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Pension Board  
City of Wilton Manors  
524 N.E. 21st Court  
Wilton Manors, Florida 33305

**Subject: Actuarial Valuation of the Pension Plan**

Dear Pension Board Members:

We are pleased to present our October 1, 2000 Actuarial Valuation report for the City of Wilton Manors Pension Plan for General Employees and Police. The purpose of this report is to indicate appropriate contribution levels and to satisfy State requirements.

This report consists of this Commentary, detail Tables I through XII and State Required Exhibit Table XIII. The Tables contain basic Pension Plan cost figures plus significant detail on the benefits, liabilities and experience of your Plan.

**Cost for Fiscal Year Ending September 30, 2001**

This valuation develops the required minimum Pension Plan contribution for the fiscal year ending September 30, 2001 under the Florida Protection of Public Employee Retirement Benefits Act and for Police Retirement Chapter 185. The minimum payment consists of the annual normal cost plus amortization of the components of the unfunded frozen actuarial accrued liability over various periods as prescribed by law. The total cost is to be met by employee and City contributions. No State Chapter 185 contributions are assumed for the fiscal year.

The following is a summary of the Plan costs by department, assuming monthly payments:

<u>Department</u>	<u>Total Cost (% of Payroll)</u>		<u>City Cost (% of Payroll)</u>	
General	\$ 332,626	17.7%	\$ 125,333	6.7%
Police	\$ 319,639	20.6%	\$ 164,689	10.6%
Total	\$ 652,265	19.0%	\$ 290,022	8.4%

**Changes in Benefits, Methods, or Assumptions**

This valuation recognized the same plan benefits considered as those for the October 1, 1999 valuation. An outline of the benefits is contained in Table VIII.

This actuarial valuation was performed utilizing the same actuarial assumptions and methods as were used for the October 1, 1999 report. These assumptions and methods are outlined in Table IX.



**Comparison of October 1, 1999 and October 1, 2000 Valuation Results**

Table II provides a comparison of the results of the last two valuations.

The contribution has decreased from 8.9% to 8.4% as a percent of covered payroll, due to a rate of return on assets that was higher than expected.

**GASB Disclosures**

In November, 1994, the Government Account Standards Board (GASB) adopted Statement No. 25, changing the way in which government retirement systems must report financial information. Statement No. 25 has been adopted since the October 1, 1996 Actuarial Valuation. Relevant information under GASB 25 is included in Table VII.

**Plan Experience**


Table XII indicates that the actuarial value of assets return was 12.0% for the 1999/2000 fiscal year, which was higher than the assumed 8.0%, which contributed to the actuarial gain. Employee turnover was approximately 60% of expected turnover during the last fiscal year. Salary increase was higher than expected for General Employees but lower than expected for Police. A more detailed analysis would be needed to determine the gain or loss attributable to each of these elements.

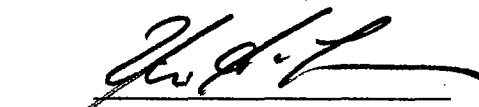
**Employee Census and Financial Data**

Employee data was provided data by the City in computer files. The data was reviewed for consistency and is believed to be reliable.

Information on the Plan assets was received from the Plan's auditor. We did not audit this information; however, consistency checks have been performed and the information is believed to be reliable.

WATSON WYATT & COMPANY

  
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## DISCUSSION

### TOTAL REQUIRED CONTRIBUTION

The required City contribution for the plan year ending September 30, 2002, is \$359,836 (9.68% of payroll), as shown below:

Required City Contribution			
	General	Police	Total
Total Required Contribution As % of Payroll	\$384,452 18.54%	\$368,001 22.37%	\$752,453 20.23%
Expected Member Contributions As % of Payroll	\$228,122 11.00%	\$164,495 10.00%	\$392,617 10.56%
Expected State Premium Tax Refund As % of Payroll	N/A N/A	\$0 --	\$0 --
Remaining City Contribution As % of Payroll	\$156,330 7.54%	\$203,506 12.37%	\$359,836 9.68%

### EXPERIENCE

Experience during the past year was less favorable overall than that anticipated by the actuarial assumptions. The Plan experienced an actuarial loss of \$161,426. Two sources of loss were (i) the valuation asset return of 6.79% as compared to the assumed rate of 8.0% (the market value return was (10.4%)) and (ii) average salary increases of 7.5% and 8.9% for General Employees and Police Officers respectively. The report page entitled Actuarial Gains and Losses provides a comparison of investment and salary experience to the assumptions.

### CHANGES IN BENEFITS

There have been no changes in benefits or plan provisions since the previous valuation.



## CHANGES IN ACTUARIAL METHODS AND ASSUMPTIONS

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

## CONCLUSION

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

