent actuarial and financial information is to be included as part of the written plan description distributed to members.