

CITY OF WILTON MANORS RETIREMENT PLAN
ACTUARIAL VALUATION REPORT
FOR THE YEAR BEGINNING OCTOBER 1, 2007

GRS

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

SEPTEMBER 30, 2008

July 2008

July 29, 2008

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, 2007 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, 2008, for the fiscal year ending September 30, 2008.

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 is a Member of the American Academy of Actuaries (MAAA) and meets 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

By Theora P. Braccialarghe

Theora P. Braccialarghe, FSA, MAAA, FCA
Enrolled Actuary No. 08-02826

By Jeff Amrose

Jeff Amrose, MAAA
Enrolled Actuary No. 08-06599

By Rhonda Hart

Rhonda Hart, CEBS
Senior Analyst

TABLE OF CONTENTS

I	Introduction	
	a. Discussion	1
	b. Financial Soundness of the Plan.....	4
	c. Recent History of Plan Changes	7
II	Valuation Results	
	a. Comparative Summary of Valuation Results.....	8
	b. Derivation of Normal Cost and Present Value of Projected Benefits.....	11
	c. Liquidation of the Unfunded Actuarial Accrued Liability	13
	d. Recent History of Valuation Results	15
	e. Actuarial Gains and Losses	16
	f. FASB Information.....	18
	g. GASB Information.....	21
	h. Actuarial Assumptions and Cost Methods.....	24
	i. Glossary of Terms.....	28
III	Pension Fund Information	
	a. Statement of Assets.....	29
	b. Income and Disbursements.....	30
	c. Actuarial Value of Assets	31
	d. Investment Rate of Return	33
IV	Member Statistics	
	a. Statistical Data	34
	b. Reconciliation of Membership Data.....	36
	c. Age and Service Distributions	37
V	Summary of Retirement Plan Provisions	39
Appendix	State Requirements	

SECTION I
INTRODUCTION

DISCUSSION

TOTAL REQUIRED CONTRIBUTION

The required City contribution for the plan year ending September 30, 2008, is \$1,263,599 (53.64% of payroll), as shown below:

Required City Contribution			
	General	Police	Total
Total Required Employer Contribution	\$ 480,045	783,554	1,263,599
As a % of Payroll	32.44 %	89.44 %	53.64 %
Expected State Premium Tax Refund	N/A	\$0	\$0
As a % of Payroll	N/A	--	--
Remaining City Contribution	480,045	783,554	1,263,599
As a % of Payroll	32.44 %	89.44 %	53.64 %

EXPERIENCE

The investment return of 10.9% on a valuation asset basis provided a gain of \$326,885 for General Employees and \$293,764 for Police Officers. Liability experience provided an additional gain of \$103,075 for General Employees, primarily due to employment terminations during the year of members who were not vested. The result was a required City contribution which was smaller as a dollar amount but larger as a percent of payroll because of the decrease in covered payroll.

The investment gain for Police Officers was more than offset by losses due to other experience, most notably salary increases for continuing active members of 11.2% versus an expectation of 5.5% and the retirement of a vested member who had previously not been included in the valuation data. At the same time, employment terminations brought the payroll down. The result in this case was a required City contribution which was larger as a dollar amount and as a percent of payroll.

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 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, that 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 increase as a percent of payroll as the remaining active members approach retirement and as the number of remaining active members decreases.

CHANGES IN BENEFITS

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 were given 30 days to elect whether to stay in the City Plan or transition to FRS.

RECOMMENDATIONS

We recommend that steps be taken to fully fund the actuarial accrued liability. One 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.

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
10/1/07	\$ 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
10/1/03	16,972,813	16,052,992	106

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
10/1/07	\$ 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
10/1/03	19,018,370	21,381,035	89

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
10/1/07	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
10/1/03	15.03	1.64	17.33

* 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. 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).
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			
	2007	2006 Impact	2006
Covered Group			
A. Number of Participants			
Actives	37	55	92
Retirees, Disabilities, Beneficiaries and Vested Terminations	56	49	49
Total Annual Covered Payroll	\$ 2,355,661	\$ 3,203,848	\$ 4,882,290
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 32,039,889	\$ 31,659,470	\$ 34,010,334
C. Actuarial Present Value of Future Normal Costs	1,597,162	2,746,027	5,144,419
D. Actuarial Accrued Liability (AAL): B - C	30,442,727	28,913,443	28,865,915
E. Valuation Assets	23,609,027	21,700,713	21,700,713
Refunds Due	393,816	460,088	N/A
Net Valuation Assets	<u>23,215,211</u>	<u>21,240,625</u>	N/A
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	7,227,516	7,672,818	7,165,202
Current Cost			
G. Payment Required to Amortize UAAL	\$ 758,928	\$ 768,636	\$ 615,209
As % of Payroll	32.22 %	23.99 %	12.60 %
H. Employer Normal Cost (for current year)	453,971	444,065	565,334
As % of Payroll	19.27 %	13.86 %	11.58 %
I. Plan Year to which Contributions Apply	2007/08	N/A	2006/07
J. Interest	50,700	50,692	49,348
K. Total Required City Contribution	1,263,599	1,263,393	1,229,891
As % of Payroll	53.64 %	39.43 %	25.19 %
M. Estimate of State Contributions	0	0	0
N. Remaining City Contributions	1,263,599	1,263,393	1,229,891
As % of Payroll	53.64 %	39.43 %	25.19 %

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR GENERAL EMPLOYEES AS OF OCTOBER 1			
	2007	2006 Impact	2006
Covered Group			
A. Number of Participants			
Actives	25	39	67
Retirees, Disabilities, Beneficiaries and Vested Terminations	32	29	29
Total Annual Covered Payroll	\$ 1,479,575	\$ 2,115,377	\$ 3,263,015
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 15,362,819	\$ 15,869,223	\$ 18,069,311
C. Actuarial Present Value of Future Normal Costs	979,535	2,021,803	3,653,160
D. Actuarial Accrued Liability (AAL): B - C	14,383,284	13,847,420	14,416,151
E. Valuation Assets	12,608,572	11,479,123	11,479,123
Refunds Due	332,438	330,126	N/A
Net Valuation Assets	<u>12,276,134</u>	<u>11,148,997</u>	N/A
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	2,107,150	2,698,423	2,937,028
Current Cost			
G. Payment Required to Amortize UAAL	\$ 189,800	\$ 236,394	\$ 256,019
As % of Payroll	12.83 %	7.24 %	7.85 %
H. Employer Normal Cost (for current year)	270,984	284,936	376,131
As % of Payroll	18.31 %	13.47 %	11.53 %
I. Plan Year to which Contributions Apply	2007/08	N/A	2006/07
J. Interest	19,261	21,792	26,425
K. Total Required City Contribution	480,045	543,122	658,575
As % of Payroll	32.44 %	25.67 %	20.18 %
M. Estimate of State Contributions	N/A	N/A	N/A
N. Remaining City Contributions	480,045	543,122	658,575
As % of Payroll	32.44 %	25.67 %	20.18 %

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1			
	2007	2006 Impact	2006
Covered Group			
A. Number of Participants			
Actives	12	16	25
Retirees, Disabilities, Beneficiaries and Vested Terminations	24	20	20
Total Annual Covered Payroll	\$ 876,086	\$ 1,088,471	\$ 1,619,275
Long Range Cost			
B. Actuarial Present Value of Projected Benefits	\$ 16,677,070	\$ 15,790,247	\$ 15,941,023
C. Actuarial Present Value of Future Normal Costs	617,627	724,224	1,491,259
D. Actuarial Accrued Liability (AAL): B - C	16,059,443	15,066,023	14,449,764
E. Valuation Assets	11,000,455	10,221,590	10,221,590
Refunds Due	61,378	129,962	N/A
Net Valuation Assets	<u>10,939,077</u>	<u>10,091,628</u>	N/A
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,120,366	4,974,395	4,228,174
Current Cost			
G. Payment Required to Amortize UAAL	\$ 569,128	\$ 532,242	\$ 359,190
As % of Payroll	64.96 %	48.90 %	22.18 %
H. Employer Normal Cost (for current year)	182,987	159,129	189,203
As % of Payroll	20.89 %	14.62 %	11.68 %
I. Plan Year to which Contributions Apply	2007/08	N/A	2006/07
J. Interest	31,439	28,900	22,923
K. Total Required City Contribution	783,554	720,271	571,316
As % of Payroll	89.44 %	66.17 %	35.28 %
M. Estimate of State Contributions	0	0	0
N. Remaining City Contributions	783,554	720,271	571,316
As % of Payroll	89.44 %	66.17 %	35.28 %

DERIVATION OF NORMAL COST GENERAL EMPLOYEES AS OF OCTOBER 1			
	2007	2006 Impact	2006
A. Entry Age Normal Cost for Service Retirement Benefits	238,035	334,062	510,233
Vesting Benefits	12,379	17,634	27,319
Preretirement Death Benefits	3,352	5,038	7,167
Disability	25,425	34,417	54,333
Return of Contributions	13,631	19,305	28,840
Total	<u>292,822</u>	<u>410,456</u>	<u>627,892</u>
B. Normal Cost for Administrative & Investment Expenses	140,915	107,171	107,171
C. Expected Member Contributions	162,753	232,691	358,932
D. Employer Normal Cost for Plan Year Beginning October 1: A + B - C	270,984	284,936	376,131

PRESENT VALUE OF PROJECTED BENEFITS GENERAL EMPLOYEES AS OF OCTOBER 1			
	2007	2006 Impact	2006
A. Present Value of Future Salaries	\$ 5,416,649	\$ 10,916,277	\$ 19,719,917
B. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	8,055,169	9,799,828	11,611,891
Vesting Benefits	63,817	88,607	254,275
Preretirement Death Benefits	57,184	90,383	120,875
Disability	123,589	213,967	372,075
Return of Contributions	1,718	22,479	56,236
Total	<u>8,301,477</u>	<u>10,215,264</u>	<u>12,415,352</u>
2. Inactive Members			
Service Retirees	6,032,407	5,380,082	5,380,082
DROP Participants	840,295	0	0
Disability Retirees	121,537	122,688	122,688
Beneficiaries	49,572	134,967	134,967
Terminated Vested	17,531	16,222	16,222
Total	<u>7,061,342</u>	<u>5,653,959</u>	<u>5,653,959</u>
3. Grand Total	15,362,819	15,869,223	18,069,311

DERIVATION OF NORMAL COST POLICE OFFICERS AS OF OCTOBER 1			
	2007	2006 Impact	2006
A. Entry Age Normal Cost for			
Service Retirement Benefits	117,833	137,423	217,717
Vesting Benefits	13,941	16,064	14,026
Preretirement Death Benefits	1,958	2,347	3,406
Disability	1,428	1,696	2,520
Return of Contributions	11,227	13,540	16,556
Total	<u>146,387</u>	<u>171,070</u>	<u>254,225</u>
B. Normal Cost for Administrative & Investment Expenses	124,209	96,906	96,906
C. Expected Member Contributions	87,609	108,847	161,928
D. Employer Normal Cost for Plan Year Beginning October 1: A + B - C	182,987	159,129	189,203

PRESENT VALUE OF PROJECTED BENEFITS POLICE OFFICERS AS OF OCTOBER 1			
	2007	2006 Impact	2006
A. Present Value of Future Salaries	\$ 4,053,171	\$ 4,840,709	\$ 9,522,667
B. Present Value of Projected Benefits			
1. Active Members			
Service Retirement Benefits	5,904,941	6,718,524	6,810,825
Vesting Benefits	63,367	141,451	166,570
Preretirement Death Benefits	46,681	51,779	62,207
Disability	54,745	61,734	67,255
Return of Contributions	1,696	8,294	25,701
Total	<u>6,071,430</u>	<u>6,981,782</u>	<u>7,132,558</u>
2. Inactive Members			
Service Retirees	7,604,048	6,605,622	6,605,622
DROP Participants	1,789,277	1,763,894	1,763,894
Disability Retirees	319,833	328,002	328,002
Beneficiaries	107,574	110,947	110,947
Terminated Vested	784,908	0	0
Total	<u>10,605,640</u>	<u>8,808,465</u>	<u>8,808,465</u>
3. Grand Total	16,677,070	15,790,247	15,941,023

**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, 2007					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	13	\$ (192)	\$ (22)
10/1/94 Method Change	30		16	23,557	2,464
10/1/94 Assumption Changes	30		16	(13,615)	(1,424)
10/1/95 Plan Amendment	30		17	566,098	57,464
10/1/96 Assumption Change	30		18	110,206	10,888
10/1/98 Plan Amendment	30		20	18,314	1,727
10/1/03 Plan Amendment	30	624,219	26	571,610	48,961
10/1/03 Asset Method Change	30	(785,623)	26	(719,410)	(61,621)
10/1/04 Cost Method Change	30	1,443,006	27	1,338,486	113,335
10/1/05 (Gain)/Loss	30	540,168	28	506,985	42,478
10/1/05 Plan Amendment	30	26,548	28	24,917	2,088
10/1/06 (Gain)/Loss	30	203,371	29	192,952	16,011
10/1/06 Assumption Change	30	151,335	29	143,582	11,914
10/1/06 Plan Amendment	30	(238,605)	29	(226,380)	(18,785)
10/1/07 (Gain)/Loss	29	(429,960)	29	(429,960)	(35,678)
				<u>2,107,150</u>	<u>189,800</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, 2007					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	\$	13	\$ (4,481)	(525)
10/1/94 Method Change	30		16	23,179	2,425
10/1/94 Assumption Changes	30		16	9,986	1,045
10/1/95 Plan Amendment	30		17	456,982	46,388
10/1/96 Assumption Change	30		18	40,770	4,028
10/1/03 Plan Amendment	30	293,612	26	287,906	24,661
10/1/03 Asset Method Change	30	(694,013)	26	(680,522)	(58,290)
10/1/04 Cost Method Change	30	1,473,123	27	1,464,092	123,971
10/1/05 (Gain)/Loss	30	962,062	28	966,641	80,991
10/1/05 Plan Amendment	30	1,135,420	28	1,140,824	95,585
10/1/06 (Gain)/Loss	30	372,522	29	372,522	30,912
10/1/06 Assumption Change	30	200,570	29	203,527	16,889
10/1/06 Plan Amendment	5	746,221	4	668,610	186,914
10/1/07 (Gain)/Loss	29	170,330	29	170,330	14,134
				<u>5,120,366</u>	<u>569,128</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
10/1/07	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	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	\$ 2,698,423	\$ 4,974,395
2. Normal Cost (NC) Previous Valuation	284,936	159,129
3. Contributions Previous Year	658,575	571,316
4. Interest on:		
a. UAAL and NC	238,669	410,682
b. Contributions	26,343	22,854
c. Net Total: (a) - (b)	<u>212,326</u>	<u>387,828</u>
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	2,537,110	4,950,036
6. Change Due to Plan Amendments	0	0
7. Change Due to Assumptions or Methods	(332,438)	0
8. Expected UAAL Current Year After Changes: (5) + (6) + (7)	2,204,672	4,950,036
9. Actual UAAL Current Year	<u>1,774,712</u>	<u>5,120,366</u>
10. Actuarial Gain / (Loss): (8) - (9)	429,960	(170,330)
B. Approximate Portion of Gain / (Loss) Due to Investments	326,885	293,764
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	\$ 103,075	\$ (464,094)

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
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)
9/30/03	(619,343)	(608,052)	(1,227,395)

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, General & Police Combined		Salary Increases		
	Actual	Assumed	General Actual	Police Actual	Assumed
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
9/30/98	12.8	8.0	15.3	3.3	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**

	2007	2006
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 14,234,971	\$ 12,682,308
b. DROP Participants	2,629,572	1,763,894
c. Terminated Vested Members	802,439	16,222
d. Other Members	<u>9,568,010</u>	<u>10,164,171</u>
e. Total	27,234,992	24,626,595
2. Non-Vested Benefits	<u>254,557</u>	<u>1,217,708</u>
3. Total: (1) + (2)	27,489,549	25,844,303
4. Accumulated Contributions of Active Members	2,416,253	3,225,781
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	25,844,303	23,811,564
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	(579,519)	0
b. Change in actuarial assumptions & methods	0	270,195
c. Benefits paid and contribution refunds	(1,848,997)	(1,327,729)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>4,073,762</u>	<u>3,090,273</u>
e. Net Increase	1,645,246	2,032,739
3. Total Value at End of Year	27,489,549	25,844,303
C. Market Value of Assets		
1. Market Value of Assets	24,601,211	22,110,951
2. Refunds Due	<u>393,816</u>	N/A
3. Net Market Value of Assets	24,207,395	N/A
D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods.		

FASB NO. 35 INFORMATION GENERAL EMPLOYEES AS OF OCTOBER 1		
	2007	2006
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 6,203,516	\$ 5,637,737
b. DROP Participants	840,295	0
c. Terminated Vested Members	17,531	16,222
d. Other Members	5,813,355	6,171,809
e. Total	<u>12,874,697</u>	<u>11,825,768</u>
2. Non-Vested Benefits	182,388	891,155
3. Total: (1) + (2)	13,057,085	12,716,923
4. Accumulated Contributions of Active Members	1,495,958	2,018,582
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	12,716,923	11,621,229
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	(583,958)	0
b. Change in actuarial assumptions & methods	0	105,096
c. Benefits paid and contribution refunds	(930,146)	(622,319)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>1,854,266</u>	<u>1,612,917</u>
e. Net Increase	340,162	1,095,694
3. Total Value at End of Year	13,057,085	12,716,923
C. Market Value of Assets		
1. Market Value of Assets	13,134,594	11,693,165
2. Refunds Due	332,438	N/A
3. Net Market Value of Assets	12,802,156	N/A
D. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods.		

FASB NO. 35 INFORMATION POLICE OFFICERS AS OF OCTOBER 1		
	2007	2006
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	\$ 8,031,455	\$ 7,044,571
b. DROP Participants	1,789,277	1,763,894
c. Terminated Vested Members	784,908	0
d. Other Members	<u>3,754,655</u>	<u>3,992,362</u>
e. Total	14,360,295	12,800,827
2. Non-Vested Benefits	72,169	326,553
3. Total: (1) + (2)	14,432,464	13,127,380
4. Accumulated Contributions of Active Members	920,295	1,207,199
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	13,127,380	12,190,335
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	4,439	0
b. Change in actuarial assumptions & methods	0	165,099
c. Benefits paid and contribution refunds	(918,851)	(705,410)
d. Other, including latest member data, benefits accumulated and decrease in discount period	<u>2,219,496</u>	<u>1,477,356</u>
e. Net Increase	1,305,084	937,045
3. Total Value at End of Year	14,432,464	13,127,380
C. Market Value of Assets		
1. Market Value of Assets	11,466,617	10,417,786
2. Refunds Due	<u>61,378</u>	N/A
3. Net Market Value of Assets	11,405,239	N/A
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
10/1/07	9/30/08	\$ 1,263,599	N/A	N/A	N/A
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
10/1/98	9/30/99	381,365	362,429	35,072	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)
10/1/07	\$ 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

* 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, 2007
Contribution Rates:	
Employer (and State)	53.64%
Plan Members	10.63%
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level dollar amount
Equivalent Single Amortization Period	
General Members	23 years
Police Members	15 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. Cost Method

Entry Age Normal Actuarial Cost Method.

K. Changes From Previous Valuation

The City closed the amortization period so the number of years for new bases will go down each year.

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, 2007			
	General	Police	Total
Cash & Short Term Investments	\$ 827,681	\$ 730,186	\$ 1,557,867
General Investments			
U.S. Government Securities	3,097,607	2,732,717	5,830,324
Corporate Bonds	341,535	301,303	642,838
Common Stocks	9,334,566	8,234,980	17,569,546
Accrued Interest & Dividends	51,273	44,762	96,035
Sub-Total	<u>12,824,981</u>	<u>11,313,762</u>	<u>24,138,743</u>
Receivables/(Prepaid)			
Member Contributions	6,498	4,270	10,768
City Contributions	(47,956)	(71,375)	(119,331)
State Contributions	0	0	0
Net due from Brokers	57,979	50,617	108,596
Sub-Total	<u>16,521</u>	<u>(16,488)</u>	<u>33</u>
Payables			
Accounts Payable	23,819	20,794	44,613
DROP Benefits Payable	179,914	251,208	431,122
Sub-Total	<u>203,733</u>	<u>272,002</u>	<u>475,735</u>
Total Pension Fund Assets	13,465,450	11,755,458	25,220,908
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	330,856	288,841	619,697
Net Pension Fund Assets	13,134,594	11,466,617	24,601,211

**INCOME AND DISBURSEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	General	Police	Total
A. Market Value as of Beginning of Year	\$ 11,693,165	\$ 10,417,786	\$ 22,110,951
B. Receipts During Period			
1 Contributions			
a. Employee	301,173	151,911	453,084
b. City	658,575	571,316	1,229,891
c. State	0	0	0
d. Total	<u>959,748</u>	<u>723,227</u>	<u>1,682,975</u>
2 Investment Earnings			
a. Interest & Dividends	385,719	339,992	725,711
b. Net Realized and Unrealized Appreciation	1,204,489	1,061,696	2,266,185
c. Earnings Allocated to Firefighters	37,466	33,024	70,490
d. Total: a. + b. - c.	<u>1,552,742</u>	<u>1,368,664</u>	<u>2,921,406</u>
3 Other Non-investment Income	0	0	0
4 Total Receipts During Period	2,512,490	2,091,891	4,604,381
C. Disbursements During Period			
1 Benefits			
a. Monthly	601,966	706,428	1,308,394
b. Earnings credited to DROP, net fees	17,161	27,258	44,419
c. Refunds	311,019	185,165	496,185
c. Total	<u>930,146</u>	<u>918,851</u>	<u>1,848,997</u>
2 Allocated Expenses			
a. Investment Expenses	60,434	53,270	113,704
b. Administrative Expenses	80,481	70,939	151,420
c. Total Expenses	<u>140,915</u>	<u>124,209</u>	<u>265,124</u>
3 Total Disbursements During Period	1,071,061	1,043,060	2,114,121
D. Market Value as of End of Year	13,134,594	11,466,617	24,601,211

Development of Funding Value of Assets for General Employees as of October 1		
	2007	2006
A. Market Value of Assets at Beginning of Year	\$11,693,165	\$10,759,442
B. Contributions & Commission Recapture	959,748	902,748
C. Disbursements		
1. Benefit Payments	930,146	622,319
2. Non Investment Expenses	80,481	52,480
3. Investment Expenses	60,434	54,691
4. Total Disbursements	1,071,061	729,490
D. Expected Investment Income	931,001	867,686
E. Expected Assets End of Year: A+B-C+D	12,512,853	11,800,386
F. Actual Market Value at End of Year	13,134,594	11,693,165
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	621,741	(107,221)
2. From One Year Ago	(107,221)	146,471
3. From Two Years Ago	146,471	171,871
4. From Three Years Ago	171,871	715,940
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	497,393	(85,777)
2. 60% From One Year Ago	(64,333)	87,883
3. 40% From Two Years Ago	58,588	68,748
4. 20% From Three Years Ago	<u>34,374</u>	<u>143,188</u>
5. Total	526,022	214,042
I. Preliminary Actuarial Value of Assets as of End of Year: F-H5	12,608,572	11,479,123
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	10,507,675	9,354,532
2. 120% of Market Value	15,761,513	14,031,798
3. Valuation Assets	12,608,572	11,479,123
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	1,240,762	791,385
2. Expected Income on Valuation Assets	913,877	848,089
3. Gain/(Loss): (1) - (2)	326,885	(56,704)

Development of Funding Value of Assets for Police Officers as of October 1		
	2007	2006
A. Market Value of Assets at Beginning of Year	\$10,417,786	\$9,884,142
B. Contributions & Commission Recapture	723,227	648,338
C. Disbursements		
1. Benefit Payments	918,851	705,410
2. Non Investment Expenses	70,939	47,453
3. Investment Expenses	53,270	49,453
4. Total Disbursements	1,043,060	802,316
D. Expected Investment Income	820,630	784,572
E. Expected Assets End of Year: A+B-C+D	10,918,583	10,514,736
F. Actual Market Value at End of Year	11,466,617	10,417,786
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	548,034	(96,950)
2. From One Year Ago	(96,950)	135,851
3. From Two Years Ago	135,851	157,825
4. From Three Years Ago	157,825	645,574
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	438,427	(77,560)
2. 60% From One Year Ago	(58,170)	81,511
3. 40% From Two Years Ago	54,340	63,130
4. 20% From Three Years Ago	<u>31,565</u>	<u>129,115</u>
5. Total	466,162	196,196
I.		
Preliminary Actuarial Value of Assets as of End of Year: F-H5	11,000,455	10,221,590
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	9,173,294	8,334,229
2. 120% of Market Value	13,759,940	12,501,343
3. Valuation Assets	11,000,455	10,221,590
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	1,098,698	605,418
2. Expected Income on Valuation Assets	804,934	775,453
3. Gain/(Loss): (1) - (2)	293,764	(170,035)

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
9/30/2007	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
9/30/1998	8.8	12.8
Average Compounded Rate of Return for Last 5 Years	11.4	4.9
Average Compounded Rate of Return for Last 10 Years	6.0	7.1

SECTION IV

MEMBER STATISTICS

STATISTICAL DATA, GENERAL EMPLOYEES			
	10/1/07	10/1/06	10/1/05
Active Participants			
Number	25	67	60
Total Annual Earnings	\$ 1,479,575	\$ 3,263,015	\$ 2,753,699
Average Annual Earnings	59,183	48,702	45,895
Averages			
Current Age	52.4	46.3	45.7
Age at Employment	36.6	38.0	37.3
Past Service	15.9	8.4	8.4
Service at Age 60	23.4	22.0	22.7
Members Receiving Benefits			
Number	28	28	29
Total Annual Pensions	\$ 620,060	\$ 574,300	\$ 577,651
Average Monthly Benefit	1,845	1,709	1,660
Average Current Age*	66.4	66.3	65.3
DROP Participants			
Number	3	0	0
Total Annual Pensions	\$ 77,043	\$ 0	\$ 0
Average Monthly Benefit	2,140	0	0
Average Current Age	57.9	0.0	0.0
Terminated Members with Vested Benefits			
Number	1	1	1
Total Annual Pensions	\$ 7,656	\$ 7,656	\$ 7,656
Average Monthly Benefit	638	638	638
Average Current Age	40.5	39.5	38.5

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

Note: Pensions shown include monthly supplement.

STATISTICAL DATA, POLICE OFFICERS			
	10/1/07	10/1/06	10/1/05
Active Participants			
Number	12	25	23
Total Annual Earnings	\$ 876,086	\$ 1,619,275	\$ 1,364,349
Average Annual Earnings	73,007	64,771	59,320
Averages			
Current Age	43.6	42.1	40.8
Age at Employment	26.2	30.8	29.6
Past Service	17.4	11.3	11.2
Service at Age 60	33.8	29.2	30.4
Members Receiving Benefits			
Number	19	17	16
Total Annual Pensions	\$ 648,763	\$ 575,609	\$ 553,053
Average Monthly Benefit	2,845	2,822	2,880
Average Current Age*	60.6	60.6	59.6
DROP Participants			
Number	3	3	4
Total Annual Pensions	\$ 120,288	\$ 120,288	\$ 156,635
Average Monthly Benefit	3,341	3,341	3,263
Average Current Age	51.6	50.6	52.3
Terminated Members with Vested Benefits			
Number	2	0	0
Total Annual Pensions	\$ 70,549	\$ 0	\$ 0
Average Monthly Benefit	2,940	0	0
Average Current Age	46.8	0.0	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 10/1/2006 TO 9/30/2007

	General	Police	Total
A. Active Members			
1 Number Included in Last Valuation	67	25	92
2 New Members Included in Current Valuation	0	0	0
3 Non-Vested Employment Terminations	(7)	(1)	(8)
4 Vested Employment Terminations	(2)	(2)	(4)
5 Non-Vested Transfers to FRS	(21)	(5)	(26)
6 Vested Transfers to FRS	(8)	(4)	(12)
7 Service Retirements	(1)	(1)	(2)
8 Disability Retirements	0	0	0
9 Deaths	0	0	0
10 DROP Retirements	(3)	0	(3)
11 Number Included in This Valuation	<u>25</u>	<u>12</u>	<u>37</u>
B. Terminated Vested Members			
1 Number Included in Last Valuation	1	0	1
2 Additions from Active Members	2	2	4
3 Lump Sum Payments	0	0	0
4 Payments Commenced	0	0	0
5 Returned to Work	0	0	0
6 Refunds	(2)	0	(2)
7 Number Included in This Valuation	<u>1</u>	<u>2</u>	<u>3</u>
C. DROP Participants			
1 Number Included in Last Valuation	0	3	3
2 Additions from Active Members	3	0	3
3 Retired	0	0	0
4 Deaths	0	0	0
5 Number Included in This Valuation	<u>3</u>	<u>3</u>	<u>6</u>
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	28	17	45
2 Additions from Active Members	1	1	2
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	0	0	0
5 Deaths Resulting in No Further Payments	(1)	0	(1)
6 End of Certain Period - No Further Payments	0	0	0
7 New Retiree from Vested Terminated Status, Not Previously Reported	0	1	1
8 Number Included in This Valuation	<u>28</u>	<u>19</u>	<u>47</u>

Age and Service Distribution
Active General Employees
As of October 1, 2007

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

Age and Service Distribution												
Active Police Officers												
As of October 1, 2007												
<u>Ages</u>	<u>Years of Past Service</u>											<u>Totals</u>
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	
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	1	0	0	0	2
40-44	0	0	0	0	0	0	0	4	1	0	0	5
45-49	0	0	0	0	0	1	0	1	1	0	0	3
50-54	0	0	0	0	0	0	0	0	0	0	0	0
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	1	0	1
65&UP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	1	2	6	2	1	0	12

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, 2007 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. 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.