

GENERAL EMPLOYEES' PENSION PLAN
OF THE CITY OF ORMOND BEACH

ACTUARIAL VALUATION AND REPORT
AS OF OCTOBER 1, 2010
(Revised April 21, 2011)

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDED SEPTEMBER 30, 2012

April 21, 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, Salem Trust, 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.

Board of Trustees
April 21, 2011
Page Two

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: _____
Jason L. Franken, FSA, MAAA
Enrolled Actuary #08-6888

JLF/lsw

Enclosures

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SECTION I
INTRODUCTION

SUMMARY OF REPORT

The regular annual actuarial valuation of the General Employees' Pension Plan of the City of Ormond Beach, performed as of October 1, 2010, 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, 2012.

The applicable contribution requirements, compared with amounts developed in the October 1, 2009 actuarial valuation, are as follows:

Valuation Date Applicable Plan/Fiscal Year End	10/1/2009 <u>9/30/2011</u>	10/1/2010 <u>9/30/2012</u>
Total Required Contribution % of Total Annual Payroll	24.4%	29.5%
Member Contributions (Est.) % of Total Annual Payroll	4.0%	4.0%
Balance from City * % of Total Annual Payroll	20.4%	25.5%

* At the request of the Division of Retirement, the required contribution from the City for the year ending September 30, 2012, is 25.5% of the actual pensionable payroll realized in that year.

The Plan realized net losses during the last 12 months, relative to the actuarial assumptions. The principal component of unfavorable experience was a 1.2% investment return (Actuarial Asset Basis) that was less than the 8.0% assumption and a decrease in the payroll growth assumption from 2.8% to 1.6%. This loss was partially offset by average increases in Pensionable Compensation that were 5.9% 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 24.4% for the fiscal year ending September 30, 2012. Similarly, the City's funding requirement for the 2011 fiscal year is approximately 19.2% 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: _____
Jason L. Franken, FSA, 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

In conjunction with this valuation, three changes were made to the actuarial assumptions. The changes in assumptions are intended to produce contribution requirements that are more stable and predictable. The assumption changes are as follows:

- 1.) The investment return assumption has been reduced from 8.0% to 7.5% per year compounded annually, net of investment related expenses.
- 2.) The salary increase assumption was lowered from 5.5% per year to 4.0%.
- 3.) The current payroll growth assumption used in amortizing the Unfunded Actuarial Accrued Liabilities is limited to the lesser of the actual historical 10-year average payroll growth, or 5.0%. This assumption was changed so that the maximum payroll growth assumption used for this purpose is now 3.0%. As you can see on Page 7 of the Report, the current actual 10-year average growth rate is 1.6% so this change will have no immediate impact on the current funding requirements.

The impact of these changes is outlined in the Comparative Summary of Principal Valuation Results that follows.

Comparative Summary of Principal Valuation Results

	New Assump <u>10/1/2010</u>	Old Assump <u>10/1/2010</u>	Old Assump <u>10/1/2009</u>
A. Participant Data			
Number Included			
Actives	191	191	198
Service Retirees	120	120	124
Beneficiaries	12	12	11
Terminated Vested	42	42	46
Disability Retirees	4	4	4
DROP Retirees	10	10	7
Total	<u>379</u>	<u>379</u>	<u>390</u>
Total Annual Payroll	\$7,716,941	\$7,716,941	\$7,821,900
Payroll Under Assumed Ret. Age	7,716,941	7,716,941	7,821,900
Annual Rate of Payments to:			
Service Retirees	1,971,387	1,971,387	2,012,268
Beneficiaries	132,884	132,884	125,579
Terminated Vested	344,671	344,671	348,627
Disability Retirees	23,038	23,038	23,038
DROP Retirees	233,576	233,576	155,703
B. Assets			
Actuarial Value	30,539,925	30,539,925	31,413,821
Market Value	27,702,246	27,702,246	26,901,822
C. Liabilities			
Present Value of Benefits			
Active Members			
Retirement Benefits	21,558,788	21,903,115	21,616,945
Disability Benefits	1,470,629	1,512,356	1,499,326
Death Benefits	514,122	519,629	505,791
Vested Benefits	1,109,764	1,050,672	1,071,213
Refund of Contributions	39,703	58,720	68,409
Service Retirees	19,023,429	18,331,938	18,717,510
Beneficiaries	1,260,128	1,210,996	1,155,423
Terminated Vested	2,420,450	2,282,526	2,161,278
Disability Retirees	169,782	164,693	169,496
DROP Retirees *	2,512,761	2,411,433	1,619,848
Total	<u>50,079,556</u>	<u>49,446,078</u>	<u>48,585,239</u>

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

C. Liabilities - (Continued)	New Assump 10/1/2010	Old Assump 10/1/2010	Old Assump 10/1/2009
Present Value of Future Salaries	54,666,558	57,562,946	59,069,450
Present Value of Future Member Contributions	2,186,662	2,302,518	2,362,778
EAN Normal Cost (Retirement)	877,541	904,865	899,397
EAN Normal Cost (Disability)	49,460	45,940	42,772
EAN Normal Cost (Death)	20,152	18,430	17,729
EAN Normal Cost (Vesting)	29,284	24,812	24,037
EAN Normal Cost (Refunds)	4,223	4,276	5,408
Total Normal Cost (Entry Age Method)	<u>980,660</u>	<u>998,323</u>	<u>989,343</u>
Present Value of Future Normal Costs (Entry Age)	6,944,449	7,505,409	7,571,285
Accrued Liability (Retirement)	15,570,427	15,323,622	14,952,005
Accrued Liability (Disability)	1,006,345	1,048,874	1,054,771
Accrued Liability (Death)	341,913	350,830	340,920
Accrued Liability (Vesting)	810,231	777,558	799,171
Accrued Liability (Refunds)	19,641	38,199	43,532
Accrued Liability (Inactives)	25,386,550	24,401,586	23,823,555
Total Actuarial Accrued Liability	<u>43,135,107</u>	<u>41,940,669</u>	<u>41,013,954</u>
Unfunded Actuarial Accrued Liability (UAAL)	12,595,182	11,400,744	9,600,133
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	25,386,550	24,401,586	23,823,555
Actives	8,629,287	7,695,295	7,695,396
Member Contributions	<u>2,197,479</u>	<u>2,197,479</u>	<u>2,050,954</u>
Total	36,213,316	34,294,360	33,569,905
Non-vested Accrued Benefits	<u>462,558</u>	<u>387,880</u>	<u>322,686</u>
Total Present Value Accrued Benefits	36,675,874	34,682,240	33,892,591
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,993,634	0	
New Accrued Benefits	0	477,751	
Benefits Paid	0	(2,306,447)	
Interest	0	2,618,345	
Other	0	0	
Total:	<u>1,993,634</u>	<u>789,649</u>	

Valuation Date Applicable to Fiscal Year Ending	New Assump 10/1/2010 <u>9/30/2012</u>	Old Assump 10/1/2010 <u>9/30/2012</u>	Old Assump 10/1/2009 <u>9/30/2011</u>
E. Pension Cost			
Normal Cost (with interest) % of Total Annual Payroll*	13.2	13.5	13.2
Administrative Expense (with interest) % of Total Annual Payroll*	0.4	0.4	0.6
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 27 years (as of 10/1/10) % of Total Annual Payroll*	15.9	15.0	10.6
Total Required Contribution % of Total Annual Payroll*	29.5	28.9	24.4
Expected Member Contributions % of Total Annual Payroll*	4.0	4.0	4.0
Expected City Contrib. % of Total Annual Payroll*	25.5	24.9	20.4
F. Past Contributions			
Plan Years Ending:	<u>9/30/2010</u>		
Total Required Contribution	1,317,343		
City Requirement	1,001,811		
Actual Contributions Made:			
Members	315,531		
City	1,001,811		
Total	<u>1,317,342</u>		
G. Net Actuarial Gain (Loss)	(1,292,261)		

* Contributions developed as of 10/1/10 are expressed as a percentage of total annual payroll at 10/1/10 of \$7,716,941.

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

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2010	\$12,595,182
2011	12,291,067
2012	11,941,634
2017	9,364,238
2022	6,418,038
2032	1,088,986
2037	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2010	-0.4%	5.5%
Year Ended	9/30/2009	4.3%	5.5%
Year Ended	9/30/2008	1.0%	5.5%

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2010	1.2%	8.0%
Year Ended	9/30/2009	1.2%	8.0%
Year Ended	9/30/2008	2.8%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2010	\$7,716,941
	10/1/2000	6,603,061
(b) Total Increase		16.9%
(c) Number of Years		10.00
(d) Average Annual Rate		1.6%

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.



Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #08-6888

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 and Derivation of Unfunded Actuarial Accrued Liability

(1) UAAL as of October 1, 2009	9,600,133
(2) Sponsor Normal Cost	724,280 *
(3) Interest on (1) and (2)	825,953
(4) Sponsor Contributions During the Year Ended September 30, 2010	1,001,811
(5) Interest on (4)	40,072
(6) Expected UAAL as of October 1, 2010	10,108,483
(7) New UAAL Due to Actuarial (Gain)/Loss	1,292,261
(8) Increase in UAAL due to Assumption changes	1,194,438
(9) Total UAAL as of October 1, 2010:	12,595,182

<u>Base</u>	<u>Date Established</u>	<u>10/1/10 Balance</u>	<u>Years Remaining</u>	<u>10/1/10 Payment</u>
	09/01/93	(204,824)	13	(21,621)
	09/01/93	382,168	13	40,342
	10/01/95	703,622	15	67,610
	10/01/96	502,885	16	46,409
	10/01/00	2,366,489	20	191,955
Method Change	10/01/04	1,694,765	24	125,360
Actuarial Loss	10/01/04	1,655,493	18	142,418
Actuarial Loss	10/01/05	131,888	18	11,346
Actuarial Gain	10/01/06	(664,650)	18	(57,178)
Actuarial Gain	10/01/07	(607,609)	18	(52,271)
Benefit Improve.	10/01/07	1,579,541	27	110,833
Actuarial Loss	10/01/08	304,113	8	45,933
Method Change	10/01/08	586,424	18	50,449
Actuarial Loss	10/01/09	1,405,736	9	193,695
Assumption Change	10/01/09	272,442	19	22,730
Actuarial Loss	10/01/10	1,292,261	10	164,427
Assum Changes	10/01/10	<u>1,194,438</u>	20	<u>96,885</u>
	Total	12,595,182		1,179,322

* Includes \$47,813 for non-investment related expenses.

ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

Assumptions

<u>Mortality Rate</u>	RP-2000 Combined Healthy Mortality. Disability mortality set forward 5 years.
<u>Termination Rates</u>	See Tables below (Mod T-6).
<u>Disability Rates</u>	See Tables below (1202).
<u>Retirement Age</u>	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.
<u>Early Retirement</u>	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.
<u>Interest Rate</u>	7.5% (prior 8%) per year, compounded annually, net of investment related expenses.
<u>Salary Increases</u>	4.0% (prior 5.5%) per year up to the assumed retirement age; see Table below.
<u>Payroll Growth</u>	Up to 3% per year (limited to 10-year historical average of actual payroll growth of 1.6% in 2010). Prior assumption was up to 5.0%
<u>Administrative Expenses</u>	\$31,369 annually.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>	<u>Current Salary as % of Salary at age 60</u>
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, 2010

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	743,518.28	743,518.28
Cash	793.22	793.22
Total Cash and Equivalents	744,311.50	744,311.50
Receivable:		
City Contributions in Transit	4,116.18	4,116.18
Accrued Income	114,490.20	114,490.20
Total Receivable	118,606.38	118,606.38
Investments:		
U S Govt/Govt Sponsored/Agency	3,982,586.61	4,044,860.55
Corporate Bonds/CMOs/REMICs	4,473,219.17	4,803,093.99
Corporate Stocks/REITs	13,099,550.58	14,773,306.66
Foreign/ADR Securities	2,922,055.16	3,100,762.26
Foreign Bonds	356,746.95	418,647.60
Total Investments	24,834,158.47	27,140,671.06
TOTAL ASSETS	25,697,076.35	28,003,588.94
<u>LIABILITIES AND NET ASSETS</u>		
Total Liabilities	0.00	0.00
Net Assets:		
Active and Retired Members' Equity	25,395,733.63	27,702,246.22
DROP Plan Benefits	301,342.72	301,342.72
Total Net Assets	25,697,076.35	28,003,588.94
TOTAL LIABILITIES AND NET ASSETS	25,697,076.35	28,003,588.94

City of Ormond Beach
General Employees' Pension Plan

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
September 30, 2010
Market Value Basis

INCOME		
Contributions:		
Member	315,531.16	
City	1,001,811.43	
Total Contributions		1,317,342.59
Earnings from Investments		
Interest & Dividends	816,611.06	
Net Realized Gain (Loss)	1,020,423.31	
Unrealized Gain (Loss)	349,725.66	
Total Earnings and Investment Gains		2,186,760.03
EXPENSES		
Administrative Expenses:		
Investment Related*	149,840.57	
Other	31,369.42	
Total Expenses		181,209.99
Additional Transfer to Fire Fund for Chief Baker		4,605.72
Distributions to Members:		
Benefit Payments	2,280,024.25	
Lump Sum DROP Balances	9,633.12	
Termination Payments	36,904.71	
Total Distributions		2,326,562.08
DROP Account Net Change		191,300.56
Change in Net Assets for the Year		800,424.27
Net Assets Beginning of the Year		26,901,821.95
Net Assets End of the Year		27,702,246.22

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

City of Ormond Beach
General Employees' Pension Plan
ACTUARIAL ASSET VALUATION
September 30, 2010

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*	
9/30/07	11.79%	
9/30/08	-15.42%	
9/30/09	2.91%	
9/30/10	7.69%	
Annualized Rate of Return for prior four (4) years:		1.18%
(A) 10/01/09 Actuarial Assets:		\$31,413,821.12
(I) Net Investment Income:		
1. Interest and Dividends		816,611.06
2. Realized Gains (Losses)		1,020,423.31
3. Change in Actuarial Value		(1,324,594.81)
4. Investment Related Expenses		(149,840.57)
Total		362,598.99
(B) 10/01/10 Actuarial Assets:		\$30,539,924.91
Actuarial Asset Rate of Return = $2I/(A+B-I)$:		1.18%
10/01/10 Limited Actuarial Assets: (Lesser of Actuarial Assets or 120% of Market Value)		\$30,539,924.91

*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, 2010
Actuarial Asset Basis

INCOME		
Contributions:		
Member	315,531.16	
City	1,001,811.43	
Total Contributions		1,317,342.59
Earnings from Investments		
Interest & Dividends	816,611.06	
Net Realized Gain (Loss)	1,020,423.31	
Change in Actuarial Value	(1,324,594.81)	
Total Earnings and Investment Gains		512,439.56
EXPENSES		
Administrative Expenses:		
Investment Related*	149,840.57	
Other	31,369.42	
Total Administrative Expenses		181,209.99
Additional Transfer to Fire Fund for Chief Baker		4,605.72
Distributions to Members:		
Benefit Payments	2,280,024.25	
Lump Sum DROP Balances	9,633.12	
Termination Payments	36,904.71	
Total Distributions		2,326,562.08
DROP Account Net Change		191,300.56
Change in Net Assets for the Year		(873,896.20)
Net Assets Beginning of the Year		31,413,821.12
Net Assets End of the Year**		30,539,924.91

*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, 2009 through September 30, 2010

Name	9/30/09 Balance	Additions	Investment Return	Distributions	9/30/10 Balance
Albert, Debra *	0.00	0.00	0.00	0.00	0.00
Cupak, Brenda	0.00	7,973.56	63.15	0.00	8,036.71
Gleason, Charles	9,633.12	0.00	0.00	(9,633.12)	0.00
Hartman, Craig	13,971.26	20,574.00	1,514.11	0.00	36,059.37
Kirkpatrick, Frank	25,921.46	0.00	0.00	0.00	25,921.46
Kraft, Edward	2,573.22	30,878.64	1,076.73	0.00	34,528.59
Mulligan, Thomas	0.00	34,091.00	1,759.11	0.00	35,850.11
Patterson, Veronica	17,177.85	22,425.96	1,777.07	0.00	41,380.88
Porter, Marilyn	8,274.01	32,922.48	1,507.47	0.00	42,703.96
Ruger, Betty	0.00	6,451.25	68.24	0.00	6,519.49
Sciulara, Josephine	29,344.21	28,504.68	2,746.91	0.00	60,595.80
Turi, Robert	3,147.03	6,211.80	387.52	0.00	9,746.35

*Entered DROP 10/1/10

Total	110,042.16	190,033.37	10,900.31	(9,633.12)	301,342.72
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SECTION IV
MEMBER STATISTICS

ELIGIBILITY 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
BURKE, JACKIE FROST, SYLVIA JOYCE, RICK W. MACLEOD, TED MAYBERRY, YVONNE M. ROSS, ARTHUR	BEATTY, LINDA BUTLER SR, SAMMY CAQUIAS-GONZALEZ, GILBERTO COSTELLO, FREDRICK DAVIS, JAMES (JD) KAY, MARIE MUELLER, KATHLEEN A. NAUMANN, JOANNE A. PEINE-LEMAY, MARY REVELLI, STEPHANIE A. SCHMIDT, ROGER R. TIMMONS, JAYNE TURYN, THOMAS V.

STATISTICAL DATA

(Averages are salary weighted)

	<u>10/1/2007</u>	<u>10/1/2008</u>	<u>10/1/2009</u>	<u>10/1/2010</u>
<u>Males</u>				
Number	156	142	142	140
Average Current Age	48.9	48.4	48.2	47.0
Average Age at Employment	36.9	38.4	38.6	38.3
Average Past Service	11.9	10.0	9.6	8.7
	<u>10/1/2007</u>	<u>10/1/2008</u>	<u>10/1/2009</u>	<u>10/1/2010</u>
<u>Females</u>				
Number	78	59	56	51
Average Current Age	47.4	48.7	49.5	51.2
Average Age at Employment	37.0	38.2	38.7	42.0
Average Past Service	10.4	10.5	10.8	9.2

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	0	1	0	0	0	0	0	0	0	0	2
25 - 29	0	3	0	1	1	2	0	0	0	0	0	7
30 - 34	2	1	0	1	0	3	2	0	0	0	0	9
35 - 39	0	3	0	1	0	6	0	0	1	0	0	11
40 - 44	1	3	5	4	4	6	3	0	2	0	0	28
45 - 49	4	4	1	4	6	11	4	3	4	3	0	44
50 - 54	1	1	2	3	3	14	2	6	9	2	2	45
55 - 59	0	3	2	1	3	2	3	4	3	1	1	23
60 - 64	1	1	1	1	1	9	3	1	2	0	0	20
65+	0	0	0	1	0	0	0	1	0	0	0	2
Total	10	19	12	17	18	53	17	15	21	6	3	191

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/09	198
b. Terminations	
i. Vested (partial or full) with deferred benefits	2 *
ii. Non-vested or full lump sum distribution received	10
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	3
f. Entered DROP	4
g. Continuing participants	179
h. New entrants	12
i. Total active life participants in valuation	191

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

	<u>Service Retirees, Vested Receiving Benefits</u>	<u>Receiving Death Benefits</u>	<u>Receiving Disability Benefits</u>	<u>Vested Deferred</u>	<u>DROP</u>	<u>Total</u>
a. Number prior valuation	124	11	4	46	7	192
b. In	5	1	0	2	4	12
c. Out	9	0	0	6	1	16
d. Number current valuation	120	12	4	42	10	188

*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. 2008-35)

<u>Eligibility</u>	Full-time employees in permanent positions excluding Firefighters and Police Officers, shall participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of service with the City as a General Employee.
<u>Salary</u>	Total compensation, not including bonuses, overtime and lump sums.
<u>Average Monthly Compensation</u>	Average Salary for the best 5 years preceding termination.
<u>Member Contributions</u>	4.0% of Salary
<u>City Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over 30 years.
<u>Normal Retirement</u>	
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 <u>times</u> Credited Service
Form of Benefit	Life Annuity (options available).
<u>Early Retirement</u>	
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.

Vesting

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.

Disability

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).

Death Benefits

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.

Board of Trustees

- 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)
10/01/10	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%
10/01/05	26,934,259	32,774,612	5,840,354	82.18%	8,608,575	67.84%

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
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%
2005	1,081,683	1,081,953	100.02%

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

ANNUAL PENSION COSTS AND RELATED INFORMATION

Contribution rates as of 9/30/2010

City	12.7%
Plan Members	4.0%
City's Required Contribution	1,001,811
Contributions made	1,001,811
Actuarial valuation date	10/1/2008
Actuarial cost method	Entry Age Normal
Amortization method	Level % of Payroll, Closed
Remaining amortization period	29 years (as of 10/1/2008)
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increase*	5.5%
* Includes inflation at	3.0%
Post Retirement COLA	0.0%

THREE YEAR TREND INFORMATION

<u>Year Ending</u>	<u>City's Required Contribution (A)</u>	<u>Percentage of (A) Contributed</u>	<u>Net Pension Obligation</u>
9/30/2010	1,001,811	100%	(27,083)
9/30/2009	1,185,205	100%	(28,756)
9/30/2008	1,077,815	100%	(30,347)

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:

	<u>9/30/08</u>	<u>9/30/09</u>	<u>9/30/10</u>
Actuarially Determined			
Contribution (A)	1,077,815	1,185,205	1,001,811
Interest on NPO	(2,354)	(2,428)	(2,300)
Adjustment to (A)	1,433	4,019	3,973
	-----	-----	-----
Annual Pension Cost	1,076,894	1,186,796	1,003,484
Contributions Made	1,077,815	1,185,205	1,001,811
	-----	-----	-----
Increase in NPO	(921)	1,591	1,673
NPO Beginning of Year	(29,426)	(30,347)	(28,756)
	-----	-----	-----
NPO End of Year	(30,347)	(28,756)	(27,083)