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Public Pension
Professionals, Inc.

City of Pompano Beach General Employees' Retirement System

Actuarial Valuation as of October 1, 2007

This Valuation Report determines the
Annual Required Contribution for the
Plan Year and Fiscal Year
October 1, 2008 through September 30, 2009

January 2008

Table of Contents

Section 1 Highlights

This report presents the results of the October 1, 2007 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, 2007	October 1, 2008
City	$ 3,123,630	$ 3,413,095
Broward Sheriff's Office	291,920	291,598
Total	$ 3,415,550	$ 3,704,693
Percentage of Payroll	13.22%	13.41%

Funded Status

Valuation Date	October 1, 2006	October 1, 2007
Actuarial Accrued Liability	$131,559,639	$143,587,103
Actuarial Value of Assets	$107,334,005	$118,772,822
UAAL	$ 24,225,633	$ 24,814,281
Funded Percentage	81.6%	82.7%

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	4.0% — 11.0%	4.0% — 11.0%
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, 2007 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, 2008 through September 30, 2009. 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, 2007, the Retirement Plan's asset allocation was:

Stocks	65%
Corporate Bonds	17%
Government Bonds	4%
Real Estate	10%
Cash & Equivalents	4%

According to Ibbotson Associates, the returns for the major asset classes for the 12-month period ended September 30, 2007 were:

Large Company Stocks	16.44%
Small Company Stocks	11.56%
Long-term Corporate Bonds	2.00%
Long-term Government Bonds	4.12%
Intermediate-term Government Bonds	6.32%
Treasury Bills	4.97%

These returns were sufficient to allow many pension funds to exceed their assumed rate of return for the year. On a market value basis, the Plan investments achieved a return of approximately 15.1% for the fiscal year 2006-2007, resulting in a $7.8 million gain to the Plan on a market value basis.

Under the asset smoothing method employed, a portion of this gain has been deferred to future years and the gains from prior years are still being recognized over a 5-year period to smooth out market fluctuations. The net result produced a $2.5 million gain in the actuarial value of assets due to their 10.3% investment return in comparison to the expected 8.0% return.

Detailed information regarding plan investments is shown in the Asset Information subsection in the Technical Information section of the report.

Demographics

The number of active members increased from 508 to 512. The average pay for employees included in the valuation increased by 5.7%. This caused the total covered payroll to increase by 6.5% from $25.2 million to $26.8 million.

The DROP continues to be popular. The number of members enrolled in DROP increased from 18 to 21. The total amount of DROP balance increased from $1.1 million to almost $1.6 million.

The number of retired members and beneficiaries receiving pension checks increased from 262 to 271. The average monthly benefit check went from $1,453 to $1,541 (an increase of 6.1%).

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, 2005 actuarial valuation for the Fiscal Year beginning October 1, 2006 (as adjusted to reflect the benefit change that was made during that fiscal year) was more than the contribution rate determined in the October 1, 2006 actuarial valuation (for the Fiscal Year beginning October 1, 2007) there was an actuarial gain due to contribution timing. Over time, these gains and losses are expected to balance out.

Benefits

Since the last valuation, there were some minor changes to the retirement plan provisions that did not have any material impact on the current valuation results. This included changes in the provisions regarding military buy-backs, rollovers and maximum benefit payable from the plan. To the extent that any participant is affected by these changes in the future, we will reflect the impact on the Plan's UAAL and the City's contribution rate at that time.

Subsequent to the valuation date, the City adopted an ordinance that will allow Senior Management Employees currently excluded from this Plan to elect to join the plan. This change will be reflected in the next actuarial valuation based on the actual election choices of those employees and any additional employees who are hired into those positions.

While reviewing the provisions of the latest ordinance, Plan Counsel took a more in depth look at the rules affecting disability benefits for Elected and Appointed Officials. While we had assumed in the prior valuation that Elected and Appointed Officials would be eligible for a Non-Service Incurred Disability Benefit when they became vested after five years of service, Plan Counsel now believes that the Plan language provides that these Officials do not become eligible for this benefit until they attain ten years of service. We have recognized this interpretation in this valuation report. No actual benefit payments were affected by this change in interpretation, and the impact on the valuation results were not material (the Present Value of Benefits was reduced by less than 0.01%).

Assumptions and Methodology

The assumed payroll growth under State law for amortizing the unfunded accrued liability must be limited to the average growth of total payroll for the prior ten years. When the average growth of total payroll during the most recent ten-year period is less than the Plan's inflation assumption, we are required to re-amortize the outstanding balances each year. This year, the average payroll growth for the ten year period ending at the valuation date increased to 3.6%, just above the assumed inflation rate of 3.5%. This allowed us to adjust the assumed rate of increase for this purpose from 3.4% (used in the prior valuation) to 3.5% to match the long term assumption for payroll growth.

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.

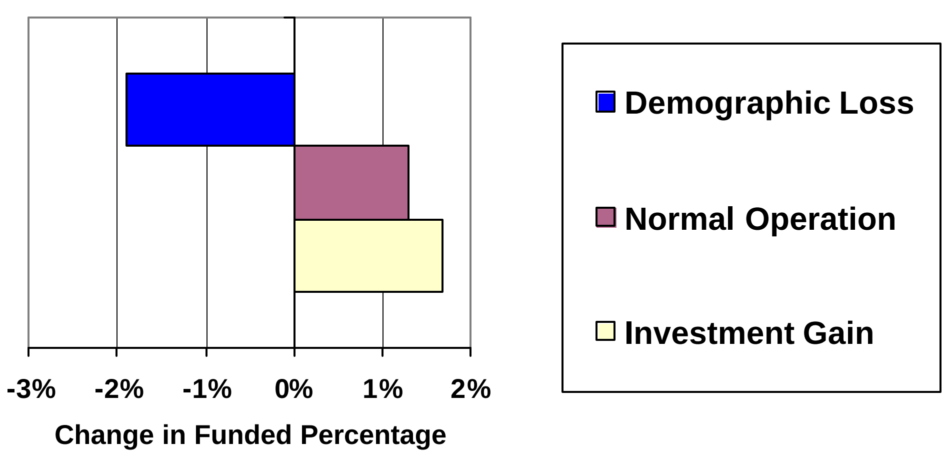
The Plan's funded percentage is 82.7%. It is calculated by dividing the Actuarial Value of Assets ($118.8 million) by the Actuarial Accrued Liability ($143.6 million).

Impact of Major Events

The funded percentage increased from 81.6% in 2005 to 82.7% in 2007. This decrease can be attributed primarily to the following events.

- Normal operation of plan increased the funded percentage by 1.3%.
- Demographic losses decreased the funded percentage by 1.9%.
- Investment gains increased the funded percentage by 1.7%.

Impact of Major Events on Funded Percentage



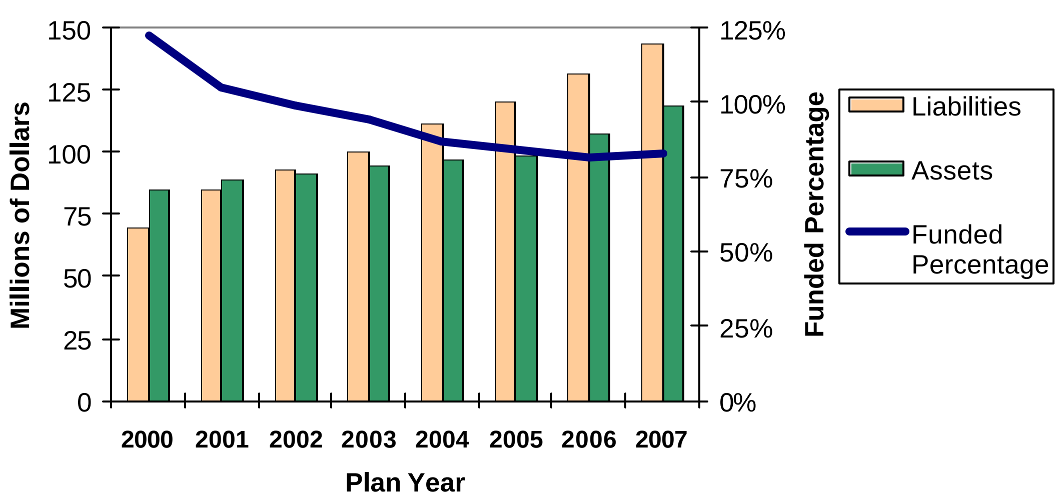
History of Funded Position

With this valuation, the funded percentage halted the 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.

As of September 30	Actuarial Accrued Liability (in $Millions)	Actuarial Value of Assets (in $Millions)	Funded Percentage
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%
2001	85.0	89.3	105.1%
2000	69.6	85.4	122.8%

Background information on the development of these funded percentages is included in the Technical Information section later in this report. Information in the above schedule for Plan Years ended September 30, 2001 and before is based on information prepared by Gabriel, Roeder, Smith & Company.

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. This happened in the past valuation with the recommended changes in the rates of retirement.
- **Methodology Changes** – Every few years, the actuary recommends a refinement in its actuarial methodology. An example of this would be the change in the actuarial value of assets recommended in the 2002 valuation.
- **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.

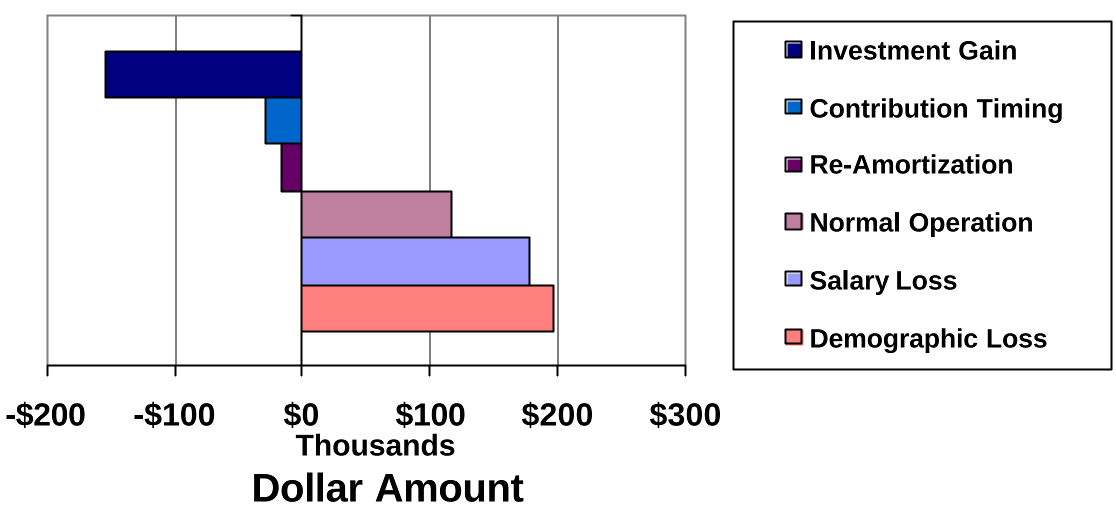
The amount that the funding is off target is added to the NC (when behind target) or reduced from the NC (when ahead of target) over a 30-year period. The payments are similar to a mortgage, in that they are paid a little at a time over a long period. The payments differ from a standard mortgage because 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 $3.4 million for Fiscal Year 2007-2008 to $3.7 million for Fiscal Year 2008-2009. This increase can be attributed primarily to the following events:

- Normal operation of the contribution methodology increased the required contribution by $ 117,000.
- Contribution timing, due to the one-year delay between valuation and contribution, decreased the required contribution by $ 29,000.
- Investment gains decreased the required contribution by $ 155,000.
- Re-amortization of outstanding bases due to average payroll increases previously being less than assumed decreased the ongoing required contribution by $ 17,000.
- Salary increases greater than assumed in the prior valuation increased the contribution rate by $175,000.
- Other differences, which were primarily differences between actual demographic experience and valuation assumptions, increased the required contribution by $ 198,000.

Impact of Major Events on Employer Contribution

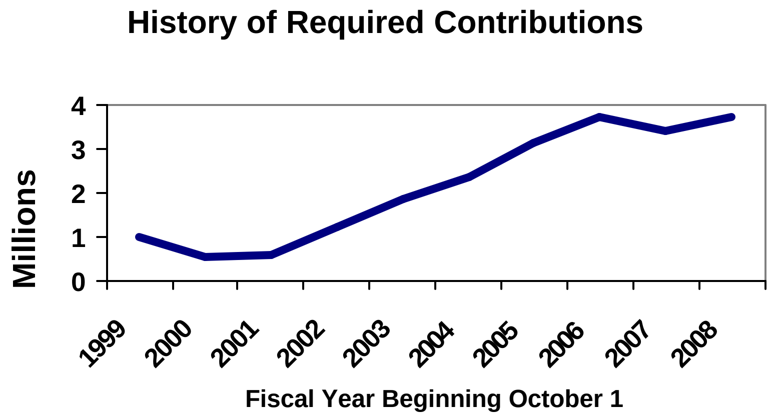


History of Required Contributions

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 rate 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. The contribution amount increased again for the coming fiscal year due to salary increases and other demographic losses offsetting the continued investment gains.

Fiscal Year Beginning October 1	Required Contribution
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
2000	547,272
1999	986,565

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



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))
10/1/07	$118,773	$143,587	$24,814	82.7%	$26,692	92.96%
10/1/06	107,334	131,560	24,226	81.6%	24,963	97.05%
10/1/05	98,980	120,076	21,096	82.4%	22,405	94.16%
10/1/04	96,736	111,252	14,516	87.0%	21,875	66.36%
10/1/03	94,742	100,282	5,540	94.5%	22,655	24.45%
10/1/02	91,710	92,831	1,121	98.8%	22,075	5.08%
10/1/01	89,323	85,000	(4,323)	105.1%	20,759	(20.83)%
10/1/00	85,435	69,598	(15,837)	122.8%	19,827	(79.88)%
10/1/1999	77,718	63,903	(13,815)	121.6%	19,272	(71.68)%

*Dollar values are in thousands.

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

B. Schedule of Employer Contributions

Fiscal Year Ended September 30	Annual Required Contribution (ARC)	Percentage Contributed
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%
1999	1,209,478	100%
1998	1,395,552	100%

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, 2007
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*	4.0 – 11.0% varying by service
*** Includes inflation at**	3.5%
Cost of living adjustments	2.0%

C. Development of Net Pension Obligation

	Year Ended September 30, 2007	Year Ended September 30, 2006	Year Ended September 30, 2005
1. Beginning of year NPO	$ (126,940)	$ (122,617)	$ (118,844)
2. City Contributions	4,064,240	3,144,061	2,341,224
3. Pension Cost	3,729,853	3,139,738	2,337,451
4. End of year NPO (1-2+3)	$ (461,327)	$ (126,940)	$ (122,617)

D. Schedule of Employer Cost

Fiscal Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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)
2000	990,894	101%	(114,566)

The Annual Pension Costs for the years beginning October 1, 2005 through 2007 are developed as follows:

	Year Beginning October 1, 2007	Year Beginning October 1, 2006	Year Beginning October 1, 2005
1. Annual Required Contribution	$3,732,673	$3,142,462	$2,340,092
2. Interest on NPO	(10,155)	(9,809)	(9,508)
3. Amortization of NPO	(7,335)	(7,085)	(6,867)
4. Annual Pension Cost (1 + 2 - 3)	$3,729,853	$3,139,738	$2,337,451

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

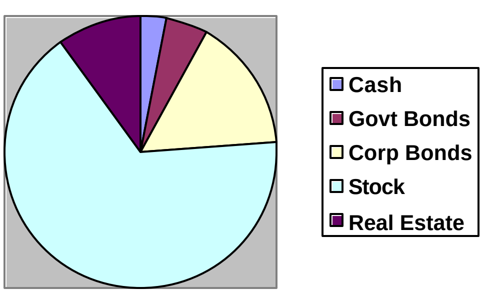
Comparative Statement of Plan Net Assets at Market Value

	September 30, 2006		September 30, 2007	
	$	**%**	**$**	**%**
Cash and Cash Equivalents	$ 2,799,233	3%	$ 4,935,913	4%
Government Bonds	5,444,751	5%	4,769,265	4%
Corporate Bonds	18,066,106	16%	22,068,853	17%
Common Stock	71,834,988	66%	81,967,860	65%
Real Estate	11,165,552	10%	12,789,781	10%
Net Receivables and Other	251,526	0%	(9,443)	0%
Net Assets	$109,562,156	100%	$126,522,229	100%

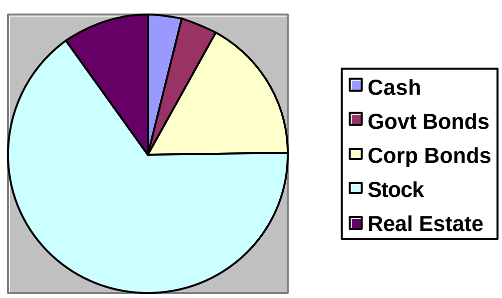
Percentages may not add to 100% due to rounding.

Asset Allocation

September 30, 2006



September 30, 2007



Development of Actuarial Value of Assets

Development of Asset Gain (Loss) for the Plan Year Ended September 30, 2007

1. a. Total Market Value of Assets - Beginning of Year	$ 109,562,156
b. Supplemental Death Benefit Fund – Beginning of Year	312,642
c. Valuation Market Value of Assets – Beginning of Year = (a) – (b)	109,249,514
2. Expected Interest on Assets	8,739,961
3. Contributions	6,246,138
4. Benefit Payments	(5,376,897)
5. Administrative Expenses	(482,702)
6. Interest on items (3), (4) and (5)	15,164
7. Expected Value of Assets at End of Year	118,391,178
8. a. Actual Market Value of Assets – End of Year	126,522,229
b. Supplemental Death Benefit Fund – End of Year	337,780
c. Valuation Market Value of Assets – End of Year = (a) – (b)	126,184,449
9. Gain (Loss) for Plan Year = (8c) - (7)	$ 7,793,271

Development of Actuarial Value of Assets as of September 30, 2007

1.	a.	Total Market Value of Assets as of 9/30/2007				$	126,522,229
	b.	Less Supplemental Death Benefit Fund					337,780
	c.	Valuation Market Value of Assets as of 9/30/2007 = a – b					126,184,449
2.		Phase-In Gains (Losses) Over Five Year Period					
				Original Gain (Loss)	**Percent Unrecognized**		**Unrecognized Gain (Loss)**
	a.	Year Ending 9/30/2007	$	7,793,271	80%	$	6,234,617
	b.	Year Ending 9/30/2006		856,183	60%		513,710
	c.	Year Ending 9/30/2005		1,051,286	40%		420,514
	d.	Year Ending 9/30/2004		1,213,929	20%		242,786
	e.	Total				$	7,411,627
3.		Preliminary Actuarial Value of Assets as of 9/30/2007 = 1.c. – 2.e.				$	118,772,822
4.		Corridor Around Market Value					
	a.	Minimum = 80% of Market Value of Assets				$	100,947,559
	b.	Maximum = 120% of Market Value of Assets				$	151,421,339
	c.	Corridor Adjustment to Preliminary Actuarial Value				$	0
5.		Actuarial Value of Assets as of 9/30/2007 (3. + 4.c.)				$	118,772,822

Reconciliation of Assets for the Year Ended September 30, 2007

	Market Value	Actuarial Value
Beginning of Year	**$109,562,156**	**$107,334,005**
Contributions		
Employee Regular	$ 2,181,898	
City	3,587,520	
County	476,720	
Total	$ 6,246,138	$ 6,246,138
Benefit Payments		
Retirement Benefits	$ (5,009,768)	
Refunds	(367,129)	
Total	$ (5,376,897)	$ (5,376,897)
Investment Income		
Interest & Dividends	$ 3,379,301	
Realized/Unrealized Gains / Losses	13,658,310	
Investment Expenses	(569,451)	
Other Income	105,374	
Net Investment Income	$ 16,573,534	$ 11,052,278
Administrative Expenses	$ (482,702)	$ (482,702)
End of Year	**$126,522,229**	**$118,772,822**
Estimated Return (net of investment expenses)	15.1%	10.3%

The market value of assets includes DROP account balances and the balance of the Supplemental Death Benefit Fund. The balance of the Supplemental Death Benefit Fund is excluded from the Actuarial Value of Assets.

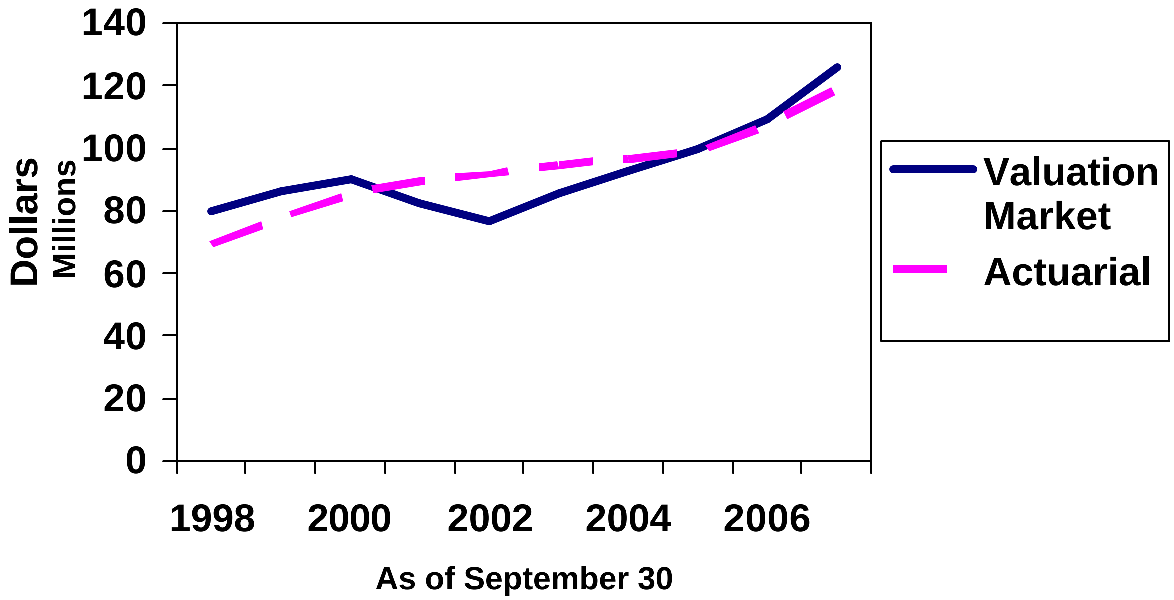
Historical Asset Values

Asset Values as of September 30

Year	Valuation Market Value	Actuarial Value
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
1999	86,375,224	77,718,464
1998	79,786,167	69,380,544

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



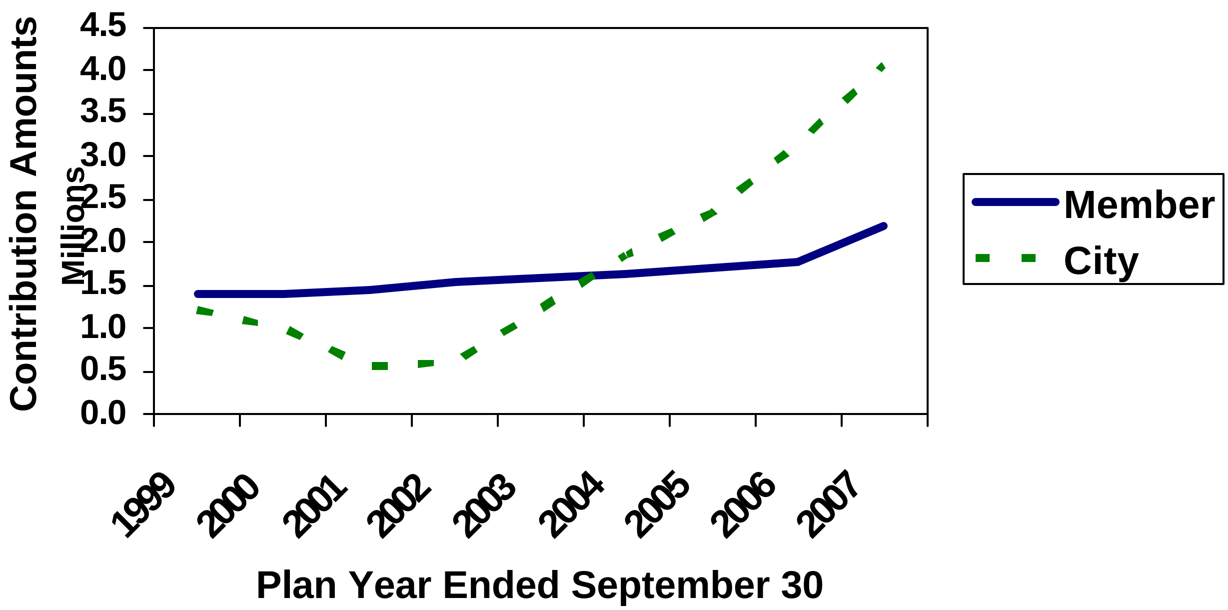
Historical Contribution Amounts

Contribution Amounts for the Plan Years ended September 30

Year	Member Contributions	City and County
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
2000	1,395,315	998,477
1999	1,393,005	1,209,478

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

Comparison of Contribution Amounts



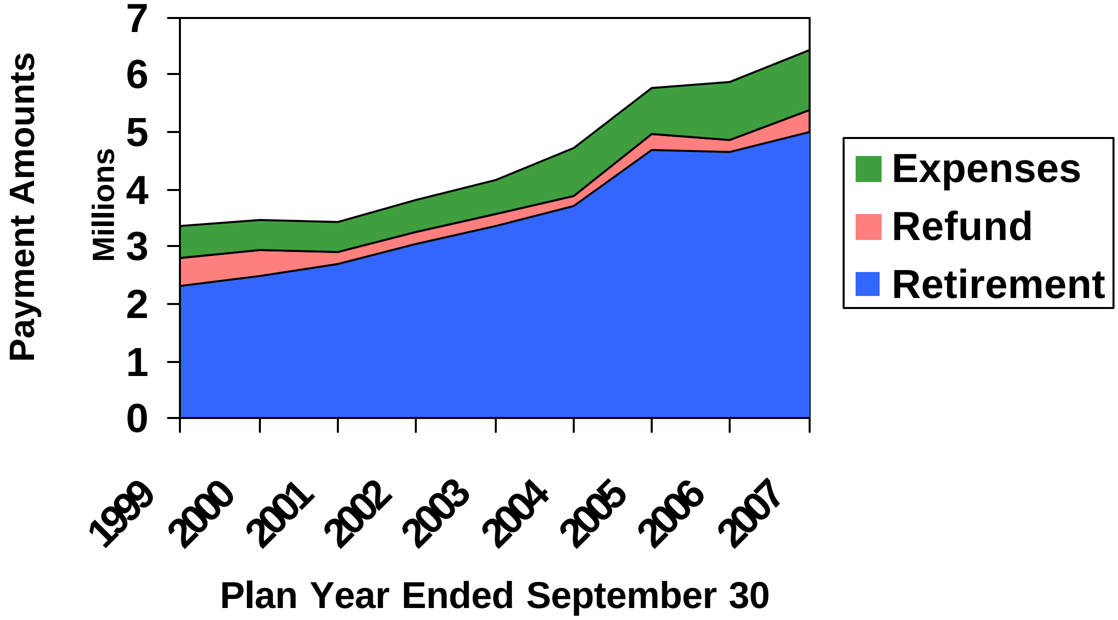
Historical Payment Amounts

Payment Amounts for the Plan Years ended September 30

Year	Retirement Benefits	Refunds	Administrative Expenses	Investment Expenses
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
2000	2,506,031	443,770	152,086	368,431
1999	2,322,668	476,886	183,558	365,211

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

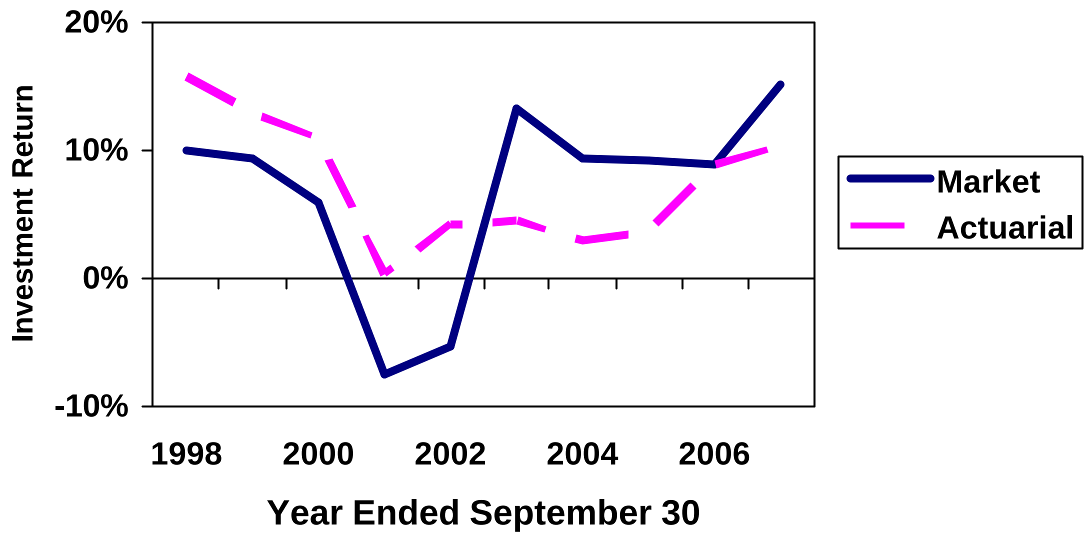


Historical Rates of Investment Return

Estimated Investment Return for the Year Ended September 30

Year	Market Value	Actuarial Value	Assumed Return
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%
1999	9.3%	12.9%	8.0%
1998	10.0%	15.7%	8.0%

Comparison of Investment Return



The estimated rates of investment return for the years 1998 through 2001 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

	October 1, 2006	October 1, 2007
1. Active Members		
a. Service Retirement Benefits	$ 85,054,129	$ 91,760,674
b. Deferred Vested Benefits	5,493,875	5,558,112
c. Death Benefits	2,269,995	2,412,518
d. Disability Benefits	5,949,699	6,367,163
e. Return of Member Contributions	1,139,687	1,229,513
f. Total Liability	$ 99,907,385	$ 107,327,980
2. Vested Terminated Members	$ 2,850,455	$ 3,115,037
3. Current Retirees and Beneficiaries		
a. Retirees and Beneficiaries	$ 44,901,991	$ 48,788,151
b. Disabled	2,555,076	3,158,622
c. DROP	8,101,966	10,547,205
d. Total Liability	$ 55,559,033	$ 62,493,978
4. All Members	$ 158,316,873	$ 172,936,995

Actuarial Accrued Liability

	October 1, 2006	*October 1, 2007*
1. Active Members		
a. Service Retirement Benefits	$ 66,733,583	$ 71,372,497
b. Deferred Vested Benefits	2,571,706	2,522,829
c. Death Benefits	1,409,641	1,469,405
d. Disability Benefits	3,619,014	3,806,628
e. Return of Member Contributions	(1,183,793)	(1,193,271)
f. Total Liability	$ 73,150,151	$ 77,978,088
2. Vested Terminated Members	$ 2,850,455	$ 3,115,037
3. Current Retirees and Beneficiaries		
a. Retirees and Beneficiaries	$ 44,901,991	$ 48,788,151
b. Disabled	2,555,076	3,158,622
c. DROP	8,101,966	10,547,205
d. Total Liability	$ 55,559,033	$ 62,493,978
4. All Members	$131,559,639	$143,587,103

Normal Cost

	October 1, 2006	***October 1, 2007***
a. Service Retirement Benefits	$ 2,466,821	$ 2,723,577
b. Deferred Vested Benefits	394,365	415,260
c. Death Benefits	113,691	123,052
d. Disability Benefits	312,298	336,123
e. Return of Member Contributions	313,947	330,056
f. Preliminary Normal Cost	$ 3,601,122	$ 3,928,068
g. Administrative Expense		
Two Years Ago	$ 387,998	$ 425,926
Prior Year	$ 425,926	$ 482,702
Average	$ 406,962	$ 454,314
h. Total Normal Cost		
- Dollars	$ 4,008,084	$ 4,382,382
- As a percent of payroll	16.06%	16.42%
i. Expected Member Contribution	$ 2,430,587	$ 2,595,878
j. Employer Normal Cost		
- Dollars	$ 1,577,497	$ 1,786,504
- As a percent of payroll	6.32%	6.69%
Payroll for Non-elected Officers	$24,305,874	$25,958,779
Payroll for Elected Officers	656,671	733,344
Total Payroll	$24,962,545	$26,692,123

Changes in Normal Cost Rate

As of Prior Valuation		**6.32%**
Changes in Normal Cost Rate due to:		
Demographic Experience and Miscellaneous Losses	0.37%	
Total Changes	**0.37%**	
As of Current Valuation		**6.69%**

C. Funded Percentage

Derivation of Funded Percentage

	September 30, 2006	September 30, 2007
1. Actuarial Accrued Liability	$ 131,559,639	$ 143,587,103
2. Actuarial Value of Assets	(107,334,005)	(118,772,822)
3. Unfunded Actuarial Accrued Liability	$ 24,225,633	$ 24,814,281
4. Funded Percentage	81.6%	82.7%

Changes in Funded Percentage

Development of Funded Percentage

	Valuation Date	Liabilities	Assets	Funded Percentage
Prior Valuation Report	10/1/2006	131,559,639	107,334,005	81.6%
Expected Results	10/1/2007	140,323,666	116,322,429	82.9%
Actual Assets	10/1/2007	140,323,666	118,772,822	84.6%
Actual Liabilities	10/1/2007	143,587,103	118,772,822	82.7%

Changes in Funded Percentage

As of Prior Valuation		**81.6%**
Changes in Funded Status due to:		
Normal Operation of Plan	1.3%	
Investment (Loss) Gain	1.7%	
Demographic (Loss) Gain	(1.9)%	
Total Changes	**1.1%**	
As of Current Valuation		**82.7%**

Gains and Loss for the Plan Year Ended September 30, 2007

1. Unfunded Actuarial Accrued Liability - Previous Year	$ 24,225,633
2. Interest for a full year on (1)	1,938,051
3. Total Normal Cost (including Administrative Expenses) - Previous Year	4,008,084
4. Interest for a full year on (3)	320,647
5. Contributions (All Sources) - Previous Year	6,246,138
6. Interest for a half year on (5)	249,846
7. Expected Unfunded Actuarial Liability	$ 23,996,432
8. Actual Unfunded Actuarial Liability	$ 24,814,281
9. Allocation of (Gain) Loss for the year	
a. (Gain) Loss due to changes in assumptions and methods	
i. Assumption changes	$ 0
ii. Method changes	0
iii. Plan changes	0
iv. Total due to changes in plan, assumptions, and methods	$ 0
b. (Gain) Loss due to plan experience	
i. Due to investment experience	$ (2,450,393)
ii. Due to demographic and other experience	3,268,242
iii. Due to contribution timing	(473,925)
iii. Total due to plan experience	$ 343,924
c. Total (Gain) Loss to be Amortized	$ 343,924

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.

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)

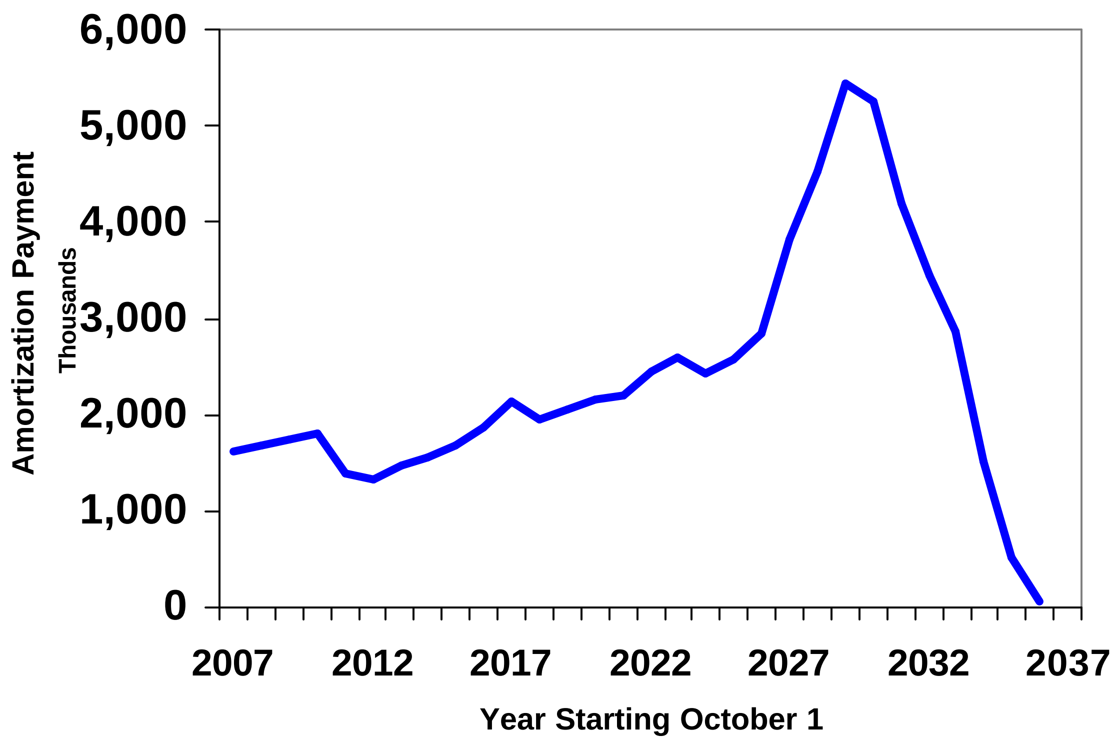
Note: Interest adjustments and amortization charges for plan years ending prior to 2002 are estimated from reports prepared by the prior actuary.

Projected Amortization Schedule

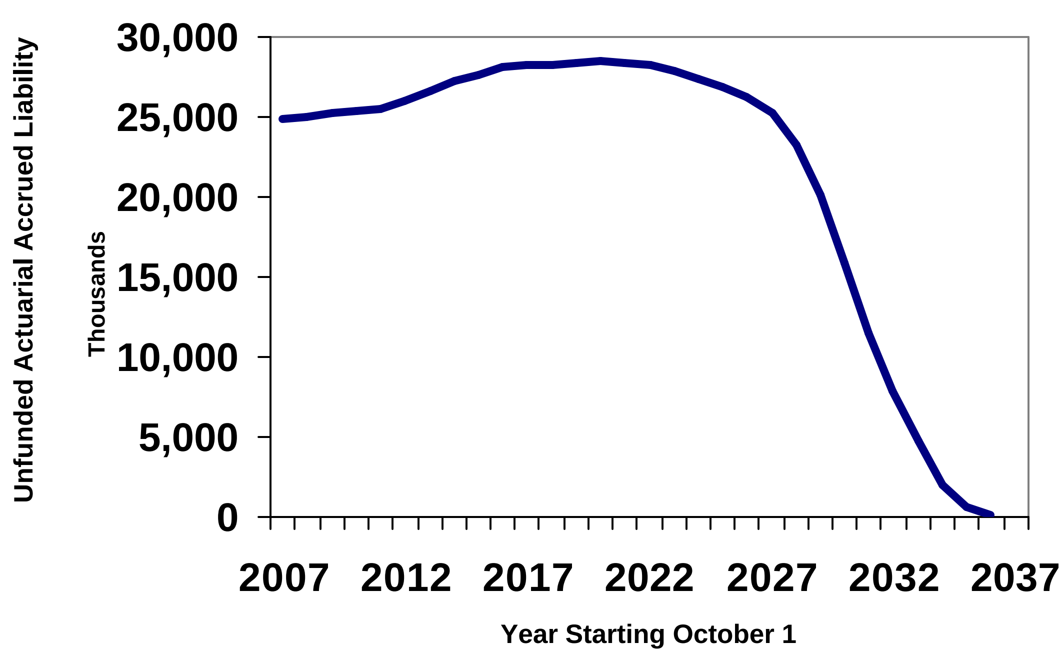
Plan Year Beginning October 1	Unfunded Actuarial Accrued Liability	Amortization Payment
2007	24,814,281	1,625,670
2008	25,043,704	1,682,564
2009	25,230,031	1,741,454
2010	25,367,663	1,802,405
2011	25,450,479	1,387,573
2012	25,987,938	1,326,227
2013	26,634,649	1,473,873
2014	27,173,637	1,563,943
2015	27,658,470	1,682,184
2016	28,054,389	1,874,369
2017	28,274,421	2,135,214
2018	28,230,344	1,954,204
2019	28,378,231	2,045,080
2020	28,439,803	2,158,068
2021	28,384,274	2,208,574
2022	28,269,756	2,455,526
2023	27,879,369	2,586,421
2024	27,316,384	2,421,488
2025	26,886,487	2,581,041
2026	26,249,882	2,837,836
2027	25,285,010	3,812,066
2028	23,190,779	4,533,722
2029	20,149,621	5,452,424
2030	15,872,973	5,260,827
2031	11,461,117	4,200,480
2032	7,841,489	3,455,307
2033	4,737,077	2,858,008
2034	2,029,395	1,509,750
2035	561,216	511,314
2036	53,895	53,895
2037	-	-

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, 2008

1.	Total Employer Normal Cost	$ 1,786,504
2.	Amortization of Unfunded Actuarial Liability	1,625,670
3.	Total Minimum Contribution as of 10/1/2007 (1. + 2.)	$ 3,412,174
4.	Interest for Quarterly Payments (3. x (1.08^(5/8) – 1))	168,139
5.	Total Minimum Contribution (paid quarterly) (3. + 4.)	$ 3,580,313
6.	Covered Payroll as of Valuation Date	$ 26,692,123
7.	Required Contribution Rate (6. / 5.)	13.41%
8.	Covered Payroll for Contribution Year (6. x 1.035)	$ 27,626,347
9.	Required Employer Contributions for FY 2008/2009 (7. x 8.)	$ 3,704,693

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 and Appointees.
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. This is a change from 2.50% in the prior valuation.
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.
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 1/12th 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.

Pre-Retirement Death Benefit - Supplemental

Benefit: Optional for Members as of December 8, 1972, to be funded by additional employee payroll deductions. Amount may be up to that under Prior Plan, but not to exceed $40,000. Coverage terminates on 62nd birthday. Payable in monthly installments over four years.

Withdrawal – Non-Vested

Eligibility: First day of work, up to 10 years of service, 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.

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

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

Member Contributions

Contributions:	Regular Employees –10.0% of earnings for the year beginning October 1, 2007 and thereafter. 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: 11.0% per year for service up to four years, 5.75% per year for the next thirteen years of service, and 4.0% per year if service is greater than seventeen 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. Rates are shown in Schedule 2. Benefits are assumed to be deferred to member's normal retirement date.

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 2, and have been revised from the prior valuation.

DROP Entry: Of those assumed to retire using the Service Retirement rates, 50% are assumed to retire immediately and 50% are assumed to enter DROP.

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 directly from audited statements furnished by the Retirement Office.

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

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

Age	Disability	Termination	Retirement
20	5	2,380	0
21	5	2,240	0
22	5	2,100	0
23	5	1,960	0
24	5	1,820	0
25	5	1,680	0
26	6	1,540	0
27	6	1,400	0
28	6	1,330	0
29	6	1,260	0
30	6	1,190	0
31	6	1,120	0
32	6	1,050	0
33	7	1,008	0
34	7	966	0
35	7	924	0
36	7	882	0
37	7	840	0
38	8	798	0
39	10	756	0
40	12	714	0
41	14	672	0
42	16	630	0
43	17	588	0
44	20	546	0
45	22	504	700
46	25	462	700
47	28	420	700
48	32	378	700
49	37	336	700
50	43	294	700
51	50	252	700
52	58	210	700
53	67	168	700
54	78	126	700
55	89	84	4,000
56	101	42	4,000
57	113	0	4,000
58	126	0	4,000
59	140	0	4,000
60	161	0	5,000
61	186	0	5,000
62	213	0	5,000
63	245	0	3,000
64	280	0	3,000
65	0	0	3,000
66	0	0	3,000
67	0	0	3,000
68	0	0	3,000
69	0	0	3,000
70	0	0	10,000

G. Member Information

Active Participants

	October 1, 2006	October 1, 2007
City and BSO Employees		
Number	499	502
Average Age	44.5	44.9
Average Service	10.9	10.7
Percent Male	68%	67%
Average Annual Pay	$ 49,093	$ 51,914
Total Covered Payroll	$24,497,608*	$26,060,854**
Total Valuation Payroll	$24,305,874	$25,958,779
Elected and Appointed Officials		
Number	9	10
Average Age	60.4	59.0
Average Service	12.0	10.4
Percent Male	56%	60%
Average Annual Pay	$ 76,233	$ 76,431
Total Covered Payroll	$ 686,097	$ 764,314
Total Valuation Payroll	$ 656,671	$ 733,344
Total		
Number	508	512
Average Age	44.8	45.2
Average Service	10.9	10.7
Percent Male	68%	67%
Average Annual Pay	$ 49,574	$ 52,393
Total Covered Payroll	$25,183,705	$26,825,168
Total Valuation Payroll	$24,962,545	$26,692,123

* BSO Payroll for October 1, 2006 is $2,133,499
** BSO Payroll for October 1, 2007 is $2,100,949

Terminated Vested Participants

	October 1, 2006	***October 1, 2007***
Number	20	20
Average Age	47.6	48.0
Percent Male	60%	60%
Average Monthly Benefit	$ 1,445	$ 1,551

DROP Participants

	October 1, 2006	***October 1, 2007***
Number	18	21
Average Age	60.6	60.6
Percent Male	72%	81%
Average Monthly Benefit	$ 2,647	$ 2,862
DROP Account Balances	$1,062,380	$ 1,614,338

Participants Receiving Payments

Service Retirements	***October 1, 2006***	***October 1, 2007***
Number	207	218
Average Age	70.9	71.2
Percent Male	67%	65%
Average Monthly Benefit	$ 1,579	$ 1,656

Beneficiaries	***October 1, 2006***	***October 1, 2007***
Number	41	38
Average Age	71.5	71.1
Percent Male	26%	13%
Average Monthly Benefit	$ 879	$ 914

Disabled	***October 1, 2006***	***October 1, 2007***
Number	14	15
Average Age	60.9	61.3
Percent Male	93%	86%
Average Monthly Benefit	$ 1,271	$ 1,465

Total	***October 1, 2006***	***October 1, 2007***
Number	262	271
Average Age	70.4	70.7
Percent Male	62%	59%
Average Monthly Benefit	$ 1,453	$ 1,541

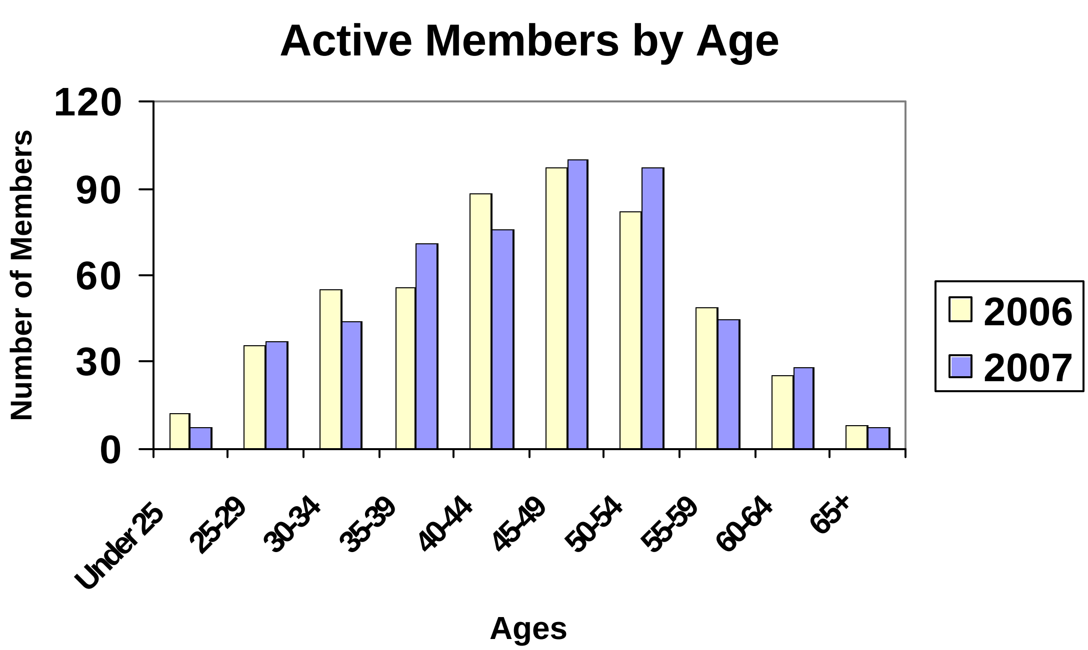
Reconciliation of Participants

For the Plan Year Ended September 30, 2007

	Actives	Terminated Vested	DROP	Retiree	Beneficiary	Disabled	Total
As of September 30, 2006	**508**	**20**	**18**	**207**	**41**	**14**	**808**
New Hires	61	-	-	-	-	-	61
Re-hires	1	-	-	-	-	-	1
Terminated Nonvested – Refunded	(33)	-	-	-	-	-	(33)
Vested Terminations - Refunded	(3)	-	-	-	-	-	(3)
Vested Terminations With Deferred Benefit Payable	(2)	2	-	-	-	-	-
Service Retirements	(12)	(2)	(3)	17	-	-	-
Disability Retirements	(1)	-	-	-	-	1	-
DROP Entries	(6)	-	6	-	-	-	-
Deaths with Beneficiary	(1)	-	-	(2)	3	-	-
Deaths	-	-	-	(4)	(3)	-	(7)
Payments Ceased	-	-	-	-	(3)	-	(3)
As of September 30, 2007	**512**	**20**	**21**	**218**	**38**	**15**	**824**

Active Members
by Age and Service as of October 1, 2007

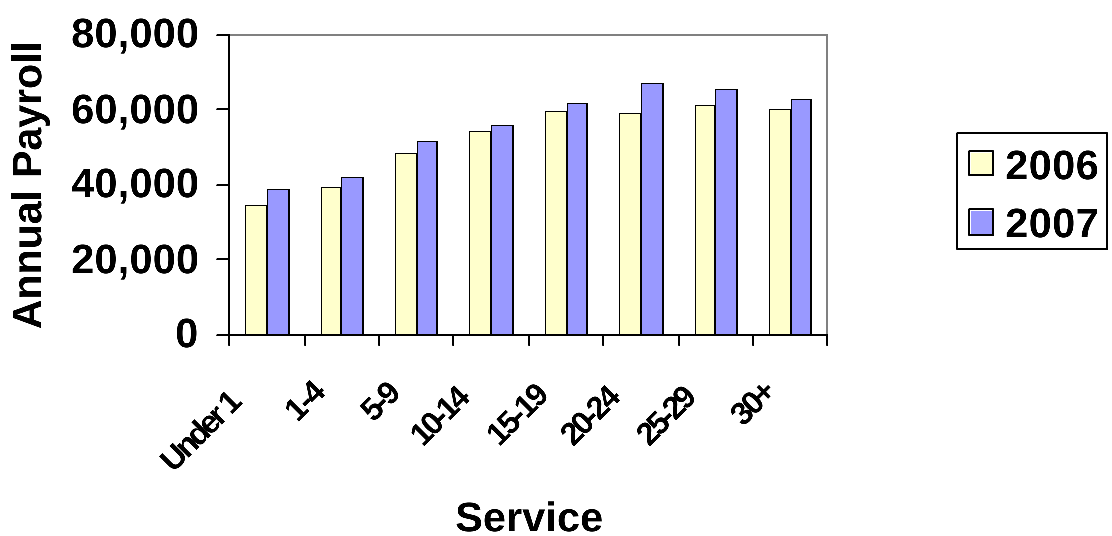
Service >> / ***Age***	**Under 1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total**
Under 25	5	2	-	-	-	-	-	-	**7**
25-29	8	16	13	-	-	-	-	-	**37**
30-34	7	21	12	4	-	-	-	-	**44**
35-39	9	16	26	11	9	-	-	-	**71**
40-44	9	15	15	13	13	11	-	-	**76**
45-49	5	16	19	14	19	12	14	1	**100**
50-54	9	9	12	15	23	11	11	7	**97**
55-59	5	5	14	6	10	2	3	-	**45**
60-64	3	4	4	4	12	1	-	-	**28**
65-69	-	-	2	-	1	2	-	-	**5**
70 +	-	1	1	-	-	-	-	-	**2**
Total	**60**	**105**	**118**	**67**	**87**	**39**	**28**	**8**	**512**



Average Annual Compensation for Active Members in Dollars by Age and Service as of October 1, 2007

Service >>	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30+	Total
Age									
Under 25	32,165	39,895	-	-	-	-	-	-	**34,374**
25-29	33,919	35,553	40,711	-	-	-	-	-	**37,012**
30-34	31,595	40,670	48,588	49,226	-	-	-	-	**42,164**
35-39	37,373	39,764	53,149	50,860	55,319	-	-	-	**48,053**
40-44	33,673	42,056	55,733	56,411	54,788	58,777	-	-	**50,816**
45-49	31,870	40,574	48,578	60,180	61,546	69,480	63,472	69,221	**55,350**
50-54	59,303	52,321	57,320	55,734	62,415	68,707	65,364	61,599	**60,516**
55-59	46,216	62,710	54,283	55,795	60,484	97,674	73,361	-	**59,103**
60-64	36,968	41,776	48,732	56,827	73,043	56,839	-	-	**58,343**
65-69	-	-	37,528	-	65,134	57,327	-	-	**50,969**
70 +	-	30,969	102,075	-	-	-	-	-	**66,522**
Total	**38,797**	**41,918**	**51,466**	**55,676**	**61,627**	**66,741**	**65,275**	**62,552**	**52,393**

Active Member Pay by Service



H. State Required Exhibits

		10/1/2006	10/1/2007
Participant Data			
a.	Active Participants	508	512
b.	Retired participants and beneficiaries	248	256
c.	Disabled participants receiving benefits	14	15
d.	DROP participants	18	21
e.	Terminated vested participants	20	20
f.	Annual payroll of active participants	$24,962,545	$26,692,123
g.	Annual benefits payable to those currently receiving benefits	$4,579,221	$4,989,476
Assets at Actuarial Value			
1.	Actuarial Value	107,334,005	118,772,822
2.	Market Value	109,249,514	126,522,229
Liabilities			
1.	Actuarial present value of future expected benefit payments for active members		
a)	Retirement benefits	$85,054,129	$91,760,674
b)	Vesting benefits	5,493,875	5,558,112
c)	Death benefits	2,269,995	2,412,518
d)	Disability benefits	5,949,699	6,367,163
e)	Return of Member Contributions	1,139,687	1,229,513
f)	Total benefits	$99,907,385	$107,327,980
2.	Actuarial present value of future expected benefit payments for terminated vested members	$2,850,455	$3,115,037
3.	Actuarial present value of future expected benefit payments for those receiving benefits		
a)	Retirees and Beneficiaries	$44,901,991	$48,788,151
b)	Disability retired	2,555,076	3,158,622
c)	DROP Participants	8,101,966	10,547,205
d)	Total	$55,559,033	$62,493,978
4.	Total actuarial present value of future expected benefit payments	$158,316,873	$172,936,995

	10/1/2006	10/1/2007
5. Actuarial accrued liabilities	$131,559,639	$143,587,103
6. Unfunded actuarial accrued liabilities	24,225,633	24,814,281

Statement of Accumulated Plan Benefits

	10/1/2006	10/1/2007
1. Actuarial present value of accumulated vested plan benefits		
a) Participants currently receiving benefits	$47,457,067	$51,946,773
b) Other participants	60,332,011	66,481,338
c) Total	$107,789,078	$118,428,111
2. Actuarial present value of accumulated non-vested plan benefits	3,227,874	3,812,692
3. Total actuarial present value of accumulated plan benefits	$111,016,952	$122,240,803

Statement of Change in Accumulated Plan Benefits

	10/1/2006	10/1/2007
1. Actuarial present value of accumulated plan benefits as of Beginning of Year	$101,938,074	$111,016,952
2. Increase (decrease) during year attributable to:		
a) Plan amendment	5,430,793	0
b) Change in methodology	0	0
c) Change in assumptions	0	0
d) Benefits paid	(4,862,124)	(5,376,897)
e) Increase for interest due to decrease in the discount period	7,960,561	8,666,280
f) Other, including benefits accumulated	549,647	7,934,468
g) Net increase (decrease)	9,078,878	11,223,851
3. Actuarial present value of accumulated plan benefits as of End of Year	$111,016,952	$122,240,803

Required Contributions

Fiscal Year Starting	**10/1/2007**	**10/1/2008**
1. Total Employer Normal Cost	$1,577,497	$1,786,504
2. Amortization of Unfunded Actuarial Liability	1,567,897	1,625,670
3. Total Minimum Contribution (as of beginning of year)	$3,145,394	$3,412,174
4. Interest for Quarterly Payments	154,993	168,139
5. Total Minimum Contribution (paid quarterly)	$3,300,387	$3,580,313
6. Covered Payroll for Contribution Year	$25,836,234	$27,626,347
7. Required Contributions	$3,415,550	$3,704,693
8. Required Contribution Rate	13.22%	13.41%

Disclosure of Following Items:

	10/1/2006	**10/1/2007**
1. Actuarial present value of future salaries – attained age	$185,299,040	$198,389,443
2. Actuarial present value of future employee contributions – attained age*	17,913,581	19,402,227
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	16,635,220	17,789,646
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
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%
1998	6.4%	6.0%
1997	4.6%	6.0%

Average Annual Payroll Growth:

Valuation Date	# Years to 10/1/2007	Total Payroll	Average Annual Increase to 10/1/2007
10/1/2007	—	$26,825,168	%
10/1/2006	1	25,183,705	6.5
10/1/2005	2	24,484,820	4.7
10/1/2004	3	23,757,054	4.1
10/1/2003	4	22,654,890	4.3
10/1/2002	5	22,075,029	4.0
10/1/2001	6	20,758,683	4.4
10/1/2000	7	19,826,738	4.4
10/1/1999	8	19,272,464	4.2
10/1/1998	9	19,207,787	3.8
10/1/1997	10	18,923,078	3.6

Reconciliation of DROP Balances

	Beginning Balance 10/1/2006	Fiscal Year Monthly Additions	Interest Earned	Distributions	Ending Balance 9/30/2007
Total	$1,062,380	$680,125	$104,504	$232,670	$1,614,339

Comparison of Retirement Elections in Year Ended September 30, 2007 versus Eligibility as of October 1, 2006

Age	Eligible for Early Retirement	Eligible for Normal Retirement	Eligible for DROP	Electing Early Retirement	Electing Normal Retirement	Electing DROP
<40						
<41	1					
<42	2					
<43	4					
<44	2					
<45	5					
<46	3					
<47	6					
<48	6					
<49	4					
<50	6					
<51	3					
<52	5			1		
<53	8					
<54	5					
<55	3				1	
<56		3	3			2
<57		3	3		1	2
<58		1	1			
<59						
<60						1
<61		1	1			
<62					1	1
<63		3	3		3	
<64		3	3		1	
<65		4	4		1	
<66		2	2		1	
<67		1	1			
<68		1	1			
<69						
<70						
70+		4	4		2	
Total	**63**	**26**	**26**	**1**	**11**	**6**

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 of 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	4	$2,964,494	1,240,167	330,106
10/1/81	Method Change	4	931,067	307,425	81,830
10/1/81	Assumption Change	4	(278,440)	(91,913)	(24,465)
10/1/81	Experience (Gain) Loss	4	330,034	108,969	29,005
10/1/82	Assumption Change	5	(581,783)	(223,025)	(48,480)
10/1/82	Method Change	5	2,400,585	920,274	200,045
10/1/82	Experience (Gain) Loss	5	(708,278)	(271,522)	(59,022)
10/1/83	Experience (Gain) Loss	6	(1,008,056)	(445,401)	(82,350)
10/1/84	Plan Amendment	7	172,128	86,267	13,952
10/1/84	Assumption Change	7	(981,955)	(492,113)	(79,588)
10/1/84	Experience (Gain) Loss	7	436,628	218,811	35,387
10/1/85	Experience (Gain) Loss	8	(630,842)	(333,987)	(48,225)
10/1/86	Assumption Change	9	748,707	418,467	54,794
10/1/86	Experience (Gain) Loss	9	(2,085,244)	(1,165,474)	(152,607)
10/1/87	Method Change	10	1,183,328	730,123	87,767
10/1/87	Plan Amendment	10	410,774	253,448	30,467
10/1/87	Experience (Gain) Loss	10	(3,460,275)	(2,134,989)	(256,644)
10/1/88	Plan Amendment	11	417,435	315,381	35,151
10/1/88	Experience (Gain) Loss	11	1,662,787	1,256,287	140,019
10/1/89	Experience (Gain) Loss	12	(180,749)	(142,792)	(14,877)
10/1/90	Plan Amendment	13	62,149	53,442	5,240
10/1/90	Experience (Gain) Loss	13	(376,257)	(323,470)	(31,717)
10/1/91	Experience (Gain) Loss	14	180,600	166,567	15,461
10/1/92	Assumption Change	15	(806,413)	(778,767)	(68,767)
10/1/92	Plan Amendment	15	(132,092)	(127,564)	(11,264)
10/1/92	Experience (Gain) Loss	15	(248,979)	(240,446)	(21,232)
10/1/93	Experience (Gain) Loss	16	(304,735)	(307,268)	(25,924)
10/1/94	Assumption Change	17	1,260,489	1,350,646	109,285
10/1/94	Plan Amendment	17	91,138	97,658	7,902
10/1/94	Experience (Gain) Loss	17	290,132	310,888	25,155
10/1/95	Assumption Change	18	697,180	753,396	58,658

Date of Origin	Source	Years Left	Original Balance	Current Balance	Amortization Payment
10/1/95	Experience (Gain) Loss	18	$(1,175,801)	(1,270,620)	(98,927)
10/1/96	Assumption Change	19	365,331	413,129	31,042
10/1/96	Experience (Gain) Loss	19	(1,384,333)	(1,565,465)	(117,626)
10/1/97	Assumption Change	20	73,638	93,712	6,813
10/1/97	Experience (Gain) Loss	20	(4,825,881)	(6,141,433)	(446,511)
10/1/98	Experience (Gain) Loss	21	(3,450,637)	(4,050,553)	(285,629)
10/1/99	Experience (Gain) Loss	22	(4,863,161)	(5,444,484)	(373,158)
10/1/00	Assumption Change	23	(10,001,095)	(10,735,496)	(716,542)
10/1/00	Plan Amendment	23	13,628,631	14,629,412	976,442
10/1/00	Variable Benefit	22	226,471	242,106	16,594
10/1/00	Experience (Gain) Loss	23	(1,480,206)	(1,595,251)	(106,475)
10/1/01	Variable Benefit	23	280,869	298,541	19,926
10/1/01	Experience (Gain) Loss	24	7,815,513	8,370,584	545,028
10/1/02	Experience (Gain) Loss	25	9,987,004	10,613,754	675,254
10/1/02	Assumption Change	25	1,136,132	1,207,431	76,818
10/1/02	Method Change	25	(5,539,505)	(5,887,142)	(374,544)
10/1/03	Experience (Gain) Loss	26	4,483,179	4,716,836	293,641
10/1/04	Experience (Gain) Loss	27	4,956,483	5,166,775	315,164
10/1/04	Plan Amendment DROP	27	2,820,380	2,940,043	179,337
10/1/04	Plan Amendment Elected Officials / Appointees	27	1,220,245	1,272,018	77,591
10/1/05	Experience (Gain) Loss	28	6,499,4426	6,704,813	401,225
10/1/06	Experience (Gain) Loss	29	(3,577,856)	(3,638,334)	(213,836)
10/1/06	Plan Amendment 2.75% Multiplier	29	6,510,457	6,620,506	389,108
10/1/07	Experience (Gain) Loss	30	343,924	343,924	19,874
TOTAL				**$24,814,281**	**$1,625,670**

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

Ira M. Summer, F.S.A, E.A.
Public Pension Professionals, Inc.
Enrollment Number 05-4683

January 2008

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