CITY OF ORMOND BEACH
POLICE OFFICERS' PENSION TRUST FUND

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
Police Officers' Pension Trust Fund
P. O. Box 277
Ormond Beach, FL 32175-0277

Re: City of Ormond Beach
Police Officers' Pension Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Ormond Beach Police Officers' Pension Trust Fund. 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 Chapters 112, and 185, 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 City of Ormond Beach, financial reports prepared by the custodian bank, Salem Trust Company, 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 Police Officers' Pension Trust Fund. 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 Police Officers' Pension Trust Fund, 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 contribution requirements developed in this valuation, compared with amounts set forth in the October 1, 2010, Actuarial Valuation Report (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	55.5%	65.8%
Member Contributions (Est.) % of Total Annual Payroll	9.0%	9.0%
City and State Required Contribution % of Total Annual Payroll	46.5%	56.8%
State Contribution * % of Total Annual Payroll	284,887 10.9%	284,887 10.9%
Balance from City ** % of Total Annual Payroll	35.6%	45.9%

* Amount shown is actual State contribution received during fiscal 2011. The City may use annual State contributions of up to $544,533.32 to determine its funding requirements.

** At the request of the Division of Retirement, the required contribution from the combination of City and State sources for the year ending September 30, 2013, is 56.8% of the actual pensionable payroll realized in that year. As a budgeting tool, the City may contribute 45.9% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received (up to the maximum $544,533.32).

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 components of unfavorable experience were a -2.0% investment return (Actuarial Asset Basis) that fell significantly short of the 7.5% assumption, and lower than expected employee turnover. These losses were partially offset by average increases in Pensionable Compensation that were approximately 5% below 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 36% for the fiscal year ending September 30, 2013. Similarly, the City's funding requirement for the 2012 fiscal year is approximately 28% 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 in benefits 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 0.7% per year in last year's valuation to 0.6% per year in this valuation.

Comparative Summary of Principal Valuation Results

	10/1/2011	10/1/2010
A. Participant Data		
Number Included		
Actives	59	57
Service Retirees	39	37
Beneficiaries	1	2
Terminated Vested	2	2
Disability Retirees	1	1
DROP Plan Members	10	8
Total	112	107
Total Annual Payroll	$2,625,644	$2,682,154
Payroll Under Assumed Ret. Age	2,625,644	2,682,154
Annual Rate of Payments to:		
Service Retirees	1,390,208	1,315,179
Beneficiaries	2,093	30,142
Terminated Vested	0	0
Disability Retirees	10,330	10,330
DROP Plan Members	485,904	318,429
B. Assets		
Actuarial Value	20,239,248	21,370,058
Market Value	18,603,095	19,454,356
C. Liabilities		
Present Value of Benefits		
Active Members		
Retirement Benefits	10,879,451	12,307,907
Disability Benefits	100,082	95,859
Death Benefits	56,849	56,451
Vested Benefits	1,947,053	1,907,577
Refund of Contributions	201,292	192,227
Service Retirees	17,118,358	16,455,947
Beneficiaries	5,663	18,750
Terminated Vested	5,908	5,908
Disability Retirees	110,324	112,124
DROP Plan Members *	6,706,552	4,197,560
Excess State Monies Reserve	0	0
Total	37,131,532	35,350,310

* 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	19,115,806	17,266,098
Present Value of Future Member Cont.	1,720,423	1,553,949
Normal Cost (Entry Age Normal)		
Retirement Benefits	546,669	548,574
Disability Benefits	4,790	3,513
Death Benefits	2,373	1,789
Vested Benefits	79,586	68,384
Refund of Contributions	14,735	13,360
Total Normal Cost	648,153	635,620
Present Value of Future Normal Costs	4,555,982	4,150,898
Actuarial Accrued Liability		
Retirement Benefits	7,160,488	8,890,069
Disability Benefits	61,953	67,759
Death Benefits	38,430	42,461
Vested Benefits	1,297,269	1,335,928
Refund of Contributions	70,606	72,906
Inactives plus state reserve	23,946,805	20,790,289
Total Accrued Liability	32,575,551	31,199,412
Unfunded Actuarial Accrued Liability (UAAL)	12,336,302	9,829,354
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	23,946,805	20,790,289
Actives	3,115,741	4,627,313
Member Contributions	1,754,311	2,028,327
Total	28,816,857	27,445,929
Non-vested Accrued Benefits	575,839	412,270
Total Present Value Accrued Benefits	29,392,696	27,858,199
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	878,004	
Benefits Paid (Net of DROP Lump-Sums)	(1,381,081)	
Interest	2,037,574	
Other	0	
Total:	1,534,497	

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*	25.6	24.6
Administrative Expense (with interest) % of Total Annual Payroll*	1.4	0.9
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 30 years (as of 10/1/11) % of Total Annual Payroll*	38.8	30.0
Total Required Contribution % of Total Annual Payroll*	65.8	55.5
Expected Member Contributions % of Total Annual Payroll*	9.0	9.0
Expected City & State Contrib. % of Total Annual Payroll*	56.8	46.5

F. Past Contributions

Plan Years Ending:	9/30/2011
Total Required Contribution	1,220,460
City and State Requirement	980,631
Actual Contributions Made:	
Members	239,828
City	695,745
State	284,887
Total	1,220,460

G. Net Actuarial Gain (Loss) (2,330,742)

* Contributions developed as of 10/1/11 are expressed as a percentage of total annual payroll at 10/1/11 of $2,625,644.

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

Year	Projected Unfunded Accrued Liability
2011	$12,336,302
2012	12,206,200
2013	12,060,007
2018	11,081,099
2023	9,549,902
2033	4,320,257
2041	0

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

		Actual	Assumed
Year Ended	9/30/2011	0.7%	5.5%
Year Ended	9/30/2010	1.0%	6.5%
Year Ended	9/30/2009	5.5%	6.5%

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

		Actual	Assumed
Year Ended	9/30/2011	-2.0%	7.5%
Year Ended	9/30/2010	1.0%	8.0%
Year Ended	9/30/2009	1.0%	8.0%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2011	$2,625,644
	10/1/2001	2,481,483
(b) Total Increase		5.8%
(c) Number of Years		10.00
(d) Average Annual Rate		0.6%

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.

12/5/11

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:

Patricia Shoemaker
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

Keith Brinkman
Bureau of Local Retirement Systems
Division of Retirement
Post Office 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	$9,829,354
(2)	City and State Normal Cost Applicable for the year *	417,454
(3)	Interest on (1) and (2)	767,640
(4)	Sponsor Contributions to the System during the year ending September 30, 2011	980,632
(5)	Interest on (4)	28,256
(6)	Change to UAAL due to actuarial (gain) or loss	2,330,742
(7)	Unfunded Accrued Liability as of October 1, 2011 (1)+(2)+(3)-(4)-(5)+(6)	12,336,302

	Date Established		Years Remaining	10/1/2011 Amount	Amortization Amount
	10/1/1986		5	77,033	17,515
	10/1/1992		11	(72,770)	(9,018)
	10/1/1995		14	47,478	5,037
	10/1/1996		15	188,285	19,174
	10/1/1999		18	1,006,429	92,678
	10/1/2002		21	1,475,914	126,025
Method Change	10/1/2004		23	506,837	41,572
Actuarial Loss	10/1/2004	**	23	495,570	40,647
Actuarial Loss	10/1/2005		24	673,223	54,251
Actuarial Gain	10/1/2006		25	(719,189)	(57,020)
Actuarial Gain	10/1/2007		26	(457,440)	(35,728)
Actuarial Loss	10/1/2008		27	1,043,867	80,412
Method Change	10/1/2008		27	337,890	26,029
Actuarial Loss	10/1/2009		28	865,662	65,839
Actuarial Loss	10/1/2010		29	2,472,545	185,845
Assumption	10/1/2010		29	2,064,226	155,155
Actuarial Loss	10/1/2011		30	2,330,742	173,285
				12,336,302	981,698

* Includes $23,228 for non-investment related administrative expenses.

** It is assumed that 50% of the cost method change base from 2004 was attributable to unfavorable actuarial experience prior to that date.

ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

Assumptions

Mortality Rate	RP2000 Combined Healthy (sex distinct). Disableds set forward 5 years.
Termination Rates	See Tables below
Disability Rates	See Tables below (1201). 75% are In-Line of Duty and 25% are Not-In-Line of Duty.
Retirement Age	Earlier of age 55 and 10 years of service, 20 years of service regardless of age, or Age 60.
Early Retirement	Commencing at the member's eligibility for Early Retirement (attainment of age 45 with 10 years of Credited Service), members are assumed to retire with an immediate, subsidized benefit at the rate of 5% per year.
Cost of Living Adjustments	Beginning the first October 1st following one year of retirement, annual adjustments of 1.0%.
Interest Rate	7.5% per year, compounded annually, net of investment related expenses.
Salary Increases	5.5% per year up to the assumed retirement age; see Table below. Projected salary at retirement is increased 20% to account for non-regular payments.
Payroll Growth	Up to 3.0% (0.6% in 10/1/11 valuation)
Administrative Expenses	$35,383 annually.

Age	% Terminating During the Year	% Becoming Disabled During the Year	Current Salary as % of Salary at age 50
20	9.0%	0.03%	20.1%
30	7.5	0.04	34.3
40	3.9	0.07	58.5
50	1.2	0.18	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.

HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase from Previous Year
1989	127,241.29	_____%
1990	124,222.53	-2.4%
1991	130,965.63	5.4%
1992	135,849.04	3.7%
1993	143,267.24	5.5%
1994	141,238.61	-1.4%
1995	167,423.98	18.5%
1996	164,689.32	-1.6%
1997	175,046.40	6.3%
1998	172,232.32	-1.6%
1999	187,803.29	9.0%
2000	185,196.08	-1.4%
2001	209,644.34	13.2%
2002	220,651.25	5.3%
2003	249,004.42	12.8%
2004	279,394.31	12.2%
2005	298,409.89	6.8%
2006	302,091.35	1.2%
2007	309,398.86	2.4%
2008	306,085.20	-1.1%
2009	301,224.61	-1.6%
2010	284,026.50	-5.7%
2011	284,887.44	0.3%

EXCESS STATE MONIES RESERVE

	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve
1998	$172,232.32	*	*
1999	187,803.29	*	*
2000	185,196.08	*	*
2001	209,644.34	*	*
2002	220,651.25	*	*
2003	249,004.42	502,620.32	0.00
2004	279,394.31	502,620.32	0.00
2005	298,409.89	502,620.32	0.00
2006	302,091.35	502,620.32	0.00
2007	309,398.86	544,533.32	0.00
2008	306,085.20	544,533.32	0.00
2009	301,224.61	544,533.32	0.00
2010	284,026.50	544,533.32	0.00
2011	284,887.44	544,533.32	0.00
	Total State Monies Reserve		$0.00

* Accumulated Excess State Monies Reserve prior to 2003 ($15,570.97) used to fund improvement in Ordinance No. 2002-35.

SECTION III

TRUST FUND

City of Ormond Beach
Police Officers' Pension Trust Fund

BALANCE SHEET
September 30, 2011

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	748,889.61	748,889.61
Total Cash and Equivalents	748,889.61	748,889.61
Receivable:		
Accrued Income	102,907.57	102,907.57
Total Receivable	102,907.57	102,907.57
Investments:		
U S Govt/Govt Sponsored/Agency	6,805,916.91	6,796,048.80
Corporate Stocks/REITs	12,168,690.33	11,917,413.34
Total Investments	18,974,607.24	18,713,462.14
TOTAL ASSETS	19,826,404.42	19,565,259.32
LIABILITIES AND NET ASSETS		
Total Liabilities	0.00	0.00
Net Assets:		
Active and Retired Members' Equity	18,864,239.74	18,603,094.64
DROP Plan Benefits	962,164.68	962,164.68
Total Net Assets	19,826,404.42	19,565,259.32
TOTAL LIABILITIES AND NET ASSETS	19,826,404.42	19,565,259.32

City of Ormond Beach
Police Officers' Pension Trust Fund

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

REVENUES		
Contributions:		
Member	239,828.35	
City	695,745.04	
State	284,887.44	
Total Contributions		1,220,460.83
Earnings from Investments		
Interest & Dividends	620,622.06	
Net Realized Gain (Loss)	1,263,328.10	
Unrealized Gain (Loss)	(1,896,525.61)	
Total Earnings and Investment Gains		(12,575.45)
EXPENDITURES		
Expenses:		
Investment Related*	120,070.88	
Administrative	35,383.45	
Total Expenses		155,454.33
Distributions to Members:		
Benefit Payments	1,373,226.28	
Lump Sum DROP Balances	159,513.10	
Termination Payments	7,855.00	
Total Distributions		1,540,594.38
DROP Account Net Change		363,097.60
Change in Net Assets for the Year		(851,260.93)
Net Assets Beginning of the Year		19,454,355.57
Net Assets End of the Year		18,603,094.64

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

City of Ormond Beach
Police Officers' Pension Trust Fund

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	-15.55%
9/30/09	2.40%
9/30/10	7.54%
9/30/11	-0.67%

Annualized Rate of Return
for prior four (4) years: -1.96%

(A) 10/01/10 Actuarial Assets:	$21,370,057.88
(I) Net Investment Income:	
1. Interest and Dividends	620,622.06
2. Realized Gains (Losses)	1,263,328.10
3. Change in Actuarial Value	(2,176,074.11)
4. Investment Related Expenses	(120,070.88)
Total	(412,194.83)
(B) 10/01/11 Actuarial Assets:	$20,239,248.45

Actuarial Asset Rate of Return = 2I/(A+B-I): -1.96%

10/01/11 Limited Actuarial Assets: $20,239,248.45
(Lesser of Actuarial Assets or 120% of Market Value)

*Market Value Basis, net of investment related expenses

City of Ormond Beach
Police Officers' Pension Trust Fund

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

REVENUES		
Contributions:		
Member	239,828.35	
City	695,745.04	
State	284,887.44	
Total Contributions		1,220,460.83
Earnings from Investments		
Interest & Dividends	620,622.06	
Net Realized Gain (Loss)	1,263,328.10	
Change in Actuarial Value	(2,176,074.11)	
Total Earnings and Investment Gains		(292,123.95)
EXPENDITURES		
Expenses:		
Investment Related*	120,070.88	
Administrative	35,383.45	
Total Expenses		155,454.33
Distributions to Members:		
Benefit Payments	1,373,226.28	
Lump Sum DROP Balances	159,513.10	
Termination Payments	7,855.00	
Total Distributions		1,540,594.38
DROP Account Net Change		363,097.60
Change in Net Assets for the Year		(1,130,809.43)
Net Assets Beginning of the Year		21,370,057.88
Net Assets End of the Year**		20,239,248.45

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

City of Ormond Beach
Police Officers' Pension Trust Fund

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
Bayne, John	0.00	60,252.36	2,100.99	0.00	62,353.35
Brock, Donald	111,731.37	35,391.48	8,496.63	0.00	155,619.48
Corn, Tony	47,179.18	9,056.44	820.39	(57,056.01)	0.00
Drake, Michael	235,390.44	58,197.96	17,329.72	0.00	310,918.12
Gogarty, James	0.00	64,176.71	2,414.23	0.00	66,590.94
Lanier, Larry	64,037.13	27,531.90	3,831.68	(95,400.71)	0.00
Longfellow, Michael	7,056.38	0.00	0.00	(7,056.38)	0.00
Orlando, Joseph	0.00	31,449.12	1,096.62	0.00	32,545.74
Osterkamp, Henry	0.00	25,022.76	330.89	0.00	25,353.65
Rudloff, Daaron	6,381.42	35,633.00	1,696.40	0.00	43,710.82
Sanders, Michael	13,889.43	41,124.48	2,336.80	0.00	57,350.71
Secor, Blaze	66,544.84	34,494.00	5,528.20	0.00	106,567.04
Welch, Jessey	46,856.89	49,525.32	4,772.62	0.00	101,154.83
Total	599,067.08	471,855.53	50,755.17	(159,513.10)	962,164.68

SECTION IV

MEMBER STATISTICS

ELIGIBILTY FOR RETIREMENT

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

1) Attained Age 55 with 10 Years of Credited Service
or 2) 20 Years of Credited Service regardless of Age
or 3) Attained Age 60

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

1) Attained Age 45 with 10 Years of Credited Service

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

Normal Retirement	Early Retirement
None	CORNELIUS, LLOYD J. CRIMINS, JAMES M. DOGGETT, JIM HAYES, KENNY HODGE, BRENTO M. STOKES, GREG

STATISTICAL DATA

(Averages are salary weighted)

Active Members	10/1/2008	10/1/2009	10/1/2010	10/1/2011
Number	61	63	57	59
Average Current Age	39.7	38.7	38.2	37.6
Average Age at Employment	29.2	29.0	28.4	29.2
Average Past Service	10.6	9.7	9.8	8.4
Average Annual Salary	$45,105	$45,967	$47,055	$44,502

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	2	1	1	2	0	0	0	0	0	0	0	6
25 - 29	1	1	2	3	0	3	0	0	0	0	0	10
30 - 34	1	0	1	1	3	4	1	0	0	0	0	11
35 - 39	0	0	0	0	0	1	3	0	0	0	0	4
40 - 44	1	0	0	0	1	4	5	4	0	0	0	15
45 - 49	2	0	1	0	0	3	2	2	0	0	0	10
50 - 54	0	0	0	0	0	0	0	2	0	0	0	2
55 - 59	0	0	0	0	0	1	0	0	0	0	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	7	2	5	6	4	16	11	8	0	0	0	59

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/10	57
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	1
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Entered DROP Program	4
f. Voluntary withdrawal	0
g. Continuing participants	52
h. New entrants	7
i. Total active life participants in valuation	59

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

	Service Retirees, Vested Receiving Benefits	Members in DROP Plan	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	37	8	2	1	2	50
b. In	2	4	0	0	0	6
c. Out	0	2	1	0	0	3
d. Number current valuation	39	10	1	1	2	53

SECTION V

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS
(Through Ordinance No. 2011-39)

Eligibility	Full-time employees who are classified as full-time sworn officers 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 Police Officer.
Salary	Total Compensation.
Average Final Compensation	Average Salary for the best 5 years during the 10 years immediately preceding termination.
Member Contributions	9.0% of Salary
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII of Chapter 112, F.S.
Normal Retirement	
Date	Earlier of Age 60, age 55 and 10 years of Credited Service, or 20 years of Credited Service.
Benefit	3.30% of Average Final Compensation times Credited Service
Form of Benefit	Ten Year Certain and Life Annuity (options available).
Early Retirement	
Eligibility	Age 45 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.
Cost-of-Living Adjustment	Beginning the first October 1st following one year of retirement, annual adjustments of 1.0%.
Vesting	
Schedule	100% after 10 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	
Service Incurred	Covered from Date of Employment.
Non-Service Incurred	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 but not less than 42% of Average Final Compensation (Service Incurred).
Duration	Payable for life and ten years certain (options avail able) or until recovery (as determined by the Board).

Death Benefits

Pre-Retirement	
Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested	Refund of accumulated contributions without interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Board of Trustees

a. Two Commission appointees,

b. Two Members of the Department elected by the membership, and

c. Fifth Member elected by other 4 and appointed by Commission.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements (Earlier of age 60, Age 55 and 10 years of Credited Service, or 20 years of Credited Service).

Participation	Not to exceed 60 months, or the date on which the Member completes 30 years of Service, if earlier.
Rate of Return	Participants election: a.) 6.5% annually, or b.) actual net rate of investment return (total return net of brokerage commissions, transaction costs and management fees) credited each fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

SECTION VI

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 25 & 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	20,239,248	32,575,550	12,336,302	62.13%	2,625,644	469.84%
10/01/10	21,370,058	31,199,412	9,829,354	68.50%	2,682,154	366.47%
10/01/09	21,668,325	27,060,230	5,391,905	80.07%	2,895,940	186.19%
10/01/08	21,849,538	26,281,237	4,431,699	83.14%	2,751,379	161.07%
10/01/07	22,492,349	25,553,450	3,061,101	88.02%	2,893,763	105.78%
10/01/06	20,760,411	24,254,697	3,494,285	85.59%	2,995,893	116.64%

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	State Contribution	Percentage Contributed
2011	980,631	695,745	284,887	100.00%
2010	915,935	632,567	284,027	100.07%
2009	725,357	424,132	301,225	100.00%
2008	755,134	449,049	306,085	100.00%
2007	771,038	461,639	309,399	100.00%
2006	671,585	369,943	302,091	100.07%

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	26.2%
State	10.6%
Plan Members	9.0%
Annual Pension Cost	698,446
Contributions made	695,745
Actuarial valuation date	10/1/2009
Actuarial cost method	Entry Age Normal
Amortization method	Level % of Payroll, Closed
Remaining amortization period	25 years (as of 10/1/2009)
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.5% (as of October 1, 2010)
Projected salary increase*	5.5% (as of October 1, 2010)
* Includes inflation at	3.0%
Post Retirement COLA	1.0%

THREE YEAR TREND INFORMATION

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2011	698,446	100%	(39,261)
9/30/2010	634,905	100%	(41,962)
9/30/2009	424,624	100%	(44,301)
9/30/2008	449,546	100%	(44,793)

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 recent development of the Net Pension Obligation is as follows:

	9/30/06	9/30/07	9/30/08	9/30/09	9/30/10	9/30/11
Actuarially Determined Contribution (A)		461,639	449,049	424,132	631,908	695,744
Interest on NPO		(3,663)	(3,623)	(3,583)	(3,544)	(3,147)
Adjustment to (A)		4,166	4,120	4,075	6,541	5,849
Annual Pension Cost		462,142	449,546	424,624	634,905	698,446
Contributions Made		461,639	449,049	424,132	632,567	695,745
Increase in NPO		503	497	492	2,339	2,701
NPO Beginning of Year		(45,793)	(45,290)	(44,793)	(44,301)	(41,962)
NPO End of Year	(45,793)	(45,290)	(44,793)	(44,301)	(41,962)	(39,261)

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	$23,371,579
Actives	2,969,500
Member Contributions	1,754,311
Total	28,095,390
Non-Vested Accrued Benefits	515,972
Total Present Value of Accrued Benefits	$28,611,362