

POMPANO BEACH POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM

ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2010

**ANNUAL EMPLOYER CONTRIBUTION IS DETERMINED BY THIS VALUATION FOR THE
PLAN YEAR ENDING SEPTEMBER 30, 2012**

February 14, 2011

Board of Trustees
Pompano Beach Police and Firefighters'
Retirement System
Pompano Beach, Florida

Dear Board Members:

We are pleased to present our October 1, 2010 Actuarial Valuation Report for the System. The purpose of the Report is to set forth required contribution levels, to disclose plan assets and actuarial liabilities, to comment on funding progress and to provide supporting information regarding the operation of the Plan. This Report is also designed to comply with requirements of the State. The contribution results shown in the Report apply to the plan year ending September 30, 2012.

The valuation was performed on the basis of employee, retiree and financial information supplied by the Board. Although we did not audit this information, it was reviewed for reasonableness and comparability to prior years.

The benefits valued are outlined at the end of the Report. Actuarial assumptions and the actuarial cost method are also described herein. Any changes in benefits, assumptions or methods are described in the first section.

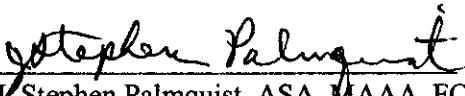
This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate. In my opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

As indicated below, the undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinion herein.

We will be pleased to answer any questions pertaining to the valuation and to meet with you to review this Report.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY


J. Stephen Palmquist, ASA, MAAA, FCA
Enrolled Actuary No. 08-01560

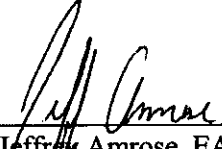

Jeffrey Amrose, EA, MAAA
Enrolled Actuary No. 08-06599

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SECTION A

DISCUSSION OF VALUATION OF RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The required Employer/State contribution this year compared with the preceding year is as follows:

	For FYE 9/30/12 Based on 10/1/010 Valuation	For FYE 9/30/11 Based on 10/1/09 Valuation	Increase (Decrease)
Required Employer Contribution	\$ 10,345,422	\$ 9,458,408	\$ 887,014
As % of Contrib. Year Payroll	60.06 %	50.76 %	9.30 %
Allowable Chapter 175/185 Credit	\$ 1,530,239	\$ 1,530,239 *	\$ 0
As % of Contrib. Year Payroll	8.88 %	8.21 %	0.67 %
Required Employer Contribution	\$ 8,815,183	\$ 7,928,169	\$ 887,014
As % of Contrib. Year Payroll	51.18 %	42.55 %	8.63 %

* We have updated the amount shown in our October 1, 2009 Report to reflect the actual State Contribution received during the fiscal year ending September 30, 2010.

The contribution developed in this valuation has been calculated as though payments are made at the end of each fiscal quarter. Further, the required Employer contribution has been computed with the assumption that the amounts to be received from the State in 2012 will be equal to the allowable amounts received last year (\$732,754 Fire and \$797,485 Police). If the actual payments from the State fall below these amounts, then the Employer must increase its contribution by the difference.

A breakdown of required contributions for firefighters and police officers is as follows:

FIREFIGHTERS	FYE 9/30/12	FYE 9/30/11	Increase (Decrease)
Required City/State Contribution	\$ 5,522,162	\$ 5,293,188	\$ 228,974
Maximum Amount of Ch. 175 Revenue to be Taken as a Credit	732,754	732,754	0
Required City Contribution	4,789,408	4,560,434	228,974
As % of Covered Payroll	38.59 %	34.50 %	4.09 %

POLICE OFFICERS	FYE 9/30/12	FYE 9/30/11	Increase (Decrease)
Required BSO/State Contribution	\$ 4,823,260	\$ 4,165,220	\$ 658,040
Maximum Amount of Ch. 185 Revenue to be Taken as a Credit	797,485	797,485 *	-
Required BSO Contribution for pre-August 1999 Retirees	-	-	-
Required BSO Contribution for All Other Members	4,025,775	3,367,735	658,040
As % of Covered Payroll	83.67 %	62.20 %	21.47 %
Required City Contribution	-	-	-

* We have updated the amount shown in our October 1, 2009 Report to reflect the actual State Contribution received during the fiscal year ending September 30, 2010.

The City and BSO contribution amounts shown above are in addition to the 8.6% of payroll BSO contributions on behalf of Police Officers and 11.6% of pay contributed by the City for Firefighters.

Required Contributions in Later Years

The current calculated Employer contribution requirement is 51.18% of payroll starting October 1, 2011. For long-term planning purposes, the Employer contribution rate would be expected to remain near this level if the current actuarial assumptions are realized after September 30, 2010.

It is important to keep in mind that under the asset smoothing method, gains and losses are recognized over five years. As of September 30, 2010, the actuarial value of assets exceeded the market value by \$5,272,303. Once all the losses through September 30, 2010 are fully recognized in the actuarial asset values, the contribution rate will increase by roughly 2.4% of payroll unless there are offsetting gains.

We further note that the required contribution will decrease by over \$600,000 in 2013 because the original amount of unfunded actuarial accrued liability will be fully amortized in 2012.

Relationship to Market Value

If Market Value had been the basis for the valuation, the Employer contribution rate would have been 53.6% and the funded ratio would have been 67.6%. In the absence of other gains and losses, the

Employer contribution rate should increase to that level over the next several years.

Funded Ratio

The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued liability. This ratio is one indicator as to how well the Plan is funded. This year's ratio is 69.8% compared to 71.9% last year. This year's ratio was 71.1% before the changes in actuarial assumptions and methods described below.

Revisions in Benefits

There have been no changes in benefits since that last valuation.

Revisions in Actuarial Assumptions or Methods

The investment return assumption was lowered from 8.3% last year to 8.1% this year. This assumption will be reduced by 0.2% each year until the Board's goal of 7.5% is attained as of October 1, 2013. This revision leads to an increase in the Annual Required Contribution of 2.63% of covered payroll. Also, we recommend that the mortality rates be lowered to reflect the latest tables.

Experience

Overall net experience under the Plan during the prior Plan Year was less favorable than expected which resulted in a net experience loss of \$3.4 million compared to last year's loss of \$8.0 million. Most of this year's loss is due to lower than expected investment return. While the market value return was 10.4%, the recognized return under the asset smoothing method was 5.6%. These losses were partially offset by gains due to salary increases less than expected (5.0% actual versus 6.5% assumed). The experience loss has caused the required contribution to increase by 1.95% of payroll.

Analysis of Change in Employer Contribution

The components of change in the required contribution are as follows:

Contribution rate last year	42.55 %
Experience gain/loss	1.95
Amortization payment on UAAL	3.84
Change in normal cost rate	0.04
Change in administrative expense	0.84
Change in State revenue	(0.67)
Change in Assumptions/Methods	2.63
Change in plan provisions	<u>0.00</u>
Contribution rate this year	51.18 %

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

CHAPTER REVENUE

Increments in Chapter revenue over that received in 1998 must first be used to fund the cost of compliance with minimum benefits. Once minimums are met, any subsequent additional Chapter revenue must be used to provide extra benefits.

As of the valuation date, the only minimum benefit requirement outstanding was the requirement that pensionable compensation for police officers must equal total cash remuneration.

Actuarial Confirmation of the Use of State Chapter Money	Police	Fire	Total
1. Base Amount Previous Plan Year	\$ 798,463	\$ 732,754	\$ 1,531,217
2. Amount Received for Previous Plan Year	797,485	1,086,658	1,884,143
3. Benefit Improvements Made in Previous Plan Year	-	-	
4. Excess Funds for Previous Plan Year	-	353,904	353,904
5. Accumulated Excess at Beginning of Previous Year	215,163	3,033,024	3,248,187
6. Prior Excess Used in Previous Plan Year	-	-	
7. Accumulated Excess as of Valuation Date (Available for Benefit Improvements): (4) + (5) - (6)	215,163	3,386,928	3,602,091
8. Base Amount This Plan Year: (1) + (3)	797,485	732,754	1,530,239

The Accumulated Excess shown in line 7 is being held in reserve to pay for additional benefits.

The reserve is subtracted from Plan assets (see Section C of this Report). The Base Amount in line 8 is the maximum amount the employer may take as a credit against its required contribution; however, in no event may the employer take credit for more than the actual amount of Chapter revenue received.

In order to fund previous benefit improvements, the Base Amount can be increased based on the actual amount of Chapter revenue received. The Base Amount will continue to be updated each year based on actual Chapter revenue up to a maximum of \$798, 463 for Police and \$732,754 for Fire.

SECTION B
RESULTS OF VALUATION

PARTICIPANT DATA		
	October 1, 2010	October 1, 2009
ACTIVE MEMBERS--POLICE		
Number not in DROP	51	63
Number in DROP	4	7
Covered Annual Payroll (Not in DROP)	\$ 4,811,747	\$ 5,414,449
Average Annual Payroll	\$ 94,348	\$ 85,944
Average Age	44.4	44.3
Average Past Service	19.8	19.2
Average Age at Hire	24.6	25.1
ACTIVE MEMBERS--FIRE		
Number not in DROP	150	162
Number in DROP	38	27
Covered Annual Payroll (Not in DROP)	\$ 11,992,406	\$ 12,772,706
Average Annual Payroll	\$ 79,949	\$ 78,844
Average Age	37.7	37.5
Average Past Service	9.8	9.8
Average Age at Hire	27.9	27.7
ACTIVE MEMBERS--POLICE AND FIRE COMBINED		
Number not in DROP	201	225
Number in DROP	42	34
Covered Annual Payroll (Not in DROP)	\$ 16,804,153	\$ 18,187,155
Average Annual Payroll	\$ 83,603	\$ 80,832
Average Age	39.4	39.4
Average Past Service	12.3	12.4
Average Age at Hire	27.1	27.0
RETIREES & BENEFICIARIES & DROP		
Number	318	294
Annual Benefits	\$ 14,032,366	\$ 12,401,458
Average Annual Benefit	\$ 44,127	\$ 42,182
Average Age	60.5	60.6
DISABILITY RETIREES		
Number	25	25
Annual Benefits	\$ 1,150,722	\$ 1,125,727
Average Annual Benefit	\$ 46,029	\$ 45,029
Average Age	54.6	53.6
TERMINATED VESTED MEMBERS		
Number	4	7
Annual Benefits	\$ 92,682	\$ 177,913
Average Annual Benefit	\$ 23,171	\$ 25,416
Average Age	51.3	49.8

**ANNUAL REQUIRED CONTRIBUTION (ARC)
POLICE AND FIRE COMBINED**

A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. ARC to Be Paid During Fiscal Year Ending (Contribution Year)	9/30/2012	9/30/2012	9/30/2011
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability			
1. Regular	\$ 5,938,730	\$ 5,690,627	\$ 5,138,293
2. Additional amount due to deficient contributions for 1976-77	16,070	16,070	14,836
3. Total	5,954,800	5,706,697	5,153,129
E. Employer Normal Cost	3,727,600	3,542,829	3,681,204
F. ARC if Paid on the Valuation Date: D3+E	9,682,400	9,249,526	8,834,333
G. ARC Adjusted for Frequency of Payments	10,158,097	9,714,870	9,278,789
H. ARC as % of Covered Payroll	60.06 %	57.44 %	50.76 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	NA %	NA %	NA %
J. Covered Payroll for Contribution Year	17,223,888	17,223,888	18,634,200
K. ARC for Contribution Year: H x J	10,345,422	9,892,868	9,458,408
L. Allowable Chapter 175/185 Credit in Contribution Year	1,530,239	1,530,239	1,530,239 *
M. Required Employer Contribution (REC) in Contribution Year	8,815,183	8,362,629	7,928,169
N. REC as % of Covered Payroll in Contribution Year: M ÷ J	51.18 %	48.55 %	42.55 %

** We have updated the amount shown in our October 1, 2009 Report to reflect the actual State Contribution received during the fiscal year ending September 30, 2010.*

ANNUAL REQUIRED CONTRIBUTION (ARC) -- POLICE

A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. ARC to Be Paid During Fiscal Year Ending (Contribution Year)	9/30/2012	9/30/2012	9/30/2011
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability			
1. Regular	\$ 3,472,215	\$ 3,323,102	\$ 2,827,729
2. Additional amount due to deficient contributions for 1976-77	8,953	8,953	8,265
3. Total	3,481,168	3,332,055	2,835,994
E. Employer Normal Cost	1,116,222	1,066,828	1,129,711
F. ARC if Paid on the Valuation Date: D3+E	4,597,390	4,398,883	3,965,705
G. ARC Adjusted for Frequency of Payments	4,823,260	4,620,191	4,165,220
H. ARC as % of Covered Payroll	100.24 %	96.02 %	76.93 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	- %	- %	- %
J. Covered Payroll for Contribution Year	4,811,747	4,811,747	5,414,449
K. ARC for Contribution Year: H x J	4,823,260	4,620,191	4,165,220
L. Allowable Chapter 185 Credit in Contribution Year	797,485	797,485	797,485 *
M. Required BSO Contribution in Contribution Year for pre-August 1999 Retirees	-	-	-
N. Required BSO Contribution in Contribution Year for post-August 1999 Members	4,025,775	3,822,706	3,367,735
O. Required City Contribution in Contribution Year	-	-	-
P. Required BSO Contribution as % of Covered Payroll in Contribution Year: N ÷ J	83.67 %	79.45 %	62.20 %

* We have updated the amount shown in our October 1, 2009 Report to reflect the actual State Contribution received during the fiscal year ending September 30, 2010.

ANNUAL REQUIRED CONTRIBUTION (ARC) -- FIRE			
A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. ARC to Be Paid During Fiscal Year Ending (Contribution Year)	9/30/2012	9/30/2012	9/30/2011
C. Assumed Dates of Employer Contributions	Quarterly	Quarterly	Quarterly
D. Annual Payment to Amortize Unfunded Actuarial Liability			
1. Regular	\$ 2,466,515	\$ 2,367,525	\$ 2,310,564
2. Additional amount due to deficient contributions for 1976-77	7,117	7,117	6,571
3. Total	2,473,632	2,374,642	2,317,135
E. Employer Normal Cost	2,611,378	2,476,001	2,551,493
F. ARC if Paid on the Valuation Date: D3+E	5,085,010	4,850,643	4,868,628
G. ARC Adjusted for Frequency of Payments	5,334,837	5,094,679	5,113,569
H. ARC as % of Covered Payroll	44.49 %	42.48 %	40.04 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	3.50 %	3.50 %	3.50 %
J. Covered Payroll for Contribution Year	12,412,141	12,412,141	13,219,751
K. ARC for Contribution Year: H x J	5,522,162	5,272,677	5,293,188
L. Allowable Chapter 175 Credit in Contribution Year	732,754	732,754	732,754
M. Required City Contribution (RCC) in Contribution Year	4,789,408	4,539,923	4,560,434
N. RCC as % of Covered Payroll in Contribution Year: M ÷ J	38.59 %	36.58 %	34.50 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS
POLICE AND FIRE COMBINED

A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	\$ 97,163,270	\$ 93,826,390	\$ 100,232,121
b. Vesting Benefits	1,414,186	1,356,821	1,378,664
c. Disability Benefits	10,670,802	10,326,134	10,533,631
d. Preretirement Death Benefits	2,959,799	2,855,855	2,921,323
e. Return of Member Contributions	<u>325,055</u>	<u>323,981</u>	<u>385,971</u>
f. Total	112,533,112	108,689,181	115,451,710
2. Inactive Members			
a. Service Retirees & Beneficiaries	157,852,853	155,161,571	140,273,593
b. Disability Retirees	12,885,507	12,669,082	13,022,653
c. Terminated Vested Members	<u>926,178</u>	<u>904,504</u>	<u>1,895,263</u>
d. Total	171,664,538	168,735,157	155,191,509
3. Total for All Members	284,197,650	277,424,338	270,643,219
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	242,462,552	237,733,591	229,557,302
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	231,054,553	226,532,013	219,906,997
E. Plan Assets			
1. Market Value	163,864,182	163,864,182	152,663,013
2. Actuarial Value	169,136,485	169,136,485	165,046,163
F. Unfunded Actuarial Accrued Liability: = C - E2	73,326,067	68,597,106	64,511,139
G. Actuarial Present Value of Projected Covered Payroll	142,397,656	140,818,556	145,939,687
H. Actuarial Present Value of Projected Member Contributions	15,949,125	15,768,352	16,272,537

ACTUARIAL VALUE OF BENEFITS AND ASSETS -- POLICE

A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	\$ 34,204,557	\$ 33,315,313	\$ 36,693,174
b. Vesting Benefits	350,140	338,422	406,867
c. Disability Benefits	940,851	918,589	1,045,532
d. Preretirement Death Benefits	420,351	409,164	475,843
e. Return of Member Contributions	-	-	-
f. Total	<u>35,915,899</u>	<u>34,981,488</u>	<u>38,621,416</u>
2. Inactive Members			
a. Service Retirees & Beneficiaries	86,364,387	84,864,868	75,832,746
b. Disability Retirees	6,654,668	6,541,889	6,505,768
c. Terminated Vested Members	<u>926,178</u>	<u>904,504</u>	<u>1,895,263</u>
d. Total	93,945,233	92,311,261	84,233,777
3. Total for All Members	129,861,132	127,292,749	122,855,193
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	125,101,225	122,749,494	117,576,157
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	121,316,066	118,996,326	114,057,053
E. Plan Assets			
1. Market Value	N/A	N/A	N/A
2. Actuarial Value	88,401,525	88,401,525	87,632,324
F. Unfunded Actuarial Accrued Liability: = C - E2	36,699,700	34,347,969	29,943,833
G. Actuarial Present Value of Projected Covered Payroll	18,966,730	18,886,687	21,882,246
H. Actuarial Present Value of Projected Member Contributions	1,631,139	1,624,255	1,881,873

ACTUARIAL VALUE OF BENEFITS AND ASSETS -- FIRE

A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	\$ 62,958,713	\$ 60,511,077	\$ 63,538,947
b. Vesting Benefits	1,064,046	1,018,399	971,797
c. Disability Benefits	9,729,951	9,407,545	9,488,099
d. Preretirement Death Benefits	2,539,448	2,446,691	2,445,480
e. Return of Member Contributions	325,055	323,981	385,971
f. Total	76,617,213	73,707,693	76,830,294
2. Inactive Members			
a. Service Retirees & Beneficiaries	71,488,466	70,296,703	64,440,847
b. Disability Retirees	6,230,839	6,127,193	6,516,885
c. Terminated Vested Members	-	-	-
d. Total	77,719,305	76,423,896	70,957,732
3. Total for All Members	154,336,518	150,131,589	147,788,026
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	117,361,327	114,984,097	111,981,145
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	109,738,487	107,535,687	105,849,944
E. Plan Assets			
1. Market Value	N/A	N/A	N/A
2. Actuarial Value	80,734,960	80,734,960	77,413,839
F. Unfunded Actuarial Accrued Liability: = C - E2	36,626,367	34,249,137	34,567,306
G. Actuarial Present Value of Projected Covered Payroll	123,430,926	121,931,869	124,057,441
H. Actuarial Present Value of Projected Member Contributions	14,317,987	14,144,097	14,390,663

**CALCULATION OF EMPLOYER NORMAL COST
POLICE AND FIRE COMBINED**

A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. Normal Cost for			
1. Service Retirement Benefits	\$ 3,568,875	\$ 3,416,747	\$ 3,695,569
2. Vesting Benefits	148,355	141,957	159,975
3. Disability Benefits	814,671	792,965	845,255
4. Preretirement Death Benefits	233,803	226,717	241,522
5. Return of Member Contributions	102,656	103,537	111,487
6. Total for Future Benefits	<u>4,868,360</u>	<u>4,681,923</u>	<u>5,053,808</u>
7. Assumed Amount for Administrative Expenses	<u>593,915</u>	<u>593,915</u>	<u>497,080</u>
8. Total Normal Cost	5,462,275	5,275,838	5,550,888
C. Expected Member Contribution	1,734,675	1,733,009	1,869,684
D. Employer Normal Cost: B8-C	3,727,600	3,542,829	3,681,204
E. Employer Normal Cost as % of Covered Payroll	22.18 %	21.08 %	20.24 %

CALCULATION OF EMPLOYER NORMAL COST -- POLICE

A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. Normal Cost for			
1. Service Retirement Benefits	\$ 929,142	\$ 887,720	\$ 1,003,833
2. Vesting Benefits	87,375	83,480	97,189
3. Disability Benefits	113,651	110,539	125,941
4. Preretirement Death Benefits	50,728	49,160	56,844
5. Return of Member Contributions	24,983	25,204	28,574
6. Total for Future Benefits	<u>1,205,879</u>	<u>1,156,103</u>	<u>1,312,381</u>
7. Assumed Amount for Administrative Expenses	<u>308,046</u>	<u>308,046</u>	<u>264,418</u>
8. Total Normal Cost	1,513,925	1,464,149	1,576,799
C. Expected Member Contribution	397,703	397,321	447,088
D. Employer Normal Cost: B8-C	1,116,222	1,066,828	1,129,711
E. Employer Normal Cost as % of Covered Payroll	23.20 %	22.17 %	20.86 %

CALCULATION OF EMPLOYER NORMAL COST -- FIRE

A. Valuation Date	October 1, 2010 <i>8.1% Interest Rate</i>	October 1, 2010 <i>8.3% Interest Rate</i>	October 1, 2009
B. Normal Cost for			
1. Service Retirement Benefits	\$ 2,639,733	\$ 2,529,027	\$ 2,691,736
2. Vesting Benefits	60,980	58,477	62,786
3. Disability Benefits	701,020	682,426	719,314
4. Preretirement Death Benefits	183,075	177,557	184,678
5. Return of Member Contributions	<u>77,673</u>	<u>78,333</u>	<u>82,913</u>
6. Total for Future Benefits	3,662,481	3,525,820	3,741,427
7. Assumed Amount for Administrative Expenses	<u>285,869</u>	<u>285,869</u>	<u>232,662</u>
8. Total Normal Cost	3,948,350	3,811,689	3,974,089
C. Expected Member Contribution	1,336,972	1,335,688	1,422,596
D. Employer Normal Cost: B8-C	2,611,378	2,476,001	2,551,493
E. Employer Normal Cost as % of Covered Payroll	21.78 %	20.65 %	19.98 %

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

A. Current UAAL -- POLICE OFFICERS					
Original UAAL			Current UAAL		
Date	Source	Amount	Years Remaining	Amount	Payment
10/1/2010	Exp. Loss	4,329,632	30	4,329,632	359,135
10/1/2010	Assumption Change	2,351,731	30	2,351,731	195,072
10/1/2009	Exp. Loss	4,953,816	29	5,009,945	419,198
10/1/2009	Assumption Change	2,211,808	29	2,236,869	187,166
10/1/2008	Exp. Loss	4,312,669	28	4,347,123	367,208
10/1/2008	Assumption Change	(2,460,748)	28	(2,480,408)	(209,524)
10/1/2007	Exp. Gain	(3,930,059)	27	(3,866,746)	(330,034)
10/1/2006	Exp. Gain	(2,245,390)	26	(2,178,001)	(188,014)
10/1/2005	Exp. Loss	1,811,918	25	1,754,367	153,333
10/1/2005	Amendment	528,766	25	426,957	37,316
10/1/2004	Exp. Loss	7,733,735	24	7,630,898	676,060
10/1/2003	Exp. Loss	8,453,577	23	8,649,142	777,760
10/1/2002	Exp. Loss	13,547,635	22	15,762,307	1,440,750
10/1/2001	Exp. Loss	5,917,320	21	6,443,338	599,631
10/1/2001	Amendment	377,521	21	411,081	38,256
10/1/2001	Variable COLA	484,615	21	527,694	49,108
10/1/2000	Exp. Loss	3,153,187	20	3,433,772	325,943
10/1/2000	Amendment	11,651,128	20	12,687,898	1,204,368
10/1/2000	New Assumptions	(18,775,480)	20	(20,446,205)	(1,940,807)
10/1/1999	Exp. Gain	(2,565,536)	19	(2,907,116)	(282,046)
10/1/1998	Exp. Gain	(3,155,507)	18	(3,578,353)	(355,662)
10/1/1998	Amendment	(337,295)	18	(382,494)	(38,017)
10/1/1997	Exp. Gain	(3,074,778)	17	(3,492,077)	(356,514)
10/1/1997	New Assumptions	1,345,971	17	1,370,896	139,958
10/1/1996	Exp. Gain	(276,460)	16	(274,184)	(28,839)
10/1/1996	New Assumptions	(374,561)	16	(371,476)	(39,072)
10/1/1995	Exp. Gain	(271,042)	15	(252,048)	(27,407)
10/1/1995	New Assumptions	(311,136)	15	(289,335)	(31,461)
10/1/1994	Exp. Loss	422,754	14	336,977	38,031
10/1/1994	New Assumptions	768,410	14	612,508	69,128
10/1/1993	Exp. Gain	(301,531)	13	(254,622)	(29,965)
10/1/1993	New Assumptions	(53,335)	13	(45,038)	(5,300)
10/1/1992	Exp. Gain	(721,063)	12	(582,469)	(71,870)
10/1/1992	New Assumptions	(3,250)	12	(2,627)	(324)
10/1/1991	Exp. Gain	(298,306)	11	(232,163)	(30,230)
10/1/1991	New Assumptions	(4,082)	11	(3,177)	(414)
10/1/1990	Exp. Gain	(173,266)	10	(121,728)	(16,858)
10/1/1989	Exp. Loss	67,725	9	40,290	5,991
10/1/1988	Exp. Loss	260,282	8	145,763	23,553
10/1/1987	Exp. Gain	(592,770)	7	(334,339)	(59,609)
10/1/1987	New Method	670,685	7	339,247	60,484
10/1/1986	Exp. Gain	(1,104,307)	6	(553,367)	(111,069)
10/1/1986	New Assumptions	378,260	6	169,984	34,118
10/1/1985	Exp. Gain	(417,177)	5	(184,200)	(42,790)
10/1/1985	Amendment	38,875	5	15,392	3,576
10/1/1984	Exp. Loss	387,726	4	133,802	37,454
10/1/1984	New Assumptions	(982,524)	4	(378,079)	(105,832)
10/1/1983	Exp. Gain	(179,155)	3	(55,944)	(20,118)
10/1/1983	New Assumptions	2,201,189	3	616,419	221,668
10/1/1983	New Method	(686,169)	3	(214,263)	(77,050)
10/1/1982	Exp. Gain	(175,510)	2	(40,793)	(21,190)
10/1/1981	Exp. Loss	226,697	1	28,114	28,114
10/1/1981	New Assumptions	(630,119)	1	(87,197)	(87,197)
10/1/1981	New Method	360,540	1	44,748	44,748
10/1/1979	Original	7,348,064	1	451,255	451,254
		<u>42,195,680</u>		<u>36,699,700</u>	<u>3,481,168</u>

* Amount considered as "original" for purposes of State reporting requirements

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

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B. Current UAAL -- FIREFIGHTERS					
Original UAAL			Current UAAL		
Date	Source	Amount	Years left	Amount	Payment
10/1/2010	New Assumptions	2,377,230	30	2,377,230	138,820
10/1/2010	Exp Gain	(904,732)	30	(904,732)	(52,832)
10/1/2009	Exp Loss	3,014,143	29	3,087,292	183,317
10/1/2009	Amendment	23,114	29	23,675	1,406
10/1/2009	New Assumptions	2,293,100	29	2,348,750	139,464
10/1/2008	Exp Loss	3,519,341	28	3,666,503	221,604
10/1/2008	New Assumptions	(2,812,893)	28	(2,930,514)	(177,121)
10/1/2007	Exp. Gain	(868,128)	27	(915,914)	(56,412)
10/1/2006	Exp Gain	(2,040,207)	26	(2,174,312)	(136,634)
10/1/2005	Exp. Loss	2,591,529	25	2,820,715	181,092
10/1/2005	Amendment	4,413,733	25	4,804,073	308,424
10/1/2004	Exp. Loss	6,692,396	24	7,516,034	493,696
10/1/2003	Exp. Loss	7,616,087	23	8,925,519	600,794
10/1/2002	Exp. Loss	9,466,755	22	12,226,664	844,848
10/1/2001	Exp. Loss	7,539,001	21	7,680,969	545,881
10/1/2000	Amendment	299,541	20	307,067	22,493
10/1/2000	Exp. Loss	676,828	20	693,827	50,823
10/1/2000	Amendment	8,646,272	20	8,863,428	649,254
10/1/2000	New Assumptions	(13,798,204)	20	(14,144,753)	(1,036,116)
10/1/1999	Exp. Gain	(2,039,340)	19	(2,190,163)	(165,746)
10/1/1999	Amendment	114,009	19	122,443	9,266
10/1/1998	Exp. Gain	(2,508,306)	18	(2,675,699)	(209,746)
10/1/1998	Amendment	(268,116)	18	(286,008)	(22,420)
10/1/1997	Exp. Gain	(2,444,135)	17	(2,590,159)	(210,936)
10/1/1997	New Assumptions	1,069,910	17	1,016,830	82,808
10/1/1996	Exp. Gain	(219,757)	16	(201,602)	(17,113)
10/1/1996	New Assumptions	(297,737)	16	(273,140)	(23,185)
10/1/1995	Exp. Gain	(215,450)	15	(183,577)	(16,304)
10/1/1995	New Assumptions	(247,322)	15	(210,733)	(18,715)
10/1/1994	Exp. Loss	336,046	14	242,914	22,669
10/1/1994	New Assumptions	610,808	14	441,538	41,204
10/1/1993	Exp. Gain	(239,687)	13	(181,486)	(17,885)
10/1/1993	New Assumptions	(42,396)	13	(32,098)	(3,163)
10/1/1992	Exp. Gain	(573,171)	12	(410,033)	(42,917)
10/1/1992	New Assumptions	(2,583)	12	(1,849)	(194)
10/1/1991	Exp. Gain	(237,123)	11	(161,188)	(18,041)
10/1/1991	New Assumptions	(3,244)	11	(2,204)	(247)
10/1/1990	Exp. Gain	(137,729)	10	(83,220)	(10,042)
10/1/1989	Exp. Loss	53,834	9	27,070	3,557
10/1/1988	Exp. Loss	206,898	8	96,001	13,904
10/1/1987	Exp. Gain	(471,191)	7	(215,206)	(34,896)
10/1/1987	New Method	533,126	7	218,368	35,408
10/1/1986	Exp. Gain	(877,812)	6	(346,721)	(64,246)
10/1/1986	New Assumptions	300,679	6	106,507	19,735
10/1/1985	Exp. Gain	(331,614)	5	(111,746)	(24,334)
10/1/1985	Amendment	30,901	5	9,341	2,034
10/1/1984	Exp. Loss	308,203	4	78,000	20,790
10/1/1984	New Assumptions	(781,007)	4	(220,399)	(58,744)
10/1/1983	Exp. Gain	(142,410)	3	(30,982)	(10,780)
10/1/1983	New Assumptions	1,749,721	3	341,366	118,771
10/1/1983	New Method	(545,434)	3	(118,655)	(41,283)
10/1/1982	Exp. Gain	(139,513)	2	(21,031)	(10,744)
10/1/1981	Exp. Loss	180,201	1	12,827	12,827
10/1/1981	New Assumptions	(500,880)	1	(39,780)	(39,780)
10/1/1981	New Method	286,593	1	20,415	20,415
10/1/1979	Original	2,412,829 *	1	208,905	208,904
		<u>33,672,707</u>		<u>36,626,367</u>	<u>2,473,632</u>

* Amount considered as "original" for purposes of State reporting requirements.

C. Derivation of Current UAAL	
(1) Prior Year's UAAL	\$ 64,511,139
(2) Employer Normal Cost	3,592,606
(3) Interest on (1) and (2)	5,652,610
(4) Contributions for This Period	8,358,782
(5) Interest on (4)	225,367
(6) Change in UAAL due to	
(a) Revision in Actuarial Assumptions or Methods	4,728,961
(b) Plan Amendments	-
(c) Variable COLA Last Year	-
(d) Actuarial (Gain) Loss	3,424,900
(7) Total Current UAAL: (1)+(2)+(3)-(4)-(5)+(6)	<u>\$ 73,326,067</u>

D. Derivation of UAAL Base due to Deficit Contributions for 1976-77	
(1) Prior Year's UAAL	\$ 28,539
(2) Interest on (1)	2,369
(3) Prior Year's Amortization Payment	<u>14,836</u>
(4) Current Year's UAAL: (1)+(2)-(3)	16,072

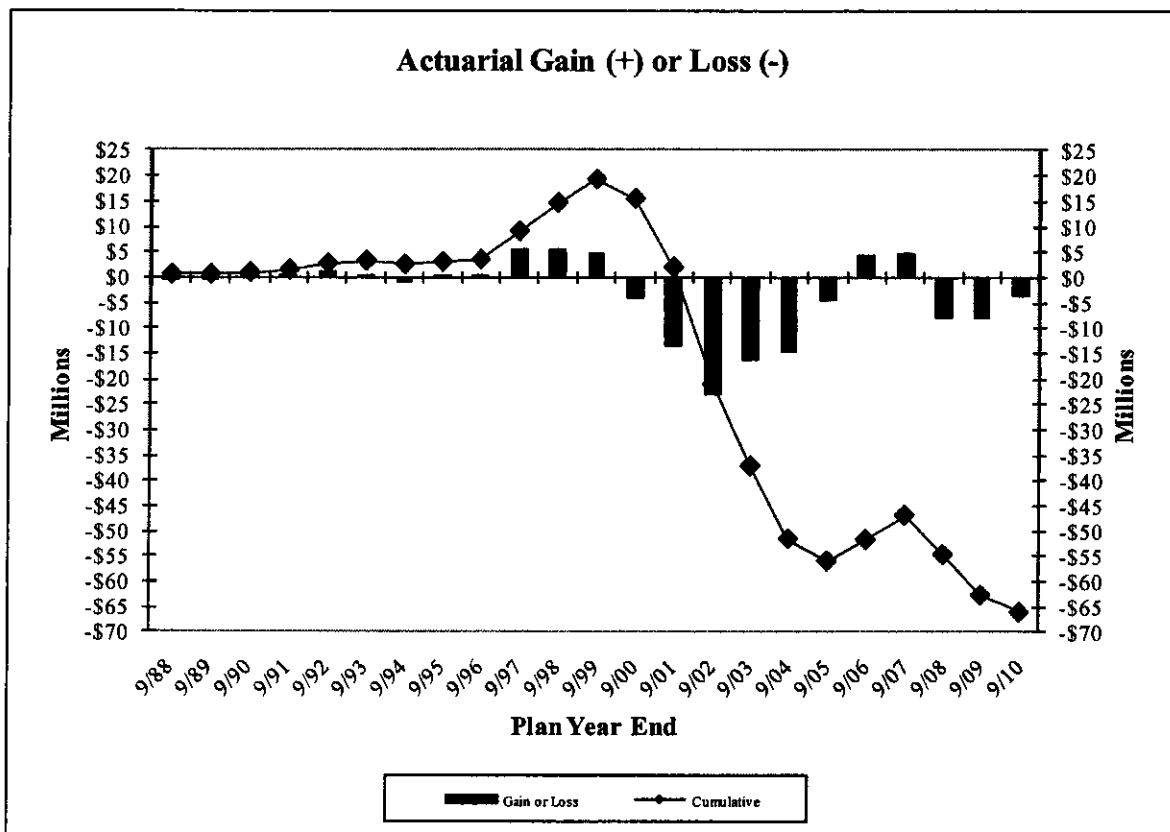
E. Schedule Illustrating the Expected Amortization of the UAAL-Police	
Year	Projected UAAL
2010	\$36,699,700
2011	35,909,223
2012	35,527,037
2013	35,090,987
2040	0

F. Schedule Illustrating the Expected Amortization of the UAAL-Fire	
Year	Projected UAAL
2010	\$36,626,367
2011	36,919,090
2012	37,368,364
2013	37,752,647
2040	0

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. Net actuarial gains/(losses) in previous years have been as follows:

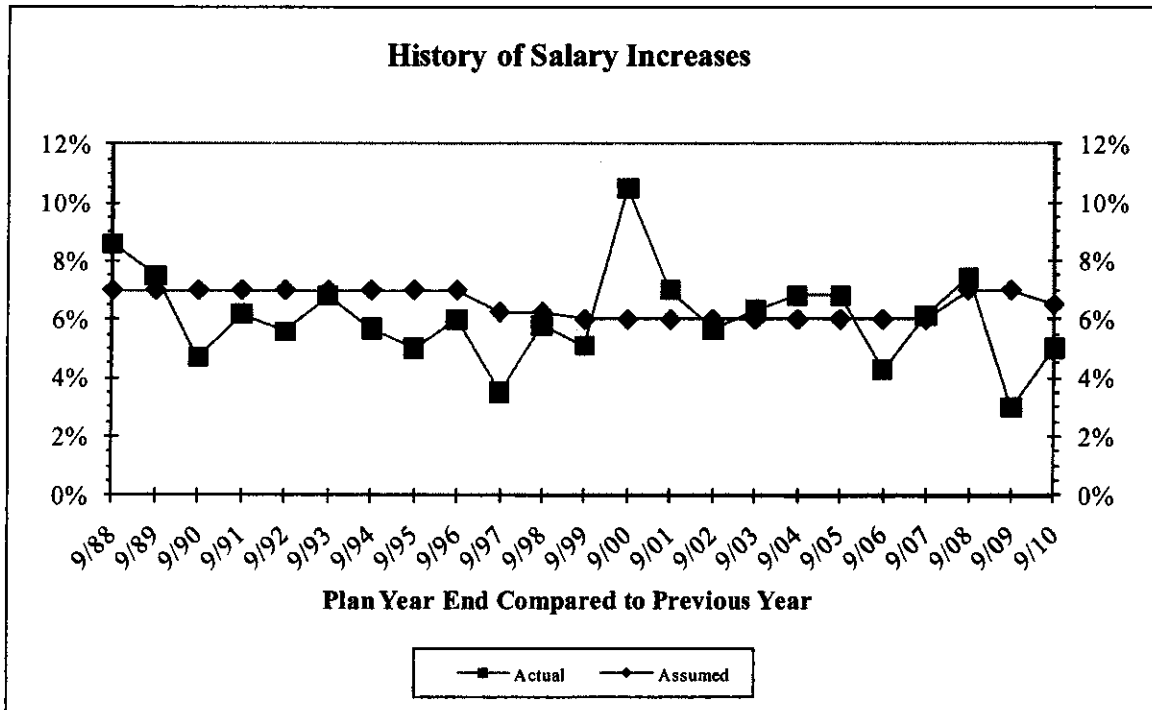
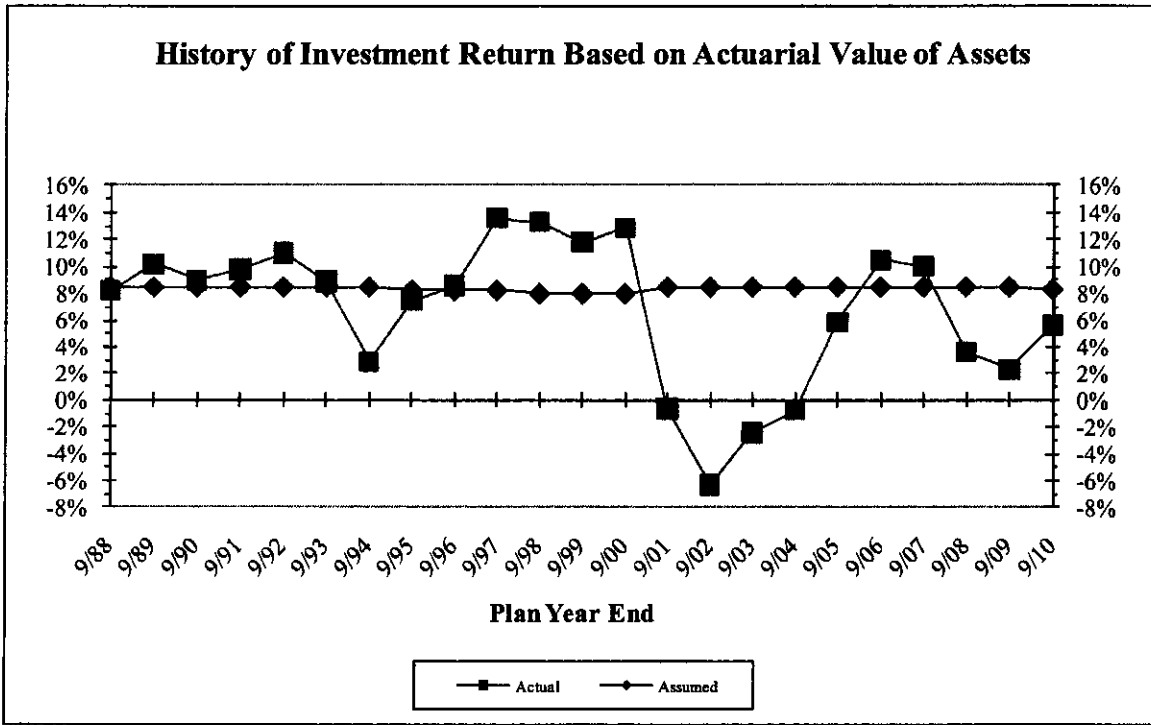
Year Ended	Amount	As % of Accrued Liability
9/30/1988	(\$467,180)	(1.1) %
9/30/1989	(121,559)	(0.3)
9/30/1990	310,995	0.6
9/30/1991	535,429	0.9
9/30/1992	1,294,234	2.0
9/30/1993	541,218	0.7
9/30/1994	(758,800)	(1.0)
9/30/1995	486,492	0.6
9/30/1996	496,217	0.5
9/30/1997	5,518,913	5.4
9/30/1998	5,663,813	5.2
9/30/1999	4,604,876	4.0
9/30/2000	(3,830,015)	(2.8)
9/30/2001	(13,456,323)	(9.3)
9/30/2002	(23,014,390)	(14.9)
9/30/2003	(16,069,664)	(9.8)
9/30/2004	(14,426,131)	(8.0)
9/30/2005	(4,403,447)	(2.4)
9/30/2006	4,285,597	2.1
9/30/2007	4,798,187	2.3
9/30/2008	(7,832,010)	(3.6)
9/30/2009	(7,967,959)	(3.5)
9/30/2010	(3,424,900)	(1.4)



The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
9/30/1988	8.2 %	8.5 %	8.6 %	7.0 %
9/30/1989	10.2	8.5	7.5	7.0
9/30/1990	9.0	8.5	4.7	7.0
9/30/1991	9.8	8.5	6.2	7.0
9/30/1992	11.0	8.5	5.6	7.0
9/30/1993	8.9	8.5	6.8	7.0
9/30/1994	2.9	8.5	5.7	7.0
9/30/1995	7.5	8.3	5.0	7.0
9/30/1996	8.6	8.3	6.0	7.0
9/30/1997	13.6	8.3	3.5	6.3
9/30/1998	13.3	8.0	5.8	6.3
9/30/1999	11.8	8.0	5.1	6.0
9/30/2000	12.9	8.0	10.5	6.0
9/30/2001	(0.6)	8.5	7.0	6.0
9/30/2002	(6.3)	8.5	5.7	6.0
9/30/2003	(2.4)	8.5	6.3	6.0
9/30/2004	(0.7)	8.5	6.8	6.0
9/30/2005	5.9	8.5	6.8	6.0
9/30/2006	10.5	8.5	4.3	6.0
9/30/2007	10.0	8.5	6.2	6.0
9/30/2008	3.6	8.5	7.4	7.0
9/30/2009	2.3	8.5	3.0	7.0
9/30/2010	5.6	8.3	5.0	6.5
Averages	6.6 %	---	6.1 %	---

* Beginning with Plan Year ended 9/30/91, Investment Return is calculated on a net of investment expenses basis.



Actual (A) Compared to Expected (E) Decrements Among Active Employees													
Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
									A	A	A	E	
9/30/2003	15	12	6	10	1	2	1	0	1	3	4	7	272
9/30/2004	23	20	9	10	2	1	0	0	0	9	9	5	275
9/30/2007	14	19	11	15	3	2	1	0	1	3	4	7	270
9/30/2006	8	14	8	14	1	2	0	0	4	1	5	7	264
9/30/2007	11	16	9	18	0	2	1	0	1	5	6	7	259
9/30/2008	4	22	17	19	0	2	0	0	1	4	5	6	241
9/30/2009	8	24	23	15	1	1	0	0	0	0	0	5	225
9/30/2010	0	24	23	15	0	1	0	0	0	1	1	4	201
9/30/2011				7		1						3	
8 Yr Totals	83	151	106	116	8	13	3	0	8	26	34	48	

* Totals are through current Plan Year only

ACTUARIAL ASSUMPTIONS AND METHODS

ACTUARIAL ASSUMPTIONS

Mortality	1983 Group Annuity Mortality Table; male rates and female rates.		
Investment Earnings	8.1%, net of investment expenses. This rate will be reduced by 0.2% each year until 7.5% is reached at October 1, 2013.		
Retirement Age	See Table on next page.		
Termination Rates	See Table on next page.		
Disability Rates	See Table on next page.		
Salary Scale	See Table on next page.		
Inflation	3.5% per year.		
Annual Growth in Total Payroll	Fire: 3.5% per year. (The actual 10 year average was 5.01% for 10/1/10.) Police: None.		
Cost of Living Adjustments	2.0% starting five years after retirement.		
Assets	See Section C.		
Administrative Expenses	Expenses paid out of fund, other than investment related expenses, are assumed to be equal to the average of actual expenses over the two previous years.		
Percentage of Service and Non-Service Death and Disability		Death	Disability
	Service	75%	75%
	Non-service	25%	25%
DROP Participation	Five years for Police and Firefighters		
Percentage of Members Married	100%.		
Age of Spouse	Females 3 years younger than males.		
Changes Since Last Valuation	The assumed rate of investment return was decreased from 8.3% to 8.1%. The assumed return will be lowered each year by 0.2% until the rate is equal to 7.5% as of October 1, 2013.		

Rates of Salary Increase			Rates of Termination			
Years of Service	Police Rates	Firefighter Rates	Years of Service	Police Rates	Firefighter Rates	
0 - 1	12.0 %	12.0 %	0 - 1	10.0 %	10.0 %	
1 - 2	12.0	11.5	1 - 2	10.0	10.0	
2 - 3	12.0	11.0	2 - 3	10.0	5.0	
3 - 4	12.0	10.5	3 - 4	4.0	5.0	
4 - 5	12.0	10.0	4 - 5	4.0	4.0	
5 - 6	12.0	9.5	5 - 6	4.0	4.0	
6 - 7	12.0	9.0	6 - 7	4.0	3.0	
7 - 8	8.0	8.5	7 - 8	4.0	3.0	
8 - 9	8.0	8.0	8 - 9	1.0	1.0	
9 - 14	6.5	6.0	9 - 10	1.0	1.0	
14 - 15	5.0	9.0	Ages for Those with at least 10 Years of Service			
15 - 16	5.0	6.0				
16 - 17	5.0	6.0				
17 - 18	5.0	6.0		25-29	0.0	0.5
18 - 19	5.0	6.0		30-34	2.3	0.5
19 - 20	4.0	8.0	35-39	2.0	0.5	
20 - 29	4.0	4.0	40-44	2.0	0.5	
30 +	4.0	4.0	45-49	1.8	0.5	
Rates of Retirement			Rates of Disability			
Years After NRD	Police Rates	Firefighter Rates	Ages	Police Rates	Firefighter Rates	
0 - 1	80 %	35 %	20	0.14 %	0.28 %	
1 - 2	50	20	25	0.15	0.30	
2 - 3	50	20	30	0.18	0.36	
3 - 4	100	20	35	0.23	0.46	
4 - 5	100	20	40	0.30	0.60	
5 - 6	100	100	45	0.51	1.02	
6 - 7	100	100	47	0.70	1.40	
7 - 8	100	100	50	1.00	2.00	
8+	100	100	55	1.59	3.17	

ACTUARIAL COST METHOD

- 1) Funding: Entry Age Actuarial Cost Method, with allocation of future Normal Costs based on earnings and determined by individual. Entry age is the age nearest birthday on the October 1 following employment. UAAL funded as level percentage of payroll.
- 2) Accumulated Benefit Obligation: Accrued Benefit Method

HISTORY OF PREMIUM TAX REFUND (CHAPTERS 175 AND 185)				
Budget Year	Total Annual Payroll	Amount Received	% of Total Annual Payroll	% Increase (Decrease) Over Prior Year
2010-11	\$16,804,153			
2009-10	18,187,155	\$1,884,143	10.36%	(21.8)%
2008-09	18,938,101	2,408,197	12.72	5.8
2007-08	19,202,844	2,276,364	11.85	23.9
2006-07	18,681,923	1,837,189	9.83	4.3
2005-06	18,639,317	1,762,094	9.45	5.3
2004-05	18,246,065	1,672,927	9.17	0.0
2003-04	18,036,129	1,673,071	9.28	6.8
2002-03	16,438,009	1,567,239	9.53	5.8
2001-02	15,947,063	1,481,280	9.29	(0.2)
2000-01	15,773,168	1,484,938	9.41	20.0
1999-00	14,157,367	1,237,362	8.74	3.4
1998-99	16,012,757	1,197,163	7.48	(0.3)
1997-98	15,986,537	1,201,010	7.51	9.2
1996-97	16,427,117	1,099,822	6.70	7.4
1995-96	18,381,545	1,023,764	5.57	11.7
1994-95	17,793,581	916,244	5.15	2.0
1993-94	17,030,320	898,599	5.27	18.3
1992-93	16,198,233	759,379	4.69	1.6
1991-92	15,561,592	747,284	4.80	(4.7)
1990-91	15,019,602	783,811	5.22	(1.1)
1989-90	13,874,744	792,414	5.71	2.5
1988-89	12,166,287	772,806	6.35	3.0
1987-88	11,083,322	750,608	6.77	11.2
1986-87	9,828,619	674,924	6.87	14.5
1985-86	8,979,787	589,432	6.56	31.5
1984-85	8,178,492	448,273	5.48	9.1
1983-84	7,447,753	410,800	5.52	5.9
1982-83	7,236,678	387,786	5.36	9.2
1981-82	6,684,194	355,199	5.31	8.8
1980-81	5,845,534	326,419	5.58	9.3
1979-80		298,540		5.4
1978-79		283,243		13.8
1977-78		248,946		12.0
1976-77		222,228		21.1
1975-76		183,470		13.5
1974-75		161,588		14.5

GLOSSARY

<i>Actuarial Accrued Liability (AAL)</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
<i>Actuarial Cost Method</i>	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value (APV)</i>	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
<i>Actuarial Present Value of Future Benefits (APVFB)</i>	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
<i>Actuarial Valuation</i>	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 25, such as the Funded Ratio and the Annual Required Contribution (ARC).
<i>Actuarial Value of Assets</i>	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution (ARC).
<i>Annual Required Contribution (ARC)</i>	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB No. 25. The ARC consists of the Employer Normal Cost and Amortization Payment.
<i>Closed Amortization Period</i>	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the

end of two years, etc.

<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
<i>Experience Gain/Loss</i>	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 25 and GASB No. 27</i>	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 27 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 25 sets the rules for the systems themselves.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C
PENSION FUND INFORMATION

STATEMENT OF PLAN ASSETS AT MARKET VALUE

Item	September 30	
	2010	2009
A. Cash and Cash Equivalents (Operating Cash)	\$ 35,492	\$ 1,353
B. Receivables:		
1. Member Contributions	\$ -	\$ -
2. Employer Contributions	-	-
3. State Contributions	-	-
4. Investment Income and Other Receivables	426,327	350,488
5. Other - Due from Broker	1,710,166	3,469,536
6. Total Receivables	\$ 2,136,493	\$ 3,820,024
C. Investments		
1. Short Term Investments	\$ 11,943,055	\$ 10,346,215
2. Domestic Equities	110,848,876	107,867,651
3. International Equities	14,518,571	11,186,586
4. Domestic Fixed Income	40,156,548	37,956,071
5. International Fixed Income	-	-
6. Real Estate	3,541,774	3,576,254
7. Other Investments	67,493	75,505
8. Total Investments	\$ 181,076,317	\$ 171,008,282
D. Liabilities		
1. Benefits Payable	\$ -	\$ -
2. Accounts Payable	(259,722)	(277,643)
3. Other - Due to Broker	(1,829,510)	(7,547,924)
4. Total Liabilities	\$ (2,089,232)	\$ (7,825,567)
E. Total Market Value of Assets Available for Benefits	\$ 181,159,070	\$ 167,004,092
F. Reserves		
1. Benefit Reserve	\$ (3,602,091)	\$ (3,248,187)
2. DROP Accounts	(13,692,797)	(11,092,892)
3. Total Reserves	\$ (17,294,888)	\$ (14,341,079)
G. Total Market Value Net of Reserves	\$ 163,864,182	\$ 152,663,013
F. Allocation of Investments		
1. Short Term Investments	6.6%	6.1%
2. Domestic Equities	61.2%	63.1%
3. International Equities	8.0%	6.5%
4. Domestic Fixed Income	22.2%	22.2%
5. International Fixed Income	0.0%	0.0%
6. Real Estate	2.0%	2.1%
7. Other Investments	0.0%	0.0%
8. Total Investments	100.0%	100.0%

Reconciliation of Plan Assets

Item	September 30	
	2010	2009
A. Market Value of Assets at Beginning of Year	\$ 167,004,092	\$ 165,002,263
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	\$ 1,827,041	\$ 1,902,106
b. City Contributions	3,907,305	3,520,279
c. BSO Contributions	2,921,238	2,801,278
d. State Contributions	1,884,144	2,408,197
e. Other Income	-	-
f. Total	\$ 10,539,728	\$ 10,631,860
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 3,671,741	\$ 3,148,764
b. Net Realized and Unrealized Gains/(Losses)	14,422,648	577,074
c. Investment Expenses	(940,765)	(786,639)
d. Net Investment Income	\$ 17,153,624	\$ 2,939,199
3. Benefits and Refunds		
a. Refunds	\$ (51,097)	\$ -
b. Regular Monthly Benefits	(11,928,218)	(10,916,866)
c. DROP Distributions	(847,595)	(176,000)
d. Total	\$ (12,826,910)	\$ (11,092,866)
4. Administrative and Miscellaneous Expenses	\$ (711,464)	\$ (476,364)
5. Transfers	\$ -	\$ -
C. Market Value of Assets at End of Year	\$ 181,159,070	\$ 167,004,092
D. Reserves		
1. State Contribution Reserve	\$ (3,602,091)	\$ (3,248,187)
2. DROP Accounts	(13,692,797)	(11,092,892)
3. Total Reserves	\$ (17,294,888)	\$ (14,341,079)
Final Market Value of Assets at End of Year	\$ 163,864,182	\$ 152,663,013

ACTUARIAL VALUE OF ASSETS

Valuation Date - September 30, 2010	2008	2009	2010	2011	2012
A. Actuarial Value of Assets Beginning of Year	\$ 170,648,755	\$ 176,202,542	\$ 179,387,242	\$ -	\$ -
B. Market Value End of Year	165,002,263	167,004,092	181,159,070	-	-
C. Market Value Beginning of Year	193,111,164	165,002,263	167,004,092	-	-
D. Non-Investment/Administrative Net Cash Flow	(513,847)	(937,370)	(2,998,646)	-	-
E. Investment Income					
E1. Actual Market Total: B-C-D	(27,595,054)	2,939,199	17,153,624	-	-
E2. Assumed Rate of Return	8.50%	8.50%	8.30%	8.10%	7.90%
E3. Assumed Amount of Return	14,483,306	14,937,378	14,764,697	-	-
E4. Amount Subject to Phase-In: E1-E3	(42,078,360)	(11,998,179)	2,388,927	-	-
F. Phase-In Recognition of Investment Income					
F1. Current Year: 0.20 x E4	(8,415,672)	(2,399,636)	477,785	-	-
F2. First Prior Year	-	(8,415,672)	(2,399,636)	477,785	-
F3. Second Prior Year	-	-	(8,415,672)	(2,399,636)	477,785
F4. Third Prior Year	-	-	-	(8,415,672)	(2,399,636)
F5. Fourth Prior Year	-	-	-	-	(8,415,672)
F6. Division of Retirement Compliance Adjustment *	-	-	5,615,602	5,615,602	5,615,602
F7. Total Phase-Ins	(8,415,672)	(10,815,308)	(4,721,920)	(4,721,920)	(4,721,920)
G. Actuarial Value of Assets End of Year					
G1. Preliminary Actuarial Value of Assets	\$ 176,202,542	\$ 179,387,242	\$ 186,431,373	\$ -	\$ -
G2. Upper Corridor Limit: 120%*B	198,002,716	200,404,910	217,390,884	-	-
G3. Lower Corridor Limit: 80%*B	132,001,810	133,603,274	144,927,256	-	-
G4. Funding Value End of Year	176,202,542	179,387,242	186,431,373	-	-
G5. Less: DROP Account	9,005,202	11,092,892	13,692,797	-	-
G6. Less: State Contribution Reserve	2,371,207	3,248,187	3,602,091	-	-
G7. Funding Value End of Year	164,826,133	165,046,163	169,136,485	-	-
H. Difference between Market & Actuarial Value	\$ 11,200,279	\$ 12,383,150	\$ 5,272,303	\$ -	\$ -
I. Actuarial Rate of Return	3.6%	2.3%	5.6%	0.00%	0.00%
J. Market Value Rate of Return	-14.3%	1.8%	10.4%	0.00%	0.00%
K. Ratio of Actuarial Value of Assets to Market Value	106.79%	107.41%	102.9%	0.00%	0.00%

* Per Division of Retirement, a one-time adjustment of \$22,462,409 is required on a prospective basis beginning with the fiscal year ending September 30, 2010.

ASSET ALLOCATION

	Police	Fire	Total
Actuarial Value at 10/1/09	\$ 93,463,906	85,923,336	\$ 179,387,242
Contribution by			
Members	436,759	1,390,282	1,827,041
City	0	3,907,305	3,907,305
BSO	2,921,238	0	2,921,238
State	<u>797,485</u>	<u>1,086,659</u>	<u>1,884,144</u>
Total	4,155,482	6,384,246	10,539,728
Net Earnings Recognized	5,153,767	4,889,010	10,042,777
Disbursements			
Benefit Payment	8,140,618	4,635,195	12,775,813
Refunds	0	51,097	51,097
Administrative Expenses	<u>365,110</u>	<u>346,354</u>	<u>711,464</u>
Total	8,505,728	5,032,646	13,538,374
Actuarial Value at 10/1/10	94,267,427	92,163,946	186,431,373
DROP Account Balance	5,650,739	8,042,058	13,692,797
State Contribution Reserve	215,163	3,386,928	3,602,091
Adjusted Actuarial Value at 10/1/10	88,401,525	80,734,960	169,136,485

RECONCILIATION OF DROP ACCOUNTS	
Value at beginning of year	\$ 11,092,892
Payments credited to accounts	2,498,828
Investment Earnings credited	948,672
Withdrawals from accounts	<u>847,595</u>
Value at end of year	13,692,797

Year Ending September 30	Investment Rate of Return	
	Actuarial Asset Basis *	Market Value Basis **
1977	2.2 %	(0.3) %
1978	3.1	3.5
1979	9.1	7.9
1980	8.6	9.6
1981	9.0	5.0
1982	14.9	21.8
1983	11.3	17.8
1984	10.5	4.3
1985	14.7	16.5
1986	18.6	21.6
1987	9.4	12.3
1988	8.2	2.0
1989	10.2	14.7
1990	9.0	5.5
1991	9.8	19.1
1992	11.0	11.4
1993	8.9	6.6
1994	2.9	(1.6)
1995	7.5	20.2
1996	8.6	12.4
1997	13.6	22.1
1998	13.3	6.8
1999	11.8	12.7
2000	12.9	12.7
2001	(0.6)	(10.3)
2002	(6.3)	(11.0)
2003	(2.4)	17.6
2004	(0.7)	9.6
2005	5.9	10.5
2006	10.5	6.2
2007	10.0	12.8
2008	3.6	(14.3)
2009	2.3	1.8
2010	5.6	10.4
Average Compounded Rate of Return for Number of Years Shown	7.7 %	8.4 %
Average Compounded Rate of Return for Last 10 Years	2.7 %	2.8 %
Average Compounded Rate of Return for Last 5 Years	6.3 %	2.9 %

* Net of investment expenses since 9/30/90.

** Net of investment expenses since 9/30/05.

SECTION D
FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION

A. Valuation Date	October 1, 2010	October 1, 2009
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 170,738,360	\$ 153,296,246
b. Terminated Vested Members	926,178	1,895,263
c. Other Members	54,301,494	59,715,991
d. Total	<u>225,966,032</u>	<u>214,907,500</u>
2. Non-Vested Benefits	5,088,521	4,999,497
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	231,054,553	219,906,997
4. Accumulated Contributions of Active Members	16,146,704	17,226,047
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	219,906,997	206,465,167
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendments	-	33,169
b. Change in Actuarial Assumptions	4,522,540	4,354,709
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	19,451,926	20,146,818
d. Benefits Paid	<u>(12,826,910)</u>	<u>(11,092,866)</u>
e. Net Increase	11,147,556	13,441,830
3. Total Value at End of Period	231,054,553	219,906,997
D. Market Value of Assets	163,864,182	152,663,013
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SCHEDULE OF FUNDING PROGRESS
(GASB Statement No. 25)

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 % of Covered Payroll (b - a) / c
10/1/1991	\$ 54,259,602	\$ 59,637,919	\$ 5,378,317	91.0 %	\$ 15,561,592	34.6 %
10/1/1992	62,241,102	66,244,408	4,003,306	94.0	16,198,233	24.7
10/1/1993	69,692,519	72,878,061	3,185,542	95.6	17,030,320	18.7
10/1/1994	75,714,809	80,782,161	5,067,352	93.7	17,793,581	28.5
10/1/1995	83,335,403	87,056,849	3,721,446	95.7	18,381,545	20.2
10/1/1996	91,785,792	93,904,662	2,118,870	97.7	16,427,117	12.9
10/1/1997	103,881,530	102,209,524	(1,672,006)	101.6	15,986,537	(10.5)
10/1/1998	116,854,018	108,986,085	(7,867,933)	107.2	16,012,757	(49.1)
10/1/1999	128,591,125	114,259,529	(14,331,596)	112.5	14,157,367	(101.2)
10/1/2000	158,409,958	134,887,896	(23,522,062)	117.4	15,773,168	(149.1)
10/1/2001	153,691,058	144,343,233	(9,347,825)	106.5	15,947,063	(58.6)
10/1/2002	139,926,574	154,363,541	14,436,967	90.6	16,438,009	87.8
10/1/2003	131,561,406	167,723,977	36,162,571	78.4	18,036,129	200.5
10/1/2004	127,797,879	180,135,211	52,337,332	70.9	18,246,065	286.8
10/1/2005	132,791,429	191,641,964	58,850,535	69.3	18,639,317	315.7
10/1/2006	145,927,220	201,086,201	55,158,981	72.6	18,681,923	295.3
10/1/2007	159,560,878	209,618,138	50,057,260	76.1	19,202,844	260.7
10/1/2008	164,826,132	216,871,472	52,045,340	76.0	18,938,141	274.8
10/1/2009 (b)	165,046,163	225,029,280	59,983,117	73.3	17,755,227	337.8
10/1/2009 (a)	165,046,163	229,557,302	64,511,139	71.9	18,187,155	354.7
10/1/2010 (b)	169,136,485	237,733,591	68,597,106	71.1	16,804,153	408.2
10/1/2010 (a)	169,136,485	242,462,552	73,326,067	69.8	16,804,153	436.4

(b) - Before assumption and plan change.

(a) - After assumption and plan change.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(GASB Statement No. 25)

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
1991	\$ 2,424,568	\$ 2,429,681	100.2 %
1992	2,318,532	2,318,532	100.0
1993	2,442,250	2,442,250	100.0
1994	2,505,319	2,663,918	106.3
1995	2,696,158	2,852,402	105.8
1996	2,821,264	3,045,028	107.9
1997	2,931,849	3,115,427	106.3
1998	2,768,993	2,933,827	106.0
1999	1,594,513	1,679,972	105.4
2000	819,477	889,568	108.6
2001	129,793	202,684	156.2
2002	-	124,502	N/A
2003	1,052,594	1,052,594	100.0
2004	2,952,170	2,953,262	100.0
2005	4,551,843	4,551,843	100.0
2006	6,092,213	6,092,213	100.0
2007	6,742,158	6,742,158	100.0
2008	6,541,199	6,541,199	100.0
2009	6,321,557	6,321,557	100.0
2010	6,828,542	6,828,542	100.0

* Inclusive of State monies prior to year end September 30, 1999

**ANNUAL PENSION COST AND NET PENSION OBLIGATION
(GASB STATEMENT NO. 27)**

Employer FYE September 30	2011	2010	2009
Annual Required Contribution (ARC)*	\$ 7,928,169	\$ 6,828,542	\$ 6,321,557
Interest on Net Pension Obligation (NPO)	(55,951)	(59,897)	(64,174)
Adjustment to ARC	(84,008)	(90,453)	(114,499)
Annual Pension Cost (APC)	7,956,226	6,859,098	6,371,882
Contributions made	**	6,828,542	6,321,557
Increase (decrease) in NPO	**	30,556	50,325
NPO at beginning of year	(674,109)	(704,665)	(754,990)
NPO at end of year	**	(674,109)	(704,665)

* Excludes expected State contribution
** To be determined

THREE YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2008	\$6,592,613	\$6,541,199	99.2 %	(\$754,990)
9/30/2009	6,371,882	6,321,557	99.2	(704,665)
9/30/2010	6,859,098	6,828,542	99.6	(674,109)

REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 25 and No. 27

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation:

Valuation date	October 1, 2010
Contribution Rates:	
Employer	51.18%
Plan Members	8.60% - Police 11.60% - Fire
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of pay for Firefighters, level dollar amount for Police; closed.
Remaining amortization period	30 years
Asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return	8.1%
Projected salary increases	Service weighted rates from 4% to 17%
Includes inflation and other general increases at Cost-of-living adjustment	3.5% 2.0% starting 5 years from retirement

SECTION E
MEMBER STATISTICS

RECONCILIATION OF MEMBERSHIP DATA			
	From 10/1/09 To 10/1/10		
A. Active Members			
	Police	Fire	Total
1. Number Included in Last Valuation	63	162	225
2. New Members Included in Current Valuation	0	0	0
3. Non-Vested Employment Terminations	0	(1)	(1)
4. Vested Employment Terminations	0	0	0
5. Service Retirements	(12)	0	(12)
6. Disability Retirements	0	0	0
7. Deaths	0	0	0
8. DROP Participation	0	(11)	(11)
9. Other	<u>0</u>	<u>0</u>	<u>0</u>
10. Number Included in This Valuation	51	150	201
B. Terminated Vested Members			
1. Number Included in Last Valuation	7	0	7
2. Additions from Active Members	0	0	0
3. Lump Sum Payments/Refund of Contributions	0	0	0
4. Payments Commenced	(3)	0	(3)
5. Deaths	0	0	0
6. Other	<u>0</u>	<u>0</u>	<u>0</u>
7. Number Included in This Valuation	4	0	4
C. DROP Participants			
1. Number Included in Last Valuation	7	27	34
2. Additions from Active Members	0	11	11
3. Payments Commenced	(3)	0	(3)
4. Deaths	0	(1)	(1)
5. Additions from Retired (Reinstated)	<u>0</u>	<u>1</u>	<u>1</u>
6. Number Included in This Valuation	4	38	42
D. Service Retirees, Disability Retirees and Beneficiaries			
1. Number Included in Last Valuation	173	112	285
2. Additions from Active Members	12	0	12
3. Additions from Terminated Vested Members	3	0	3
4. Additions from DROP Participation	3	(1)	2
5. Deaths Resulting in No Further Payments	(2)	0	(2)
6. Deaths Resulting in New Survivor Benefits	0	1	1
7. End of Certain Period - No Further Payments	0	0	0
8. Other - Beneficiaries Not Previously Counted	0	0	0
9. Other - Beneficiary benefit reinstated	<u>0</u>	<u>0</u>	<u>0</u>
10. Number Included in This Valuation	189	112	301

AGE & SALARY DISTRIBUTION - POLICE OFFICERS

Age Group	Years of Service to Valuation Date										Totals	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29		
25-29 NO.	0	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0	0
30-34 NO.	0	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0	0
35-39 NO.	0	0	0	0	0	0	3	1	0	0	0	4
TOT PAY	0	0	0	0	0	0	240,690	86,600	0	0	0	327,290
AVG PAY	0	0	0	0	0	0	80,230	86,600	0	0	0	81,823
40-44 NO.	0	0	0	0	0	0	1	3	14	0	0	18
TOT PAY	0	0	0	0	0	0	108,174	280,393	1,290,982	0	0	1,679,549
AVG PAY	0	0	0	0	0	0	108,174	93,464	92,213	0	0	93,308
45-49 NO.	0	0	0	0	0	0	2	5	19	0	0	26
TOT PAY	0	0	0	0	0	0	161,811	429,388	1,740,458	0	0	2,331,657
AVG PAY	0	0	0	0	0	0	80,906	85,878	91,603	0	0	89,679
50-54 NO.	0	0	0	0	0	0	1	1	1	0	0	3
TOT PAY	0	0	0	0	0	0	84,584	100,523	86,807	0	0	271,914
AVG PAY	0	0	0	0	0	0	84,584	100,523	86,807	0	0	90,638
55-59 NO.	0	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0	0
60-64 NO.	0	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0	0
TOT NO.	0	0	0	0	0	0	7	10	34	0	0	51
TOT AMT	0	0	0	0	0	0	595,259	896,904	3,118,247	0	0	4,610,410
AVG AMT	0	0	0	0	0	0	85,037	89,690	91,713	0	0	90,400

AGE & SALARY DISTRIBUTION – FIREFIGHTERS

Age Group	Years of Service to Valuation Date										Totals	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29		
20-24 NO.	0	4	2	0	0	0	0	0	0	0	0	6
TOT PAY	0	219,310	117,639	0	0	0	0	0	0	0	0	336,949
AVG PAY	0	54,828	58,820	0	0	0	0	0	0	0	0	56,158
25-29 NO.	0	2	2	4	1	10	1	0	0	0	0	20
TOT PAY	0	110,085	116,530	235,969	64,879	696,939	90,749	0	0	0	0	1,315,151
AVG PAY	0	55,043	58,265	58,992	64,879	69,694	90,749	0	0	0	0	65,758
30-34 NO.	0	1	0	4	2	19	2	0	0	0	0	28
TOT PAY	0	56,006	0	236,872	128,476	1,365,884	173,065	0	0	0	0	1,960,303
AVG PAY	0	56,006	0	59,218	64,238	71,889	86,533	0	0	0	0	70,011
35-39 NO.	0	1	0	1	1	18	14	3	0	0	0	38
TOT PAY	0	52,963	0	60,799	64,879	1,293,041	1,102,563	236,397	0	0	0	2,810,642
AVG PAY	0	52,963	0	60,799	64,879	71,836	78,755	78,799	0	0	0	73,964
40-44 NO.	0	0	0	1	0	10	6	7	1	0	0	25
TOT PAY	0	0	0	61,968	0	733,154	463,785	600,772	82,858	0	0	1,942,537
AVG PAY	0	0	0	61,968	0	73,315	77,298	85,825	82,858	0	0	77,701
45-49 NO.	0	0	0	0	2	2	2	11	6	1	0	24
TOT PAY	0	0	0	0	158,764	135,821	151,037	958,955	547,504	90,749	0	2,042,830
AVG PAY	0	0	0	0	79,382	67,911	75,519	87,178	91,251	90,749	0	85,118
50-54 NO.	0	0	0	0	0	0	2	1	4	0	0	7
TOT PAY	0	0	0	0	0	0	136,338	99,588	363,608	0	0	599,534
AVG PAY	0	0	0	0	0	0	68,169	99,588	90,902	0	0	85,648
55-59 NO.	0	0	0	0	1	0	0	0	0	0	0	1
TOT PAY	0	0	0	0	94,718	0	0	0	0	0	0	94,718
AVG PAY	0	0	0	0	94,718	0	0	0	0	0	0	94,718
60-64 NO.	0	0	0	0	0	0	0	1	0	0	0	1
TOT PAY	0	0	0	0	0	0	0	71,577	0	0	0	71,577
AVG PAY	0	0	0	0	0	0	0	71,577	0	0	0	71,577
TOT NO.	0	8	4	10	7	59	27	23	11	1	0	150
TOT AMT	0	438,364	234,169	595,608	511,716	4,224,839	2,117,537	1,967,289	993,970	90,749	0	11,174,241
AVG AMT	0	54,796	58,542	59,561	73,102	71,607	78,427	85,534	90,361	90,749	0	74,495

INACTIVE PARTICIPANT DATA – POLICE OFFICERS

Age Group	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	2	14,678
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	1	32,917	2	78,651	-	-	1	32,468
45-49	1	31,144	4	128,129	26	1,363,107	1	43,843
50-54	-	-	2	90,834	35	1,611,197	2	120,816
55-59	2	28,621	2	123,264	28	1,188,978	1	12,953
60-64	-	-	4	169,126	33	1,468,461	4	133,780
65-69	-	-	-	-	22	973,771	2	24,447
70-74	-	-	-	-	12	427,216	-	-
75-79	-	-	-	-	3	57,123	-	-
80-84	-	-	-	-	1	17,118	2	46,218
85-89	-	-	-	-	2	15,326	2	10,577
90-94	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-
Total	4	92,682	14	590,004	162	7,122,297	17	439,780
Average Age		51		53		59		59

INACTIVE PARTICIPANT DATA – FIREFIGHTERS

Age Group	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	1	58,859	-	-	-	-
45-49	-	-	2	102,011	9	600,966	1	70,193
50-54	-	-	3	178,530	22	1,378,927	-	-
55-59	-	-	2	103,914	30	1,603,780	-	-
60-64	-	-	-	-	28	1,287,166	1	25,290
65-69	-	-	2	98,594	25	1,050,398	1	5,921
70-74	-	-	1	18,810	5	158,053	4	65,022
75-79	-	-	-	-	7	143,590	1	12,017
80-84	-	-	-	-	1	18,137	-	-
85-89	-	-	-	-	3	45,275	1	5,934
90-94	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-
Total	-	-	11	560,718	130	6,286,292	9	184,377
Average Age		N/A		56		61		N/A

STATISTICAL DISPLAY OF MEMBERS ELIGIBLE FOR NORMAL RETIREMENT AGE ON OR BEFORE CURRENT VALUATION DATE AND ELECTING RETIREMENT DURING YEAR			
10/1/09– 9/30/10			
Age	Number Eligible	Number Electing Retirement	Number Electing DROP Participation
47	12	5	4
48	8	3	3
49	2	2	0
50	2	0	1
51	3	1	1
52	2	1	0
53	1	0	1
54	2	0	1
55	1	0	0
56	0	0	0
57	0	0	0
58	0	0	0
59	1	0	0
60	<u>0</u>	<u>0</u>	<u>0</u>
	34	12	11

HISTORY OF SALARY INCREASES FOR PARTICIPANTS CONTINUING FROM PRIOR VALUATION			
Plan Year Ending	Average Salary Increase		
	Police		Fire
2010	10.2 %		3.0 %
2009	4.7		2.2
2008	4.7		8.9
2007	4.4		7.3
2006	3.9		4.5
2005	4.4		8.8
2004	5.5		8.1
2003	5.3		7.3
2002	7.4		4.1
2001	2.0		12.7
2000	12.7		7.7
1999	4.9		5.5
1998		5.8 %	
1997		3.5	
1996		6.0	
1995		5.0	
1994		5.7	
1993		6.8	
1992		5.6	
1991		6.2	
1990		4.7	
1989		7.5	
1988		8.6	
1987		8.1	
1986		8.2	
1985	5.1		6.6
1984	7.9		10.0
1983	7.2		8.8
1982	10.7		12.3
1981	11.1		11.8
Average Increase Since 1998	5.8 %		6.6 %

From 9/30/86 – 9/30/98 salary increases for Police and Fire are combined.

SECTION F
SUMMARY OF PROVISIONS OF RETIREMENT SYSTEM

SUMMARY OF PLAN PROVISIONS

A. Ordinances

Plan established under the Code of Ordinances for the City of Pompano Beach, Florida, Sections 34.045-34.073 and was most recently amended under Ordinance No. 2009-03 passed and adopted on October 14, 2008. The Plan is also governed by certain provisions of Chapters 175 and 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

August 15, 1972

C. Plan Year

October 1 through September 30.

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

- (1) All Police Officers and Dispatchers who were participants of the prior Employees' Pension Plan; and
- (2) Police Officers and Dispatchers who elected to remain in the Plan prior to the takeover of the police department by the Broward Sheriff's Office on 8/1/99.
- (3) All Firefighters who were participants of the prior Employees' Pension Plan; and
- (4) All regular, full time Firefighters (20 hours per week and 5 months per year) from age 18, upon date of employment.

F. Continuous Service

Continuous Service is measured as the total number of years and completed months from the date of employment to the date of termination or retirement. No service is credited for any periods of employment for which a member received a refund of their contributions.

G. Earnings

Police Officers: Basic compensation and regular longevity pay, increased for temporary upgrade pay. Also includes up to 25 hours per year of overtime pay.

Firefighters: Basic compensation and regular longevity pay, increased for temporary upgrade pay.

H. Average Monthly Earnings (AME)

The average of Earnings during the highest 3 years preceding termination or retirement; not including lump sum payments of unused leave.

I. Normal Retirement

Eligibility: A member may retire on the first day of the month coincident with or next following the earlier of:

- (1) age 47 with 20 years of Continuous Service, or
- (2) age 55 with 10 years of Continuous Service.

Police Benefit: 3.0% of AME multiplied by years of Continuous Service up to a maximum of 25 years, plus 2.0% of AME multiplied by years of Continuous Service in excess of 37.5.

Firefighter Benefit: 3.0% of AME multiplied by the first 10 years Continuous Service, plus 4.0% of AME multiplied by the next 10 years, plus 2.0% of AME multiplied by the next 5 years with a maximum benefit equal to 80% of AME.

Normal Form of Benefit: 10 Years Certain and Life; other options are also available.

COLA: Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

J. Early Retirement

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon the completion of 20 years of Continuous Service or the attainment of age 50 with 10 years of Continuous Service.

Benefit: The member's accrued Normal Retirement Benefit based upon the member's AME and Continuous Service as of the date of termination. Benefit is actuarially reduced for each year by which the Early Retirement date precedes the member's Normal Retirement date. The Early Retirement reduction is 3% per year if early retirement occurs after age 50.

Normal Form of Benefit: 10 Years Certain and Life; other options are also available.

COLA: Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

K. Delayed Retirement

Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

L. Service Connected Disability

Eligibility: Any member who becomes totally and permanently disabled and unable to perform regular duties or any other duties available in the Department from an act occurring in the performance of duty for the City is eligible for a disability benefit.

Benefit: 75% of rate of Earnings in effect on the date of disability.

Normal Form

of Benefit: Benefits begin on the first day of the month following the date the Board approves the disability and are payable until death or recovery from disability. If the member dies before receiving payments for 10 years, the member's designated beneficiary will receive the same monthly benefit for the remainder of the 10 year period. Other options are also available.

COLA: Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

M. Non-Service Connected Disability

Eligibility: Any member with 10 or more years of Continuous Service who becomes totally and permanently disabled and unable to perform regular duties or any other duties available in the Department from an act not directly caused by the performance of duty for the City is eligible for a disability benefit.

Benefit: 3.0% of AME multiplied by years of Continuous Service subject to a maximum of 60% of the rate of Earnings on the date of disability, plus 2.0% of AME multiplied by years of Continuous Service in excess of 25. Disability benefit is guaranteed to be no less than 25% of AME.

Normal Form

of Benefit: Benefits begin on the first day of the month following the date the Board approves the disability and are payable until death or recovery from disability. If the member dies before receiving payments for 10 years, the member's designated beneficiary will receive the same monthly benefit for the remainder of the 10 year period. Other options are also available.

COLA: Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

N. Death in the Line of Duty

Eligibility: Any member who dies as a direct result of an occurrence arising in the performance of service for the City is eligible for survivor benefits.

Benefit: (1) \$5,000 lump sum paid to the member's designated beneficiary; plus
 (2) Member's spouse will receive 75% of member's Earnings; plus
 (3) Each unmarried child under age 18 (22 if full-time student) will receive 7 1/2% of member's Earnings. If there is no spouse, benefits increase to 15% per child.

Maximum benefit to spouse and children is 90% of earnings; if no spouse maximum for children is 50% of Earnings.

Normal Form of Benefit:

Spouse's benefits are paid until death or remarriage; children's benefits are paid until the earlier of age 18 (22 if full-time student), marriage or death.

COLA:

Beginning five years after benefit payments begin, beneficiaries receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

O. Other Pre-Retirement Death

Eligibility: Any member with 1 or more years of Continuous Service who dies while employed by the City is eligible for survivor benefits.

Benefit: (A) For members with less than 1 year of Continuous Service, no survivor benefits are payable.

(B) For members with 1 year, but less than 5 years, of Continuous Service, the designated beneficiary will be paid a \$5,000 lump sum.

(C) For members with 5 years, but less than 10 years, of Continuous Service:

- (1) \$5,000 lump sum paid to the member's designated beneficiary; plus
- (2) Member's spouse will receive 65% of member's accrued pension as of the date of death subject to a minimum of 20% of AME; plus
- (3) Each unmarried child under age 18 (22 if full-time student) will receive 7 1/2% of member's Earnings. If there is no spouse, benefits increase to 15% of member's Earnings per child.

Maximum benefit to spouse and children is 50% of earnings.

(D) For members with 10 or more years of Continuous Service, the designated beneficiary can elect to receive benefits described under subsection (C) above or the member's accrued benefit as of the date of death. Benefits are payable at the member's Normal or Early Retirement date and will be reduced for Early Retirement, when applicable.

Normal Form

of Benefit: Spouse's benefits are paid until death or remarriage; children's benefits are paid until the earlier of age 18 (22 if full-time student), marriage or death.

COLA: Beginning five years after benefit payments begin, beneficiaries receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

P. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

Q. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are a Single Life Annuity option or the 50%, 66 2/3%, 75% or 100% Joint and Survivor options.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 10 years of Credited Service (See vesting table below).

Vesting is determined in accordance with the following table.

YEARS OF CREDITED SERVICE	% OF NORMAL RETIREMENT BENEFITS
Less Than 10	0%
10 or more	100%

Benefit: The member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins on the member's Normal Retirement date. Alternatively, members may elect to receive an actuarially reduced Early Retirement Benefit.

Normal Form

of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2%. An additional annual increase of up to 1% is payable if certain conditions are met.

Plan members with less than 10 years of Credited Service will receive a refund of their own accumulated contributions with interest.

S. Refunds

- Eligibility:** All members terminating employment with less than 10 years of Credited Service are eligible. Optionally, vested members (those with 10 or more years of credited service) may elect a refund in lieu of the vested benefits otherwise due.
- Benefit:** Refund of the member's contributions with interest. Interest is currently credited at a rate of 3%.

T. Member Contributions

- Police:** 8.6% of Earnings paid by BSO.
Firefighters: 11.6% of Earnings "picked up" by the City.

U. Employer Contributions

Chapters 175 and 185 Premium Tax Refunds and any additional amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

Beginning five years after benefit payments begin, retirees and their beneficiaries receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met.

W. 13th Check

Not Applicable

X. Deferred Retirement Option Plan

- Eligibility:** Plan members are eligible for the DROP on the first day of the month coincident with or next following the earlier of:
- (1) age 47 with 20 years of Continuous Service, or
 - (2) age 55 with 10 years of Continuous Service.
- Members who meet eligibility must submit a written election to participate in the DROP.
- Benefit:** The member's Credited Service and AFC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AFC.
- In addition, the members accumulated sick and annual leave pay will be credited to the member's DROP account in 5 equal annual installments on the member's DROP participation anniversary dates.

Maximum

DROP Period: 60 months for Police, 96 months for Firefighters.

Interest

Credited: The member's DROP account is credited or debited quarterly at a rate equal to one of the following as elected by the member:

- (1) the actual net rate of investment return realized by the Plan for that quarter, or
- (2) a rate set quarterly by the Board of Trustees, or
- (3) the actual net rate of investment return realized by a separate investment account made available by the Board of Trustees but with investment proportions designated by the member.

Normal Form

of Benefit: The member's DROP account is paid out under one of the following options as elected by the member:

- (1) a full single lump sum payment, or
- (2) annual installments in amounts as requested by the member by June 30th of each year, or
- (3) equal monthly installments as requested by the member by June 30th of each year, or
- (4) a single lump sum of the remaining balance after any annual or monthly installments have been made under options (2) or (3) above.

COLA: Beginning five years after benefit payments begin, retirees receive an automatic annual increase of 2% on each October 1. An additional annual increase of up to 1% is payable if certain conditions are met. For Firefighters, if participant leaves the DROP after five years, the COLA begins when participant leaves the DROP.

Y. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Pompano Beach Police Officers' and Firefighters' Retirement Plan liability if continued beyond the availability of funding by the current funding source.

Z. Changes from Previous Valuation

No Changes in benefits since the last valuation.