GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

CITY OF WILTON MANORS RETIREMENT PLAN FOR GENERAL EMPLOYEES & POLICE
ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2011

FOR THE YEAR BEGINNING OCTOBER 1, 2011

May 2, 2012

Pension Board
City of Wilton Manors
Wilton Manors, FL 33305

Re: City of Wilton Manors Pension Plan for General Employees and Police
Annual Actuarial Valuation as of October 1, 2011

Dear Board Members:

We are pleased to present herein our October 1, 2011 Actuarial Valuation Report for the City of Wilton Manors Pension Plan for General Employees and Police.

This report was prepared at the request of the Board and is intended for use by the Pension Plan and those designated or approved by the Board. This report may be provided to parties other than the Pension Plan only in its entirety and only with the permission of the Board.

The purpose of the valuation is to measure the Pension Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2012, and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 25 and No. 27.

This report should not be relied on for any purpose other than the purpose described above.

The findings in this report consider data or other information through September 30, 2011. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation was based upon information furnished by the Plan Administrator concerning Pension Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries, which information is summarized in the report. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator. This report was prepared using certain assumptions prescribed by the Board as described in Section II.

As indicated below, the undersigned actuaries are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Pension Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

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. In my opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By______________________________________

Theora P. Braccialarghe, FSA, MAAA, FCA
Enrolled Actuary No. 11-02826

By_________________________________

Jeff Amrose, MAAA
Enrolled Actuary No. 11-06599

By______________________________________

Rhonda Hart, CEBS
Senior Analyst

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SECTION I

INTRODUCTION

DISCUSSION

TOTAL REQUIRED CONTRIBUTION

The required City contribution for the plan year ending September 30, 2012, is $1,518,314, as shown below:

	Required City Contribution		
	General	**Police**	**Total**
Total Required Employer Contribution	$ 671,902	846,412	1,518,314
As a % of Payroll	119.73 %	294.04 %	178.83 %
Expected State Premium Tax Refund	N/A	$0	$0
Remaining City Contribution	671,902	846,412	1,518,314
As a % of Payroll	119.73 %	294.04 %	178.83 %

The required contribution dollar amounts shown above are estimates in the sense that the actual contribution should be no less than the listed percentage of payroll multiplied by the actual covered payroll for the year. We recommend that the contribution be the greater of (i) the dollar amount shown above, and (ii) the percent of payroll shown above multiplied by the actual payroll for the year.

The actual employer contribution received during the year ending September 30, 2011 was $1,550,528. The minimum required contribution was $1,550,528.

EXPERIENCE

The $671,902 contribution requirement for General employees for the plan year ending September 30, 2012 represents a $99,793 increase from the prior year. The $846,412 contribution requirement for Police for the plan year ending September 30, 2012 represents a decrease of $112,007 from the prior year. This decrease is due to the expiration of a $184,541 charge base.

Actual experience during the last year was worse than that anticipated by the actuarial assumptions. The most significant loss was due to the lower than expected investment return for the most recent year and continued phase-in of prior investment losses. The return on a market value basis was (0.4)%. The gross investment return on a valuation asset basis was 0.4% as compared to an assumed return of 7.5%.

There were partially-offsetting liability gains for both groups, primarily due to lower salary increases than expected, (2.6)% as compared to 5.5% expected salary increases. However, the net result was a loss.

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 assumptions or methods since the prior valuation.

The Actuarial Standard of Practice (ASOP) with regard to the mortality assumption has recently been revised. ASOP No. 35 Disclosure Section 4.1.1 now states *"The disclosure of the mortality assumption should contain sufficient detail to permit another qualified actuary to understand the provision made for future mortality improvement. If the actuary assumes zero mortality improvement after the measurement date, the actuary should state that no provision was made for future mortality improvement."*

The mortality table used for this valuation is the 1994 Group Annuity Mortality Table for Males and Females. There is no provision for mortality improvement in the current mortality assumption. We recommend that the mortality assumption be revised to reflect increases in longevity and to include a margin for future mortality improvements. Detail on this assumption is in the Actuarial Cost Methods and Assumptions section.

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. Toward that end, the City closed the amortization period so the number of years for new bases will go down each year. This year, the remaining amortization period is 19 years. Even so, the amortization period is longer than the anticipated future working life of the remaining active members.

FUNDED RATIO

The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability. The funded ratio this year is 64.9% compared to 67.6% last year, due to experience. Contributions based on the progressively shorter amortization period will pay off the unfunded liability sooner, which will have a positive effect on the funded ratio going forward.

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 $2,769,964 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 $269,000.

RELATIONSHIP TO MARKET VALUE

If Market Value had been the basis for the valuation, the City contribution would have been $1,787,000 and the funded ratio would have been 57%. In the absence of other gains and losses, the City contribution rate should increase to that level over the next few years.

RECOMMENDATIONS

Steps have been taken to improve the funded position of the plan. The amortization period has been shortened and the investment return assumption has been lowered. We recommend reviewing all of the assumptions, with particular attention to mortality and to the investment return. We further recommend watching the funded ratio carefully and making no further benefit changes or improvements until the situation has had a chance to improve.

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
10/1/11	$ 19,232,916	$ 32,464,118	59 %
10/1/10	20,205,199	32,097,596	63
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

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
10/1/11	$ 22,002,880	$ 33,896,765	65 %
10/1/10	22,793,489	33,732,064	68
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

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**
10/1/11	38.27 %	133.39 %	178.83 %
10/1/10	32.93	128.94	168.64
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

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.

6 Effective October 1, 2007, the City closed the amortization period so the number of years for new bases would go down each year.

7. Effective October 1, 2010, the assumed rate of investment return on plan assets was changed from 8.0% per annum to 7.5% per annum. Additionally, the remaining amortization period has been shortened to 20 years. The number of years for new bases will continue to go down each year.

SECTION II

VALUATION RESULTS

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR ALL EMPLOYEES AS OF OCTOBER 1

	2011	2010
Covered Group		
A. Number of Participants		
Actives	14	15
Retirees, Disabilities, Beneficiaries and Vested Terminations	74	74
Total Annual Covered Payroll	$ 849,026	$ 919,415
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	$ 34,640,749	$ 34,581,025
C. Actuarial Present Value of Future Normal Costs	743,984	848,961
D. Actuarial Accrued Liability (AAL): B - C	33,896,765	33,732,064
E. Valuation Assets	22,070,219	22,860,828
Refunds Due*	67,339	67,339
Net Valuation Assets	22,002,880	22,793,489
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	11,893,885	10,938,575
Current Cost		
G. Payment Required to Amortize UAAL	$ 1,132,557	$ 1,185,485
As % of Payroll	133.39 %	128.94 %
H. Total Normal Cost (for current year)	415,474	400,872
As % of Payroll	48.94 %	43.60 %
I. Plan Year to which Contributions Apply	2011/12	2010/11
J. Interest	60,798	62,304
K. Total Required Contribution	1,608,829	1,648,661
As % of Payroll	189.49 %	179.32 %
L. Expected Member Contribution	90,515	98,133
As % of Payroll	10.66 %	10.67 %
M. Total Required City Contribution	1,518,314	1,550,528
As % of Payroll	178.83 %	168.64 %
N. Estimate of State Contributions	0	0
O. Remaining City Contributions	1,518,314	1,550,528
As % of Payroll	178.83 %	168.64 %

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

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR GENERAL EMPLOYEES AS OF OCTOBER 1

	2011	2010
Covered Group		
A. Number of Participants		
Actives	10	11
Retirees, Disabilities, Beneficiaries and Vested Terminations	42	42
Total Annual Covered Payroll	$ 561,168	$ 619,129
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	$ 16,435,048	$ 16,496,321
C. Actuarial Present Value of Future Normal Costs	478,833	551,386
D. Actuarial Accrued Liability (AAL): B - C	15,956,215	15,944,935
E. Valuation Assets	11,159,235	11,802,190
Refunds Due*	67,339	67,339
Net Valuation Assets	11,091,896	11,734,851
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	4,864,319	4,210,084
Current Cost		
G. Payment Required to Amortize UAAL	$ 466,504	$ 395,219
As % of Payroll	83.13 %	63.83 %
H. Total Normal Cost (for current year)	239,403	240,044
As % of Payroll	42.66 %	38.77 %
I. Plan Year to which Contributions Apply	2011/12	2010/11
J. Interest	27,724	24,950
K. Total Required Contribution	733,631	660,213
As % of Payroll	130.73 %	106.64 %
L. Expected Member Contribution	61,729	68,104
As % of Payroll	11.00 %	11.00 %
M. Total Required City Contribution	671,902	592,109
As % of Payroll	119.73 %	95.64 %
N. Estimate of State Contributions	N/A	N/A
O. Remaining City Contributions	671,902	592,109
As % of Payroll	119.73 %	95.64 %

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

COMPARATIVE SUMMARY OF VALUATION RESULTS FOR POLICE OFFICERS AS OF OCTOBER 1

	2011	2010
Covered Group		
A. Number of Participants		
Actives	4	4
Retirees, Disabilities, Beneficiaries and Vested Terminations	32	32
Total Annual Covered Payroll	$ 287,858	$ 300,286
Long Range Cost		
B. Actuarial Present Value of Projected Benefits	$ 18,205,701	$ 18,084,704
C. Actuarial Present Value of Future Normal Costs	265,151	297,575
D. Actuarial Accrued Liability (AAL): B - C	17,940,550	17,787,129
E. Valuation Assets	10,910,984	11,058,638
Refunds Due	0	0
Net Valuation Assets	10,910,984	11,058,638
F. Unfunded Actuarial Accrued Liability (UAAL): D - E	7,029,566	6,728,491
Current Cost		
G. Payment Required to Amortize UAAL	$ 666,053	$ 790,266
As % of Payroll	231.38 %	263.17 %
H. Total Normal Cost (for current year)	176,071	160,828
As % of Payroll	61.17 %	53.56 %
I. Plan Year to which Contributions Apply	2011/12	2010/11
J. Interest	33,074	37,354
K. Total Required Contribution	875,198	988,448
As % of Payroll	304.04 %	329.17 %
L. Expected Member Contribution	28,786	30,029
As % of Payroll	10.00 %	10.00 %
M. Total Required City Contribution	846,412	958,419
As % of Payroll	294.04 %	319.17 %
N. Estimate of State Contributions	0	0
O. Remaining City Contributions	846,412	958,419
As % of Payroll	294.04 %	319.17 %

DERIVATION OF NORMAL COST
GENERAL EMPLOYEES AS OF OCTOBER 1

	2011	2010
A. Entry Age Normal Cost for		
Service Retirement Benefits	86,122	99,668
Vesting Benefits	6,370	6,255
Preretirement Death Benefits	1,654	1,789
Disability	8,590	9,355
Return of Contributions	6,278	6,429
Total	109,014	123,496
B. Normal Cost for Administrative & Investment Expenses	130,389	116,548
C. Total Normal Cost: A + B	239,403	240,044

PRESENT VALUE OF PROJECTED BENEFITS
GENERAL EMPLOYEES AS OF OCTOBER 1

	2011	2010
A. Present Value of Future Salaries	$ 2,460,036	$ 2,813,489
B. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	3,608,529	3,708,515
Vesting Benefits	43,494	51,227
Preretirement Death Benefits	36,530	37,893
Disability	73,307	75,527
Return of Contributions	860	981
Total	3,762,720	3,874,143
2. Inactive Members		
Service Retirees	8,929,635	9,066,856
DROP Participants	3,593,651	3,363,577
Disability Retirees	121,378	122,936
Beneficiaries	0	43,098
Terminated Vested	27,664	25,711
Total	12,672,328	12,622,178
3. Grand Total	16,435,048	16,496,321

DERIVATION OF NORMAL COST
POLICE OFFICERS AS OF OCTOBER 1

	2011	2010
A. Entry Age Normal Cost for		
Service Retirement Benefits	42,131	43,871
Vesting Benefits	3,227	3,265
Preretirement Death Benefits	947	989
Disability	668	694
Return of Contributions	3,452	3,585
Total	50,425	52,404
B. Normal Cost for Administrative & Investment Expenses	125,646	108,424
C. Total Normal Cost: A + B	176,071	160,828

PRESENT VALUE OF PROJECTED BENEFITS
POLICE OFFICERS AS OF OCTOBER 1

	2011	2010
A. Present Value of Future Salaries	$ 1,610,195	$ 1,802,182
B. Present Value of Projected Benefits		
1. Active Members		
Service Retirement Benefits	1,918,592	1,860,842
Vesting Benefits	36,957	42,940
Preretirement Death Benefits	24,340	25,215
Disability	26,641	26,536
Return of Contributions	554	894
Total	2,007,084	1,956,427
2. Inactive Members		
Service Retirees	11,118,971	10,427,338
DROP Participants	4,317,401	4,876,729
Disability Retirees	296,232	304,783
Beneficiaries	466,013	519,427
Terminated Vested	0	0
Total	16,198,617	16,128,277
3. Grand Total	18,205,701	18,084,704

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 2029/30. Details relating to the UAAL are as follows:

UAAL GENERAL EMPLOYEES AS OF OCTOBER 1, 2011

Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	$	9	$ (151)	$ (22)
10/1/94 Method Change	30		12	19,868	2,389
10/1/94 Assumption Changes	30		12	(11,481)	(1,381)
10/1/95 Plan Amendment	30		13	486,055	55,643
10/1/96 Assumption Change	30		14	96,095	10,530
10/1/98 Plan Amendment	30		16	16,374	1,666
10/1/03 Plan Amendment	30	624,219	19	532,461	49,735
10/1/03 Asset Method Change	30	(785,623)	19	(670,138)	(62,595)
10/1/04 Cost Method Change	30	1,443,006	19	1,251,370	116,885
10/1/05 (Gain)/Loss	30	540,168	19	475,550	44,419
10/1/05 Plan Amendment	30	26,548	19	23,371	2,183
10/1/06 (Gain)/Loss	30	203,371	19	181,529	16,956
10/1/06 Assumption Change	30	151,335	19	135,083	12,617
10/1/06 Plan Amendment	30	(238,605)	19	(212,978)	(19,893)
10/1/07 (Gain)/Loss	29	(429,960)	19	(404,504)	(37,783)
10/1/08 (Gain)/Loss	28	262,546	19	249,578	23,312
10/1/09 (Gain)/Loss	27	938,436	19	903,889	84,428
10/1/10 (Gain)/Loss	26	336,348	19	328,223	30,658
10/1/10 Assumption Change	20	713,404	19	696,169	65,026
10/1/11 (Gain)/Loss	19	767,956	19	767,956	71,731
				4,864,319	466,504

Amortization Schedule Illustration - General	
Year Ended	Projected UAAL
2011	$ 4,864,319
2012	4,727,650
2013	4,580,731
2014	4,422,793
2015	4,253,010
2020	3,192,879
2025	1,732,853
2030	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 2029/30. Details relating to the UAAL are as follows:

UAAL POLICE OFFICERS AS OF OCTOBER 1, 2011					
Original			Current		
Date & Source	Amortization Period	Amount	Years Remaining	Amount	Payment
10/1/91 Plan Amendment	30	$	9	$ (3,523)	(514)
10/1/94 Method Change	30		12	19,643	2,362
10/1/94 Assumption Changes	30		12	8,461	1,018
10/1/95 Plan Amendment	30		13	394,198	45,127
10/1/96 Assumption Change	30		14	35,709	3,913
10/1/03 Plan Amendment	30	293,612	19	269,199	25,145
10/1/03 Asset Method Change	30	(694,013)	19	(636,307)	(59,435)
10/1/04 Cost Method Change	30	1,473,123	19	1,373,902	128,330
10/1/05 (Gain)/Loss	30	962,062	19	910,047	85,003
10/1/05 Plan Amendment	30	1,135,420	19	1,074,036	100,321
10/1/06 (Gain)/Loss	30	351,747	19	351,747	32,855
10/1/06 Assumption Change	30	200,570	19	192,174	17,950
10/1/07 (Gain)/Loss	29	170,330	19	160,829	15,022
10/1/08 (Gain)/Loss	28	475,229	19	453,255	42,337
10/1/09 (Gain)/Loss	27	285,316	19	275,192	25,704
10/1/10 (Gain)/Loss	26	539,626	19	539,626	50,404
10/1/10 Assumption Change	20	961,187	19	961,187	89,780
10/1/10 (Gain)/Loss	19	650,191	19	650,191	60,731
				7,029,566	666,053

Amortization Schedule Illustration - Police	
Year Ended	Projected UAAL
2011	$ 7,029,566
2012	6,840,775
2013	6,637,825
2014	6,419,653
2015	6,185,119
2020	4,720,680
2025	2,671,132
2030	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
10/1/11	14	74	$ 849,026	$ 22,002,880	$ 11,893,885	$ 324,959	38.27 %
10/1/10	15	74	919,415	22,793,489	10,938,575	302,739	32.93
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

*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	$ 4,210,084	$ 6,728,491
2. Normal Cost (NC) Previous Valuation	171,940	130,799
3. Contributions Previous Year	592,109	958,419
4. Interest on:		
a. UAAL and NC	328,652	514,447
b. Contributions	22,204	35,943
c. Net Total: (a) - (b)	306,448	478,504
5. Expected UAAL Current Year Before Changes: (1) + (2) - (3) + (4)	4,096,363	6,379,375
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)	4,096,363	6,379,375
9. Actual UAAL Current Year	4,864,319	7,029,566
10. Actuarial Gain / (Loss): (8) - (9)	(767,956)	(650,191)
B. Approximate Portion of Gain / (Loss) Due to Investments	(830,354)	(751,854)
C. Approximate Portion of Gain / (Loss) Due to Liabilities: (A) - (B)	$ 62,398	$ 101,663

Year Ending	Historical Actuarial Gain / (Loss)		
	General	Police Officers	Combined
9/30/11	$ (767,956)	$ (650,191)	$ (1,418,147)
9/30/10	(336,348)	(552,741)	(889,089)
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

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
9/30/11	0.4 %	7.5 %	(1.8) %	(4.1) %	5.5 %
9/30/10	1.8	8.0	0.6	0.9	5.5
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

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

	2011 with FRS Interest Rate	2011	2010
A. Actuarial Present Value of Accumulated Plan Benefits			
1. Vested Benefits			
a. Members Currently Receiving Benefits	$ 20,440,807	$ 20,932,229	$ 20,484,438
b. DROP Participants	7,699,417	7,911,052	8,240,306
c. Terminated Vested Members	26,123	27,664	25,711
d. Other Members	3,702,210	3,820,522	3,498,233
e. Total	31,868,557	32,691,467	32,248,688
2. Non-Vested Benefits	185,919	194,540	241,846
3. Total: (1) + (2)	32,054,476	32,886,007	32,490,534
4. Accumulated Contributions of Active Members	1,050,744	1,050,744	1,027,128
B. Statement of Change in Accumulated Plan Benefits			
1. Total Value at Beginning of Year	N/A	32,490,534	30,818,437
2. Increase (decrease) during year attributable to:			
a. Plan Amendment	0	0	0
b. Change in actuarial assumptions & methods	0	0	1,622,149
c. Benefits paid and contribution refunds	(2,270,274)	(2,270,274)	(2,329,799)
d. Other, including lastest member data, benefits accumulated and decrease in discount period	N/A	2,665,747	2,379,747
e. Net Increase	N/A	395,473	1,672,097
3. Total Value at End of Year	32,054,476	32,886,007	32,490,534
C. Market Value of Assets			
1. Market Value of Assets	19,300,255	19,300,255	20,272,538
2. Refunds Due*	67,339	67,339	67,339
3. Net Market Value of Assets	19,232,916	19,232,916	20,205,199
D. Assumed rate of return	7.75%	7.50%	7.50%
E. Funded Ratio	60.00%	58.48%	62.19%

*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

	2011 with FRS Interest Rate	2011	2010
A. Actuarial Present Value of Accumulated Plan Benefits			
1. Vested Benefits			
a. Members Currently Receiving Benefits	$ 8,868,622	$ 9,051,013	$ 9,232,890
b. DROP Participants	3,509,283	3,593,651	3,363,577
c. Terminated Vested Members	26,123	27,664	25,711
d. Other Members	2,565,496	2,638,604	2,565,162
e. Total	14,969,524	15,310,932	15,187,340
2. Non-Vested Benefits	124,757	130,933	135,714
3. Total: (1) + (2)	15,094,281	15,441,865	15,323,054
4. Accumulated Contributions of Active Members	723,243	723,243	726,912
B. Statement of Change in Accumulated Plan Benefits			
1. Total Value at Beginning of Year	N/A	15,323,054	14,719,642
2. Increase (decrease) during year attributable to:			
a. Plan Amendment	0	0	0
b. Change in actuarial assumptions & methods	0	0	682,732
c. Benefits paid and contribution refunds	(1,193,158)	(1,193,158)	(1,184,140)
d. Other, including lastest member data, benefits accumulated and decrease in discount period	N/A	1,311,969	1,104,820
e. Net Increase	N/A	118,811	603,412
3. Total Value at End of Year	15,094,281	15,441,865	15,323,054
C. Market Value of Assets			
1. Market Value of Assets	9,719,151	9,719,151	10,433,802
2. Refunds Due*	67,339	67,339	67,339
3. Net Market Value of Assets	9,651,812	9,651,812	10,366,463
D. Assumed rate of return	7.75%	7.50%	7.50%
E. Funded Ratio	63.94%	62.50%	67.65%

*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

	2011 with FRS Interest Rate	2011	2010
A. Actuarial Present Value of Accumulated Plan Benefits			
1. Vested Benefits			
a. Members Currently Receiving Benefits	$ 11,572,185	$ 11,881,216	$ 11,251,548
b. DROP Participants	4,190,134	4,317,401	4,876,729
c. Terminated Vested Members	0	0	0
d. Other Members	1,136,714	1,181,918	933,071
e. Total	16,899,033	17,380,535	17,061,348
2. Non-Vested Benefits	61,162	63,607	106,132
3. Total: (1) + (2)	16,960,195	17,444,142	17,167,480
4. Accumulated Contributions of Active Members	327,501	327,501	300,216
B. Statement of Change in Accumulated Plan Benefits			
1. Total Value at Beginning of Year	N/A	17,167,480	16,098,795
2. Increase (decrease) during year attributable to:			
a. Plan Amendment	0	0	0
b. Change in actuarial assumptions & methods	0	0	939,417
c. Benefits paid and contribution refunds	(1,077,116)	(1,077,116)	(1,145,659)
d. Other, including lastest member data, benefits accumulated and decrease in discount period	N/A	1,353,778	1,274,927
e. Net Increase	N/A	276,662	1,068,685
3. Total Value at End of Year	16,960,195	17,444,142	17,167,480
C. Market Value of Assets			
1. Market Value of Assets	9,581,104	9,581,104	9,838,736
2. Refunds Due	0	0	0
3. Net Market Value of Assets	9,581,104	9,581,104	9,838,736
D. Assumed rate of return	7.75%	7.50%	7.50%
E. Funded Ratio	56.49%	54.92%	57.31%

GASB STATEMENT NO. 25
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date	Fiscal Year End	Annual Required Contributions	Actual City Contributions	Actual State Contributions	Percentage Contributed
10/1/11	9/30/12	$ 1,518,314	N/A	N/A	N/A
10/1/10	9/30/11	1,550,528	$ 1,550,528	$ 0	100 %
10/1/09	9/30/10	1,338,012	1,338,012	0	100
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

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)
10/1/11	$ 22,002,880	$ 33,896,765	$ 11,893,885	64.9 %	$ 849,026	1400.9 %
10/1/10	22,793,489	33,732,064	10,938,575	67.6	919,415	1189.7
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

* 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, 2011
Contribution Rates:	
Employer (and State)	178.83%
Plan Members	10.66%
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level dollar amount
Equivalent Single Amortization Period	
General Members	18 years
Police Members	19 years
Asset Valuation Method	5-year smoothed market with phase-in
Actuarial Assumptions	
Investment rate of return*	7.5%
Projected salary increases*	5.5%
Cost-of-living adjustments	N/A
*Includes inflation and other general increases at	3.0%

ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHODS

A. Mortality

The 1994 Group Annuity Mortality Tables for males and females, with no provision for future mortality improvement. The tables were set back five years for disabled lives. As noted in the Discussion of Valuation Results Section, we recommend the RP-2000 Combined Healthy Mortality Tables for males and females, with a provision for future mortality improvements after the year 2000.

B. Interest to be Earned by Fund

7.5%, per direction from the Board of Trustees based on information from their investment consultant. The 7.5% rate is gross of investment expenses, 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. Sa1ary Increase Factors

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

G. Inflation Rate

An implicit rate of 3.0% 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 2029/30.

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.
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.
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, non-retired 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, 2011

	General	Police	Total
Cash & Short Term Investments	$ 448,882	$ 439,684	$ 888,566
General Investments			
U.S. Government Securities	2,268,467	2,221,988	4,490,455
Corporate Bonds	2,050,631	2,008,616	4,059,247
Domestic Equities	5,689,146	5,572,583	11,261,729
International Equities	707,705	693,204	1,400,909
Accrued Interest & Dividends	60,862	59,997	120,859
Sub-Total	10,776,811	10,556,388	21,333,199
Receivables/(Prepaid)			
Member Contributions	0	0	0
City Contributions	(32,697)	(52,925)	(85,622)
State Contributions	0	0	0
Net due from Brokers	18,650	18,386	37,036
Sub-Total	(14,047)	(34,539)	(48,586)
Payables			
Accounts Payable	17,402	17,155	34,557
DROP Benefits Payable	1,082,270	976,031	2,058,301
Sub-Total	1,099,672	993,186	2,092,858
Total Pension Fund Assets	10,111,974	9,968,347	20,080,321
Less: Pension Fund Assets Allocated to the Volunteer Firefighter's Plan	392,823	387,243	780,066
Net Pension Fund Assets	9,719,151	9,581,104	19,300,255

INCOME AND DISBURSEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	General	Police	Total
A. Market Value as of Beginning of Year	$ 10,433,802	$ 9,838,736	$ 20,272,538
B. Receipts During Period			
1. Contributions			
a. Employee	58,893	27,285	86,178
b. City	592,109	958,419	1,550,528
c. State	0	0	0
d. Total	651,002	985,704	1,636,706
2. Investment Earnings			
a. Interest & Dividends	379,231	365,433	744,664
b. Net Realized Appreciation	(48,552)	(46,786)	(95,339)
c. Net Unrealized Appreciation	(374,441)	(360,816)	(735,256)
d. Earnings Allocated to Firefighters	(1,656)	(1,595)	(3,251)
e. Total: a. + b. + c. - d.	(42,106)	(40,574)	(82,680)
3. Other Non-investment Income	0	0	0
4. Total Receipts During Period	608,896	945,130	1,554,026
C. Disbursements During Period			
1. Benefits			
a. Pension Payments	1,218,378	1,096,125	2,314,503
b. Earnings credited to DROP, net fees	(25,220)	(19,009)	(44,229)
c. Refunds	0	0	0
c. Total	1,193,158	1,077,116	2,270,274
2. Allocated Expenses			
a. Investment Expenses	62,401	60,131	122,532
b. Administrative Expenses	67,988	65,515	133,503
c. Total Expenses	130,389	125,646	256,035
3. Total Disbursements During Period	1,323,547	1,202,762	2,526,309
D. Market Value as of End of Year	9,719,151	9,581,104	19,300,255

Development of Funding Value of Assets for General Employees as of October 1		
	2011	**2010**
A. Market Value of Assets at Beginning of Year	$10,433,802	$10,257,149
B. Contributions & Commission Recapture	651,002	584,528
C. Disbursements		
1. Benefit Payments	1,193,158	1,184,140
2. Non Investment Expenses	67,988	60,788
3. Investment Expenses	62,401	55,760
4. Total Disbursements	1,323,547	1,300,688
D. Expected Investment Income	757,315	791,926
E. Expected Assets End of Year: A+B-C+D	10,518,572	10,332,915
F. Actual Market Value at End of Year	9,719,151	10,433,802
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	(799,421)	100,887
2. From One Year Ago	100,887	(743,554)
3. From Two Years Ago	(743,554)	(2,818,285)
4. From Three Years Ago	(2,818,285)	621,741
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	(639,537)	80,710
2. 60% From One Year Ago	60,532	(446,132)
3. 40% From Two Years Ago	(297,422)	(1,127,314)
4. 20% From Three Years Ago	(563,657)	124,348
5. Total	(1,440,084)	(1,368,388)
I. Preliminary Actuarial Value as of End of Year: F-H5	11,159,235	11,802,190
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	7,775,321	8,347,041
2. 120% of Market Value	11,662,981	12,520,562
3. Valuation Assets	11,159,235	11,802,190
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	29,590	209,771
2. Expected Income on Valuation Assets	859,944	956,040
3. Gain/(Loss): (1) - (2)	(830,354)	(746,269)

Development of Funding Value of Assets for Police Officers as of October 1

	2011	2010
A. Market Value of Assets at Beginning of Year	$9,838,736	$9,409,972
B. Contributions & Commission Recapture	985,704	852,267
C. Disbursements		
1. Benefit Payments	1,077,116	1,145,659
2. Non Investment Expenses	65,515	56,551
3. Investment Expenses	60,131	51,873
4. Total Disbursements	1,202,762	1,254,083
D. Expected Investment Income	729,766	736,725
E. Expected Assets End of Year: A+B-C+D	10,351,444	9,744,881
F. Actual Market Value at End of Year	9,581,104	9,838,736
G. Excess/(Shortfall) of Actual over Expected Assets: F-E		
1. From This Year	(770,340)	93,855
2. From One Year Ago	93,855	(676,251)
3. From Two Years Ago	(676,251)	(2,497,105)
4. From Three Years Ago	(2,497,105)	548,034
H. Decreasing Fractions of Excess/(Shortfall)		
1. 80% From This Year	(616,272)	75,084
2. 60% From One Year Ago	56,313	(405,751)
3. 40% From Two Years Ago	(270,500)	(998,842)
4. 20% From Three Years Ago	(499,421)	109,607
5. Total	(1,329,880)	(1,219,902)
I. Preliminary Actuarial Value as of End of Year: F-H5	10,910,984	11,058,638
J. Final Valuation Assets must be within the range of 80% to 120% of Market Value		
1. 80% of Market Value	7,664,883	7,870,989
2. 120% of Market Value	11,497,325	11,806,484
3. Valuation Assets	10,910,984	11,058,638
K. Investment Gain/(Loss)		
1. Actual Income on Valuation Assets	69,404	211,042
2. Expected Income on Valuation Assets	821,258	883,880
3. Gain/(Loss): (1) - (2)	(751,854)	(672,838)

RECONCILLIATION OF DROP ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	General	Police	Total
A. Account Balances as of Beginning of Year	$ 850,013	779,290	1,629,303
B. Receipts During Period			
1. Deposits	274,858	255,749	530,607
2. Investment Earnings, net fees	(25,220)	(19,008)	(44,228)
3. Total	249,638	236,741	486,379
C. Withdrawals During Period	17,381	40,000	57,381
D. Account Balances as of End of Year	1,082,270	976,031	2,058,301

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.

	Investment Rate of Return	
Year Ended	**Basis 1**	**Basis 2**
9/30/2011	(0.4) %	0.4 %
9/30/2010	9.0	1.8
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
Average Compounded Rate of Return for Last 5 Years	1.3	4.0
Average Compounded Rate of Return for Last 10 Years	3.7	3.5

SECTION IV

MEMBER STATISTICS

STATISTICAL DATA, GENERAL EMPLOYEES	10/1/11	10/1/10	10/1/09
Active Partipants			
Number	10	11	13
Total Annual Earnings	$ 561,168	$ 619,129	$ 735,297
Average Annual Earnings	56,117	56,284	56,561
Averages			
Current Age	49.9	50.8	50.4
Age at Employment	33.1	34.6	35.4
Past Service	16.8	16.2	15.0
Service at Age 60	26.9	25.4	24.6
Members Receiving Benefits			
Number	33	34	33
Total Annual Pensions	$ 868,560	$ 877,827	$ 853,707
Average Monthly Benefit	2,193	2,152	2,156
Average Current Age*	66.1	65.6	65.6
DROP Participants			
Number	8	7	8
Total Annual Pensions	$ 295,728	$ 273,291	$ 295,227
Average Monthly Benefit	3,081	3,253	3,075
Average Current Age	58.2	55.4	55.6
Terminated Members with Vested Benefits			
Number	1	1	1
Total Annual Pensions	$ 7,897	$ 7,897	$ 7,897
Average Monthly Benefit	658	658	658
Average Current Age	44.4	43.4	42.4

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

Note: Pensions shown include monthly supplement.

STATISTICAL DATA, POLICE OFFICERS			
	10/1/11	**10/1/10**	**10/1/09**
Active Partipants			
Number	4	4	5
Total Annual Earnings	$ 287,858	$ 300,286	$ 385,878
Average Annual Earnings	71,964	75,071	77,176
Averages			
Current Age	43.5	42.5	43.5
Age at Employment	27.4	27.4	28.2
Past Service	16.1	15.1	15.3
Service at Age 60	32.6	32.6	31.8
Members Receiving Benefits			
Number	26	25	23
Total Annual Pensions	$ 915,762	$ 866,741	$ 805,799
Average Monthly Benefit	2,935	2,889	2,920
Average Current Age*	60.2	59.3	59.6
DROP Participants			
Number	6	7	7
Total Annual Pensions	$ 270,149	$ 309,395	$ 296,621
Average Monthly Benefit	3,752	3,683	3,531
Average Current Age	51.1	51.0	50.0
Terminated Members with Vested Benefits			
Number	0	0	1
Total Annual Pensions	$ 0	$ 0	$ 34,270
Average Monthly Benefit	0	0	2,856
Average Current Age	0.0	0.0	47.8

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

Note: Pensions shown include monthly supplement.

RECONCILIATION OF MEMBERSHIP DATA
FROM 10/1/2010 TO 9/30/2011

	General	Police	Total
A. Active Members			
1 Number Included in Last Valuation	11	4	15
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	0	0	0
8 Disability Retirements	0	0	0
9 Deaths	0	0	0
10 DROP Retirements	(1)	0	(1)
11 Number Included in This Valuation	10	4	14
B. Terminated Vested Members			
1 Number Included in Last Valuation	1	0	1
2 Additions from Active Members	0	0	0
3 Lump Sum Payments	0	0	0
4 Payments Commenced	0	0	0
5 Returned to Work	0	0	0
6 Refunds	0	0	0
7 Number Included in This Valuation	1	0	1
C. DROP Participants			
1 Number Included in Last Valuation	7	7	14
2 Additions from Active Members	1	0	1
3 Retired	0	(1)	(1)
4 Deaths	0	0	0
5 Number Included in This Valuation	8	6	14
D. Service Retirees, Disability Retirees and Beneficiaries			
1 Number Included in Last Valuation	34	25	59
2 Additions from Active Members	0	0	0
3 Additions from Terminated Vested Members	0	0	0
4 Additions from DROP	0	1	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	26	59

Age and Service Distribution
Active General Employees
As of October 1, 2011

Ages	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Totals
	Years of Past Service											
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	0	0	0	0	0
40-44	0	0	0	0	0	0	1	2	0	0	0	3
45-49	0	0	0	0	0	0	0	1	0	0	0	1
50-54	0	0	0	0	0	1	2	1	1	0	0	5
55-59	0	0	0	0	0	0	0	0	0	1	0	1
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	1	3	4	1	1	0	10

Age and Service Distribution
Active Police Officers
As of October 1, 2011

Ages	Years of Past Service 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	0	0	0	0	0	0
35-39	0	0	0	0	0	0	1	1	0	0	0	2
40-44	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	1	0	0	1
50-54	0	0	0	0	0	0	1	0	0	0	0	1
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	2	1	1	0	0	4

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, 2011 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.