

Public Pension
Professionals, Inc.

City of Pompano Beach General Employees' Retirement System

Actuarial Valuation as of October 1, 2009



This Valuation Report determines the
Annual Required Contribution for the
Plan Year and Fiscal Year
October 1, 2010 through September 30, 2011

January 2010

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Section

1

Highlights

This report presents the results of the October 1, 2009 actuarial valuation of the City of Pompano Beach (the City) General Employees' Retirement System (the Plan). Results from the prior valuation are shown for comparison.

Required Contribution Rates

Fiscal Year Starting	October 1, 2009	October 1, 2010
City	\$4,019,322	\$4,953,019
Broward Sheriff's Office	317,682	396,377
Total	4,337,004	5,349,396
Percentage of Payroll	15.25%	18.81%

Funded Status

Valuation Date	October 1, 2008	October 1, 2009
Actuarial Accrued Liability	\$152,425,115	\$161,585,123
Actuarial Value of Assets	\$124,869,067	\$118,954,587
UAAL	\$27,556,048	\$42,630,536
Funded Percentage	81.9%	73.6%

Variable Cost-of-Living-Adjustment (COLA)

The variable cost-of-living-adjustment will not be paid this year.

Key Assumptions

Interest Rate	8.0%	8.0%
Salary Increases	4.25% — 7.5%	4.25% — 7.5%
Inflation	3.5%	3.5%

Section

2 Board Summary

This actuarial valuation report has been prepared primarily to review the Plan's funded status as of October 1, 2009 and determine the contributions required of the City and the Broward Sheriff's Office for the Plan Year and Fiscal Year running from October 1, 2010 through September 30, 2011. This is done annually by taking a snapshot of the Plan on the basis of the Plan provisions, Plan membership, and investments as of the end of each Plan Year.

A. Major Events

The effects of major events affecting the contribution rates and funded position of the Plan primarily fall into five categories:

- Investments,
- Demographics,
- Funding,
- Benefits, and
- Assumptions and Methodology.

Those categories are discussed below.

Investments

Empirical evidence suggests that over 90% of the return achieved by a portfolio is due to the allocation of assets within that portfolio. As of October 1, 2009, the Retirement Plan's target asset allocation was:

Equity - Domestic	30%
Equity – Small-Mid Cap	10%
Equity – International	15%
Fixed Income	20%
Real Estate	10%
Absolute Return	15%

This past year was a bad one for the economy. For the first few months of the year, the markets continuing to experience a drop in value unlike any seen in a long time, but began to rebound somewhat in the latter part of the year. The severe decline in stocks and real estate caused losses for many pension plans across the United States, and this Plan was not immune to those losses. On a market value basis, the Plan investments achieved a return of approximately -6.4% for the fiscal year 2008-2009, resulting in a \$15.3 million loss to the Plan on a market value basis.

The Plan uses an asset smoothing method to determine contribution rates and the Plan's funded position. This method generally spreads market gains (or losses) greater than the assumed rate (or less than the assumed rate) over a five year period, as long as the smoothed asset value does not get more than 20% from the market value of assets. Using the asset smoothing method, Plan assets achieved a return for the fiscal year of approximately -4.6% due to the spreading of a portion of previous gains into the current year and a portion of current losses into future years. The smoothing impact was muted this year due to the application of the 20% corridor around the market value of assets. This resulted in an actuarial loss (return less than expected) of approximately \$15.6 million. Had the asset corridor not applied, the loss on an actuarial basis would have been \$8.5 million.

Detailed information regarding plan investments, including the development of the actuarial value of assets, is shown in the Asset Information subsection in the Technical Information section of the report.

Demographics

The number of active members decreased from 518 to 509. The average pay for employees included in the valuation increased by 1.8%. This caused the total covered payroll to remain at \$27.6 million.

The DROP continues to be popular. The number of members enrolled in DROP increased from 23 to 25. This occurred despite five members retiring from DROP. Despite the payment of these DROP Account balances, the total DROP balance increased from \$1.5 million to \$2.1 million.

The number of retired members and beneficiaries receiving pension checks increased from 282 to 284. The average monthly benefit check went from \$1,648 to \$1,732 (an increase of 5.1%).

Funding

In this valuation, we determine the recommended contribution rate for the City on a projected basis. When we use the term "projected basis", we mean that the contribution rate calculated in this valuation is designed to take effect in the following fiscal year.

While this approach is expected to be actuarially sound over the long term, it creates potential mismatches between contributions and liability changes in the short term. In times of rising contribution rates, the City will be paying less than would otherwise have been required and more when contribution rates are falling. Because the contribution rate determined in the October 1, 2007 actuarial valuation for the Fiscal Year beginning October 1, 2008 was less than the contribution rate determined in the October 1, 2008 actuarial valuation (for the Fiscal Year beginning October 1, 2009) there was an actuarial loss due to contribution timing. Over time, these gains and losses are expected to balance out.

Benefits

Prior to the last valuation, the City adopted an ordinance that allowed Senior Management Employees previously excluded from this Plan to join the plan. Participation is mandatory for Senior Managers hired after the effective date of the proposed ordinance. Senior Managers who were already in the Plan will continue in the Plan. Senior Managers who were not in the Plan were given a chance to make a series of irrevocable elections. The first election determined whether they joined the Plan and all eligible Senior Managers elected to do so. The second election related to the purchase of past service with the City. Senior Managers continued to be eligible to purchase past service in the most recent fiscal year. Two members made additional service purchases since the last valuation, and these purchases are reflected for the first time with this valuation.

Assumptions and Methodology

There were no assumption or methodology changes made since the last valuation.

B. Funded Position

The primary liability target for the Plan is the Actuarial Accrued Liability. The **Actuarial Accrued Liability (AAL)** is the portion of the Present Value of Benefits attributed to the past. In other words,

- If current plan benefits had always been in place, and
- If the current assumptions had always been in place, and
- If the plan had always been funded under the current funding method, and
- If plan experience had always matched the assumptions, then

The Actuarial Value of Assets would be equal to the Actuarial Accrued Liability. It is the value often used as a funding target. The Unfunded Actuarial Accrued Liability is equal to the difference between the Actuarial Accrued Liability and the Actuarial Value of Assets.

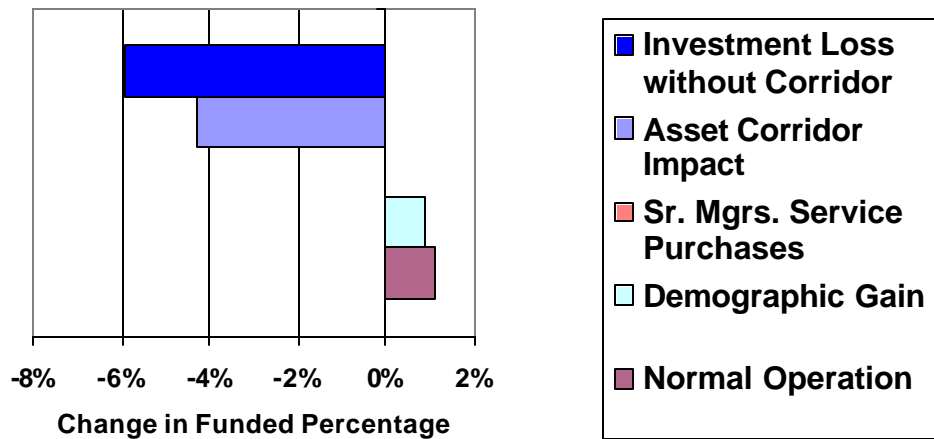
The Plan's funded percentage is 73.6%. It is calculated by dividing the Actuarial Value of Assets (\$119.0 million) by the Actuarial Accrued Liability (\$161.6 million).

Impact of Major Events

The funded percentage decreased from 81.9% in 2008 to 73.6% in 2009. This decrease can be attributed primarily to the following events.

- Normal operation of plan increased the funded percentage by 1.1%.
- Demographic gains increased the funded percentage by 0.9%.
- Asset related losses, which include investment losses, the shortfall due to funding on a projected basis and administrative expense different than anticipated, decreased the funded percentage by 10.2%. A significant portion of this loss (4.3%) was due to the imposition of the market value corridor in the calculation of the Actuarial Value of Assets.
- Purchases of Prior Service by Senior Managers decreased the funded percentage by 0.1%.

Impact of Major Events on Funded Percentage



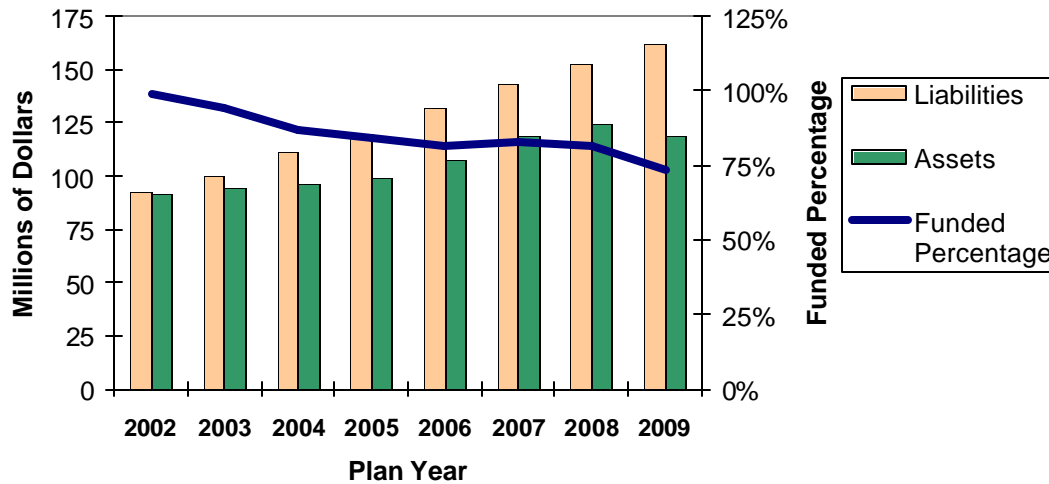
History of Funded Position

With this valuation, the funded percentage continued its decline that had been occurring since its peak in 2000. There were various reasons for the prior decline. The initial decline was primarily due to weak investment markets between 2000 and 2002. The decline continued after the markets recovered, in part, because of plan changes in 2004 and 2006. Continued investment gains helped the funded percentage begin to increase in 2007, but those prior gains were offset by market losses in 2008 and 2009.

As of September 30	Actuarial Accrued Liability (in \$Millions)	Actuarial Value of Assets (in \$Millions)	Funded Percentage
2009	\$161.6	\$119.0	73.6%
2008	152.4	124.9	81.9%
2007	143.6	118.8	82.7%
2006	131.6	107.3	81.6%
2005	120.1	99.0	82.4%
2004	111.2	96.7	87.0%
2003	100.3	94.7	94.5%
2002	92.8	91.7	98.8%

Background information on the development of these funded percentages is included in the Technical Information section later in this report.

History of Funded Position



C. Required Contributions

Employer contributions are generally determined as the sum of two elements: the Normal Cost and an Amortization of the Unfunded Actuarial Accrued Liability.

The **Normal Cost (NC)** is the portion of the Present Value of Benefits attributed to the current year. In other words,

- If current plan benefits had always been in place, and
- If the current assumptions had always been in place, and
- If plan experience had always matched the assumptions, then

A contribution equal to the Normal Cost would be sufficient to keep the plan right on target, at 100% funded.

In the normal course of operating a retirement plan, there are a number of reasons why the plan may be someplace other than at 100% funded.

- **Plan Amendments** – These are changes in the benefits that are to be paid to plan members, such as an improvement in the multiplier or the DROP.
- **Assumption Changes** – Periodically, the plan actuaries and trustees adjust their expectation for the future. We are making such a change in this valuation with the recommended changes in the rates of termination, disability and retirement.
- **Methodology Changes** – Every few years, the actuary recommends a refinement in its actuarial methodology.
- **Gain or Loss** – Each year actual plan experience is different than the experience projected under the plan assumptions. When actual experience reduces the Unfunded Actuarial Accrued Liability, it is called a gain. When plan experience increases the Unfunded Actuarial Accrued Liability, it is called a loss.

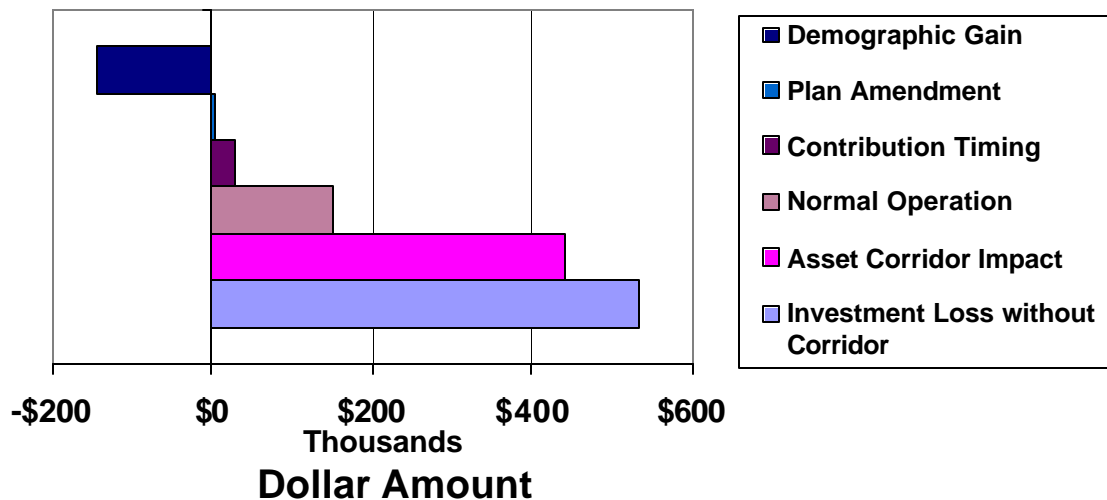
The amount that the funding is off target is added to the NC (when behind target) or reduced from the NC (when ahead of target) over a 30-year period. The payments are similar to a mortgage, in that they are paid a little at a time over a long period. The payments differ from a standard mortgage because they increase each year as a percentage of expected pay increases (but no faster than the average growth of total payroll for the past decade).

Impact of Major Events

The required employer contribution increased from \$4.3 million for Fiscal Year 2009-2010 to \$5.3 million for Fiscal Year 2010-2011. This increase can be attributed primarily to the following events:

- Normal operation of the contribution methodology increased the required contribution by \$ 152,000.
- Contribution timing, due to the one-year delay between valuation and contribution, increased the required contribution by \$ 26,000.
- Investment losses increased the required contribution by \$ 978,000. A large part of this (\$442,000) was due to the imposition of the market value corridor on the calculation of the Actuarial Value of Assets.
- Differences between actual demographic experience and valuation assumptions decreased the required contribution by \$ 146,000, primarily due to salaries being less than assumed.
- Additional service purchased by Senior Managers increased the required contribution by \$ 3,000

Impact of Major Events on Employer Contribution



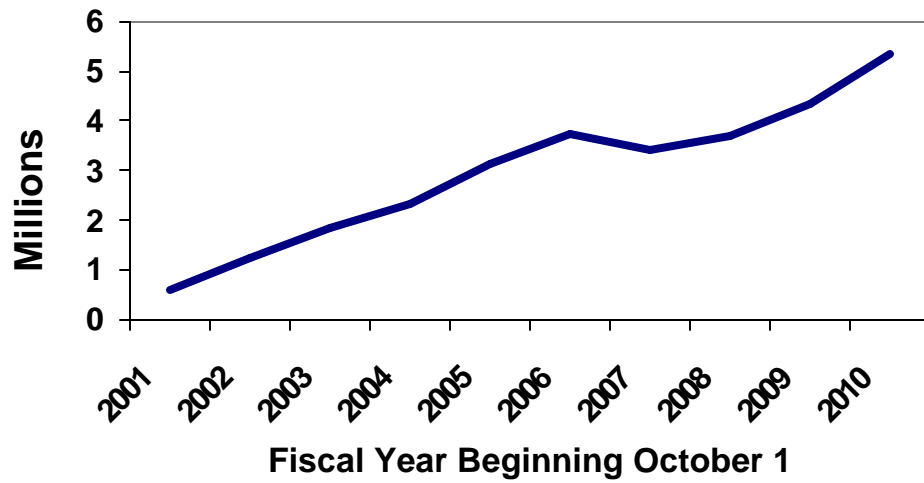
History of Required Contributions

In dollar terms, the employer contribution is expected to increase each year along with payroll growth, but some years it increases more than others. For the first few years of the decade, the required employer contribution had increased primarily due to weak investment returns in Plan Years 2000 - 2002 and a shift to more conservative assumptions. The rise in required contributions continued for the fiscal years beginning in October 1, 2004 through 2006 due to plan amendments and the realization of previously unrecognized investment losses. The contribution increase was temporarily slowed for the fiscal year beginning October 1, 2007 due to a combination of strong investment return and some one-time events, but the contribution amount resumed its expected rise for Fiscal Year 2008/2009 due to salary increases and other demographic losses offsetting the continued investment gains. The contribution amount grew again for 2009/2010 and 2010/2011 due to a combination of investment losses, assumption changes and the addition of senior managers to the Plan.

Fiscal Year Beginning October 1	Required Contribution
2010	\$ 5,349,396
2009	4,337,004
2008	3,704,693
2007	3,415,550
2006	3,732,673
2005	3,142,462
2004	2,340,092
2003	1,848,375
2002	1,228,956
2001	588,943

Background information on the development of the required contribution is included in the Technical Information section later in this report.

History of Required Contributions



Section

3

Accounting Information

Accounting standards for governmental entities are set by the Governmental Accounting Standards Board (GASB). Statement Number 25 (GASB 25) describes the disclosure requirements for the financial statements of the Retirement Plan. These include a Schedule of Funding Progress and a Schedule of Employer Contributions.

The disclosure requirements for the City's financial statements are described in Statement Number 27 (GASB 27). These include the development of the Annual Pension Cost and the Net Pension Obligation.

A. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL)* (b)	Unfunded AAL (UAAL)* (b - a)	Funded Ratio (a/b)	Covered Payroll* (c)	UAAL as a Percentage of Covered Payroll ((b - a) / (c))
10/1/2009	\$118,955	\$161,585	\$42,630	73.6%	\$27,477	155.15%
10/1/2008	124,869	152,425	27,556	81.9%	27,478	100.28%
10/1/2007	118,773	143,587	24,814	82.7%	26,692	92.96%
10/1/2006	107,334	131,560	24,226	81.6%	24,963	97.05%
10/1/2005	98,980	120,076	21,096	82.4%	22,405	94.16%
10/1/2004	96,736	111,252	14,516	87.0%	21,875	66.36%
10/1/2003	94,742	100,282	5,540	94.5%	22,655	24.45%
10/1/2002	91,710	92,831	1,121	98.8%	22,075	5.08%
10/1/2001	89,323	85,000	(4,323)	105.1%	20,759	(20.83)%

*Dollar values are in thousands.

B. Schedule of Employer Contributions

Fiscal Year Ended September 30	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$3,704,693	100%
2008	3,415,550	100%
2007	3,732,673	109%
2006	3,142,462	100%
2005	2,340,092	100%
2004	1,848,375	100%
2003	1,228,956	100%
2002	588,943	103%
2001	547,272	100%
2000	986,565	101%

Information in the above schedule for the Fiscal Years ended September 30, 2002 and before is based on information prepared by Gabriel, Roeder, Smith & Company.

The table below summarized certain information used in the calculation of the schedules in subsections A and B:

Valuation date	September 30, 2009
Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions	
Investment rate of return*	8.0%
Projected salary increases*	4.25 – 7.5% varying by service
* Includes inflation at	3.5%
Cost of living adjustments	2.0%

C. Development of Net Pension Obligation

	Year Ended September 30, 2009	Year Ended September 30, 2008	Year Ended September 30, 2007
1. Beginning of year NPO	\$ (472,514)	\$ (461,327)	\$ (126,940)
2. City Contributions	3,706,870	3,416,488	4,064,240
3. Pension Cost	<u>3,694,196</u>	<u>3,405,301</u>	<u>3,729,853</u>
4. End of year NPO (1-2+3)	\$ (485,188)	\$ (472,514)	\$ (461,327)

D. Schedule of Employer Cost

Fiscal Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$3,694,196	100%	\$(485,188)
2008	3,405,301	100%	(472,514)
2007	3,729,853	109%	(461,327)
2006	3,139,738	100%	(126,940)
2005	2,337,451	100%	(122,617)
2004	1,845,822	100%	(118,844)
2003	1,226,457	100%	(114,971)
2002	607,042	100%	(112,472)
2001	552,015	99%	(110,323)

The Annual Pension Costs for the years beginning October 1, 2006 through 2008 are developed as follows:

	Year Beginning October 1, 2009	Year Beginning October 1, 2008	Year Beginning October 1, 2007
1. Annual Required Contribution	\$3,704,693	\$3,415,550	\$3,732,673
2. Interest on NPO	(37,801)	(36,906)	(10,155)
3. Amortization of NPO	(27,304)	<u>(26,658)</u>	<u>(7,335)</u>
4. Annual Pension Cost (1 + 2 - 3)	\$3,694,196	\$3,405,301	\$3,729,853

Information in the above schedules for the Fiscal Years ended September 30, 2001 and before is based on information prepared by Gabriel, Roeder, Smith & Company.

Section

4

Technical Information

A. Asset Information

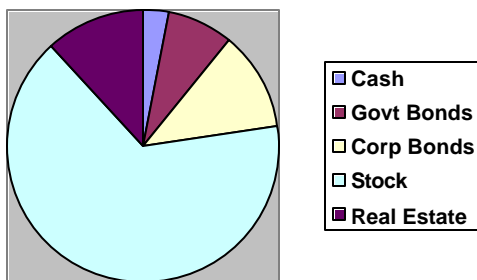
Comparative Statement of Plan Net Assets at Market Value

	September 30, 2008		September 30, 2009	
	\$	%	\$	%
Cash and Cash Equivalents	\$ 3,066,173	3%	2,375,904	2%
Government Bonds	8,471,534	8%	6,771,259	7%
Corporate Bonds	12,806,517	12%	12,469,652	13%
Common Stock and Equity Funds	69,644,560	66%	56,951,437	57%
Real Estate	12,841,578	12%	8,216,647	8%
Private Equity	0	0%	12,387,892	12%
Net Receivables and Other	(643,150)	-1%	(43,969)	0%
Net Assets	<u>\$106,187,212</u>	<u>100%</u>	<u>\$99,128,822</u>	<u>100%</u>

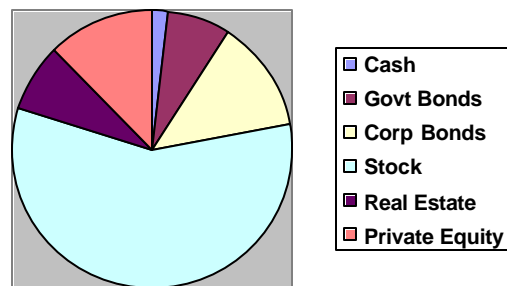
Percentages may not add to 100% due to rounding.

Asset Allocation

September 30, 2008



September 30, 2009



Development of Actuarial Value of Assets

Development of Asset Gain (Loss) for the Plan Year Ended September 30, 2009

1. Market Value of Assets - Beginning of Year	\$ 106,187,212
2. Expected Interest on Assets	8,494,977
3. Contributions	6,584,631
4. Benefit Payments	(6,309,625)
5. Administrative Expenses	(517,272)
6. Interest on items (3), (4) and (5)	(9,504)
7. Expected Value of Assets at End of Year	114,430,419
8. Actual Market Value of Assets – End of Year	99,128,822
9. Gain (Loss) for Plan Year = (8c) - (7)	\$ (15,301,597)

Development of Actuarial Value of Assets as of September 30, 2009

1. Total Market Value of Assets as of 9/30/2009 \$ 99,128,822

2. Phase-In Gains (Losses) Over Five Year Period

	Original Gain (Loss)	Percent Unrecognized	Unrecognized Gain (Loss)
a. Year Ending 9/30/2009	\$ (15,301,597)	80%	\$ (12,241,277)
b. Year Ending 9/30/2008	(29,888,185)	60%	(17,932,911)
c. Year Ending 9/30/2007	7,793,271	40%	3,117,309
d. Year Ending 9/30/2006	856,183	20%	171,237
e. Total			\$ (26,885,642)

3. Preliminary Actuarial Value of Assets as of 9/30/2009 = 1. – 2.e. \$ 126,014,464

4. Corridor Around Market Value

a. Minimum = 80% of Market Value of Assets	\$ 79,303,058
b. Maximum = 120% of Market Value of Assets	\$ 118,954,587
c. Corridor Adjustment to Preliminary Actuarial Value	\$ (7,059,878)

5. Actuarial Value of Assets as of 9/30/2009 (3. + 4.c.) \$ 118,954,587

Reconciliation of Assets for the Year Ended September 30, 2009

	Market Value	Actuarial Value
Beginning of Year	\$106,187,212	\$124,869,067
Contributions		
Employee Regular	\$2,877,761	
City	3,390,231	
County	<u>316,639</u>	
Total	\$6,584,631	\$6,584,631
Benefit Payments		
Retirement Benefits	\$ (6,010,437)	
Refunds	<u>(299,188)</u>	
Total	\$ (6,309,625)	\$ (6,309,625)
Investment Income		
Interest & Dividends	\$ 1,995,199	
Realized/Unrealized Gains (Losses)	(8,126,947)	
Investment Expenses	<u>(727,698)</u>	
Other Income	<u>43,322</u>	
Net Investment Income	\$ (6,816,124)	\$ (5,672,214)
Administrative Expenses	\$ (517,272)	\$ (517,272)
 End of Year	 \$99,128,822	 \$118,954,587
 Estimated Return (net of investment expenses)	 (6.4%)	 (4.6%)

The market value of assets includes DROP account balances.

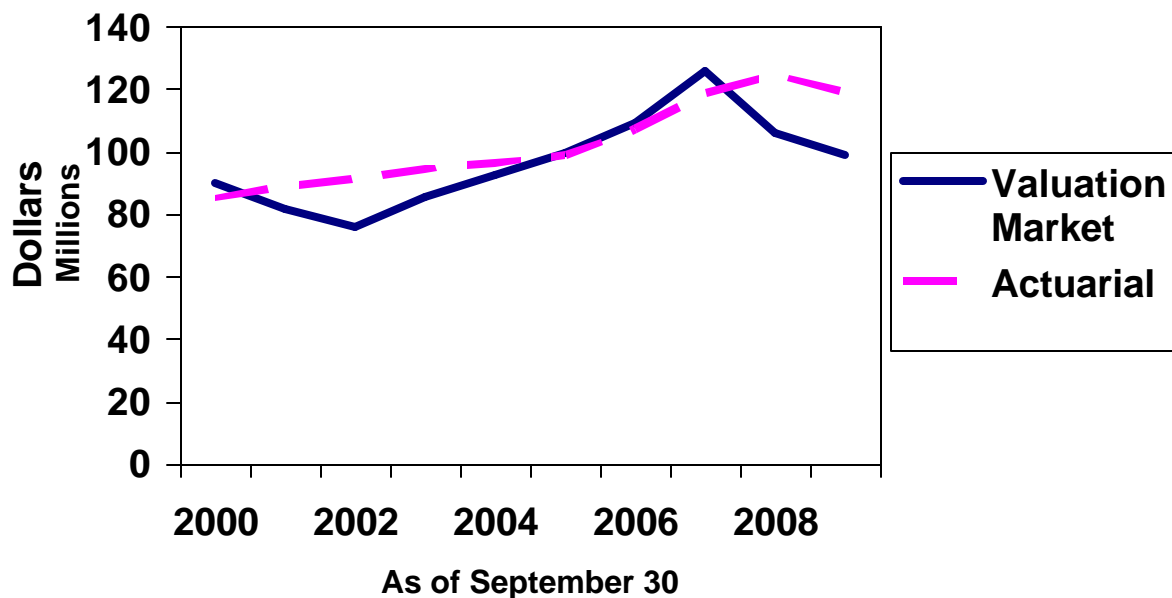
Historical Asset Values

Asset Values as of September 30

Year	Valuation Market Value	Actuarial Value
2009	\$ 99,128,822	\$118,954,587
2008	106,187,212	124,869,067
2007	126,184,449	118,772,822
2006	109,249,514	107,334,005
2005	99,890,915	98,980,085
2004	92,735,898	96,735,577
2003	85,458,520	94,741,607
2002	76,424,845	91,709,814
2001	82,147,166	89,323,230
2000	90,371,615	85,434,892

The asset values for September 30, 2001 and earlier are based on information taken from the reports of the prior actuary.

Comparison of Asset Values



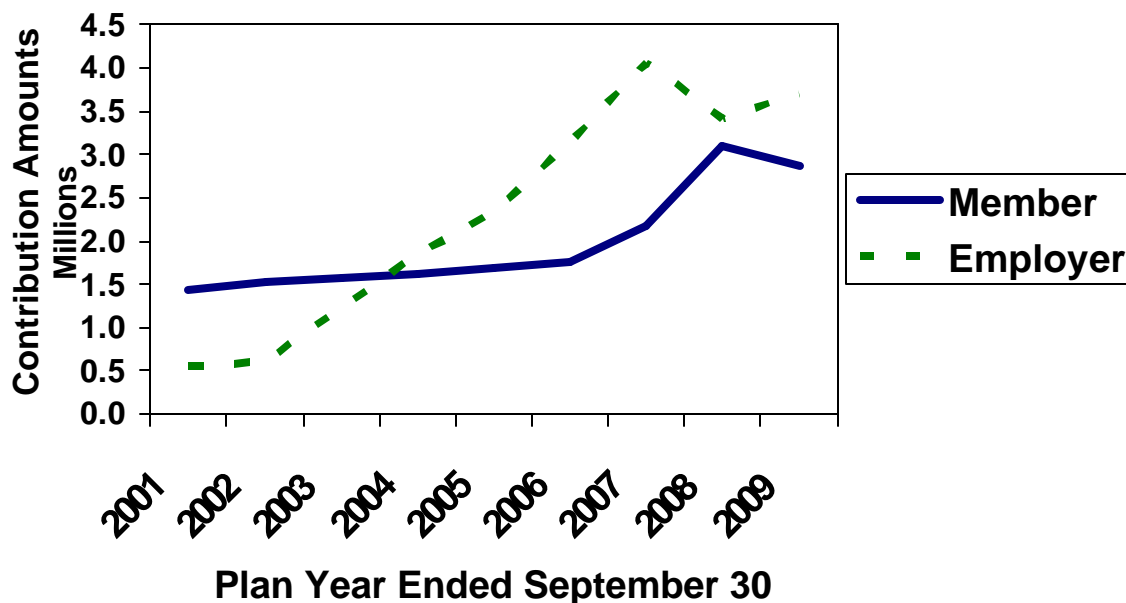
Historical Contribution Amounts

Contribution Amounts for the Plan Years ended September 30

Year	Member Contributions	City and County
2009	\$ 2,877,761	\$ 3,706,870
2008	3,089,928	3,416,488
2007	2,181,898	4,064,240
2006	1,761,103	3,144,061
2005	1,698,335	2,341,224
2004	1,631,767	1,849,695
2003	1,574,291	1,228,956
2002	1,531,571	609,191
2001	1,437,014	547,772

The contribution amounts for September 30, 2001 and earlier are based on information taken from the reports of the prior actuary. The member contribution amounts for the years ended September 30, 2008 and September 30, 2009 include contributions made by Senior Managers to purchase prior service with the City.

Comparison of Contribution Amounts



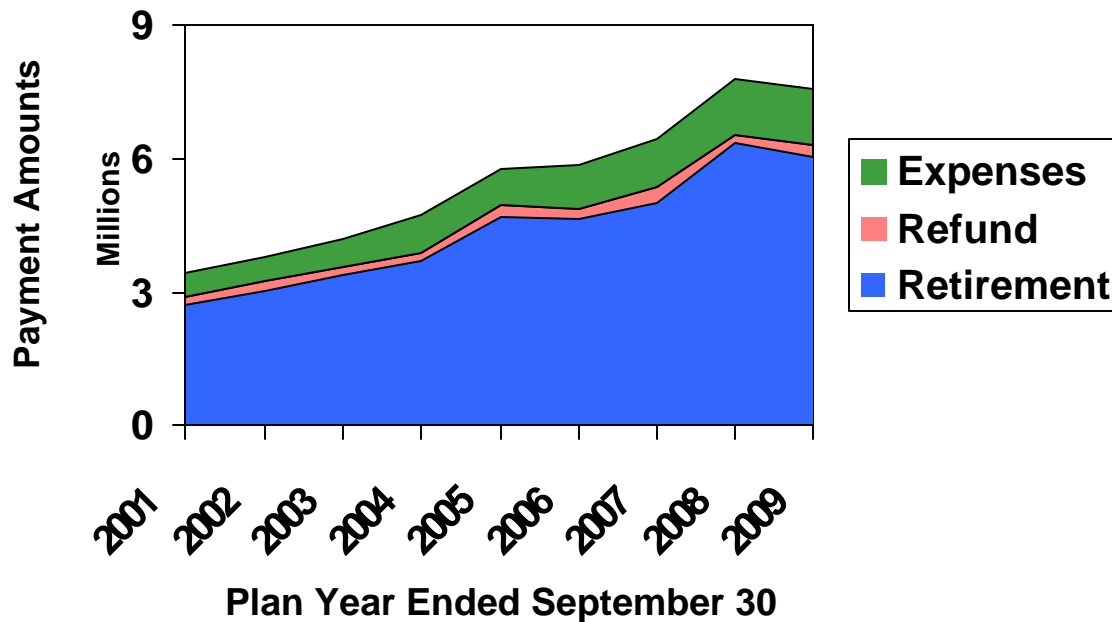
Historical Payment Amounts

Payment Amounts for the Plan Years ended September 30

Year	Retirement Benefits	Refunds	Administrative Expenses	Investment Expenses
2009	\$ 6,010,437	\$ 299,188	\$ 517,272	\$ 727,698
2008	6,333,970	187,717	531,899	709,424
2007	5,009,768	367,129	482,702	569,451
2006	4,641,050	221,074	425,926	577,384
2005	4,695,826	271,781	387,998	418,854
2004	3,712,048	183,012	330,446	479,968
2003	3,365,295	191,412	282,053	331,261
2002	3,045,598	208,440	250,351	300,964
2001	2,710,468	188,704	222,473	322,196

The payment amounts for September 30, 2001 and earlier are based on information taken from the reports of the prior actuary.

Comparison of Payment Amounts

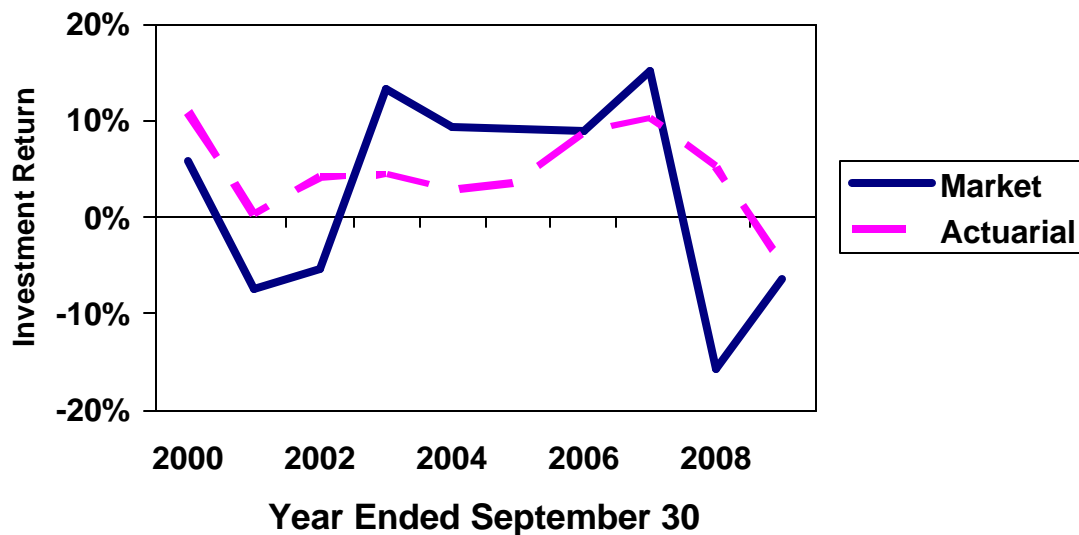


Historical Rates of Investment Return

Estimated Investment Return for the Year Ended September 30

Year	Market Value	Actuarial Value	Assumed Return
	(6.4%)	(4.6%)	8.0%
2008	(15.7%)	5.3%	8.0%
2007	15.1%	10.3%	8.0%
2006	8.9%	8.8%	8.0%
2005	9.1%	3.7%	8.0%
2004	9.4%	2.9%	8.0%
2003	13.3%	4.5%	8.0%
2002	(5.3%)	(1.8%)	8.5%
2001	(7.5%)	0.3%	8.5%
2000	5.9%	10.9%	8.0%

Comparison of Investment Return



The estimated rates of investment return for the years prior to 2002 are taken from the reports of the prior actuary, and have been calculated net of investment fees.

B. Liability Information

Present Value of Projected Benefits

		<i>Exclude Senior Managers' Purchases of Prior Service</i>	<i>Include Senior Managers' Purchases of Prior Service</i>
	<i>October 1, 2008</i>	<i>October 1, 2009</i>	<i>October 1, 2009</i>
1. Active Members			
a. Service Retirement Benefits	\$103,779,756	\$107,913,356	\$108,056,050
b. Deferred Vested Benefits	3,258,610	3,172,369	3,172,348
c. Death Benefits	2,818,398	2,839,583	2,846,983
d. Disability Benefits	3,816,699	3,864,932	3,876,322
e. Return of Member Contributions	<u>903,736</u>	<u>870,905</u>	<u>847,217</u>
f. Total Liability	\$114,577,199	\$118,661,145	\$118,798,920
2. Vested Terminated Members	\$ 2,779,355	\$ 2,585,820	\$ 2,585,820
3. Current Retirees and Beneficiaries			
a. Retirees and Beneficiaries	\$ 54,198,271	\$ 56,945,089	\$ 56,945,089
b. Disabled	3,703,373	3,718,359	3,718,359
c. DROP	<u>12,593,238</u>	<u>14,172,264</u>	<u>14,172,264</u>
d. Total Liability	\$ 70,494,882	\$ 74,835,712	\$ 74,835,712
4. All Members	\$187,851,436	\$196,082,677	\$196,220,452

Actuarial Accrued Liability

		<i>Exclude Senior Managers' Purchases of Prior Service</i>	<i>Include Senior Managers' Purchases of Prior Service</i>
	<i>October 1, 2008</i>	<i>October 1, 2009</i>	<i>October 1, 2009</i>
1. Active Members			
a. Service Retirement Benefits	\$ 75,213,777	\$ 80,035,736	\$ 80,185,864
b. Deferred Vested Benefits	1,078,852	1,051,842	1,052,057
c. Death Benefits	1,591,093	1,638,262	1,644,897
d. Disability Benefits	2,153,705	2,226,322	2,235,280
e. Return of Member Contributions	<u>(886,549)</u>	<u>(958,305)</u>	<u>(954,507)</u>
f. Total Liability	\$ 79,150,878	\$ 83,993,857	\$ 84,163,591
 2. Vested Terminated Members	 2,779,355	 2,585,820	 2,585,820
 3. Current Retirees and Beneficiaries			
a. Retirees and Beneficiaries	\$ 54,198,271	\$ 56,945,089	\$ 56,945,089
b. Disabled	3,703,373	3,718,359	3,718,359
c. DROP	<u>12,593,238</u>	<u>14,172,264</u>	<u>14,172,264</u>
d. Total Liability	\$ 70,494,882	\$ 74,835,712	\$ 74,835,712
 4. All Members	 \$ 152,425,115	 \$161,415,389	 \$161,585,123

Normal Cost

		<i>Exclude Senior Managers' Purchases of Prior Service</i>	<i>Include Senior Managers' Purchases of Prior Service</i>
	<i>October 1, 2008</i>	<i>October 1, 2009</i>	<i>October 1, 2009</i>
a. Service Retirement Benefits	\$ 3,512,056	\$ 3,515,370	\$ 3,513,251
b. Deferred Vested Benefits	252,905	253,322	253,317
c. Death Benefits	149,129	148,330	148,315
d. Disability Benefits	205,383	206,604	206,856
e. Return of Member Contributions	<u>219,580</u>	<u>229,582</u>	<u>225,952</u>
f. Preliminary Normal Cost	\$ 4,339,053	\$ 4,353,208	\$ 4,347,691
g. Administrative Expense			
Two Years Ago	\$ 482,702	\$ 531,899	\$ 531,899
Prior Year	\$ 531,899	\$ 517,272	\$ 517,272
Average	\$ 507,301	\$ 524,586	\$ 524,586
h. Total Normal Cost			
- Dollars	\$ 4,846,354	\$ 4,877,794	\$ 4,872,277
- As a percent of payroll	17.64%	17.75%	17.73%
i. Expected Member Contribution	\$ 2,681,328	\$ 2,696,705	\$ 2,696,705
j. Employer Normal Cost			
- Dollars	\$ 2,165,026	2,181,089	2,175,572
- As a percent of payroll	7.88%	7.94%	7.92%
Payroll for Non-elected Members	\$26,813,277	\$26,967,049	\$26,967,049
Payroll for Elected Officers	<u>664,378</u>	<u>510,347</u>	<u>510,347</u>
Total Payroll	\$27,477,655	\$27,477,396	\$27,477,396

Changes in Normal Cost Rate

As of Prior Valuation **7.88%**

Changes in Normal Cost Rate due to:

Prior Service Purchases (0.02%)

Demographic Experience and
Miscellaneous Losses 0.06%

Total Changes **0.04%**

As of Current Valuation **7.92%**

C. Funded Percentage

Derivation of Funded Percentage

	September 30, 2008	September 30, 2009
1. Actuarial Accrued Liability	\$ 152,425,115	\$ 161,585,123
2. Actuarial Value of Assets	<u>(124,869,067)</u>	<u>(118,954,587)</u>
3. Unfunded Actuarial Accrued Liability	\$ 27,556,048	\$ 42,630,536
4. Funded Percentage	81.9%	73.6%

Changes in Funded Percentage

Development of Funded Percentage

	Valuation Date	Liabilities	Assets	Funded Percentage
Prior Valuation Report	10/1/2008	152,425,115	124,869,067	81.9%
Expected Results	10/1/2009	163,296,032	135,509,459	83.0%
Impact of Actual Assets (Smoothed without Imposition of Corridor)	10/1/2009	163,296,032	125,979,139	77.1%
Imposition of Market Value Corridor	10/1/2009	163,296,032	118,919,262	72.8%
Actual Liabilities	10/1/2009	161,415,389	118,919,262	73.7%
Prior Service Purchases	10/1/2009	161,585,123	118,954,587	73.6%

Changes in Funded Percentage

As of Prior Valuation **81.9%**

Changes in Funded Status due to:

Normal Operation of Plan	1.1%
Investment (Loss) Gain	(5. 9%)
Asset Corridor Impact	(4. 3%)
Demographic (Loss) Gain	0.9%
Prior Service Purchases	(0.1%)
Total Changes	(8.3%)

As of Current Valuation **73.6%**

Gains and Loss for the Plan Year Ended September 30, 2009

1. Unfunded Actuarial Accrued Liability - Previous Year	\$27,556,048
2. Interest for a full year on (1)	2,204,484
3. Total Normal Cost (including Administrative Expenses) - Previous Year	\$4,846,354
4. Interest for a full year on (3)	387,708
5. Contributions (All Sources*) - Previous Year	6,550,590
6. Interest for a half year on (5)	262,024
7. Expected Unfunded Actuarial Liability	\$28,181,980
8. Actual Unfunded Actuarial Liability	\$42,630,536
9. Allocation of (Gain) Loss for the year	
a. (Gain) Loss due to changes in assumptions and methods	
i. Assumption and method changes	\$ 0
ii. Plan changes	<u>134,409</u>
iii. Total due to changes in plan, assumptions, and methods	\$ 134,409
b. (Gain) Loss due to plan experience	
i. Due to investment experience	
a) Regular Asset Smoothing	\$ 8,533,314
b) Imposition of Market Value Corridor	\$ 7,059,878
ii. Due to demographic and other experience	<u>(1,279,044)</u>
iii. Total due to plan experience	\$ 14,314,147
c. Due to contribution timing	<u>395,405</u>
d. Total (Gain) Loss to be Amortized	\$ 14,709,552

The Plan provides for a "fixed" 2% COLA each year and a "variable" 1% COLA if certain conditions are met. If there is either a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA, the adjustment will be granted in that year, as long as the Present Value of the additional COLA is not more than the cumulative gains that occurred since the inception of the COLA. Since there was a net experience loss for the year and a required City contribution is due, no variable COLA will be paid this year.

* Excludes contributions from Senior Managers related to purchases of prior service.

Cumulative Gains and Losses Since October 1, 1999

The variable COLA is limited under the Florida Administrative Code so they are no more than the cumulative actuarial gains (if any) that have occurred since the inception of the program. The cumulative gains (or losses) since the variable COLA was adopted are developed in the table below.

Yr End 9/30	Balance BOY	Amortization	Interest	Gain (Loss) for Year	PV of Variable Benefit	Balance EOY
1999	\$ 0	\$ 0	\$ 0	\$ 4,863,161	\$ 0	\$ 4,863,161
2000	4,863,161	312,881	569,080	1,480,206	226,471	6,373,095
2001	6,373,095	414,538	477,419	(7,815,513)	280,869	(1,660,406)
2002	(1,660,406)	(98,302)	(132,779)	(9,987,004)	0	(11,681,887)
2003	(11,681,887)	(694,616)	(878,982)	(4,483,179)	0	(16,349,432)
2004	(16,349,432)	(1,018,955)	(1,226,438)	(4,956,483)	0	(21,513,398)
2005	(21,513,398)	(1,356,434)	(1,612,557)	(6,499,426)	0	(28,268,947)
2006	(28,268,947)	(1,726,519)	(2,123,394)	3,577,856	0	(25,087,966)
2007	(25,087,966)	(1,536,727)	(1,884,098)	(343,924)	0	(25,779,261)
2008	(25,779,261)	(1,773,363)	(1,920,472)	(2,152,254)	0	(28,078,626)
2009	(28,078,626)	(3,668,276)	(1,952,828)	(14,278,822)	0	(40,642,000)

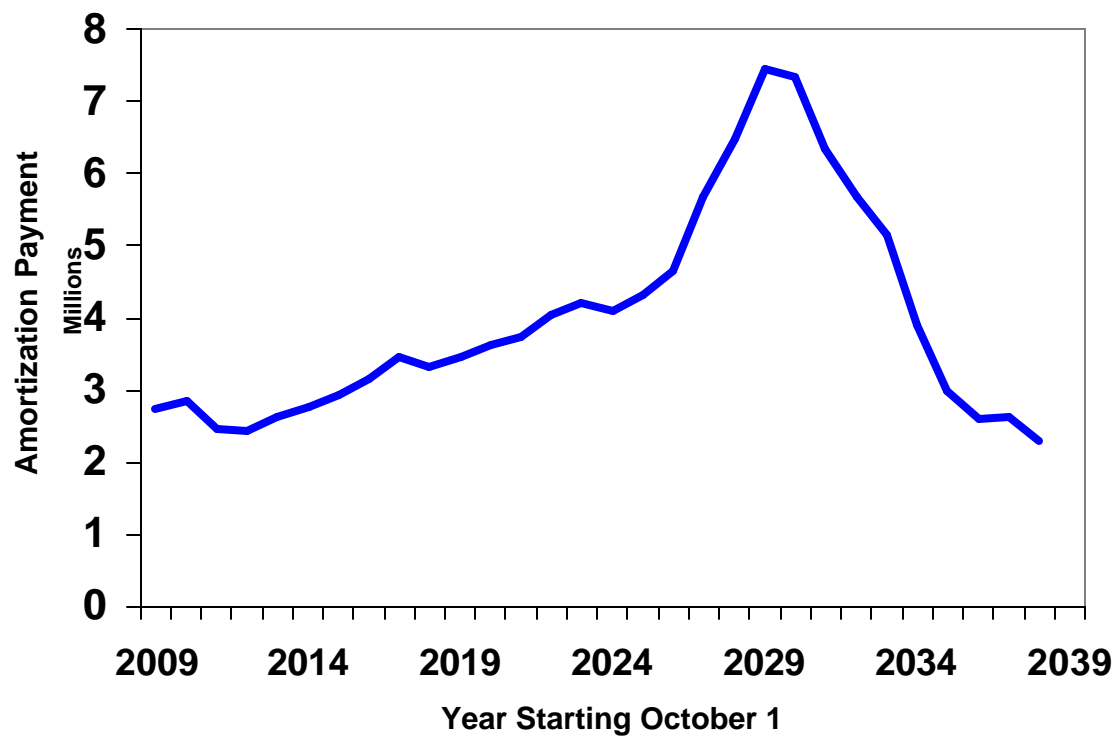
Note: Interest adjustments and amortization charges for plan years ending prior to 2002 are estimated from reports prepared by the prior actuary.

Projected Amortization Schedule

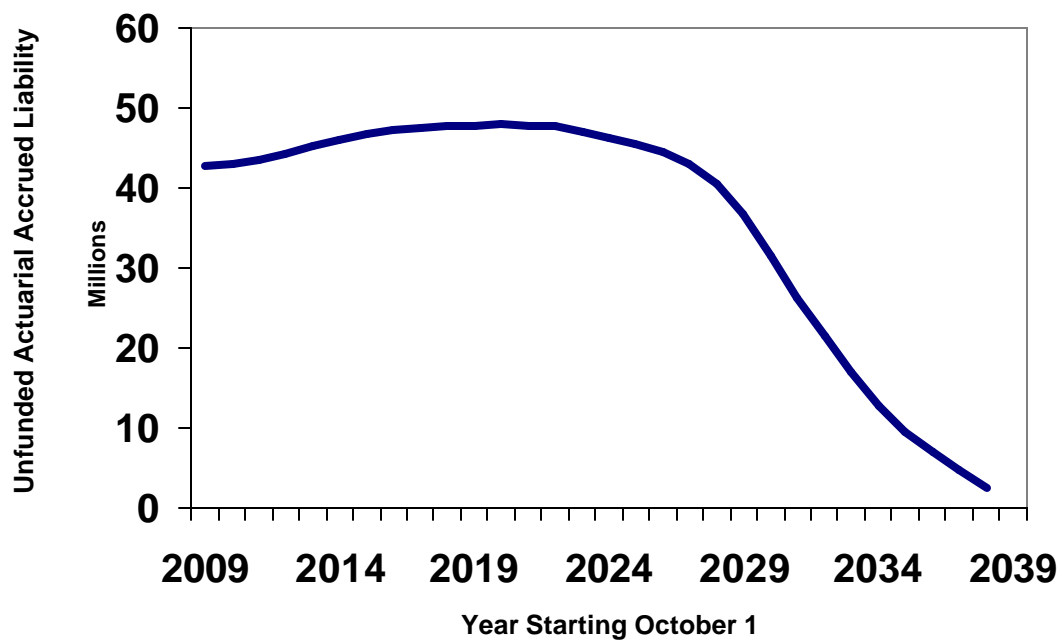
Plan Year Beginning October 1	Unfunded Actuarial Accrued Liability	Amortization Payment
2009	\$ 42,630,541	\$ 2,749,597
2010	43,071,421	2,845,832
2011	43,443,636	2,467,520
2012	44,254,205	2,443,972
2013	45,155,052	2,630,739
2014	45,926,258	2,761,300
2015	46,618,155	2,921,448
2016	47,192,443	3,157,008
2017	47,558,270	3,462,744
2018	47,623,168	3,328,198
2019	47,838,568	3,467,164
2020	47,921,116	3,629,924
2021	47,834,487	3,731,946
2022	47,630,745	4,032,216
2023	47,086,411	4,218,295
2024	46,297,566	4,110,478
2025	45,562,055	4,329,145
2026	44,531,543	4,647,124
2027	43,075,173	5,684,679
2028	40,381,733	6,471,877
2029	36,622,645	7,458,414
2030	31,497,370	7,337,027
2031	26,093,170	6,349,346
2032	21,323,330	5,679,383
2033	16,895,463	5,159,927
2034	12,674,379	3,892,237
2035	9,484,713	2,977,187
2036	7,028,128	2,606,074
2037	4,775,819	2,641,505
2038	2,305,058	2,305,058
2039	-	-

This schedule has been developed by projecting that all assumptions will be met in all future years, and that no additional Unfunded Actuarial Accrued Liability will be created by any other means (i.e., plan amendment or assumption change).

Projected Amortization Payments



Projected Unfunded Actuarial Accrued Liability



D. Employer Contribution Rates

Beginning October 1, 2010

1. Total Employer Normal Cost	\$ 2,175,572
2. Amortization of Unfunded Actuarial Liability	<u>2,749,597</u>
3. Total Minimum Contribution as of 10/1/2009 (1. + 2.)	\$ 4,925,169
4. Interest for Quarterly Payments ($3. \times (1.08^{(5/8)} - 1)$)	<u>242,694</u>
5. Total Minimum Contribution (paid quarterly) (3. + 4.)	\$ 5,167,862
6. Covered Payroll as of Valuation Date	\$ 27,477,572
7. Required Contribution Rate (6. / 5.)	18.81%
8. Covered Payroll for Contribution Year (6. x 1.035)	\$ 28,439,105
9. Required Employer Contributions for FY 2010/2011(7. x 8.)	\$ 5,349,396

E. Summary of Major Plan Provisions

Effective Date:	December 8, 1972.
Eligibility:	Regular full-time employment with the City (at least 26 hours per week and 5 months per year), including Elected Officials, Appointees, and Senior Managers.
Earnings:	Basic compensation and regular longevity pay, increased for temporary upgrade pay. Lump sum payment at termination for unused sick leave and vacation time is not included.
Average Monthly Earnings (AME):	Monthly average for the highest completed 78 bi-weekly pay periods during employment times 1.0048.
Credited Service:	Total years and completed months of service from the last date of hire to the date of termination, retirement, death, or disability.

Normal Retirement

Eligibility (Normal Retirement Date):	The earlier of attainment of age 55 with 20 years of Continuous Service, or age 62 with 3 years of Credited Service as a "regular employee" with the City.
Benefit:	2.75% of AME times years of service.
Maximum Benefit:	\$90,000 per year (indexed) at age 62, or 100% of AME (such earnings to exclude picked-up employee contributions per Sec. 414(h)(2), deferred compensation per Sec. 457, and amounts deferred under Sec. 125).
Normal Form of Benefit:	Life annuity to the member.
COLA:	Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Early Retirement

Eligibility:	The attainment of 20 years of Credited Service.
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Benefit:	2.75% of AME times years of service, reduced actuarially to take into account the participant's younger age at retirement and the earlier commencement of benefits. For any current general employee with 18 or more combined years of service with the City as of May 1, 1984, as a general employee, police officer, or firefighter, whose position was eliminated, the accrued pension will not be actuarially reduced.
Normal Form of Benefit:	Life annuity to the member.
COLA:	Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Delayed Retirement

Benefit:	2.75% of AME times years of service at the actual retirement date.
Normal Form of Benefit:	Life annuity to the member.
COLA:	Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

DROP Retirement

Eligibility:	The earlier of attainment of age 55 with 20 years of Continuous Service, or age 62 with 3 years of Credited Service as a "regular employee" with the City.
Benefit:	2.75% of AME times years of service as of the DROP entry date.
Normal Form of Benefit:	Life annuity to the member.
COLA:	Same as Normal Retirement, except that the COLA is first credited and paid on the October 1 following the first anniversary of the date the Member leaves employment (exits DROP).
DROP Period:	The Member may remain in the DROP for any period up to five years.
Contributions:	Member contributions cease when Member enters DROP.
DROP Interest:	DROP account balances are credited at the beginning of each month with interest at $1/12^{\text{th}}$ the rate assumed in the actuarial valuation for that year.

Disability Retirement – Service Incurred

Eligibility:	Members are immediately eligible for a Disability Retirement Benefit where the Disability results from an act occurring in the performance of service with the City of Pompano Beach. Disability Retirement eligibility is forfeited upon entry into the DROP.
Disability Definition:	Total and permanent disablement and unable to earn at least 75% of regular earnings. A member who is eligible for full primary Social Security old age benefits is not eligible.
Benefit:	60% of Earnings.
Normal Form of	Life annuity to the member.

Benefit:

COLA: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Disability Retirement – Non-Service Incurred

Eligibility: Total and permanent disablement, 10 years of service, and unable to be gainfully employed. A member who is eligible for full primary Social Security old age benefits is not eligible.

Disability Retirement eligibility is forfeited upon entry into the DROP.

Benefit: Accrued pension, subject to a minimum of 25% of Earnings.

Normal Form of Benefit: Life annuity to the member.

COLA: Paid annually, on October 1 for retired members (or their beneficiaries) who have been retired for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Pre-Retirement Death Benefit - Basic

Benefit: 1 times annual earnings (payable in monthly installments over four years) plus a refund of contributions with interest. Alternatively, for members eligible for Early or Normal Retirement, or who have a vested benefit whether still actively employed by the City or not, the pension is payable to the beneficiary for 10 years as though retirement occurred on the date of death under Option 2, Ten Year Certain and Life (no reduction for early retirement if death occurs prior to normal retirement).

COLA: Paid annually, on October 1 for beneficiaries who have been receiving payments for at least one year. Increase is 2%. An additional 1% will be payable if either there is a net experience gain for the year, or the City cost for the year is zero after payment of the variable COLA.

Withdrawal – Non-Vested

Eligibility: First day of work, up to the earlier of 10 years of City service or 5 years of Senior Management Service for regular employees only.

Benefit: Accumulated contributions with 3% interest.

Form of Benefit: Lump sum.

Withdrawal – Vested

Eligibility: Regular employees – at least 10 years of service.

Senior Managers – earlier of 10 years of City service and 5 years of Senior Management Service.

Elected Officials and Appointees – at least 5 years of service.

Benefit: A vested benefit deferred to regular normal retirement date. Alternatively, a regular employee or Senior Management participant may withdraw the accumulated contributions and forfeit the deferred vested benefit.

Member Contributions

Contributions: Regular Employees and Senior Managers –10.0% of earnings.

Elected Officials and Appointees – No member contributions. However, the City will make contributions at the same rate that applies to Regular Employees on behalf of these participants. These contributions are not eligible for refund upon termination.

Interest Crediting Rate: 3% per year.

Optional Forms of Payment

Option 1: Joint and last survivor option.

Option 2: Ten-Year Certain and Life option.

Additional Provisions

Reentry Provision: Credit for prior service is granted in full upon repayment of all monies refunded to the member with interest at the assumed interest rate for actuarial purposes.

Second Retirement Provision: Members may retire and return to work as a regular employee. Prior pension payments are continued during the period of reemployment. A second benefit is earned based solely on the second period of employment, provided the employee worked at least three years during the second period of employment.

F. Summary of Actuarial Assumptions and Funding Methods

This actuarial valuation report has been prepared in accordance with generally accepted actuarial principles and practices. The major assumptions and methods used in this valuation are as follows:

Economic Assumptions

Interest:	8.0% per year
Salary Increase – Individual:	Rates varying by service, as follows: 7.5% per year for service up to 10 years, 4.25% per year if service is greater than 10 years.
Salary Increase – Total Payroll:	3.5 % per year (The lesser of 3.5% per year and the average annual growth of total payroll for the prior ten years).
Inflation:	3.5% per year.
Administrative Expenses:	Expenses paid out of the fund, other than investment-related expenses, are assumed to be equal to the average of actual expenses over the previous two years.

Demographic Assumptions

Post-retirement mortality:

- **Service Retirement:** 1983 Group Annuity Mortality for males and females. Life expectancies are shown in Schedule 1.
- **Disability Retirement:** 1983 Group Annuity Mortality set forward for five years for both males and females. Life expectancies are shown in Schedule 1.
- **Spouse:** 1983 Group Annuity Mortality for males and females. Life expectancies are shown in Schedule 1.

Vested Termination:	Rates varying by age and service. Employees who are not vested are assumed to take a refund of their contributions. Employees who terminate after they are vested are assumed to defer their benefit to
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member's normal retirement date.

For employees with less than four years of service, termination rates are shown in the table below.

Years of Service	Probability of Termination
0-1	18%
1-2	12%
2-3	10%
3-4	7%

For employees with four or more years of service, rates are shown in Schedule 2.

Pre-retirement mortality: 1983 Group Annuity Mortality for males and females.

Disability: Rates varying by age. Rates are shown in Schedule 2.

Percentage of Service and Non-Service Disability: Service connected – 20%,
Non-service connected – 80%.

Service Retirement: Rates varying by age. Rates are shown in Schedule 3.

DROP Entry: Of those assumed to retire using the Service Retirement rates, the proportion entering DROP is as shown in the following table.

Age at Retirement	Proportion Entering DROP
Under 55	0%
55-62	70%
Over 62	10%

DROP Period: DROP Participants are assumed to remain in the DROP for a total of five years.

Cost of Living Adjustment: 2.0% per year after retirement or DROP exit.

Percentage Married at Retirement: 100% of active members assumed married at retirement.

Spouse Ages For active members reaching retirement, wives are assumed to be three years younger than husbands.

Actuarial Methods

Funding Method:	Entry Age
Amortization Period:	New Unfunded Actuarial Accrued Liability resulting from plan amendments, changes in assumptions or methods, or actuarial gains and loss are amortized over 30 years as a level percentage of expected payroll based on the plan's assumed rate of investment return.
Actuarial Value of Assets:	The market value of assets is adjusted to recognize, over a five-year period, investment earnings greater than (or less than) the assumed investment return. The resulting Actuarial Value of Assets is limited to no more than 120% of the market value of assets and no less than 80% of the market value of assets. Details are shown in the Asset Information Section of the report.
BSO Required Contribution:	The required contribution for the Broward Sheriff's Office (BSO) is determined by multiplying the total required contribution rate as a percentage of payroll by the payroll for BSO employees, projected to the following year.

Data Sources

Asset Data:	The asset information is taken from audited statements furnished by the Retirement Office, and adjusted to include DROP Accounts as liabilities of the Plan. The DROP Account balances are added to net asset amount shown in the audited statements. The valuation entry for benefits paid during the last year reflects benefit amounts explicitly paid from the Plan (including the payout of DROP Accounts) and does not reflect those paid into members' DROP accounts.
Member Data:	The member data is supplied by the Retirement Office. It is reviewed for reasonableness and consistency, but no audit was performed. Public Pension Professionals is not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Schedule 1
Life Expectancies at Sample Ages
Retirees and Beneficiaries

Age	Male	Female	Age	Male	Female
20	57.90	64.19	70	13.22	17.17
21	56.93	63.20	71	12.58	16.38
22	55.95	62.21	72	11.96	15.61
23	54.97	61.23	73	11.35	14.85
24	53.99	60.24	74	10.77	14.12
25	53.02	59.25	75	10.20	13.42
26	52.04	58.27	76	9.65	12.73
27	51.07	57.28	77	9.12	12.07
28	50.09	56.30	78	8.62	11.44
29	49.12	55.32	79	8.14	10.83
30	48.15	54.34	80	7.68	10.24
31	47.18	53.35	81	7.26	9.68
32	46.21	52.37	82	6.85	9.13
33	45.24	51.39	83	6.47	8.61
34	44.27	50.41	84	6.11	8.11
35	43.31	49.44	85	5.77	7.62
36	42.34	48.46	86	5.45	7.16
37	41.38	47.48	87	5.15	6.70
38	40.42	46.51	88	4.86	6.27
39	39.46	45.53	89	4.58	5.85
40	38.50	44.56	90	4.32	5.45
41	37.55	43.59	91	4.08	5.06
42	36.60	42.62	92	3.84	4.70
43	35.66	41.66	93	3.62	4.35
44	34.72	40.69	94	3.41	4.02
45	33.78	39.73	95	3.20	3.71
46	32.86	38.77	96	3.02	3.41
47	31.94	37.81	97	2.84	3.14
48	31.02	36.86	98	2.66	2.88
49	30.12	35.91	99	2.49	2.64
50	29.23	34.96	100	2.32	2.40
51	28.34	34.02	101	2.15	2.18
52	27.46	33.08	102	1.99	1.98
53	26.59	32.14	103	1.82	1.78
54	25.72	31.21	104	1.65	1.59
55	24.87	30.28	105	1.47	1.41
56	24.02	29.35	106	1.30	1.24
57	23.17	28.43	107	1.13	1.07
58	22.34	27.52	108	0.96	0.91
59	21.51	26.61	109	0.78	0.75
60	20.68	25.71	110	0.54	0.54
61	19.87	24.82	111	0.54	0.54
62	19.07	23.94	112	0.54	0.54
63	18.27	23.06	113	0.54	0.54
64	17.50	22.19	114	0.54	0.54
65	16.73	21.33	115	0.54	0.54
66	15.99	20.48	116	0.54	0.54
67	15.27	19.63	117	0.54	0.54
68	14.56	18.80	118	0.54	0.54
69	13.88	17.98	119	0.54	0.54

Retirees and Beneficiaries – 1983 Group Annuity Mortality for males and females.

Disabled Retirees – same as for retirees, except assume the person is five years older.

Schedule 2

Probability of Leaving Active Service Prior to Retirement
(Number separating at each age per 10,000 working at that age)

Age	Disability	Termination*
20	3	1,071
21	3	1,008
22	3	945
23	3	882
24	3	819
25	3	756
26	3	693
27	3	630
28	3	599
29	3	567
30	3	536
31	3	504
32	3	473
33	3	454
34	3	435
35	3	416
36	4	397
37	4	378
38	4	359
39	5	340
40	6	321
41	7	302
42	8	284
43	9	265
44	10	246
45	11	227
46	12	208
47	14	189
48	16	170
49	19	151
50	21	132
51	25	113
52	29	95
53	34	76
54	39	57
55	45	38
56	50	19
57	57	0
58	63	0
59	70	0
60	81	0
61	93	0
62	107	0
63	122	0
64	140	0
65	0	0
66	0	0
67	0	0
68	0	0
69	0	0
70	0	0

* Termination rates after four years of service. Select rates apply prior to four years of service.

Schedule 3

Probability of Retirement

(Number separating at each age per 10,000 working at that age)

Age

45	700
46	700
47	700
48	700
49	700
50	700
51	700
52	700
53	700
54	700
55	5,000
56	3,000
57	3,000
58	3,000
59	3,000
60	3,000
61	5,000
62	5,000
63	5,000
64	5,000
65	5,000
66	3,000
67	3,000
68	3,000
69	3,000
70	10,000

G. Member Information

Active Participants

	<i>October 1, 2008</i>	<i>October 1, 2009</i>
City and BSO Employees		
Number	494	485
Average Age	45.0	45.8
Average Service	10.2	11.4
Percent Male	68%	68%
Average Annual Pay	\$ 51,163	\$ 52,197
Total Covered Payroll	\$25,274,499*	\$25,315,732**
Total Valuation Payroll	\$25,274,499	\$25,315,732
Elected and Appointed Officials		
Number	8	8
Average Age	58.5	60.3
Average Service	9.8	10.7
Percent Male	63%	63%
Average Annual Pay	\$ 86,988	\$ 67,734
Total Covered Payroll	\$ 695,900	\$ 541,869
Total Valuation Payroll	\$ 664,378	\$ 510,347
Senior Managers		
Number	16	16
Average Age	49.7	49.9
Average Service	7.4	9.9
Percent Male	63%	56%
Average Annual Pay	\$ 102,546	\$ 109,580
Total Covered Payroll	\$ 1,640,733	\$ 1,753,272
Total Valuation Payroll	\$ 1,538,778	\$ 1,651,317

	October 1, 2008	October 1, 2009
Total		
Number	518	509
Average Age	45.3	46.2
Average Service	10.1	11.3
Percent Male	67%	67%
Average Annual Pay	\$ 53,303	\$ 54,245
Total Covered Payroll	\$27,611,132	\$27,610,873
Total Valuation Payroll	\$27,477,655	\$27,477,396

* BSO Payroll for October 1, 2008 is \$2,012,715

** BSO Payroll for October 1, 2009 is \$2,036,007

Terminated Vested Participants

	October 1, 2008	October 1, 2009
Number	20	18
Average Age	48.7	49.7
Percent Male	55%	61%
Average Monthly Benefit	\$ 1,395	\$ 1,343

DROP Participants

	October 1, 2008	October 1, 2009
Number	23	25
Average Age	60.7	60.7
Percent Male	70%	68%
Average Monthly Benefit	\$ 3,275	\$ 3,159
DROP Account Balances	\$ 1,458,826	\$ 2,135,182

Participants Receiving Payments

<i>Service Retirements</i>	<i>October 1, 2008</i>	<i>October 1, 2009</i>
Number	228	230
Average Age	71.2	71.5
Percent Male	66%	67%
Average Monthly Benefit	\$ 1,769	\$ 1,866

<i>Beneficiaries</i>	<i>October 1, 2008</i>	<i>October 1, 2009</i>
Number	38	38
Average Age	66.6	68.4
Percent Male	16%	16%
Average Monthly Benefit	\$ 949	\$ 965

<i>Disabled</i>	<i>October 1, 2008</i>	<i>October 1, 2009</i>
Number	16	16
Average Age	61.8	62.8
Percent Male	88%	88%
Average Monthly Benefit	\$ 1,595	\$ 1,630

<i>Total</i>	<i>October 1, 2008</i>	<i>October 1, 2009</i>
Number	282	284
Average Age	70.0	70.6
Percent Male	61%	61%
Average Monthly Benefit	\$ 1,648	\$ 1,732

Reconciliation of Participants

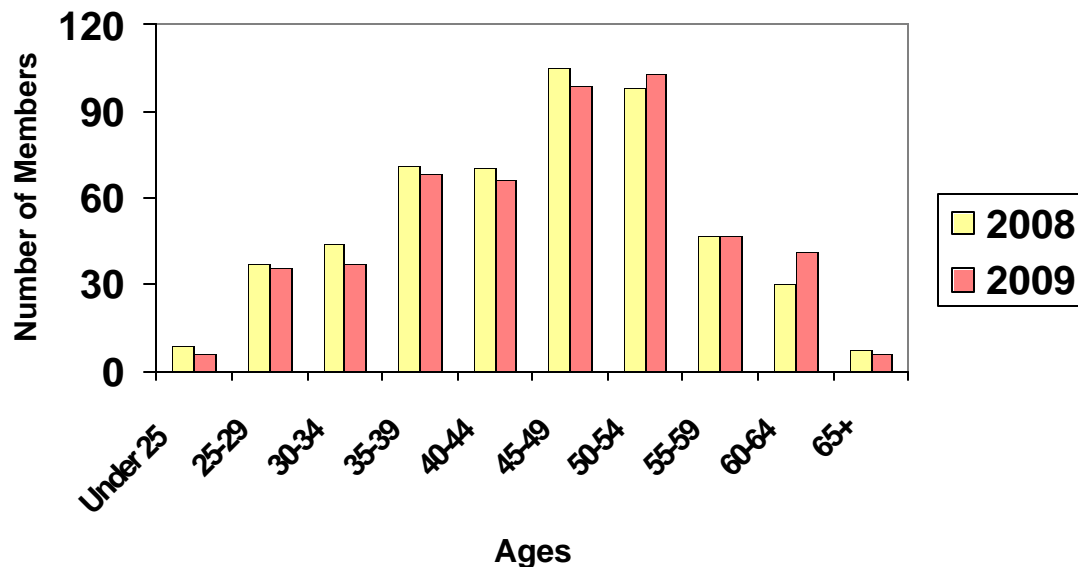
For the Plan Year Ended September 30, 2009

	<u>Actives</u>	<u>Terminated Vested</u>	<u>DROP</u>	<u>Retiree</u>	<u>Beneficiary</u>	<u>Disabled</u>	<u>Total</u>
As of September 30, 2008	518	20	23	228	38	16	843
New Hires	13	-	-	-	-	-	13
Re-hires	3	-	-	-	-	-	3
Terminated Nonvested – Refunded	(15)	-	-	-	-	-	(15)
Vested Terminations - Refunded	-	(1)	-	-	-	-	(1)
Vested Terminations With Deferred Benefit Payable	(1)	1	-	-	-	-	-
Service Retirements	(2)	(2)	(5)	9	-	-	-
Disability Retirements	-	-	-	-	-	-	-
DROP Entries	(7)	-	7	-	-	-	-
Deaths with Beneficiary	-	-	-	(2)	2	-	-
Deaths	-	-	-	(5)	(1)	-	(6)
Payments Ceased	-	-	-	-	(1)	-	(1)
Additional New Beneficiaries	-	-	-	-	-	-	-
As of September 30, 2009	509	18	25	230	38	16	836

Active Members by Age and Service as of October 1, 2009

Service >>	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30+	Total
Age									
Under 25	-	6	-	-	-	-	-	-	6
25-29	4	23	9	-	-	-	-	-	36
30-34	1	12	21	3	-	-	-	-	37
35-39	2	22	23	14	7	-	-	-	68
40-44	3	18	14	10	9	12	-	-	66
45-49	2	26	14	13	17	17	8	2	99
50-54	-	8	18	20	16	21	11	9	103
55-59	2	14	5	7	12	3	4	-	47
60-64	1	14	6	7	8	4	1	-	41
65-69	-	-	2	-	1	1	-	-	4
70 +	-	-	2	-	-	-	-	-	2
Total	15	143	114	74	70	58	24	11	509

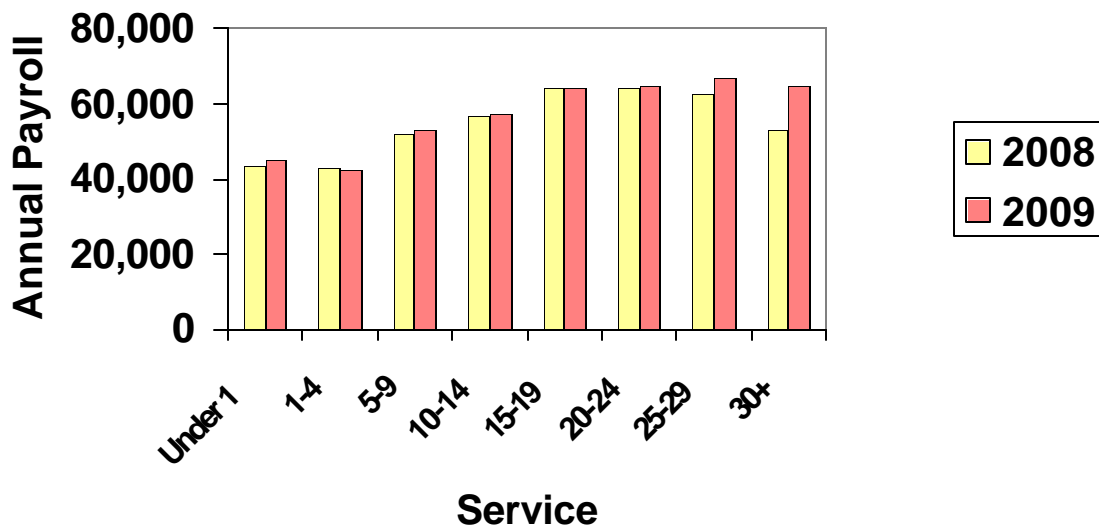
Active Members by Age



Average Annual Compensation for Active Members in Dollars by Age and Service as of October 1, 2008

Service >>	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30+	Total
Age									
Under 25	-	33,916	-	-	-	-	-	-	33,916
25-29	29,798	36,376	42,069	-	-	-	-	-	37,068
30-34	31,336	36,493	48,204	51,173	-	-	-	-	44,191
35-39	44,094	43,807	53,559	56,999	57,236	-	-	-	51,212
40-44	47,695	40,189	51,779	56,812	58,527	57,615	-	-	51,176
45-49	89,923	42,155	54,640	59,301	62,565	62,906	61,541	49,498	55,921
50-54	-	43,472	64,152	60,002	66,664	68,484	61,959	68,318	63,143
55-59	38,510	48,026	55,891	51,527	63,885	65,404	79,582	-	56,823
							112,40		
60-64	33,238	56,666	49,187	58,139	75,288	76,769	6	-	62,206
65-69	-	-	44,093	-	51,044	44,093	-	-	45,830
70 +	-	-	66,739	-	-	-	-	-	66,739
Total	44,793	42,480	53,190	57,543	63,966	64,592	66,859	64,896	54,245

Active Member Pay by Service



H. State Required Exhibits

	10/1/2008	10/1/2009
Participant Data		
a. Active Participants	518	509
b. Retired participants and beneficiaries	266	268
c. Disabled participants receiving benefits	16	16
d. DROP participants	23	25
e. Terminated vested participants	20	18
f. Annual payroll of active participants	\$27,477,655	\$27,477,396
g. Annual benefits payable to those currently receiving benefits	\$5,565,608	\$5,982,334
Assets at Actuarial Value		
1. Actuarial Value	124,869,067	118,954,587
2. Market Value	106,187,212	99,128,822
Liabilities		
1. Actuarial present value of future expected benefit payments for active members		
a) Retirement benefits	\$103,779,756	\$108,056,050
b) Vesting benefits	3,258,610	3,172,348
c) Death benefits	2,818,398	2,846,983
d) Disability benefits	3,816,699	3,876,322
e) Return of Member Contributions	<u>903,736</u>	<u>847,217</u>
f) Total benefits	\$114,577,199	\$118,798,920
2. Actuarial present value of future expected benefit payments for terminated vested members	\$2,779,355	\$2,585,820
3. Actuarial present value of future expected benefit payments for those receiving benefits		
a) Retirees and Beneficiaries	\$54,198,271	\$56,945,089
b) Disability retired	3,703,373	3,718,359
c) DROP Participants	<u>12,593,238</u>	<u>14,172,264</u>
d) Total	\$70,494,882	\$74,835,712
4. Total actuarial present value of future expected benefit payments	\$187,851,436	\$196,220,452

	10/1/2008	10/1/2009
5. Actuarial accrued liabilities	\$152,425,115	\$161,585,123
6. Unfunded actuarial accrued liabilities	27,556,048	42,630,536

Statement of Accumulated Plan Benefits

1. Actuarial present value of accumulated vested plan benefits		
a) Participants currently receiving benefits	\$57,901,644	\$60,663,448
b) Other participants	<u>66,584,171</u>	<u>73,263,533</u>
c) Total	\$124,485,815	\$133,926,981
2. Actuarial present value of accumulated non-vested plan benefits	<u>5,052,562</u>	<u>4,571,615</u>
3. Total actuarial present value of accumulated plan benefits	\$129,538,377	\$138,498,596

Statement of Change in Accumulated Plan Benefits

1. Actuarial present value of accumulated plan benefits as of Beginning of Year	\$122,240,803	\$129,538,377
2. Increase (decrease) during year attributable to:		
a) Plan amendment	494,377	83,391
b) Change in methodology	1,938	0
c) Change in assumptions	(1,190,320)	0
d) Benefits paid	(6,521,687)	(6,309,625)
e) Increase for interest due to decrease in the discount period	9,518,397	10,110,685
f) Other, including benefits accumulated	<u>4,994,869</u>	<u>5,075,768</u>
g) Net increase (decrease)	7,297,574	8,960,219
3. Actuarial present value of accumulated plan benefits as of End of Year	\$129,538,377	\$138,498,596

Required Contributions

Fiscal Year Starting	10/1/2009	10/1/2010
1. Total Employer Normal Cost	\$2,165,026	\$2,175,572
2. Amortization of Unfunded Actuarial Liability	<u>1,827,738</u>	<u>2,749,597</u>
3. Total Minimum Contribution (as of beginning of year)	\$3,992,764	\$4,925,169
4. Interest for Quarterly Payments	<u>196,748</u>	<u>242,694</u>
5. Total Minimum Contribution (paid quarterly)	\$4,189,512	\$5,167,862
6. Covered Payroll for Contribution Year	\$28,439,373	\$28,439,105
7. Required Contributions	\$4,337,004	\$5,349,396
8. Required Contribution Rate	15.25%	18.81%

Disclosure of Following Items:

	10/1/2008	10/1/2009
1. Actuarial present value of future salaries – attained age	\$227,548,094	\$222,366,776
2. Actuarial present value of future employee contributions – attained age*	22,410,027	22,046,929
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	19,567,785	21,946,846
5. Actuarial present value of future salaries and future benefits at entry age	Not provided by software	Not provided by software
6. Actuarial present value of future employee contributions at entry age	Not provided by software	Not provided by software

* Does not include contributions to be made by the City on behalf of Elected Officials and Appointees.

Estimated Salary Increases for the years ending September 30:

Year	Actual	Assumed
2009	2.8%	6.3%
2008	2.4%	6.4%
2007	9.2%	6.1%
2006	6.1%	6.1%
2005	5.1%	6.1%
2004	5.2%	6.3%
2003	6.3%	6.1%
2002	6.0%	6.4%
2001	7.1%	6.0%
2000	6.8%	6.0%
1999	4.3%	6.0%

Average Annual Payroll Growth:

Valuation Date	# Years to 10/1/2009	Total Payroll	Average Annual Increase to 10/1/2009
10/1/2009	—	\$27,610,873	%
10/1/2008	1	27,611,132	0.0
10/1/2007	2	26,825,168	1.5
10/1/2006	3	25,183,705	3.1
10/1/2005	4	24,484,820	3.0
10/1/2004	5	23,757,054	3.1
10/1/2003	6	22,654,890	3.4
10/1/2002	7	22,075,029	3.2
10/1/2001	8	20,758,683	3.6
10/1/2000	9	19,826,738	3.7
10/1/1999	10	19,272,464	3.7

Reconciliation of DROP Balances

	Beginning Balance 10/1/2008	Fiscal Year Monthly Additions	Interest Earned	Distributions	Ending Balance 9/30/2009
Total	\$1,458,826	\$888,372	\$145,292	\$357,307	\$2,135,182

Comparison of Retirement Elections in Year Ended September 30, 2009 versus Eligibility as of October 1, 2008

Age	Eligible for Early Retirement	Eligible for Normal Retirement	Eligible for DROP	Electing Early Retirement	Electing Normal Retirement	Electing DROP
<40						
<41	1					
<42	3					
<43	2					
<44	5					
<45	4					
<46	3					
<47	8					
<48	5					
<49	7					
<50	7					
<51	6					
<52	7					
<53	6					
<54	8					
<55	7					4
<56		1	1			
<57		2	2			
<58						
<59		1	1			
<60		1	1			
<61						
<62		1	1		1	2
<63		6	6			
<64		2	2			1
<65						
<66		2	2			
<67		1	1			
<68		1	1		1	
<69		1	1			
<70						
70+		2	2			
Total	79	21	21	0	2	7

Early Retirement Eligibility: 20 years of service.

Normal Retirement Eligibility: Earlier of (1) age 55 with 20 years of service, or (2) age 62 with 3 years of service.

DROP Eligibility: Same as Normal Retirement Eligibility.

Plan to Amortize Unfunded Liability:

Any unfunded liability arising because of plan amendment will be amortized over a period of 30 years from the valuation date coincident with or immediately following the effective date of the amendment. Any unfunded liability arising because of changes in actuarial assumptions and methods will be amortized over a period of 30 years from date of change. Any unfunded liability arising because of actuarial gains or losses will be amortized over a period of 30 years from date of gain or loss.

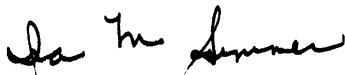
Amortization of Unfunded Actuarial Accrued Liabilities

Date of Origin	Source	Years Left	Original Balance	Current Balance	Amortization Payment
10/1/79	Original	2	\$2,964,494	\$ 692,502	\$ 353,618
10/1/81	Method Change	2	931,067	171,665	87,659
10/1/81	Assumption Change	2	(278,440)	(51,324)	(26,208)
10/1/81	Experience (Gain) Loss	2	330,034	60,848	31,071
10/1/82	Assumption Change	3	(581,783)	(149,399)	(51,934)
10/1/82	Method Change	3	2,400,585	616,465	214,293
10/1/82	Experience (Gain) Loss	3	(708,278)	(181,885)	(63,226)
10/1/83	Experience (Gain) Loss	4	(1,008,056)	(331,412)	(88,215)
10/1/84	Plan Amendment	5	172,128	68,753	14,945
10/1/84	Assumption Change	5	(981,955)	(392,206)	(85,256)
10/1/84	Experience (Gain) Loss	5	436,628	174,390	37,908
10/1/85	Experience (Gain) Loss	6	(630,842)	(279,408)	(51,659)
10/1/86	Assumption Change	7	748,707	362,939	58,697
10/1/86	Experience (Gain) Loss	7	(2,085,244)	(1,010,824)	(163,477)
10/1/87	Method Change	8	1,183,328	651,137	94,018
10/1/87	Plan Amendment	8	410,774	226,029	32,636
10/1/87	Experience (Gain) Loss	8	(3,460,275)	(1,904,025)	(274,923)
10/1/88	Plan Amendment	9	417,435	287,568	37,654
10/1/88	Experience (Gain) Loss	9	1,662,787	1,145,501	149,992
10/1/89	Experience (Gain) Loss	10	(180,749)	(132,571)	(15,936)
10/1/90	Plan Amendment	11	62,149	50,365	5,613
10/1/90	Experience (Gain) Loss	11	(376,257)	(304,846)	(33,977)
10/1/91	Experience (Gain) Loss	12	180,600	158,967	16,562
10/1/92	Assumption Change	13	(806,413)	(751,276)	(73,665)
10/1/92	Plan Amendment	13	(132,092)	(123,061)	(12,067)
10/1/92	Experience (Gain) Loss	13	(248,979)	(231,958)	(22,744)
10/1/93	Experience (Gain) Loss	14	(304,735)	(299,183)	(27,770)
10/1/94	Assumption Change	15	1,260,489	1,325,765	117,069
10/1/94	Plan Amendment	15	91,138	95,859	8,465
10/1/94	Experience (Gain) Loss	15	290,132	305,162	26,947
10/1/95	Assumption Change	16	697,180	744,774	62,835

Date of Origin	Source	Years Left	Original Balance	Current Balance	Amortization Payment
10/1/95	Experience (Gain) Loss	16	\$(1,175,801)	\$ 1,265,428	(102,390)
10/1/96	Assumption Change	17	365,331	412,654	32,128
10/1/96	Experience (Gain) Loss	17	(1,384,333)	(1,563,666)	(121,743)
10/1/97	Assumption Change	18	73,638	93,851	7,052
10/1/97	Experience (Gain) Loss	18	(4,825,881)	(6,150,517)	(462,139)
10/1/98	Experience (Gain) Loss	19	(3,450,637)	(4,066,120)	(295,626)
10/1/99	Experience (Gain) Loss	20	(4,863,161)	(5,477,033)	(386,219)
10/1/00	Assumption Change	21	(10,001,095)	(10,820,471)	(741,621)
10/1/00	Plan Amendment	21	13,628,631	14,745,208	1,010,618
10/1/00	Variable Benefit	20	226,471	243,553	17,174
10/1/00	Experience (Gain) Loss	21	(1,480,206)	(1,607,880)	(110,202)
10/1/01	Variable Benefit	21	280,869	300,904	20,624
10/1/01	Experience (Gain) Loss	22	7,815,513	8,451,600	564,103
10/1/02	Experience (Gain) Loss	23	9,987,004	10,733,580	698,887
10/1/02	Assumption Change	23	1,136,132	1,221,062	79,506
10/1/02	Method Change	23	(5,539,505)	(5,953,608)	(387,653)
10/1/03	Experience (Gain) Loss	24	4,483,179	4,777,051	303,919
10/1/04	Experience (Gain) Loss	25	4,956,483	5,239,740	326,194
10/1/04	Plan Amendment DROP	25	2,820,380	2,981,562	185,614
10/1/04	Plan Amendment Elected Officials / Appointees	25	1,220,245	1,289,981	80,306
10/1/05	Experience (Gain) Loss	26	6,499,4426	6,807,875	415,268
10/1/06	Experience (Gain) Loss	27	(3,577,856)	(3,698,458)	(221,321)
10/1/06	Plan Amendment 2.75% Multiplier	27	6,510,457	6,729,910	402,727
10/1/07	Experience (Gain) Loss	28	343,924	349,974	20,569
10/1/08	Experience (Gain) Loss	29	2,246,447	2,246,447	129,810
10/1/08	Assumption Changes	29	(117,474)	(117,474)	(6,788)
10/1/08	Plan Amendment Senior Managers	29	383,377	383,377	22,153
10/1/09	Experience (Gain) Loss	30	14,709,552	14,709,552	849,986
10/1/09	Plan Amendment Senior Managers	29	134,409	134,409	7,900
TOTAL				\$42,630,536	\$2,749,597

Certification

This actuarial valuation and 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, 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.



Ira M. Summer, F.S.A, E.A.
Public Pension Professionals, Inc.
Enrollment Number 08-4683

January 2010

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