GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

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

FOR THE YEAR BEGINNING OCTOBER 1, 2009

GRS

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June 4, 2010

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, 2009 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, 2010.

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, 2010, is $1,338,012 (119.34% of payroll), as shown below:

	Required City Contribution		
	General	**Police**	**Total**
Total Required Employer Contribution	$ 514,830	823,182	1,338,012
As a % of Payroll	70.02 %	213.33 %	119.34 %
Expected State Premium Tax Refund	N/A	$0	$0
As a % of Payroll	N/A	--	--
Remaining City Contribution	514,830	823,182	1,338,012
As a % of Payroll	70.02 %	213.33 %	119.34 %

EXPERIENCE

The contribution has increased in dollar amount and as a percent of payroll for both groups. There were losses of $738,914 for General Employees and $651,724 for Police Officers due to the investment return of 2.1% on a valuation asset basis, as compared to the assumed rate of 8.0%. Liability experience produced an additional loss of $199,523 for General Employees. On the other hand, the liability experience produced a gain of $366,413 for Police Officers, due to the death of a retiree. The overall result was a loss for both groups. These losses added to the dollar amount of the contributions. The increase in contribution as a percent of payroll was due to the increase in dollar amount of contribution and to the decreasing payroll of the closed group.

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 73.1% compared to 75.6% 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 $3,890,870 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 $340,000.

RELATIONSHIP TO MARKET VALUE

If Market Value had been the basis for the valuation, the City contribution would have been $1,680,000 and the funded ratio would have been 61%. In the absence of other gains and losses, the City contribution rate should increase to that level over the next few years.

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.

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
10/1/09	$ 19,599,782	$ 30,467,841	64 %
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

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
10/1/09	$ 23,490,652	$ 32,154,562	73 %
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

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 UAAL**	**Total**
10/1/09	31.88 %	82.24 %	119.34 %
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

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

	2009	2008
Covered Group		
A. Number of Participants		
Actives	18	25
Retirees, Disabilities, Beneficiaries and Vested Terminations	73	67
Total Annual Covered Payroll	$ 1,121,175	$ 1,570,672
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	$ 33,063,745	$ 32,833,184
C. Actuarial Present Value of Future Normal Costs	909,183	1,134,880
D. Actuarial Accrued Liability (AAL): B - C	32,154,562	31,698,304
E. Valuation Assets	23,557,991	24,046,007
Refunds Due*	67,339	67,339
Net Valuation Assets	23,490,652	23,978,668
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	8,663,910	7,719,636
Current Cost		
G. Payment Required to Amortize UAAL	$ 922,085	$ 820,132
As % of Payroll	82.24 %	52.22 %
H. Total Normal Cost (for current year)	476,919	503,559
As % of Payroll	42.54 %	32.06 %
I. Plan Year to which Contributions Apply	2009/10	2008/09
J. Interest	58,479	55,332
K. Total Required Contribution	1,457,483	1,379,023
As % of Payroll	130.00 %	87.80 %
L. Expected Member Contribution	119,471	167,604
As % of Payroll	10.66 %	10.67 %
M. Total Required City Contribution	1,338,012	1,211,419
As % of Payroll	119.34 %	77.13 %
N. Estimate of State Contributions	0	0
O. Remaining City Contributions	1,338,012	1,211,419
As % of Payroll	119.34 %	77.13 %

*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

	2009	2008
Covered Group		
A. Number of Participants		
Actives	13	18
Retirees, Disabilities, Beneficiaries and Vested Terminations	42	38
Total Annual Covered Payroll	$ 735,297	$ 1,053,750
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	$ 16,080,805	$ 15,649,133
C. Actuarial Present Value of Future Normal Costs	617,995	726,707
D. Actuarial Accrued Liability (AAL): B - C	15,462,810	14,922,426
E. Valuation Assets	12,308,579	12,658,082
Refunds Due*	67,339	67,339
Net Valuation Assets	12,241,240	12,590,743
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	3,221,570	2,331,683
Current Cost		
G. Payment Required to Amortize UAAL	$ 290,503	$ 211,650
As % of Payroll	39.51 %	20.09 %
H. Total Normal Cost (for current year)	281,308	325,315
As % of Payroll	38.26 %	30.87 %
I. Plan Year to which Contributions Apply	2009/10	2008/09
J. Interest	23,902	22,446
K. Total Required Contribution	595,713	559,411
As % of Payroll	81.02 %	53.09 %
L. Expected Member Contribution	80,883	115,912
As % of Payroll	11.00 %	11.00 %
M. Total Required City Contribution	514,830	443,499
As % of Payroll	70.02 %	42.09 %
N. Estimate of State Contributions	N/A	N/A
O. Remaining City Contributions	514,830	443,499
As % of Payroll	70.02 %	42.09 %

*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

	2009	2008
Covered Group		
A. Number of Participants		
Actives	5	7
Retirees, Disabilities, Beneficiaries and Vested Terminations	31	29
Total Annual Covered Payroll	$ 385,878	$ 516,923
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	$ 16,982,940	$ 17,184,051
C. Actuarial Present Value of Future Normal Costs	291,188	408,173
D. Actuarial Accrued Liability (AAL): B - C	16,691,752	16,775,878
E. Valuation Assets	11,249,412	11,387,925
Refunds Due*	0	0
Net Valuation Assets	11,249,412	11,387,925
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	5,442,340	5,387,953
Current Cost		
G. Payment Required to Amortize UAAL	$ 631,582	$ 608,482
As % of Payroll	163.67 %	117.71 %
H. Total Normal Cost (for current year)	195,611	178,244
As % of Payroll	50.69 %	34.48 %
I. Plan Year to which Contributions Apply	2009/10	2008/09
J. Interest	34,577	32,886
K. Total Required Contribution	861,770	819,612
As % of Payroll	223.33 %	158.56 %
L. Expected Member Contribution	38,588	51,692
As % of Payroll	10.00 %	10.00 %
M. Total Required City Contribution	823,182	767,920
As % of Payroll	213.33 %	148.56 %
N. Estimate of State Contributions	0	0
O. Remaining City Contributions	823,182	767,920
As % of Payroll	213.33 %	148.56 %

*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		
	2009	2008
A. Entry Age Normal Cost for		
Service Retirement Benefits	110,436	179,222
Vesting Benefits	6,552	7,681
Preretirement Death Benefits	2,003	2,496
Disability	9,952	18,158
Return of Contributions	7,141	8,364
Total	136,084	215,921
B. Normal Cost for Administrative & Investment Expenses	145,224	109,394
C. Total Normal Cost: A + B	281,308	325,315

PRESENT VALUE OF PROJECTED BENEFITS GENERAL EMPLOYEES AS OF OCTOBER 1		
	2009	2008
A. Present Value of Future Salaries	$ 3,422,403	$ 3,822,809
B. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	3,801,726	5,375,011
Vesting Benefits	69,756	61,568
Preretirement Death Benefits	40,020	38,983
Disability	76,433	87,040
Return of Contributions	1,086	1,079
Total	3,989,021	5,563,681
2. Inactive Members		
Service Retirees	8,465,748	5,926,301
DROP Participants	3,441,138	3,810,908
Disability Retirees	119,045	120,323
Beneficiaries	44,730	47,125
Terminated Vested	21,123	180,795
Total	12,091,784	10,085,452
3. Grand Total	16,080,805	15,649,133

DERIVATION OF NORMAL COST POLICE OFFICERS AS OF OCTOBER 1		
	2009	2008
A. Entry Age Normal Cost for		
Service Retirement Benefits	53,882	64,772
Vesting Benefits	3,506	7,378
Preretirement Death Benefits	1,062	1,262
Disability	695	919
Return of Contributions	4,388	6,987
Total	63,533	81,318
B. Normal Cost for Administrative & Investment Expenses	132,078	96,926
C. Total Normal Cost: A + B	195,611	178,244

PRESENT VALUE OF PROJECTED BENEFITS POLICE OFFICERS AS OF OCTOBER 1		
	2009	2008
A. Present Value of Future Salaries	$ 1,935,735	$ 2,756,767
B. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	2,206,681	3,161,795
Vesting Benefits	38,564	37,735
Preretirement Death Benefits	22,483	31,634
Disability	22,286	34,672
Return of Contributions	1,257	1,524
Total	2,291,271	3,267,360
2. Inactive Members		
Service Retirees	9,070,149	8,863,553
DROP Participants	4,470,274	3,787,796
Disability Retirees	303,730	311,805
Beneficiaries	418,298	104,202
Terminated Vested	429,218	849,335
Total	14,691,669	13,916,691
3. Grand Total	16,982,940	17,184,051

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 through 2036/37. Details relating to the UAAL are as follows:

UAAL GENERAL EMPLOYEES AS OF OCTOBER 1, 2009					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	$	11	$ (174)	$ (23)
10/1/94 Method Change	30		14	21,846	2,454
10/1/94 Assumption Changes	30		14	(12,625)	(1,418)
10/1/95 Plan Amendment	30		15	528,977	57,222
10/1/96 Assumption Change	30		16	103,661	10,844
10/1/98 Plan Amendment	30		18	17,414	1,720
10/1/03 Plan Amendment	30	624,219	24	554,830	48,793
10/1/03 Asset Method Change	30	(785,623)	24	(698,290)	(61,409)
10/1/04 Cost Method Change	30	1,443,006	25	1,302,193	112,952
10/1/05 (Gain)/Loss	30	540,168	26	494,267	42,336
10/1/05 Plan Amendment	30	26,548	26	24,291	2,081
10/1/06 (Gain)/Loss	30	203,371	27	188,466	15,958
10/1/06 Assumption Change	30	151,335	27	140,245	11,875
10/1/06 Plan Amendment	30	(238,605)	27	(221,118)	(18,723)
10/1/07 (Gain)/Loss	29	(429,960)	27	(419,965)	(35,560)
10/1/08 (Gain)/Loss	28	262,546	27	259,116	21,940
10/1/09 (Gain)/Loss	27	938,436	27	938,436	79,461
				3,221,570	290,503

Amortization Schedule Illustration - General	
Year Ended	Projected UAAL
2009	$ 3,221,570
2010	3,165,551
2011	3,105,051
2012	3,039,711
2013	2,969,143
2018	2,522,033
2023	1,865,002
2028	1,224,463
2033	407,106
2038	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 through 2036/37. Details relating to the UAAL are as follows:

UAAL POLICE OFFICERS AS OF OCTOBER 1, 2009					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	$	11	$ (4,041)	(524)
10/1/94 Method Change	30		14	21,559	2,421
10/1/94 Assumption Changes	30		14	9,288	1,043
10/1/95 Plan Amendment	30		15	428,247	46,326
10/1/96 Assumption Change	30		16	38,456	4,023
10/1/03 Plan Amendment	30	293,612	24	280,108	24,633
10/1/03 Asset Method Change	30	(694,013)	24	(662,094)	(58,226)
10/1/04 Cost Method Change	30	1,473,123	25	1,427,689	123,837
10/1/05 (Gain)/Loss	30	962,062	26	944,544	80,905
10/1/05 Plan Amendment	30	1,135,420	26	1,114,748	95,483
10/1/06 (Gain)/Loss	30	364,685	27	364,685	30,879
10/1/06 Assumption Change	30	200,570	27	199,244	16,871
10/1/06 Plan Amendment	5	746,221	2	357,917	185,842
10/1/07 (Gain)/Loss	29	170,330	27	166,745	14,119
10/1/08 (Gain)/Loss	28	475,229	27	469,929	39,791
10/1/09 (Gain)/Loss	27	285,316	27	285,316	24,159
				5,442,340	631,582

Amortization Schedule Illustration - Police	
Year Ended	Projected UAAL
2009	$ 5,442,340
2010	5,195,618
2011	4,929,159
2012	4,842,092
2013	4,748,060
2018	4,152,278
2023	3,275,042
2028	2,246,115
2033	813,735
2038	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
10/1/09	18	73	$ 1,121,175	$ 23,490,652	$ 8,663,910	$ 357,448	31.88 %
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

* 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:

	General	Police
A. Derivation of Actuarial Gain / (Loss)		
1. Unfunded Actuarial Accrued Liability (UAAL) Previous Valuation	$ 2,331,683	$ 5,387,953
2. Normal Cost (NC) Previous Valuation	209,403	126,552
3. Contributions Previous Year	443,499	767,920
4. Interest on:		
a. UAAL and NC	203,287	441,160
b. Contributions	17,740	30,721
c. Net Total: (a) - (b)	185,547	410,439
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	2,283,134	5,157,024
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)	2,283,134	5,157,024
9. Actual UAAL Current Year	3,221,570	5,442,340
10. Actuarial Gain / (Loss): (8) - (9)	(938,436)	(285,316)
B. Approximate Portion of Gain / (Loss) Due to Investments	(738,914)	(651,724)
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	$ (199,522)	$ 366,408

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/09	$ (938,436)	$ (285,316)	$ (1,223,752)
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)

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:

	Investment Rate of Return on Actuarial Value of Assets,		Salary Increases		
Year Ended	Actual	Assumed	General Actual	Police Actual	Assumed
9/30/09	2.1 %	8.0 %	4.9 %	3.6 %	5.5 %
9/30/08	5.1	8.0	3.4	4.1	5.5
9/30/07	10.9	8.0	6.2	5.4	5.5
9/30/06	6.9	8.0	7.8	5.4	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

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

	2009	2008
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	$ 18,421,700	$ 15,373,309
b. DROP Participants	7,911,412	7,598,704
c. Terminated Vested Members	450,341	1,030,130
d. Other Members	3,758,607	5,674,273
e. Total	30,542,060	29,676,416
2. Non-Vested Benefits	276,377	244,870
3. Total: (1) + (2)	30,818,437	29,921,286
4. Accumulated Contributions of Active Members	1,152,016	1,604,960
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	29,921,286	27,489,549
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(2,070,228)	(1,985,097)
d. Other, including lastest member data, benefits accumulated and decrease in discount period	2,967,379	4,416,834
e. Net Increase	897,151	2,431,737
3. Total Value at End of Year	30,818,437	29,921,286
C. Market Value of Assets		
1. Market Value of Assets	19,667,121	20,470,357
2. Refunds Due*	67,339	67,339
3. Net Market Value of Assets	19,599,782	20,403,018
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

	2009	2008
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	$ 8,629,523	$ 6,093,749
b. DROP Participants	3,441,138	3,810,908
c. Terminated Vested Members	21,123	180,795
d. Other Members	2,467,151	3,927,639
e. Total	14,558,935	14,013,091
2. Non-Vested Benefits	160,707	131,260
3. Total: (1) + (2)	14,719,642	14,144,351
4. Accumulated Contributions of Active Members	779,264	1,094,417
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	14,144,351	13,057,085
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(1,007,372)	(1,067,411)
d. Other, including lastest member data, benefits accumulated and decrease in discount period	1,582,663	2,154,677
e. Net Increase	575,291	1,087,266
3. Total Value at End of Year	14,719,642	14,144,351
C. Market Value of Assets		
1. Market Value of Assets	10,257,149	10,762,906
2. Refunds Due*	67,339	67,339
3. Net Market Value of Assets	10,189,810	10,695,567
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

	2009	2008
A. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Benefits	$ 9,792,177	$ 9,279,560
b. DROP Participants	4,470,274	3,787,796
c. Terminated Vested Members	429,218	849,335
d. Other Members	1,291,456	1,746,634
e. Total	15,983,125	15,663,325
2. Non-Vested Benefits	115,670	113,610
3. Total: (1) + (2)	16,098,795	15,776,935
4. Accumulated Contributions of Active Members	372,752	510,543
B. Statement of Change in Accumulated Plan Benefits		
1. Total Value at Beginning of Year	15,776,935	14,432,464
2. Increase (decrease) during year attributable to:		
a. Plan Amendment	0	0
b. Change in actuarial assumptions & methods	0	0
c. Benefits paid and contribution refunds	(1,062,856)	(917,686)
d. Other, including lastest member data, benefits accumulated and decrease in discount period	1,384,716	2,262,157
e. Net Increase	321,860	1,344,471
3. Total Value at End of Year	16,098,795	15,776,935
C. Market Value of Assets		
1. Market Value of Assets	9,409,972	9,707,451
2. Refunds Due*	0	0
3. Net Market Value of Assets	9,409,972	9,707,451
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
10/1/09	9/30/10	$ 1,338,012	N/A	N/A	N/A
10/1/08	9/30/09	1,211,419	$ 1,211,419	$ 0	100 %
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

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)
10/1/09	$ 23,490,652	$ 32,154,562	$ 8,663,910	73.1 %	$ 1,121,175	772.8 %
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

* 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, 2009
Contribution Rates:	
Employer (and State)	119.34%
Plan Members	10.66%
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level dollar amount
Equivalent Single Amortization Period	
General Members	23 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: Samples Rates are shown below:

Age	Males	Females
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:

Age	Males	Females
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

	Eligible for Retirement with Early Retirement Reduction		Eligible for Unreduced Retirement	
Age	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.

The Unfunded Actuarial Accrued Liability is funded as a level dollar amount. The amortization periods for new bases end with the plan year 2036/37.

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

Actuarial Accrued Liability (AAL)	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
Actuarial Assumptions	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
Actuarial Cost Method	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
Actuarial Equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV)	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
Actuarial Present Value of Future Benefits (APVFB)	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 25, such as the Funded Ratio and the Annual Required Contribution (ARC).
Actuarial Value of Assets	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution (ARC).

Amortization Method	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
Amortization Payment	That portion of the plan contribution or ARC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Amortization Period	The period used in calculating the Amortization Payment.
Annual Required Contribution (ARC)	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB No. 25. The ARC consists of the Employer Normal Cost and Amortization Payment.
Closed Amortization Period	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
Employer Normal Cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Equivalent Single Amortization Period	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
Experience Gain/Loss	A measure of the difference between the normal cost rate from last year and the normal cost rate from this year.
Funded Ratio	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
GASB	Governmental Accounting Standards Board.
GASB No. 25 and GASB No. 27	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 27 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 25 sets the rules for the systems themselves.

Normal Cost	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
Unfunded Actuarial Accrued Liability	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
Valuation Date	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION III

PENSION FUND INFORMATION

STATEMENT OF ASSETS AT MARKET VALUE
AS OF OCTOBER 1, 2009

	General	Police	Total
Cash & Short Term Investments	$ 505,617	$ 468,152	$ 973,769
General Investments			
U.S. Government Securities	2,072,054	1,918,521	3,990,575
Corporate Bonds	2,003,121	1,854,696	3,857,817
Common Stocks	6,609,051	6,119,336	12,728,387
Accrued Interest & Dividends	52,169	47,861	100,030
Sub-Total	10,736,395	9,940,414	20,676,809
Receivables/(Prepaid)			
Member Contributions	0	0	0
City Contributions	(31,346)	(54,277)	(85,623)
State Contributions	0	0	0
Net due from Brokers	(5,501)	(5,047)	(10,548)
Sub-Total	(36,847)	(59,324)	(96,171)
Payables			
Accounts Payable	14,417	13,226	27,643
DROP Benefits Payable	578,888	600,629	1,179,517
Sub-Total	593,305	613,855	1,207,160
Total Pension Fund Assets	10,611,860	9,735,387	20,347,247
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	354,711	325,415	680,126
Net Pension Fund Assets	10,257,149	9,409,972	19,667,121

INCOME AND DISBURSEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General	Police	Total
A. Market Value as of Beginning of Year	$ 10,762,906	$ 9,707,450	$ 20,470,356
B. Receipts During Period			
1. Contributions			
a. Employee	109,832	44,492	154,324
b. City	443,499	767,920	1,211,419
c. State	0	0	0
d. Total	553,331	812,412	1,365,743
2. Investment Earnings			
a. Interest & Dividends	329,634	299,797	629,431
b. Net Realized and Unrealized Appreciation	(233,003)	(211,913)	(444,916)
c. Earnings Allocated to Firefighters	3,123	2,840	5,963
d. Total: a. + b. - c.	93,508	85,044	178,552
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	646,839	897,456	1,544,295
C. Disbursements During Period			
1. Benefits			
a. Pension Payments	962,346	1,018,582	1,980,928
b. Earnings credited to DROP, net fees	45,026	44,274	89,300
c. Refunds	0	0	0
c. Total	1,007,372	1,062,856	2,070,228
2. Allocated Expenses			
a. Investment Expenses	38,768	35,258	74,026
b. Administrative Expenses	106,456	96,820	203,276
c. Total Expenses	145,224	132,078	277,302
3. Total Disbursements During Period	1,152,596	1,194,934	2,347,530
D. Market Value as of End of Year	10,257,149	9,409,972	19,667,121

Development of Funding Value of Assets for General Employees as of October 1		
	2009	2008
A. Market Value of Assets at Beginning of Year	$10,762,906	$13,134,595
B. Contributions & Commission Recapture	553,331	595,870
C. Disbursements		
1. Benefit Payments	1,007,372	1,067,411
2. Non Investment Expenses	106,456	48,995
3. Investment Expenses	38,768	60,399
4. Total Disbursements	1,152,596	1,176,805
D. Expected Investment Income	837,062	1,027,530
E. Expected Assets End of Year: A+B-C+D	11,000,703	13,581,190
F. Actual Market Value at End of Year	10,257,149	10,762,905
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	(743,554)	(2,818,285)
2. From One Year Ago	(2,818,285)	621,741
3. From Two Years Ago	621,741	(107,221)
4. From Three Years Ago	(107,221)	146,471
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	(594,843)	(2,254,628)
2. 60% From One Year Ago	(1,690,971)	373,045
3. 40% From Two Years Ago	248,696	(42,888)
4. 20% From Three Years Ago	(21,444)	29,294
5. Total	(2,058,562)	(1,895,177)
I. Preliminary Actuarial Value of Assets as of End of Year: F-H5	12,315,711	12,658,082
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	8,205,719	8,610,324
2. 120% of Market Value	12,308,579	12,915,486
3. Valuation Assets	12,308,579	12,658,082
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	249,762	630,445
2. Expected Income on Valuation Assets	988,676	985,448
3. Gain/(Loss): (1) - (2)	(738,914)	(355,003)

Development of Funding Value of Assets for Police Officers as of October 1		
	2009	2008
A. Market Value of Assets at Beginning of Year	$9,707,450	$11,466,616
B. Contributions & Commission Recapture	812,412	842,122
C. Disbursements		
1. Benefit Payments	1,062,856	917,686
2. Non Investment Expenses	96,820	43,411
3. Investment Expenses	35,258	53,515
4. Total Disbursements	1,194,934	1,014,612
D. Expected Investment Income	761,295	910,430
E. Expected Assets End of Year: A+B-C+D	10,086,223	12,204,556
F. Actual Market Value at End of Year	9,409,972	9,707,451
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	(676,251)	(2,497,105)
2. From One Year Ago	(2,497,105)	548,034
3. From Two Years Ago	548,034	(96,950)
4. From Three Years Ago	(96,950)	135,851
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	(541,001)	(1,997,684)
2. 60% From One Year Ago	(1,498,263)	328,820
3. 40% From Two Years Ago	219,214	(38,780)
4. 20% From Three Years Ago	(19,390)	27,170
5. Total	(1,839,440)	(1,680,474)
I. Preliminary Actuarial Value of Assets as of End of Year: F-H5	11,249,412	11,387,925
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	7,527,978	7,765,961
2. 120% of Market Value	11,291,967	11,648,942
3. Valuation Assets	11,249,412	11,387,925
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	244,009	559,960
2. Expected Income on Valuation Assets	895,733	873,137
3. Gain/(Loss): (1) - (2)	(651,724)	(313,177)

RECONCILLIATION OF DROP ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General	Police	Total
A. Account Balances as of Beginning of Year	$ 281,548	459,447	$ 740,995
B. Receipts During Period			
1. Deposits	295,946	240,762	536,708
2. Investment Earnings, net fees	45,026	44,274	89,300
3. Total	340,972	285,036	626,008
C. Withdrawals During Period	43,632	143,854	187,486
D. Account Balances as of End of Year	578,888	600,629	1,179,517

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
9/30/2009	0.9 %	2.1 %
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
Average Compounded Rate of Return for Last 5 Years	2.9	5.6
Average Compounded Rate of Return for Last 10 Years	2.7	5.1

SECTION IV

MEMBER STATISTICS

STATISTICAL DATA, GENERAL EMPLOYEES			
	10/1/09	**10/1/08**	**10/1/07**
Active Partipants			
Number	13	18	25
Total Annual Earnings	$ 735,297	$ 1,053,750	$ 1,479,575
Average Annual Earnings	56,561	58,542	59,183
Averages			
Current Age	50.4	53.4	52.4
Age at Employment	35.4	38.3	36.6
Past Service	15.0	15.1	15.9
Service at Age 60	24.6	21.7	23.4
Members Receiving Benefits			
Number	33	27	28
Total Annual Pensions	$ 853,707	$ 617,586	$ 620,060
Average Monthly Benefit	2,156	1,906	1,845
Average Current Age*	65.6	66.7	66.4
DROP Participants			
Number	8	9	3
Total Annual Pensions	$ 295,227	$ 327,505	$ 77,043
Average Monthly Benefit	3,075	3,032	2,140
Average Current Age	55.6	54.4	57.9
Terminated Members with Vested Benefits			
Number	1	2	1
Total Annual Pensions	$ 7,897	$ 22,851	$ 7,656
Average Monthly Benefit	658	952	638
Average Current Age	42.4	51.0	40.5

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

Note: Pensions shown include monthly supplement.

STATISTICAL DATA, POLICE OFFICERS			
	10/1/09	**10/1/08**	**10/1/07**
Active Partipants			
Number	5	7	12
Total Annual Earnings	$ 385,878	$ 516,923	$ 876,086
Average Annual Earnings	77,176	73,846	73,007
Averages			
Current Age	43.5	42.0	43.6
Age at Employment	28.2	26.2	26.2
Past Service	15.3	15.8	17.4
Service at Age 60	31.8	33.8	33.8
Members Receiving Benefits			
Number	23	21	19
Total Annual Pensions	$ 805,799	$ 731,556	$ 648,763
Average Monthly Benefit	2,920	2,903	2,845
Average Current Age*	59.6	60.1	60.6
DROP Participants			
Number	7	6	3
Total Annual Pensions	$ 296,621	$ 255,162	$ 120,288
Average Monthly Benefit	3,531	3,544	3,341
Average Current Age	50.0	50.2	51.6
Terminated Members with Vested Benefits			
Number	1	2	2
Total Annual Pensions	$ 34,270	$ 70,549	$ 70,549
Average Monthly Benefit	2,856	2,940	2,940
Average Current Age	47.8	47.8	46.8

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

Note: Pensions shown include monthly supplement.

RECONCILIATION OF MEMBERSHIP DATA
FROM 10/1/2008 TO 9/30/2009

	General	Police	Total
A. Active Members			
1 Number Included in Last Valuation	18	7	25
2 New Members Included in Current Valuation	0	0	0
3 Non-Vested Employment Terminations	0	0	0
4 Vested Employment Terminations	0	0	0
5 Non-Vested Transfers to FRS	0	0	0
6 Vested Transfers to FRS	0	0	0
7 Service Retirements	(5)	(1)	(6)
8 Disability Retirements	0	0	0
9 Deaths	0	0	0
10 DROP Retirements	0	(1)	(1)
11 Number Included in This Valuation	13	5	18
B. Terminated Vested Members			
1 Number Included in Last Valuation	2	2	4
2 Additions from Active Members	0	0	0
3 Lump Sum Payments	0	0	0
4 Payments Commenced	(1)	(1)	(2)
5 Returned to Work	0	0	0
6 Refunds	0	0	0
7 Number Included in This Valuation	1	1	2
C. DROP Participants			
1 Number Included in Last Valuation	9	6	15
2 Additions from Active Members	0	1	1
3 Retired	(1)	0	(1)
4 Deaths	0	0	0
5 Number Included in This Valuation	8	7	15
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	27	21	48
2 Additions from Active Members	5	1	6
3 Additions from Terminated Vested Members	1	1	2
4 Additions from DROP	1	0	1
5 Deaths Resulting in No Further Payments	(1)	0	(1)
6 End of Certain Period - No Further Payments	0	0	0
7 Number Included in This Valuation	33	23	56

RECONCILIATION OF MEMBERSHIP DATA
FROM 10/1/2008 TO 9/30/2009

	General	Police	Total
A. Active Members			
1 Number Included in Last Valuation	18	7	25
2 New Members Included in Current Valuation	0	0	0
3 Non-Vested Employment Terminations	0	0	0
4 Vested Employment Terminations	0	0	0
5 Non-Vested Transfers to FRS	0	0	0
6 Vested Transfers to FRS	0	0	0
7 Service Retirements	(5)	(1)	(6)
8 Disability Retirements	0	0	0
9 Deaths	0	0	0
10 DROP Retirements	0	(1)	(1)
11 Number Included in This Valuation	13	5	18
B. Terminated Vested Members			
1 Number Included in Last Valuation	2	2	4
2 Additions from Active Members	0	0	0
3 Lump Sum Payments	0	0	0
4 Payments Commenced	(1)	(1)	(2)
5 Returned to Work	0	0	0
6 Refunds	0	0	0
7 Number Included in This Valuation	1	1	2
C. DROP Participants			
1 Number Included in Last Valuation	9	6	15
2 Additions from Active Members	0	1	1
3 Retired	(1)	0	(1)
4 Deaths	0	0	0
5 Number Included in This Valuation	8	7	15
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	27	21	48
2 Additions from Active Members	5	1	6
3 Additions from Terminated Vested Members	1	1	2
4 Additions from DROP	1	0	1
5 Deaths Resulting in No Further Payments	(1)	0	(1)
6 End of Certain Period - No Further Payments	0	0	0
7 Number Included in This Valuation	33	23	56

Age and Service Distribution
Active Police Officers
As of October 1, 2009

	Years of Past Service											
Ages	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Totals
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	0	0	0	0	0
45-49	0	0	0	0	0	0	0	1	0	0	0	1
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	2	0	0	0	5

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, 2009 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:

Years of Credited Service	Vested Percentage
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:

None.

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:

   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.