CITY OF ORMOND BEACH
GENERAL EMPLOYEES' PENSION PLAN

ACTUARIAL VALUATION AND REPORT
AS OF OCTOBER 1, 2011

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDED SEPTEMBER 30, 2013

Foster&Foster INC.
Actuaries and Consultants

December 5, 2011

Board of Trustees
City of Ormond Beach
General Employees' Pension Plan
P. O. Box 277
Ormond Beach, FL 32175-0277

Re: City of Ormond Beach
General Employees' Pension Plan

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Ormond Beach General Employees' Pension Plan. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Board of Trustees, financial reports prepared by the custodian bank, Regions Bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

13420 Parker Commons Blvd., Suite 104 • Fort Myers, Florida 33912 • 239-433-5500 • Fax 239-481-0634 • www.foster-foster.com

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Ormond Beach, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Ormond Beach General Employees' Pension Plan. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: _____
Patrick T. Donlan, ASA, MAAA
Enrolled Actuary #11-6595

PTD/rv

Enclosures

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SECTION I

INTRODUCTION

SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Ormond Beach General Employees' Pension Plan, performed as of October 1, 2011, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2013.

The applicable contribution requirements, compared with amounts developed in the October 1, 2010 actuarial valuation (as revised April 21, 2011), are as follows:

Valuation Date Applicable Plan/Fiscal Year End	10/1/2010 9/30/2012	10/1/2011 9/30/2013
Total Required Contribution % of Total Annual Payroll	29.5%	35.1%
Member Contributions (Est.) % of Total Annual Payroll	4.0%	4.0%
Balance from City * % of Total Annual Payroll	25.5%	31.1%

* At the request of the Division of Retirement, the required contribution from the City for the year ending September 30, 2013, is 31.1% of the actual pensionable payroll realized in that year. Please also note the City has a contribution shortfall of $5.09 in addition to the above stated requirement for fiscal 2012.

As can be seen, the Total Required Contribution has increased when expressed as a percentage of Total Annual Payroll. This increase is the result of net unfavorable actuarial experience over the past year. The principal component of unfavorable experience was a -1.8% investment return (Actuarial Asset Basis) that was significantly less than the 7.5% assumption, and a decrease in the payroll growth assumption from 1.6% to 0.9%. These losses were partially offset by average increases in Pensionable Compensation that were approximately 2% less than the assumed rate.

For informational purposes, the City's funding requirement, when expressed as a percentage of payroll, including an estimate of the annual pay for the DROP participants, is approximately 30% for the fiscal year ending September 30, 2013. Similarly, the City's funding requirement for the 2012 fiscal year is approximately 24.5% when an estimate for the DROP payroll is included. It is important to note that these funding rates are for illustration purposes only. The City should budget based on the information provided on page 1.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:_____
Patrick T. Donlan, EA, ASA, MAAA

By:_____
Drew D. Ballard

Plan Changes Since Prior Valuation

There have been no changes to the plan since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

There have been no changes in the assumptions or methods since the prior valuation report. The payroll growth assumption used for amortizing the Unfunded Actuarial Accrued Liabilities, however, is limited to the historical 10-year average and therefore changed from 1.6% per year in last year's valuation to 0.9% per year in this valuation.

Comparative Summary of Principal Valuation Results

	10/1/2011	10/1/2010
A. Participant Data		
Number Included		
Actives	190	191
Service Retirees	127	120
Beneficiaries	13	12
Terminated Vested	46	42
Disability Retirees	4	4
DROP Retirees	6	10
Total	386	379
Total Annual Payroll	$7,737,575	$7,716,941
Payroll Under Assumed Ret. Age	7,737,575	7,716,941
Annual Rate of Payments to:		
Service Retirees	2,099,980	1,971,387
Beneficiaries	140,620	132,884
Terminated Vested	336,825	344,671
Disability Retirees	23,038	23,038
DROP Retirees	160,951	233,576
B. Assets		
Actuarial Value	29,342,626	30,539,925
Market Value	26,858,789	27,702,246
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	22,216,206	21,558,788
Disability Benefits	1,481,480	1,470,629
Death Benefits	526,510	514,122
Vested Benefits	1,073,905	1,109,764
Refund of Contributions	48,585	39,703
Service Retirees	20,064,422	19,023,429
Beneficiaries	1,326,275	1,260,128
Terminated Vested	2,365,709	2,420,450
Disability Retirees	147,747	169,782
DROP Retirees *	1,807,302	2,512,761
Total	51,058,141	50,079,556

* Liabilities shown represent present value of future payments. Assets in item B., above, do not include accumulated DROP Account Balances.

C. Liabilities - (Continued)	10/1/2011	10/1/2010
Present Value of Future Salaries	54,046,852	54,666,558
Present Value of Future Member Contributions	2,161,874	2,186,662
EAN Normal Cost (Retirement)	858,074	877,541
EAN Normal Cost (Disability)	51,667	49,460
EAN Normal Cost (Death)	20,452	20,152
EAN Normal Cost (Vesting)	30,127	29,284
EAN Normal Cost (Refunds)	9,419	4,223
Total Normal Cost (Entry Age Method)	969,739	980,660
Present Value of Future Normal Costs (Entry Age)	6,583,116	6,944,449
Accrued Liability (Retirement)	16,593,766	15,570,427
Accrued Liability (Disability)	1,014,194	1,006,345
Accrued Liability (Death)	356,889	341,913
Accrued Liability (Vesting)	776,550	810,231
Accrued Liability (Refunds)	22,171	19,641
Accrued Liability (Inactives)	25,711,455	25,386,550
Total Actuarial Accrued Liability	44,475,025	43,135,107
Unfunded Actuarial Accrued Liability (UAAL)	15,132,399	12,595,182

D. Actuarial Present Value of Accrued Benefits

Vested Accrued Benefits		
Inactives	25,711,455	25,386,550
Actives	10,485,017	8,629,287
Member Contributions	2,384,031	2,197,479
Total	38,580,503	36,213,316
Non-vested Accrued Benefits	448,304	462,558
Total Present Value Accrued Benefits	39,028,807	36,675,874

Increase (Decrease) in Present Value of Accrued Benefits Attributable to:	
Plan Amendments	0
Assumption Changes	0
New Accrued Benefits	2,047,994
Benefits Paid	(2,357,351)
Interest	2,662,290
Other	0
Total:	2,352,933

Valuation Date Applicable to Fiscal Year Ending	10/1/2011 9/30/2013	10/1/2010 9/30/2012
E. Pension Cost		
Normal Cost (with interest) % of Total Annual Payroll*	13.0	13.2
Administrative Expense (with interest) % of Total Annual Payroll*	0.5	0.4
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 26 years (as of 10/1/11) % of Total Annual Payroll*	21.6	15.9
Total Required Contribution % of Total Annual Payroll*	35.1	29.5
Expected Member Contributions % of Total Annual Payroll*	4.0	4.0
Expected City Contrib. % of Total Annual Payroll*	31.1	25.5

F. Past Contributions

Plan Years Ending:	9/30/2011
Total Required Contribution	1,973,415
City Requirement	1,649,904
Actual Contributions Made:	
Members	323,511
City	1,649,904
Total	1,973,415

G. Net Actuarial Gain (Loss)	(2,548,251)

* Contributions developed as of 10/1/11 are expressed as a percentage of total annual payroll at 10/1/11 of $7,737,575.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

Year	Projected Unfunded Accrued Liability
2011	$15,132,399
2012	14,532,427
2013	13,871,845
2018	9,482,790
2023	5,596,401
2033	715,315
2037	0

I. (i) 3 Year Comparison of Actual and Assumed Increases in Pensionable Compensation.

		Actual	Assumed
Year Ended	9/30/2011	2.2%	4.0%
Year Ended	9/30/2010	-0.4%	5.5%
Year Ended	9/30/2009	4.3%	5.5%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		Actual	Assumed
Year Ended	9/30/2011	-1.8%	7.5%
Year Ended	9/30/2010	1.2%	8.0%
Year Ended	9/30/2009	1.2%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2011	$7,737,575
	10/1/2001	7,089,101
(b) Total Increase		9.1%
(c) Number of Years		10.00
(d) Average Annual Rate		0.9%

Statement by Enrolled Actuary

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.

Patrick T. Donlan, EA, ASA, MAAA
Enrolled Actuary #11-6595

A copy of this Report is to be furnished to the Division of Retirement within 60 days of receipt from the actuary at the following address:

Mr. Keith Brinkman
Division of Retirement
Bureau of Local Retirement Systems
P. O. Box 9000
Tallahassee, FL 32315-9000

SECTION II

VALUATION INFORMATION

Reconciliation of Unfunded Actuarial Accrued Liabilities

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2010	$12,595,182
(2)	City Normal Cost Applicable for the year *	703,351
(3)	Interest on (1) and (2)	997,390
(4)	Sponsor Contributions to the System during the year ending September 30, 2011	1,649,904
(5)	Interest on (4)	61,871
(6)	Expected UAAL as of October 1, 2011 (1)+(2)+(3)-(4)-(5)	12,584,148
(7)	Change in UAAL due to Actuarial (Gain)/Loss	2,548,251
(8)	Unfunded Actuarial Accrued Liability as of October 1, 2011	$15,132,399

	Date Established	Years Remaining	10/1/2011 Amount	Amortization Amount
	9/1/1993	12	($201,952)	($23,285)
	9/1/1993	12	376,808	43,446
	10/1/1995	14	701,101	73,188
	10/1/1996	15	503,192	50,363
	10/1/2000	19	2,397,073	210,252
Method Change	10/1/2004	23	1,730,016	138,456
Actuarial Loss	10/1/2004	17	1,667,922	155,290
Actuarial Loss	10/1/2005	17	132,878	12,371
Actuarial Gain	10/1/2006	17	(669,640)	(62,346)
Actuarial Gain	10/1/2007	17	(612,170)	(56,995)
Benefit Impove.	10/1/2007	26	1,619,014	123,104
Actuarial Loss	10/1/2008	7	284,602	48,776
Method Change	10/1/2008	17	590,826	55,008
Actuarial Loss	10/1/2009	8	1,336,080	206,294
Assum Change	10/1/2009	18	275,267	24,841
Actuarial Loss	10/1/2010	9	1,243,256	175,627
Assum Changes	10/1/2010	19	1,209,875	106,121
Actuarial Loss	10/1/2011	10	2,548,251	333,351
			$15,132,399	$1,613,862

*Includes $31,369 for administrative expenses.

ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

Assumptions

Mortality Rate	RP-2000 Combined Healthy Mortality. Disability mortality set forward 5 years.
Termination Rates	See Tables below (Mod T-6).
Disability Rates	See Tables below (1202).
Retirement Age	Earlier of age 62 and 5 years of service or when age plus service equal 85 (but at least age 55). Also, any member who has reached Normal Retirement Age is assumed to continue employment for one additional year.
Early Retirement	Commencing at the member's eligibility for Early Retirement (Age 60 with 5 years of Service or when age plus service equal 80), members are assumed to retire with an immediate, subsidized benefit at the rate of 2% per year.
Interest Rate	7.5% per year, compounded annually, net of investment related expenses.
Salary Increases	4.0% per year up to the assumed retirement age; see Table below.
Payroll Growth	Up to 3% per year (limited to 10-year historical average of actual payroll growth of 0.9% in 2011).
Administrative Expenses	$38,948 annually.

Age	% Terminating During the Year	% Becoming Disabled During the Year	Current Salary as % of Salary at age 60
20	55.0%	0.05%	20.8%
30	38.4	0.06	30.8
40	4.2	0.12	45.6
50	1.7	0.43	67.6
60	0.0	1.61	100.0

Funding Method

Entry Age Normal Actuarial Cost Method.

VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the year preceding the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Actuarial Accrued Liability (UAAL) is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service. Under the Entry Age Normal Actuarial Cost Method, there is also a new UAAL created each year equal to the actuarial gain or loss for that year.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

SECTION III

TRUST FUND

City of Ormond Beach
General Employees' Pension Plan

BALANCE SHEET
September 30, 2011

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	683,571.86	683,571.86
Total Cash and Equivalents	683,571.86	683,571.86
Receivable:		
Additional City Contributions	5.09	5.09
Accrued Income	121,505.07	121,505.07
Total Receivable	121,510.16	121,510.16
Investments:		
Corporate & Govt Bonds/CMOs/REMICs	9,449,850.93	9,537,039.54
Corporate Stocks/REITs	17,294,875.63	16,972,722.39
Total Investments	26,744,726.56	26,509,761.93
TOTAL ASSETS	27,549,808.58	27,314,843.95
LIABILITIES AND NET ASSETS		
Total Liabilities	0.00	0.00
Net Assets:		
Active and Retired Members' Equity	27,093,753.94	26,858,789.31
DROP Plan Benefits	456,054.64	456,054.64
Total Net Assets	27,549,808.58	27,314,843.95
TOTAL LIABILITIES AND NET ASSETS	27,549,808.58	27,314,843.95

City of Ormond Beach
General Employees' Pension Plan

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2011
Market Value Basis

REVENUES		
Contributions:		
Member	323,510.60	
City	1,649,904.06	
Total Contributions		1,973,414.66
Earnings from Investments		
Interest & Dividends	867,986.58	
Net Realized Gain (Loss)	1,702,700.51	
Unrealized Gain (Loss)	(2,584,750.16)	
Total Earnings and Investment Gains		(14,063.07)
EXPENDITURES		
Expenses:		
Investment Related*	164,420.42	
Administrative	38,948.05	
Total Expenses		203,368.47
Distributions to Members:		
Benefit Payments	2,332,084.37	
Lump Sum DROP Balances	87,377.49	
Termination Payments	25,266.25	
Total Distributions		2,444,728.11
DROP Account Net Change		154,711.92
Change in Net Assets for the Year		(843,456.91)
Net Assets Beginning of the Year		27,702,246.22
Net Assets End of the Year		26,858,789.31

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.

City of Ormond Beach
General Employees' Pension Plan

ACTUARIAL ASSET VALUATION
September 30, 2011

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years, but are limited to 120% of Market Value, if less.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return*
9/30/08	-15.42%
9/30/09	2.91%
9/30/10	7.69%
9/30/11	-0.64%

Annualized Rate of Return
for prior four (4) years: -1.76%

(A) 10/01/10 Actuarial Assets:	$30,539,924.91
(I) Net Investment Income:	
1. Interest and Dividends	867,986.58
2. Realized Gains (Losses)	1,702,700.51
3. Change in Actuarial Value	(2,938,591.77)
4. Investment Related Expenses	(164,420.42)
Total	(532,325.10)
(B) 10/01/11 Actuarial Assets:	$29,342,626.39

Actuarial Asset Rate of Return = 2I/(A+B-I): -1.76%

10/01/11 Limited Actuarial Assets: $29,342,626.39
(Lesser of Actuarial Assets or 120% of Market Value)

*Market Value Basis, net of investment related expenses

City of Ormond Beach
General Employees' Pension Plan

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2011
Actuarial Asset Basis

REVENUES

Contributions:		
Member	323,510.60	
City	1,649,904.06	
Total Contributions		1,973,414.66
Earnings from Investments		
Interest & Dividends	867,986.58	
Net Realized Gain (Loss)	1,702,700.51	
Change in Actuarial Value	(2,938,591.77)	
Total Earnings and Investment Gains		(367,904.68)

EXPENDITURES

Expenses:		
Investment Related*	164,420.42	
Administrative	38,948.05	
Total Expenses		203,368.47
Distributions to Members:		
Benefit Payments	2,332,084.37	
Lump Sum DROP Balances	87,377.49	
Termination Payments	25,266.25	
Total Distributions		2,444,728.11
DROP Account Net Change		154,711.92
Change in Net Assets for the Year		(1,197,298.52)
Net Assets Beginning of the Year		30,539,924.91
Net Assets End of the Year**		29,342,626.39

*Investment Related expenses include investment advisory, custodial and performance monitoring fees.
**Net Assets may be limited for actuarial consideration

City of Ormond Beach
General Employees' Pension Plan
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2010 through September 30, 2011

Name	9/30/10 Balance	Additions	Investment Return	Distributions	9/30/11 Balance
Albert, Debra	0.00	35,277.60	1,039.03	0.00	36,316.63
Cupak, Brenda	8,036.71	23,920.68	1,226.93	0.00	33,184.32
Hartman, Craig	36,059.37	20,574.00	2,949.82	0.00	59,583.19
Kirkpatrick, Frank	25,921.46	0.00	0.00	0.00	25,921.46
Kraft, Edward	34,528.59	30,878.64	3,153.81	0.00	68,561.04
Mulligan, Thomas	35,850.11	20,454.60	2,932.70	0.00	59,237.41
Patterson, Veronica	41,380.88	16,819.47	2,359.73	(60,560.08)	0.00
Porter, Marilyn	42,703.96	32,922.48	3,745.40	0.00	79,371.84
Ruger, Betty	6,519.49	6,451.25	123.85	(13,094.59)	0.00
Sciulara, Josephine	60,595.80	28,504.68	4,778.27	0.00	93,878.75
Turi, Robert	9,746.35	3,623.55	352.92	(13,722.82)	(0.00)
Total	301,342.72	219,426.95	22,662.46	(87,377.49)	456,054.64

City of Ormond Beach
General Employees' Pension Plan

Reconciliation of City's Shortfall Contribution for the
Fiscal Year Ended (FYE) September 30, 2011

(1) City Required Contribution Rate (from the October 1, 2009 Actuarial Valuation Report)	20.40%
(2) Pensionable Payroll Derived from Member Contributions	$8,087,765.00
(3) Required City Contribution (Item 1 times Item 2)	1,649,904.06
(4) Less Actual City Contributions	(1,649,898.97)
(5) Equals City's Shortfall Contribution as of September 30, 2011	$5.09

SECTION IV

MEMBER STATISTICS

ELIGIBILTY FOR RETIREMENT

Members are eligible for Normal Retirement based upon the following criteria:

1) Attained Age 62 with 5 Years of Credited Service
2) Rule of 85 but at least Age 55

Members are eligible for Early Retirement based upon the following criteria:

1) Attained Age 60 with 5 Years of Credited Service
2) Rule of 80

As of the date of this valuation, the following list of Members are eligible for:

Normal Retirement	Early Retirement
BEATTY, LINDA	BACK, EDWARD
CAQUIAS-GONZALEZ, GILBERTO	BIERWAGEN, BEVERLY
DAVIS, JAMES (JD)	BUTLER SR, SAMMY
FROST, SYLVIA	DUNN, MICHAEL
HEPLER, LARRY	HARRY, RONALD
MACLEOD, TED	KAY, MARIE
PEINE-LEMAY, MARY	MANNARINO, JOSEPH S.
ROSS, ARTHUR	MUELLER, KATHLEEN A.
SCHMIDT, ROGER R.	NAUMANN, JOANNE A.
	TIMMONS, JAYNE
	TOWEY, LOIS
	TURYN, THOMAS V.

STATISTICAL DATA

(Averages are salary weighted)

Males	10/1/2008	10/1/2009	10/1/2010	10/1/2011
Number	142	142	140	140
Average Current Age	48.4	48.2	47.0	47.2
Average Age at Employment	38.4	38.6	38.3	38.1
Average Past Service	10.0	9.6	8.7	9.1

Females	10/1/2008	10/1/2009	10/1/2010	10/1/2011
Number	59	56	51	50
Average Current Age	48.7	49.5	51.2	50.6
Average Age at Employment	38.2	38.7	42.0	41.1
Average Past Service	10.5	10.8	9.2	9.5

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	1	1	0	1	0	0	0	0	0	0	0	3
25 - 29	5	0	2	0	1	3	0	0	0	0	0	11
30 - 34	2	2	1	0	0	1	1	0	0	0	0	7
35 - 39	0	1	3	0	1	4	4	0	0	0	0	13
40 - 44	0	1	2	3	4	6	2	0	2	0	0	20
45 - 49	2	1	5	2	3	14	7	4	5	3	0	46
50 - 54	1	3	0	2	3	12	5	5	9	2	1	43
55 - 59	0	0	4	1	1	5	5	3	3	1	1	24
60 - 64	2	0	0	1	2	6	5	2	2	0	0	20
65+	0	0	1	0	1	0	0	1	0	0	0	3
Total	13	9	18	10	16	51	29	15	21	6	2	190

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/10	191
b. Terminations	
i. Vested (partial or full) with deferred benefits	7 *
ii. Non-vested or full lump sum distribution received	4
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	4
f. Entered DROP	0
g. Continuing participants	176
h. New entrants	14
i. Total active life participants in valuation	190

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	DROP	Total
a. Number prior valuation	120	12	4	42	10	188
b. In	11	1	0	8	0	20
c. Out	4	0	0	4	4	12
d. Number current valuation	127	13	4	46	6	196

*Includes one Member who terminated non-vested and awaiting refund of contributions.

SECTION V

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 2011-38)

Eligibility	Full-time employees in permanent positions excluding Firefighters and Police Officers, shall participate in the System as a condition of employment.
Credited Service	Total years and fractional parts of years of service with the City as a General Employee.
Salary	Total compensation, not including bonuses, overtime and lump sums.
Average Monthly Compensation	Average Salary for the best 5 years preceding termination.
Member Contributions	4.0% of Salary
City Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.
Normal Retirement	
Date	Earlier of Age 62 and 5 years of Credited Service or when the sum of age and years of service equal 85 but not earlier than age 55.
Benefit	2.50% of Average Monthly Compensation times Credited Service
Form of Benefit	Life Annuity (options available).
Early Retirement	
Eligibility	Age 60 and 5 Years of Credited Service or when the sum of age and years of service equals 80.
Benefit	Accrued benefit, reduced 5% for each year that Early Retirement precedes Normal Retirement.

<u>Vesting</u>	
Schedule	100% after 5 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.
<u>Disability</u>	
Eligibility	Total and permanent.
Hired before 9/1/93	Covered from Date of Employment.
Hired 9/1/93 and after	10 years of Credited Service.
Exclusions	Disability resulting from use of drugs, illegal participation in riots, service in military, etc.
Benefit	Benefit accrued to date of disability.
Duration	Payable for life or until recovery (as determined by the Board).
<u>Death Benefits</u>	
Pre-Retirement	
Vested	Survivorship annuity computed as though the member retired on the date of death; equivalent alternative forms of benefit may be elected.
Non-Vested	Refund of accumulated contributions with interest at 4% annually.
Post-Retirement	Benefits payable to beneficiary in accordance with the option selected at retirement.
<u>Board of Trustees</u>	a. Two Commission appointees, b. Two Members elected by the employee membership, and c. The Finance Director.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 36 months.
Rate of Return	At Member's election: (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 6.5% per annum compounded monthly. Members may elect to change form of return once during the period of DROP participation.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Early Retirement Incentive Window

Eligibility	Any vested member whose combined years of credited service plus age equals 70 years or more on or before September 30, 2008.
Benefit	Unreduced normal retirement benefit plus a supplemental benefit of $500 per month for a period not to exceed 36 months.

SECTION VI

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 25 AND 27 INFORMATION

DISCLOSURE INFORMATION PER STATEMENT NO. 25 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

The schedule provided below has been prepared in accordance with the requirements of paragraph 37 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/01/11	29,342,626	44,475,025	15,132,399	65.98%	7,737,575	195.57%
10/01/10	30,539,925	43,135,107	12,595,182	70.80%	7,716,941	163.21%
10/01/09	31,413,821	41,013,954	9,600,133	76.59%	7,821,900	122.73%
10/01/08	32,013,955	39,152,177	7,138,222	81.77%	7,956,778	89.71%
10/01/07	32,446,025	38,681,405	6,235,380	83.88%	9,453,666	65.96%
10/01/06	29,671,500	35,072,921	5,401,421	84.60%	9,142,467	59.08%

The schedule provided below has been prepared in accordance with the requirements of paragraph 38 of Statement No. 25 of the Governmental Accounting Standards Board.

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended September 30	Annual Required Contribution	City Contribution	Percentage Contributed
2011	1,649,904	1,649,904	100.00%
2010	1,001,811	1,001,811	100.00%
2009	1,185,205	1,185,205	100.00%
2008	1,077,815	1,077,815	100.00%
2007	1,052,591	1,052,591	100.00%
2006	1,005,794	1,005,794	100.00%

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2011

City	20.4%
Plan Members	4.0%

Annual Pension Cost	1,651,459
Contributions made	1,649,904
Actuarial valuation date	10/1/2009
Actuarial cost method	Entry Age Normal
Amortization method	Level % of Payroll, Closed
Remaining amortization period	28 years (as of 10/1/2009)
Asset valuation method	4 Year Smoothed Market Value

Actuarial assumptions:

Investment rate of return	7.5%	(as of 10/1/2010)
Projected salary increase*	4.0%	(as of 10/1/2010)
* Includes inflation at	3.0%	
Post Retirement COLA	0.0%	

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2011	1,651,459	100%	(25,528)
9/30/2010	1,003,484	100%	(27,083)
9/30/2009	1,186,796	100%	(28,756)

DISCLOSURE INFORMATION PER STATEMENT NO. 27 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

DEVELOPMENT OF NET PENSION OBLIGATION (NPO)

This municipal Defined Benefit Plan has been subject to the minimum funding standards since the adoption of the "Florida Protection of Public Employee Retirement Benefits Act" (Part VII of Chapter 112, Florida Statutes) in 1980. Accordingly, the sponsor has funded the actuarially determined required contributions for all years from October 1, 1987, through the transition date, October 1, 1997. Thus, the NPO on October 1, 1997, is 0.

The development of the Net Pension Obligation to date is as follows:

	9/30/09	9/30/10	9/30/11
Actuarially Determined Contribution (A)	1,185,205	1,001,811	1,649,904
Interest on NPO	(2,428)	(2,300)	(2,031)
Adjustment to (A)	4,019	3,973	3,586
Annual Pension Cost	1,186,796	1,003,484	1,651,459
Contributions Made	1,185,205	1,001,811	1,649,904
Increase in NPO	1,591	1,673	1,555
NPO Beginning of Year	(30,347)	(28,756)	(27,083)
NPO End of Year	(28,756)	(27,083)	(25,528)

SECTION VII

SENATE BILL 1128 COMPLIANCE

Senate Bill 1128 Compliance

Senate Bill 1128 amended Section 112.63 of the Florida Statutes to require that each plan report the plan's accrued vested, nonvested, and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return, which is currently 7.75%. The bill states that this is to promote comparability of actuarial data between local law plans.

While these calculations are required for compliance purposes, it is the view of Foster & Foster that utilizing this information to compare local law plans is extremely dangerous. There are many other assumptions inherent in the actuarial valuation, and they may differ widely from one plan to another. Additionally, benefit levels, funding policies, asset allocation, and the age of the plan itself all must be considered when comparing defined benefit plans.

Present Value of Accrued Benefits at 7.75% Interest

Vested Accrued Benefits	
Inactives	$25,201,591
Actives	10,086,180
Member Contributions	2,384,031
Total	37,671,802
Non-Vested Accrued Benefits	420,828
Total Present Value of Accrued Benefits	$38,092,630