

**CITY OF WILTON MANORS RETIREMENT PLAN FOR GENERAL EMPLOYEES & POLICE
ACTUARIAL VALUATION REPORT**

FOR THE YEAR BEGINNING OCTOBER 1, 2008

July 6, 2009

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, 2008 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 fiscal year ending September 30, 2009.

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.

As indicated below, the undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinion herein. Gabriel, Roeder, Smith & Company will be pleased to answer any questions pertaining to the valuation.

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, 2009, is \$1,211,419 (77.13% of payroll), as shown below:

Required City Contribution			
	General	Police	Total
Total Required Employer Contribution	\$ 443,499	767,920	1,211,419
As a % of Payroll	42.09 %	148.56 %	77.13 %
Expected State Premium Tax Refund	N/A	\$0	\$0
As a % of Payroll	N/A	--	--
Remaining City Contribution	443,499	767,920	1,211,419
As a % of Payroll	42.09 %	148.56 %	77.13 %

EXPERIENCE

The contribution has decreased in dollar amount but increased as a percent of payroll for both groups. There were losses of \$355,003 for General Employees and \$313,177 for Police Officers due to the investment return of 5.1% on a valuation asset basis, as compared to the assumed rate of 8.0%. Liability experience provided an additional loss of \$162,052 for Police Officers, primarily due to salary increases. These losses added to the dollar amount of the contributions. On the other hand, the plan is frozen; the number of members and the covered payroll are decreasing. This led to a lower cost for benefits accruing during the year. The net result was a required City contribution which was smaller as a dollar amount but larger as a percent of payroll based on the lower payroll.

CHANGES IN BENEFITS

There were no changes in benefits in connection with the current valuation.

CHANGES IN ACTUARIAL METHODS AND ASSUMPTIONS

There were no changes in actuarial assumptions in connection with the current valuation. The City has elected to continue using the entry age actuarial cost method (EANC) rather than changing to the aggregate method which would essentially require that the plan be fully funded by the time the last active member retires. The City has made a long term commitment to continue funding the plan even after the last active member retires. Under current state funding requirements, use of the EANC method allows the unfunded actuarial accrued liability to be amortized over a period of 30 years. The City closed the amortization period so the number of years for new bases will go down each year. Even so, the amortization period is longer than the anticipated future working life of the remaining active members, and we recommend that the City take steps to shorten the amortization period more quickly. In any event the required contribution can be expected to continue to increase as a percent of payroll as the remaining active members approach retirement and the number of remaining active members decreases.

FUNDED RATIO

The funded ratio this year is 75.7% compared to 76.3% last year. The ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

VARIABILITY OF FUTURE CONTRIBUTION RATES

The Actuarial Cost Method is intended to produce contributions which are generally level as a percent of payroll for an ongoing plan. Even so, when experience differs from the assumptions, as it often does, the employer's contributions can vary significantly from year-to-year. The fact that the plan is closed will put more upward pressure on the contribution and add to volatility.

The Actuarial Value of Assets exceeds the Market Value of Assets by \$3,575,650 as of the valuation date. This difference will be recognized over the next few years in the absence of offsetting gains. In turn, the computed employer contribution rate will increase by approximately \$300,000.

RELATIONSHIP TO MARKET VALUE

If Market Value had been the basis for the valuation, the City contribution would have been \$1,525,000 and the funded ratio would have been 65%. In the absence of other gains and losses, the City contribution rate should increase to that level over the next few years. Due to the recent economic downturn, further asset losses have likely occurred after September 30, 2008. These losses will be reflected in the required City contribution starting October 1, 2009.

RECOMMENDATIONS

We recommend that steps be taken to fully fund the actuarial accrued liability. One way would be to shorten the amortization period for new bases or, better yet, for all existing bases.

In addition we recommend starting to bring the investment assumption down. Now that the plan is closed, the “maturity” of the liability has shifted and the investment allocation should be moving to a more conservative position to reflect the change in the nature of the liability.

Another assumption that should be reviewed is the salary scale. Average increases have exceeded the assumed rate for the past several years. If there is a reasonable chance that this trend will continue, the assumed rate should be increased.

We further recommend that no further benefit changes or improvements be adopted until these funding recommendations have been addressed.

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
10/1/08	\$ 20,403,017	\$ 29,487,569	69 %
10/1/07	24,207,395	26,998,063	90
10/1/06	22,110,951	24,585,202	90
10/1/05	20,643,584	22,505,930	92
10/1/04	18,776,519	17,945,974	105

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
10/1/08	\$ 23,978,668	\$ 31,698,304	76 %
10/1/07	23,215,211	30,442,727	76
10/1/06	21,700,713	28,865,915	75
10/1/05	20,284,630	26,608,015	76
10/1/04	19,595,445	23,306,822	84

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. However, the contribution for a closed plan will tend to increase as a percent of payroll as the covered payroll goes down.

Employer Contribution Rates As a % of Payroll			
Valuation Date	Normal Cost	Amortization of UFAAL/UAAL*	Total
10/1/08	21.39 %	52.22 %	77.13 %
10/1/07	19.27	32.22	53.64
10/1/06	11.58	12.60	25.19
10/1/05	12.11	13.10	26.27
10/1/04	9.94	7.13	17.78

* Effective 10/1/04, the actuarial cost method was changed 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. Effective October 1, 2004, the actuarial cost method was changed 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).
2. 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.
3. Effective October 1, 2006, the assumed rates of mortality were updated from the 1983 Group Annuity Mortality Table for males, with females set back six years, to the 1994 Group Annuity Mortality Tables for males and females.
4. Ordinance 894, passed June 12, 2007, closed the plan to new members as of the August 1, 2007 effective date of participation in FRS, and redefined 'member' to include only members hired before that date who elect to remain in the plan.
5. Ordinance 923, passed August 28, 2007, provided the following pertaining to the Plan:
 - Active members with 15 or more years of service as of October 1, 2006 who retire by September 30, 2009, may retire with unreduced benefits, payable when the member would have reached normal retirement date if they had remained continuously employed.
 - The maximum DROP period is increased from five years to six years.
 - PBA members with 10 or more years of service as of October 1, 2006 receive an annual 3% cost of living adjustment, to begin six years after retirement.
 - The Plan is closed to members hired on or after the effective date of the City's participation in FRS.
 - Active members were given 30 days to elect whether to stay in the City Plan or transfer to FRS.

SECTION II
VALUATION RESULTS

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR ALL EMPLOYEES AS OF OCTOBER 1		
	2008	2007
Covered Group		
A. Number of Participants		
Actives	25	37
Retirees, Disabilities, Beneficiaries and Vested Terminations	67	56
Total Annual Covered Payroll	\$ 1,570,672	\$ 2,355,661
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	\$ 32,833,184	\$ 32,039,889
C. Actuarial Present Value of Future Normal Costs	1,134,880	1,597,162
D. Actuarial Accrued Liability (AAL): B - C	31,698,304	30,442,727
E. Valuation Assets	24,046,007	23,609,027
Refunds Due*	67,339	393,816
Net Valuation Assets	23,978,668	23,215,211
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	7,719,636	7,227,516
Current Cost		
G. Payment Required to Amortize UAAL	\$ 820,132	\$ 758,928
As % of Payroll	52.22 %	32.22 %
H. Total Normal Cost (for current year)	503,559	704,333
As % of Payroll	32.06 %	29.90 %
I. Plan Year to which Contributions Apply	2008/09	2007/08
J. Interest	55,332	50,700
K. Total Required Contribution	1,379,023	1,513,961
As % of Payroll	87.80 %	64.27 %
L. Expected Member Contribution	167,604	250,362
As % of Payroll	10.67 %	10.63 %
M. Total Required City Contribution	1,211,419	1,263,599
As % of Payroll	77.13 %	53.64 %
N. Estimate of State Contributions	0	0
O. Remaining City Contributions	1,211,419	1,263,599
As % of Payroll	77.13 %	53.64 %

*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR GENERAL EMPLOYEES AS OF OCTOBER 1		
	2008	2007
Covered Group		
A. Number of Participants		
Actives	18	25
Retirees, Disabilities, Beneficiaries and Vested Terminations	38	32
Total Annual Covered Payroll	\$ 1,053,750	\$ 1,479,575
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	\$ 15,649,133	\$ 15,362,819
C. Actuarial Present Value of Future Normal Costs	726,707	979,535
D. Actuarial Accrued Liability (AAL): B - C	14,922,426	14,383,284
E. Valuation Assets	12,658,082	12,608,572
Refunds Due*	67,339	332,438
Net Valuation Assets	12,590,743	12,276,134
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	2,331,683	2,107,150
Current Cost		
G. Payment Required to Amortize UAAL	\$ 211,650	\$ 189,800
As % of Payroll	20.09 %	12.83 %
H. Total Normal Cost (for current year)	325,315	433,737
As % of Payroll	30.87 %	29.31 %
I. Plan Year to which Contributions Apply	2008/09	2007/08
J. Interest	22,446	19,261
K. Total Required Contribution	559,411	642,798
As % of Payroll	53.09 %	43.44 %
L. Expected Member Contribution	115,912	162,753
As % of Payroll	11.00 %	11.00 %
M. Total Required City Contribution	443,499	480,045
As % of Payroll	42.09 %	32.44 %
N. Estimate of State Contributions	N/A	N/A
O. Remaining City Contributions	443,499	480,045
As % of Payroll	42.09 %	32.44 %

*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1		
	2008	2007
Covered Group		
A. Number of Participants		
Actives	7	12
Retirees, Disabilities, Beneficiaries and Vested Terminations	29	24
Total Annual Covered Payroll	\$ 516,923	\$ 876,086
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	\$ 17,184,051	\$ 16,677,070
C. Actuarial Present Value of Future Normal Costs	408,173	617,627
D. Actuarial Accrued Liability (AAL): B - C	16,775,878	16,059,443
E. Valuation Assets	11,387,925	11,000,455
Refunds Due*	0	61,378
Net Valuation Assets	11,387,925	10,939,077
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,387,953	5,120,366
Current Cost		
G. Payment Required to Amortize UAAL	\$ 608,482	\$ 569,128
As % of Payroll	117.71 %	64.96 %
H. Total Normal Cost (for current year)	178,244	270,596
As % of Payroll	34.48 %	30.89 %
I. Plan Year to which Contributions Apply	2008/09	2007/08
J. Interest	32,886	31,439
K. Total Required Contribution	819,612	871,163
As % of Payroll	158.56 %	99.44 %
L. Expected Member Contribution	51,692	87,609
As % of Payroll	10.00 %	10.00 %
M. Total Required City Contribution	767,920	783,554
As % of Payroll	148.56 %	89.44 %
N. Estimate of State Contributions	0	0
O. Remaining City Contributions	767,920	783,554
As % of Payroll	148.56 %	89.44 %

*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

DERIVATION OF NORMAL COST GENERAL EMPLOYEES AS OF OCTOBER 1		
	2008	2007
A. Entry Age Normal Cost for		
Service Retirement Benefits	179,222	238,035
Vesting Benefits	7,681	12,379
Preretirement Death Benefits	2,496	3,352
Disability	18,158	25,425
Return of Contributions	8,364	13,631
Total	<u>215,921</u>	<u>292,822</u>
B. Normal Cost for Administrative & Investment Expenses	109,394	140,915
C. Total Normal Cost: A + B	325,315	433,737

PRESENT VALUE OF PROJECTED BENEFITS GENERAL EMPLOYEES AS OF OCTOBER 1		
	2008	2007
A. Present Value of Future Salaries	\$ 3,822,809	\$ 5,416,649
B. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	5,375,011	8,055,169
Vesting Benefits	61,568	63,817
Preretirement Death Benefits	38,983	57,184
Disability	87,040	123,589
Return of Contributions	1,079	1,718
Total	<u>5,563,681</u>	<u>8,301,477</u>
2. Inactive Members		
Service Retirees	5,926,301	6,032,407
DROP Participants	3,810,908	840,295
Disability Retirees	120,323	121,537
Beneficiaries	47,125	49,572
Terminated Vested	180,795	17,531
Total	<u>10,085,452</u>	<u>7,061,342</u>
3. Grand Total	15,649,133	15,362,819

DERIVATION OF NORMAL COST POLICE OFFICERS AS OF OCTOBER 1		
	2008	2007
A. Entry Age Normal Cost for		
Service Retirement Benefits	64,772	117,833
Vesting Benefits	7,378	13,941
Preretirement Death Benefits	1,262	1,958
Disability	919	1,428
Return of Contributions	6,987	11,227
Total	<u>81,318</u>	<u>146,387</u>
B. Normal Cost for Administrative & Investment Expenses	96,926	124,209
C. Total Normal Cost: A + B	178,244	270,596

PRESENT VALUE OF PROJECTED BENEFITS POLICE OFFICERS AS OF OCTOBER 1		
	2008	2007
A. Present Value of Future Salaries	\$ 2,756,767	\$ 4,053,171
B. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	3,161,795	5,904,941
Vesting Benefits	37,735	63,367
Preretirement Death Benefits	31,634	46,681
Disability	34,672	54,745
Return of Contributions	1,524	1,696
Total	<u>3,267,360</u>	<u>6,071,430</u>
2. Inactive Members		
Service Retirees	8,863,553	7,604,048
DROP Participants	3,787,796	1,789,277
Disability Retirees	311,805	319,833
Beneficiaries	104,202	107,574
Terminated Vested	849,335	784,908
Total	<u>13,916,691</u>	<u>10,605,640</u>
3. Grand Total	17,184,051	16,677,070

**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, 2008					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	12	\$ (183)	\$ (22)
10/1/94 Method Change	30		15	22,760	2,462
10/1/94 Assumption Changes	30		15	(13,154)	(1,423)
10/1/95 Plan Amendment	30		16	548,840	57,413
10/1/96 Assumption Change	30		17	107,171	10,879
10/1/98 Plan Amendment	30		19	17,899	1,726
10/1/03 Plan Amendment	30	624,219	25	564,048	48,925
10/1/03 Asset Method Change	30	(785,623)	25	(709,893)	(61,576)
10/1/04 Cost Method Change	30	1,443,006	26	1,322,208	113,253
10/1/05 (Gain)/Loss	30	540,168	27	501,310	42,448
10/1/05 Plan Amendment	30	26,548	27	24,637	2,086
10/1/06 (Gain)/Loss	30	203,371	28	190,961	16,000
10/1/06 Assumption Change	30	151,335	28	142,101	11,906
10/1/06 Plan Amendment	30	(238,605)	28	(224,044)	(18,772)
10/1/07 (Gain)/Loss	29	(429,960)	28	(425,524)	(35,653)
10/1/08 (Gain)/Loss	28	262,546	28	262,546	21,998
				<u>2,331,683</u>	<u>211,650</u>

Amortization Schedule Illustration - General	
Year	Projected UAAL
0	\$ 2,331,683
1	2,289,635
2	2,244,224
3	2,195,180
4	2,142,212
9	1,806,611
14	1,313,453
19	819,543
24	313,245
28	0

**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, 2008					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	12	\$ (4,270)	(525)
10/1/94 Method Change	30		15	22,403	2,423
10/1/94 Assumption Changes	30		15	9,652	1,044
10/1/95 Plan Amendment	30		16	443,229	46,365
10/1/96 Assumption Change	30		17	39,663	4,026
10/1/03 Plan Amendment	30	293,612	25	284,191	24,651
10/1/03 Asset Method Change	30	(694,013)	25	(671,743)	(58,267)
10/1/04 Cost Method Change	30	1,473,123	26	1,446,761	123,922
10/1/05 (Gain)/Loss	30	962,062	27	956,130	80,960
10/1/05 Plan Amendment	30	1,135,420	27	1,128,420	95,548
10/1/06 (Gain)/Loss	30	368,797	28	368,797	30,900
10/1/06 Assumption Change	30	200,570	28	201,491	16,882
10/1/06 Plan Amendment	5	746,221	3	519,374	186,606
10/1/07 (Gain)/Loss	29	170,330	28	168,626	14,129
10/1/08 (Gain)/Loss	28	475,229	28	475,229	39,818
				<u>5,387,953</u>	<u>608,482</u>

Amortization Schedule Illustration - Police	
Year	Projected UAAL
0	\$ 5,387,953
1	5,161,828
2	4,917,614
3	4,653,862
4	4,570,545
9	4,042,654
14	3,266,442
19	2,243,835
24	961,877
28	0

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
10/1/08	25	67	\$ 1,570,672	\$ 23,978,668	\$ 7,719,636	\$ 335,955	21.39 %
10/1/07	37	56	2,355,661	23,215,211	7,227,516	453,971	19.27
10/1/06	92	49	4,882,290	21,700,713	7,165,202	565,334	11.58
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	0	0	1,380,119	0	0.00

* 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	\$ 2,107,150	\$ 5,120,366
2. Normal Cost (NC) Previous Valuation	270,984	182,987
3. Contributions Previous Year	480,045	783,554
4. Interest on:		
a. UAAL and NC	190,251	424,268
b. Contributions	19,203	31,343
c. Net Total: (a) - (b)	171,048	392,925
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	2,069,137	4,912,724
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	0	0
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	2,069,137	4,912,724
9. Actual UAAL Current Year	2,331,683	5,387,953
10. Actuarial Gain / (Loss): (8) - (9)	(262,546)	(475,229)
B. Approximate Portion of Gain / (Loss) Due to Investments	(355,003)	(313,177)
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	\$ 92,457	\$ (162,052)

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/08	\$ (262,546)	\$ (475,229)	\$ (737,775)
9/30/07	429,960	(170,330)	259,630
9/30/06	(203,371)	(367,111)	(570,482)
9/30/05	(540,168)	(962,062)	(1,502,230)
9/30/04	(951,089)	(455,522)	(1,406,611)

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 fund earnings on actuarial value of assets and salary increase rates compared to the assumed rates for the last few years:

Year Ended	Investment Rate of Return on Actuarial Value of Assets,		Salary Increases		
	Actual	Assumed	General Actual	Police Actual	Assumed
9/30/08	5.1 %	8.0 %	8.7 %	9.8 %	5.5 %
9/30/07	10.9	8.0	12.0	11.2	5.5
9/30/06	6.9	8.0	13.0	11.7	5.5
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

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		
	2008	2007
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 15,373,309	\$ 14,234,971
b. DROP Participants	7,598,704	2,629,572
c. Terminated Vested Members	1,030,130	802,439
d. Other Members	<u>5,674,273</u>	<u>9,568,010</u>
e. Total	29,676,416	27,234,992
2. Non-Vested Benefits	<u>244,870</u>	<u>254,557</u>
3. Total: (1) + (2)	29,921,286	27,489,549
4. Accumulated Contributions of Active Members	1,604,960	2,416,253
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	27,489,549	25,844,303
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	(579,519)
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(1,985,097)	(1,848,997)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>4,416,834</u>	<u>4,073,762</u>
e. Net Increase	2,431,737	1,645,246
3. Total Value at End of Year	29,921,286	27,489,549
C. Market Value of Assets		
1. Market Value of Assets	20,470,357	24,601,211
2. Refunds Due*	<u>67,339</u>	<u>393,816</u>
3. Net Market Value of Assets	20,403,018	24,207,395
D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods.		

*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

FASB NO. 35 INFORMATION GENERAL EMPLOYEES AS OF OCTOBER 1		
	2008	2007
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 6,093,749	\$ 6,203,516
b. DROP Participants	3,810,908	840,295
c. Terminated Vested Members	180,795	17,531
d. Other Members	3,927,639	5,813,355
e. Total	<u>14,013,091</u>	<u>12,874,697</u>
2. Non-Vested Benefits	131,260	182,388
3. Total: (1) + (2)	14,144,351	13,057,085
4. Accumulated Contributions of Active Members	1,094,417	1,495,958
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	13,057,085	12,716,923
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	(583,958)
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(1,067,411)	(930,146)
d. Other, including latest member data, benefits accumulated and decrease in discount period	2,154,677	1,854,266
e. Net Increase	<u>1,087,266</u>	<u>340,162</u>
3. Total Value at End of Year	14,144,351	13,057,085
C. Market Value of Assets		
1. Market Value of Assets	10,762,906	13,134,594
2. Refunds Due*	67,339	332,438
3. Net Market Value of Assets	10,695,567	12,802,156
D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods.		

*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

FASB NO. 35 INFORMATION POLICE OFFICERS AS OF OCTOBER 1		
	2008	2007
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 9,279,560	\$ 8,031,455
b. DROP Participants	3,787,796	1,789,277
c. Terminated Vested Members	849,335	784,908
d. Other Members	1,746,634	3,754,655
e. Total	<u>15,663,325</u>	<u>14,360,295</u>
2. Non-Vested Benefits	113,610	72,169
3. Total: (1) + (2)	15,776,935	14,432,464
4. Accumulated Contributions of Active Members	510,543	920,295
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	14,432,464	13,127,380
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	4,439
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(917,686)	(918,851)
d. Other, including latest member data, benefits accumulated and decrease in discount period	2,262,157	2,219,496
e. Net Increase	<u>1,344,471</u>	<u>1,305,084</u>
3. Total Value at End of Year	15,776,935	14,432,464
C. Market Value of Assets		
1. Market Value of Assets	9,707,451	11,466,617
2. Refunds Due*	0	61,378
3. Net Market Value of Assets	<u>9,707,451</u>	<u>11,405,239</u>
D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods.		

*Refunds due represent funds that are irrevocably payable by the Plan on behalf of members who elected to transfer to FRS on 7/31/07, as part of the Plan closure.

GASB STATEMENT NO. 25 SCHEDULE OF EMPLOYER CONTRIBUTIONS					
Valuation Date	Fiscal Year End	Annual Required Contributions	Actual City Contributions	Actual State Contributions	Percentage Contributed
10/1/08	9/30/09	\$ 1,211,419	N/A	N/A	N/A
10/1/07	9/30/08	1,263,599	\$ 1,263,599	\$ 0	100 %
10/1/06	9/30/07	1,229,891	1,229,891	0	100
10/1/05	9/30/06	1,081,629	1,081,629	0	100
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

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)
10/1/08	\$ 23,978,668	\$ 31,698,304	\$ 7,719,636	75.6 %	\$ 1,570,672	491.5 %
10/1/07	23,215,211	30,442,727	7,227,516	76.3	2,355,661	306.8
10/1/06	21,700,713	28,865,915	7,165,202	75.2	4,882,290	146.8
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
10/1/99	14,964,230	16,344,349	1,380,119	91.6	3,103,876	44.5

* 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, 2008
Contribution Rates:	
Employer (and State)	77.13%
Plan Members	10.67%
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level dollar amount
Equivalent Single Amortization Period	
General Members	22 years
Police Members	14 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 1994 Group Annuity Mortality Table for males and females (the 1983 Group Annuity Mortality Table for males with females set back six years was used prior to the October 1, 2006 valuation).

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. Asset Allocation

Assets for this Plan are invested along with the assets for the Firefighter's Fund. Earnings are then allocated based on weighted assets. The earnings allocated to the Firefighter's Fund are excluded from consideration for purposes of the valuation of this Plan.

K. Cost Method

Entry Age Normal Actuarial Cost Method.

L. Changes From Previous Valuation

None.

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, 2008			
	General	Police	Total
Cash & Short Term Investments	\$ 478,200	\$ 436,375	\$ 914,575
General Investments			
U.S. Government Securities	2,681,845	2,447,285	5,129,130
Corporate Bonds	933,524	851,875	1,785,399
Common Stocks	7,162,922	6,536,438	13,699,360
Accrued Interest & Dividends	45,019	40,604	85,623
Sub-Total	<u>10,823,310</u>	<u>9,876,202</u>	<u>20,699,512</u>
Receivables/(Prepaid)			
Member Contributions	0	0	0
City Contributions	117,988	192,586	310,574
State Contributions	0	0	0
Net due from Brokers	(25,954)	(23,409)	(49,363)
Sub-Total	<u>92,034</u>	<u>169,177</u>	<u>261,211</u>
Payables			
Accounts Payable	15,834	14,282	30,116
DROP Benefits Payable	281,548	459,446	740,994
Sub-Total	<u>297,382</u>	<u>473,728</u>	<u>771,110</u>
Total Pension Fund Assets	11,096,162	10,008,026	21,104,188
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	333,256	300,576	633,832
Net Pension Fund Assets	10,762,906	9,707,450	20,470,356

INCOME AND DISBURSEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2008			
	General	Police	Total
A. Market Value as of Beginning of Year	\$ 13,134,595	\$ 11,466,616	\$ 24,601,211
B. Receipts During Period			
1. Contributions			
a. Employee	115,825	58,568	174,393
b. City	480,045	783,554	1,263,599
c. State	0	0	0
d. Total	<u>595,870</u>	<u>842,122</u>	<u>1,437,992</u>
2. Investment Earnings			
a. Interest & Dividends	402,223	356,385	758,608
b. Net Realized and Unrealized Appreciation	(2,243,306)	(1,987,652)	(4,230,958)
c. Earnings Allocated to Firefighters	<u>(50,328)</u>	<u>(44,592)</u>	<u>(94,920)</u>
d. Total: a. + b. - c.	(1,790,755)	(1,586,675)	(3,377,430)
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	(1,194,885)	(744,553)	(1,939,438)
C. Disbursements During Period			
1. Benefits			
a. Monthly	890,516	922,370	1,812,886
b. Earnings credited to DROP, net fees	(37,392)	(54,326)	(91,718)
c. Refunds	214,287	49,642	263,930
c. Total	<u>1,067,411</u>	<u>917,686</u>	<u>1,985,097</u>
2. Allocated Expenses			
a. Investment Expenses	60,399	53,515	113,914
b. Administrative Expenses	48,995	43,411	92,406
c. Total Expenses	<u>109,394</u>	<u>96,926</u>	<u>206,320</u>
3. Total Disbursements During Period	1,176,805	1,014,612	2,191,417
D. Market Value as of End of Year	10,762,905	9,707,451	20,470,356

Development of Funding Value of Assets for General Employees as of October 1		
	2008	2007
A. Market Value of Assets at Beginning of Year	\$13,134,595	\$11,693,165
B. Contributions & Commission Recapture	595,870	959,748
C. Disbursements		
1. Benefit Payments	1,067,411	930,146
2. Non Investment Expenses	48,995	80,481
3. Investment Expenses	60,399	60,434
4. Total Disbursements	1,176,805	1,071,061
D. Expected Investment Income	1,027,530	931,001
E. Expected Assets End of Year: A+B-C+D	13,581,190	12,512,853
F. Actual Market Value at End of Year	10,762,905	13,134,594
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	(2,818,285)	621,741
2. From One Year Ago	621,741	(107,221)
3. From Two Years Ago	(107,221)	146,471
4. From Three Years Ago	146,471	171,871
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	(2,254,628)	497,393
2. 60% From One Year Ago	373,045	(64,333)
3. 40% From Two Years Ago	(42,888)	58,588
4. 20% From Three Years Ago	<u>29,294</u>	<u>34,374</u>
5. Total	(1,895,177)	526,022
I. Preliminary Actuarial Value of Assets as of End of Year: F-H5	12,658,082	12,608,572
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	8,610,324	10,507,675
2. 120% of Market Value	12,915,486	15,761,513
3. Valuation Assets	12,658,082	12,608,572
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	630,445	1,240,762
2. Expected Income on Valuation Assets	985,448	913,877
3. Gain/(Loss): (1) - (2)	(355,003)	326,885

Development of Funding Value of Assets for Police Officers as of October 1		
	2008	2007
A. Market Value of Assets at Beginning of Year	\$11,466,616	\$10,417,786
B. Contributions & Commission Recapture	842,122	723,227
C. Disbursements		
1. Benefit Payments	917,686	918,851
2. Non Investment Expenses	43,411	70,939
3. Investment Expenses	53,515	53,270
4. Total Disbursements	1,014,612	1,043,060
D. Expected Investment Income	910,430	820,630
E. Expected Assets End of Year: A+B-C+D	12,204,556	10,918,583
F. Actual Market Value at End of Year	9,707,451	11,466,617
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	(2,497,105)	548,034
2. From One Year Ago	548,034	(96,950)
3. From Two Years Ago	(96,950)	135,851
4. From Three Years Ago	135,851	157,825
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	(1,997,684)	438,427
2. 60% From One Year Ago	328,820	(58,170)
3. 40% From Two Years Ago	(38,780)	54,340
4. 20% From Three Years Ago	<u>27,170</u>	<u>31,565</u>
5. Total	(1,680,474)	466,162
I. Preliminary Actuarial Value of Assets as of End of Year: F-H5	11,387,925	11,000,455
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	7,765,961	9,173,294
2. 120% of Market Value	11,648,942	13,759,940
3. Valuation Assets	11,387,925	11,000,455
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	559,960	1,098,698
2. Expected Income on Valuation Assets	873,137	804,934
3. Gain/(Loss): (1) - (2)	(313,177)	293,764

RECONCILIATION OF DROP ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2008			
	General	Police	Total
A. Account Balances as of Beginning of Year	\$ 179,914	\$ 251,208	\$ 431,122
B. Receipts During Period			
1. Deposits	266,985	262,565	529,550
2. Investment Earnings, net fees	<u>(37,393)</u>	<u>(54,327)</u>	<u>(91,720)</u>
3. Total	229,592	208,238	437,830
C. Withdrawals During Period	127,958	0	127,958
D. Account Balances as of End of Year	281,548	459,446	740,994

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
9/30/2008	(13.9) %	5.1 %
9/30/2007	13.3	10.9
9/30/2006	7.0	6.9
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
Average Compounded Rate of Return for Last 5 Years	4.7	5.6
Average Compounded Rate of Return for Last 10 Years	3.5	6.3

SECTION IV
MEMBER STATISTICS

STATISTICAL DATA, GENERAL EMPLOYEES			
	10/1/08	10/1/07	10/1/06
Active Participants			
Number	18	25	67
Total Annual Earnings	\$ 1,053,750	\$ 1,479,575	\$ 3,263,015
Average Annual Earnings	58,542	59,183	48,702
Averages			
Current Age	53.4	52.4	46.3
Age at Employment	38.3	36.6	38.0
Past Service	15.1	15.9	8.4
Service at Age 60	21.7	23.4	22.0
Members Receiving Benefits			
Number	27	28	28
Total Annual Pensions	\$ 617,586	\$ 620,060	\$ 574,300
Average Monthly Benefit	1,906	1,845	1,709
Average Current Age*	66.7	66.4	66.3
DROP Participants			
Number	9	3	0
Total Annual Pensions	\$ 327,505	\$ 77,043	\$ 0
Average Monthly Benefit	3,032	2,140	0
Average Current Age	54.4	57.9	0.0
Terminated Members with Vested Benefits			
Number	2	1	1
Total Annual Pensions	\$ 22,851	\$ 7,656	\$ 7,656
Average Monthly Benefit	952	638	638
Average Current Age	51.0	40.5	39.5

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

Note: Pensions shown include monthly supplement.

STATISTICAL DATA, POLICE OFFICERS			
	10/1/08	10/1/07	10/1/06
Active Participants			
Number	7	12	25
Total Annual Earnings	\$ 516,923	\$ 876,086	\$ 1,619,275
Average Annual Earnings	73,846	73,007	64,771
Averages			
Current Age	42.0	43.6	42.1
Age at Employment	26.2	26.2	30.8
Past Service	15.8	17.4	11.3
Service at Age 60	33.8	33.8	29.2
Members Receiving Benefits			
Number	21	19	17
Total Annual Pensions	\$ 731,556	\$ 648,763	\$ 575,609
Average Monthly Benefit	2,903	2,845	2,822
Average Current Age*	60.1	60.6	60.6
DROP Participants			
Number	6	3	3
Total Annual Pensions	\$ 255,162	\$ 120,288	\$ 120,288
Average Monthly Benefit	3,544	3,341	3,341
Average Current Age	50.2	51.6	50.6
Terminated Members with Vested Benefits			
Number	2	2	0
Total Annual Pensions	\$ 70,549	\$ 70,549	\$ 0
Average Monthly Benefit	2,940	2,940	0
Average Current Age	47.8	46.8	0.0

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

Note: Pensions shown include monthly supplement.

RECONCILIATION OF MEMBERSHIP DATA FROM 10/1/2007 TO 9/30/2008			
	General	Police	Total
A. Active Members			
1 Number Included in Last Valuation	25	12	37
2 New Members Included in Current Valuation	0	0	0
3 Non-Vested Employment Terminations	0	0	0
4 Vested Employment Terminations	(1)	0	(1)
5 Non-Vested Transfers to FRS	0	0	0
6 Vested Transfers to FRS	0	0	0
7 Service Retirements	0	0	0
8 Disability Retirements	0	0	0
9 Deaths	0	0	0
10 DROP Retirements	<u>(6)</u>	<u>(5)</u>	<u>(11)</u>
11 Number Included in This Valuation	18	7	25
B. Terminated Vested Members			
1 Number Included in Last Valuation	1	2	3
2 Additions from Active Members	1	0	1
3 Lump Sum Payments	0	0	0
4 Payments Commenced	0	0	0
5 Returned to Work	0	0	0
6 Refunds	<u>0</u>	<u>0</u>	<u>0</u>
7 Number Included in This Valuation	2	2	4
C. DROP Participants			
1 Number Included in Last Valuation	3	3	6
2 Additions from Active Members	6	5	11
3 Retired	0	(2)	(2)
4 Deaths	<u>0</u>	<u>0</u>	<u>0</u>
5 Number Included in This Valuation	9	6	15
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	28	19	47
2 Additions from Active Members	0	0	0
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	0	2	2
5 Deaths Resulting in No Further Payments	(1)	0	(1)
6 End of Certain Period - No Further Payments	<u>0</u>	<u>0</u>	<u>0</u>
7 Number Included in This Valuation	27	21	48

Age and Service Distribution Active General Employees As of October 1, 2008												
<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	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	1	0	0	0	1
40-44	0	0	0	0	0	1	0	0	0	0	0	1
45-49	0	0	0	0	0	0	2	2	0	0	0	4
50-54	0	0	0	0	0	2	0	2	1	0	0	5
55-59	0	0	0	0	0	0	0	1	0	0	0	1
60-64	0	0	0	0	0	0	3	1	0	0	0	4
65&UP	0	0	0	0	0	0	0	2	0	0	0	2
TOTAL	0	0	0	0	0	3	5	9	1	0	0	18

Age and Service Distribution												
Active Police Officers												
As of October 1, 2008												
Ages	Years of Past Service											Totals
	<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	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	1	0	0	0	0	1
35-39	0	0	0	0	0	0	1	0	0	0	0	1
40-44	0	0	0	0	0	0	0	3	0	0	0	3
45-49	0	0	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	1	1	0	0	0	2
55-59	0	0	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0	0	0
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	3	4	0	0	0	7

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 amendments included as of October 1, 2008 were Ordinance Nos. 894 and 923, described above. The Plan is closed to members hired on or after August 1, 2007, the effective date of the City's participation in FRS.

B. Eligibility Requirements:

All full-time employees (excluding elected officials and the City Administrator) hired prior to August 1, 2007, who elected to remain in the City plan rather than transfer to FRS during the 30 day election period.

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.

Active members with 15 or more years of service as of October 1, 2006 who retire by September 30, 2009, may retire with unreduced benefits, payable when the member would have reached normal retirement date if they had remained continuously employed.

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 six (6) year participation period (five (5) year period prior to Ordinance 923), 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.

Members of the police bargaining unit, including non-sworn members participating in the General Employees plan, who have a minimum of ten (10) years of credited service with the City as of October 31, 2006 and who hereafter enter the DROP or retire from the City, receive a delayed 3% Cost of Living adjustment (COLA). The COLA begins on the sixth anniversary of retirement or DROP.

Q. Changes From Previous Valuation:

This valuation incorporates the benefit changes provided in Ordinances 894 and 923, which were measured in an impact statement issued on August 7, 2007. Ordinance 894 closed the plan to new members as of the August 1, 2007 effective date of participation in FRS, and redefines member to include only members hired before that date who elect to remain in the plan. Ordinance 923 provides the following pertaining to the Plan:

- Active members with 15 or more years of service as of October 1, 2006 who retire by September 30, 2009, may retire with unreduced benefits, payable when the member would have reached normal retirement date if they had remained continuously employed.
- The maximum DROP period is increased from five years to six years.
- PBA members with 10 or more years of service as of October 1, 2006 receive an annual 3% cost of living adjustment, to begin six years after retirement.
- The Plan is closed to members hired on or after the effective date of the City's participation in FRS
- Active members had 30 days to elect whether to stay in the City Plan or transfer to FRS.

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. Doug Beckendorf
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.