

**City of Gainesville Police Officers
and Firefighters Consolidated Retirement Plan**

***Actuarial Valuation Report
as of October 1, 2006***

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February 22, 2007

Board of Trustees of the
City of Gainesville Police Officers
and Firefighters Consolidated Retirement Plan
200 East University Avenue,
Gainesville, Florida 32601

Ladies and Gentlemen:

This report presents the results of the actuarial valuation of the City of Gainesville Police Officers and Firefighters' Consolidated Retirement Plan as of October 1, 2006. The purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2006, and to determine the minimum required contribution amount for the 2006/2007 plan year, payable in the 2007/2008 fiscal year under Chapters 112, 175 and 185 of the Florida Statutes. In addition, this report provides a record of any plan amendments or other plan changes affecting the financial status of the Fund.

Plan Amendments and Other Changes Affecting the Financial Status of the Fund

This actuarial valuation reflects all provisions of the plan as amended through October 1, 2006. There have been no plan changes adopted since the completion of the prior actuarial valuation as of October 1, 2005.

Summary of Valuation Results

Currently, the fund receives contributions from the City of Gainesville, the State of Florida through Chapter 175/185 and from active members. The amount of the City contribution varies from year to year, while the member contributions are equal to 7.5% of payroll for both firefighters and police officers. After taking into account expected member contributions and expected State contributions of 3.55% of payroll, the total required contribution from the City for the 2007/2008 fiscal year is 5.85% of projected payroll. The required City contribution for the 2006/2007 fiscal year was 6.13% of payroll.

The contributions received by the fund are used to pay for the normal cost of the plan plus provide a payment toward the unfunded actuarial accrued liability. Currently, the fund has \$157,048,198 in accrued liability, \$155,509,178 in assets at actuarial value, and \$1,539,020 in unfunded accrued liability. When the normal cost of \$3,683,328 (including expenses) is added to the unfunded liability payment of

Board of Trustees of the
City of Gainesville Police Officers
and Firefighters Consolidated Retirement Plan
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\$108,418 less the Chapter 175/185 expected contribution of \$795,726 and an expected employee contribution of \$1,683,204, the total required contribution payable by the City, is \$1,312,816 as of October 1, 2007. This amount equates to 5.85% of projected payroll.

The State contribution offset of \$795,726 is the Florida Statutes, Chapter 99-1 base amount for the 1997 year. In accordance with discussions with the Florida Division of Retirement, the State contribution offset is assumed to remain at \$795,726 per year until the Plan complies with all of the 99-1 minimums.

The decrease in the City's contribution is primarily due to greater than expected asset return offset somewhat by greater than expected pay increases and greater than expected benefits for new retirements during the year. The plan's unfunded liability was projected to be \$3,031,463. However, the unfunded liability is \$1,492,443 lower than expected. The return on the actuarial value of assets was approximately 10.64%, reflecting a reduction in the assets of \$1,414,565 (State contribution reserves.) The assumed return on the actuarial value of assets was 8.50%. The market value yield for the year ending September 30, 2006 was 10.96%. The better than expected asset return resulted in a gain of approximately \$2.9 million. The average assumed rate of pay increase is 4.95%. The actual rate of average salary increase during the 2005/2006 fiscal year was 5.84%. This resulted in a loss of approximately \$500,000.

As requested, we have estimated the City's contribution rate without reflecting the pension obligation bond contribution. For this purpose we have excluded from the System's assets the special contribution of \$47,728,526 and investment earnings of \$37,973,316 as reported by the Plan. On this basis, the City's contribution rate would have been 28.34% of projected payroll for the fiscal year ending 2008. In Table Ia we present a comparison of the contribution requirements with and without the pension obligation bond.

In preparing the actuarial valuation as of October 1, 2006 we have used the same assumptions as were used to complete the valuation as of October 1, 2005. A complete record of the assumptions and plan provisions used to value the Plan is presented in Tables XI and XII, respectively.

GASB 25/27 Information

Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27) require the disclosure of certain information. GASB 25 requires disclosure of funding progress and GASB 27 requires the calculation of the net pension obligation and annual pension cost. Results for the 2005/2006 and 2006/2007 fiscal years are shown in Table III.

Board of Trustees of the
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and Firefighters Consolidated Retirement Plan
February 22, 2007
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Contents of the Report

A summary of the results of the valuation is presented in Table I. Information for the auditors can be found in Tables III and IV. The disclosure information required by Chapter 112, Florida Statutes, is presented in Table V. Tables VI through VIII provide information about the fund's assets. In particular, Table VI provides a breakdown of the fund assets by investment type, Table VIa provides an asset reconciliation between October 1, 2005 and October 1, 2006, and Tables VII, VIIa, and VIII provide a historical record of the growth, expenditures, and annual yields of the fund. Tables IX provide a variety of useful information concerning the participant population, including in Table X a historical record of the employee and City contribution percentages. Table XI outlines the actual assumptions and methods. Finally, Table XII illustrates the plan provisions.

Certification

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate and, in our 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.

In addition, we certify that I am a member of the American Academy of Actuaries, that I have experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with the standards of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the Retirement Plan and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the Plan.

Respectfully submitted,

[Signed] JOSE I. FERNANDEZ

Jose I. Fernandez, A.S.A.
Principal, Consulting Actuary
Enrolled Actuary No. 05-4461

SUMMARY OF VALUATION RESULTS

TABLE I

	As of October 1, 2005	As of October 1, 2006
1. Number of Members		
a. Active Members	390	391
b. Deferred Vested Members	30	27
c. Retired Members:		
i. Non-disabled	260	275
ii. Disabled	23	24
iii. Beneficiaries	28	26
iv. Sub-total	<u>311</u>	<u>325</u>
d. Total Members	<u>731</u>	<u>743</u>
2. Total Annual Compensation	\$21,307,037	\$21,579,538
3. Projected Payroll	\$22,159,318	\$22,442,720
4. Total Retired Member Benefits	\$7,423,096	\$8,324,149
5. Annual Cost		
a. Present Value of Future Benefits	\$173,403,549	\$184,002,831
b. Present Value of Future Normal Cost	\$26,194,529	\$26,954,633
<i>City Portion</i>	\$13,752,555	\$14,178,081
<i>Member Portion</i>	\$12,441,974	\$12,776,552
c. Actuarial Accrued Liability (AAL)	\$147,209,020	\$157,048,198
d. Actuarial Value of Assets	(\$144,236,229)	(\$155,509,178)
e. Unfunded AAL (UAAL)	<u>\$2,972,791</u>	<u>\$1,539,020</u>
f. Normal Cost	\$3,411,316	\$3,484,782
g. Payment to Amortize Unfunded Liability	\$194,015	\$108,418
h. Administrative Expenses	\$209,880	\$198,546
i. Total	<u>\$3,815,211</u>	<u>\$3,791,746</u>
j. Expected Member Contributions	\$1,661,949	\$1,683,204
k. Expected State Contributions	\$795,726	\$795,726
l. Estimated City Contributions	\$1,357,536	\$1,312,816
m. Total	<u>\$3,815,211</u>	<u>\$3,791,746</u>
6. Annual Cost(as a % of Projected Payroll)		
a. Total Required Contributions	17.22%	16.90%
b. Expected Member Contributions	7.50%	7.50%
c. Expected State Contributions	3.59%	3.55%
d. Estimated City Contributions	6.13%	5.85%

SUMMARY OF VALUATION RESULTS

TABLE Ia

	With Pension Bond October 1, 2006	Without Pension Bond October 1, 2006
1. Number of Members		
a. Active Members:	391	391
b. Deferred Vested Members	27	27
c. Retired Members:		
i. Non-disabled	275	275
ii. Disabled	24	24
iii. Beneficiaries	26	26
iv. Sub-total	<u>325</u>	<u>325</u>
d. Total Members	<u>743</u>	<u>743</u>
2. Total Annual Compensation	\$21,579,538	\$21,579,538
3. Projected Payroll	\$22,442,720	\$22,442,720
4. Total Retired Member Benefits	\$8,324,149	\$8,324,149
5. Annual Cost		
a. Present Value of Future Benefits	\$184,002,831	\$184,002,831
b. Present Value of Future Normal Cost	\$26,954,633	\$26,954,633
<i>City Portion</i>	<i>\$14,178,081</i>	<i>\$14,178,081</i>
<i>Member Portion</i>	<i>\$12,776,552</i>	<i>\$12,776,552</i>
c. Actuarial Accrued Liability (AAL)	\$157,048,198	\$157,048,198
d. Actuarial Value of Assets	(\$155,509,178)	(\$88,493,756)
e. Unfunded AAL (UAAL)	<u>\$1,539,020</u>	<u>\$68,554,442</u>
f. Normal Cost	\$3,484,782	\$3,484,782
g. Payment to Amortize Unfunded Liability	\$108,418	\$5,157,116
h. Administrative Expenses	\$198,546	\$198,546
i. Total	<u>\$3,791,746</u>	<u>\$8,840,444</u>
j. Expected Member Contributions	\$1,683,204	\$1,683,204
k. Expected State Contributions	\$795,726	\$795,726
l. Estimated City Contributions	<u>\$1,312,816</u>	<u>\$6,361,514</u>
m. Total	<u>\$3,791,746</u>	<u>\$8,840,444</u>
6. Annual Cost(as a % of Projected Payroll)		
a. Total Required Contributions	16.90%	39.39%
b. Expected Member Contributions	7.50%	7.50%
c. Expected State Contributions	3.55%	3.55%
d. Estimated City Contributions	5.85%	28.34%

GAIN AND LOSS ANALYSIS**TABLE II**

1. Actual Unfunded Accrued Liability as of October 1, 2005	\$2,972,791
2. Expected Change in Unfunded Liability During the 2005/2006 Plan Year	
a. Due to Normal Cost for Benefits	\$1,959,247
b. Due to Interest on the Unfunded Liability	\$252,687
c. Expected City and State Contribution	<u>(\$2,153,262)</u>
d. Total Expected Change	\$58,672
3. Expected Unfunded Accrued Liability as of October 1, 2006	<u>\$3,031,463</u>
4. Change in Unfunded Liability During the 2005/2006 Plan Year Due to:	
a. Method changes	\$0
b. Assumption changes	\$0
c. Plan amendments	\$0
d. Experience	<u>(\$1,492,443)</u>
e. Total change	<u>(\$1,492,443)</u>
5. Actual Unfunded Accrued Liability as of October 1, 2006	<u>\$1,539,020</u>
6. Items Affecting Calculation of Accrued Liability	
a. Plan provisions reflected in the accrued liability (see Table XII on page 36)	
b. Plan amendments reflected in item 4.c. above (see Table XIIa on page 39)	
c. Actuarial assumptions and methods used to determine accrued liability (see Table XI on page 32)	
d. Changes in actuarial assumptions and methods reflected in items 4.a. and 4.b. above (see Table XIa on page 35)	

UNFUNDED ACCRUED LIABILITY CONTRIBUTION RATE CHANGE**TABLE II**
(continued)

7. Expected Unfunded Accrued Liability Contribution Rate as of October 1, 2005		0.88%
8. Net Actuarial (Gains)/Losses During the 2005/2006 Plan Year		
a. Due to Salary/Service/Data	0.13%	
b. Due to Investment Performance	(0.80%)	
c. Due to Turnover/Mortality	(0.46%)	
d. Due to New Retirements	0.74%	
e. Due to Difference and Timing in Contributions	(0.06%)	
f. Due to New Members	0.03%	
g. Total		(0.42%)
9. Change in Unfunded Accrued Liability Rate During the 2005/2006 Plan Year Due to:		
a. Method changes	0.00%	
b. Assumption changes	0.00%	
c. Plan amendments	0.00%	
d. Total Change		0.00%
10. Other Effects		0.02%
11. Unfunded Accrued Liability Contribution Rate as of October 1, 2006		0.48%
12. Comments on Change in Unfunded Accrued Liability Contribution Rate:		

Salary/Service: Average salary increases of 5.84% compared to expected increases of 4.95% and adjustments in the reported data.

Interest: 10.64% actual vs. 8.5% expected return on the actuarial value of assets.

Turnover: Net effect on the valuation liabilities of actual deaths, retirements, terminations of employment and disabilities different from what was anticipated in the aggregate by the assumptions related to those events.

New retirements: Greater than expected benefits for new retirements and refund of employee contributions.

Due to Differences and Timing of Contributions: Due to the one year lag of when the required contribution is determined and when it is deposited into the fund.

Assumption changes: None

System benefit changes: None

Other effects: Related to overall payroll increases and adjustments in the amortization of the unfunded actuarial accrued liability.

ACCOUNTING DISCLOSURES (GASB 25/27)

TABLE III

	Fiscal Year 2005/2006	Fiscal Year 2006/2007
A. Number of Plan Participants as of October 1		
a. Retirees and beneficiaries receiving benefits	311	325
b. Terminated plan participants entitled to but not yet receiving benefits	30	27
c. Active plan participants	390	391
d. Total	<u>731</u>	<u>743</u>

B. Development of Annual Required Contribution (ARC)

Valuation Year	2004	2005
a. Employer normal cost:		
i. Total normal cost	\$3,650,424	\$3,621,196
ii. Expected employee contribution	(\$1,577,899)	(\$1,661,949)
iii. Employer normal cost	<u>\$2,072,525</u>	<u>\$1,959,247</u>
b. Amortization of UAAL:		
i. PV of future benefits	\$162,914,140	\$173,403,549
ii. PV of future employer normal costs	(\$14,355,606)	(\$13,752,555)
iii. PV of future employee contributions	(\$11,845,780)	(\$12,441,974)
iv. Actuarial accrued liability (AAL)	\$136,712,754	\$147,209,020
v. Actuarial value of assets	(\$133,518,595)	(\$144,236,229)
vi. Unfunded AAL (UAAL)	\$3,194,159	\$2,972,791
vii. Amort. of UAAL	<u>\$196,072</u>	<u>\$194,015</u>
c. ARC (Item B.a.iii. plus item B.b.vii.)	<u><u>\$2,268,597</u></u>	<u><u>\$2,153,262</u></u>

C. Annual Pension Cost and Net Pension Obligation (NPO)

a. ARC	\$2,268,597	\$2,153,262
b. Interest on NPO	(\$4,266,292)	(\$4,359,585)
c. Adjustment to ARC	\$3,251,797	\$3,387,355
d. Annual Pension Cost	<u>\$1,254,102</u>	<u>\$1,181,032</u>
e. Contributions made	(\$2,351,667)	
f. Increase(decrease) in NPO	(\$1,097,565)	
g. NPO (beginning of year)	(\$50,191,672)	
h. NPO (end of year)	<u><u>(\$51,289,237)</u></u>	

D. Three Year Trend Information

Year Ended September 30	Annual Pension Cost(APC)	Percentage Contributed	Net Pension Obligation
2004	\$635,881	100%	(\$48,804,801)
2005	\$885,773	100%	(\$50,191,672)
2006	\$1,254,102	100%	(\$51,289,237)

E. Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) ÷ (2)	(5) Covered Payroll	(6) UAAL as % of Covered Payroll (3) ÷ (5)
10/1/2001	\$78,399,664	\$112,984,188	\$34,584,524	69.4%	\$14,602,056	236.8%
10/1/2002	\$72,451,280	\$119,370,846	\$46,919,566	60.7%	\$17,437,302	269.1%
10/1/2003	\$125,816,211	\$129,549,367	\$3,733,156	97.1%	\$17,703,178	21.1%
10/1/2004	\$133,518,595	\$136,712,754	\$3,194,159	97.7%	\$20,229,474	15.8%
10/1/2005	\$144,236,229	\$147,209,020	\$2,972,791	98.0%	\$21,307,037	14.0%
10/1/2006	\$155,509,178	\$157,048,198	\$1,539,020	99.0%	\$21,579,538	7.1%

F. Additional Information

Valuation date	October 1, 2005	October 1, 2006
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	28 to 30 Years	27 to 30 Years
Asset valuation method	Market Related Value	Market Related Value
Actuarial assumptions:		
Investment rate of return	8.50%	8.50%
Projected salary increases	4.00% - 7.00%	4.00% - 7.00%
Includes projected payroll	4.00%	4.00%
Cost-of-living adjustments	2.00%	2.00%

PRESENT VALUE OF ACCRUED BENEFITS**TABLE IV****1. Actuarial Present Value of Accrued Benefits**

	<u>As of October 1, 2005</u>	<u>As of October 1, 2006</u>
a. Vested Accrued Benefits:		
i. Inactive members and beneficiaries	\$87,808,976	\$98,230,696
ii. Active members	\$29,049,801	\$28,038,037
iii. Sub-total	\$116,858,777	\$126,268,733
b. Non-vested Accrued Benefits	\$15,935,236	\$17,031,794
c. Total Benefits	<u>\$132,794,013</u>	<u>\$143,300,527</u>
d. Market Value of Assets	\$161,173,031	\$174,757,828
e. Percentage Funded	121%	122%

2. Statement of Changes in Total Actuarial Present Value of All Accrued Benefits

a. Actuarial Present Value as of October 1, 2005	<u>\$132,794,013</u>
b. Increase (Decrease) During 2005/2006 Plan Year Attributable to:	
i. Interest	\$10,944,791
ii. Benefits accumulated	\$7,625,246
iii. Benefits paid	(\$8,063,523)
iv. Plan amendments	\$0
v. Changes in actuarial assumptions or methods	\$0
vi. Net increase (decrease)	<u>\$10,506,514</u>
c. Actuarial Present Value as of October 1, 2006	<u><u>\$143,300,527</u></u>

3. Items Affecting Calculation of Actuarial Present Value of Accrued Benefits

- a. Plan provisions reflected in the accrued benefits (see Table XII page 36)
- b. Plan amendments reflected in item 2.b.iv. above (see Table XIa on page 39)
- c. Actuarial assumptions and methods used to determine present values (see Table XI on page 32)
- d. Changes in actuarial assumptions and methods reflected in item 2.b.v. above (see Table XIa on page 35)

October 1, 2006

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
I. Participant Data			
a. Active members:			
i. Number	264	127	391
ii. Total annual payroll	\$14,302,267	\$7,277,271	\$21,579,538
iii. Projected annual payroll	\$14,874,358	\$7,568,362	\$22,442,720
b. Retired members and beneficiaries:			
i. Number	161	140	301
ii. Total annualized benefit	\$4,342,043	\$3,602,314	\$7,944,357
c. Disabled members receiving benefits:			
i. Number	16	8	24
ii. Total annualized benefit	\$250,074	\$129,718	\$379,792
d. Terminated vested members:			
i. Number	22	5	27
ii. Total annualized benefit	\$200,738	\$47,341	\$248,079
2. Assets			
a. Actuarial value of assets	n/a	n/a	\$155,509,178
b. Market value of assets	n/a	n/a	\$174,757,828
3. Liabilities			
a. Present value of all future expected benefit payments:			
i. Active members:			
Retirement benefits	\$49,872,827	\$28,371,390	\$78,244,217
Vesting benefits	\$635,985	\$316,461	\$952,446
Disability benefits	\$3,750,026	\$1,926,844	\$5,676,870
Death benefits	\$210,565	\$134,861	\$345,426
Sub-total	\$54,469,403	\$30,749,556	\$85,218,959
ii. Terminated vested members	\$1,109,372	\$340,842	\$1,450,214
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$50,578,684	\$41,952,749	\$92,531,433
Disabled members	\$2,772,549	\$1,476,500	\$4,249,049
Sub-total	\$53,351,233	\$43,429,249	\$96,780,482
iv. Refund of member contributions	\$401,669	\$151,507	\$553,176
v. Total present value of all future expected ben. pmts.	\$109,331,677	\$74,671,154	\$184,002,831

INFORMATION REQ. BY FLORIDA STATUTE (CHAP. 112)

**TABLE V
(continued)**

October 1, 2006

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
b. Liabilities due and unpaid	\$0	\$0	\$0
c. Actuarial accrued liability	\$90,921,324	\$66,126,874	\$157,048,198
d. Entry Age Normal Unfunded actuarial accrued liability	n/a	n/a	\$1,539,020
e. Frozen Initial Liability	n/a	n/a	n/a
4. Actuarial Present Value of Accrued Benefits (please reference Table IV for details concerning the present value of accrued benefits)	\$82,513,420	\$60,787,107	\$143,300,527
5. Pension Cost (as a % of payroll)			
a. Normal cost (including Administrative Expenses)	16.21%	16.81%	16.41%
Dollar amount:	\$2,411,427	\$1,271,901	\$3,683,328
b. Payment to amortize unfunded liability	n/a	n/a	0.48%
Dollar amount:	n/a	n/a	\$108,418
c. Expected State Contribution	3.26%	4.10%	3.55%
Dollar amount:	\$485,156	\$310,570	\$795,726
d. Amount to be contributed by members	7.50%	7.50%	7.50%
Dollar amount:	\$1,115,577	\$567,627	\$1,683,204
e. Expected City Contribution:	n/a	n/a	5.84%
Dollar amount:	n/a	n/a	\$1,312,816
6. Past Contributions (For year ending September 30,2006)			
a. Required Employer and State contribution	n/a	n/a	\$3,846,496
b. Actual contribution made by:			
i. Employer	n/a	n/a	\$1,555,941
ii. Members	n/a	n/a	\$1,667,085
iii. State	n/a	n/a	\$795,726

October 1, 2006

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
7. Net actuarial (gain)/loss	n/a	n/a	(\$1,492,443)
8. Other disclosures			
a. Present value of active members':			
i. Future salaries:			
at attained age	\$116,201,349	\$54,152,681	\$170,354,030
at entry age	n/a	n/a	n/a
ii. Future contributions:			
at attained age	\$8,715,101	\$4,061,451	\$12,776,552
at entry age	n/a	n/a	n/a
b. Present value of future contributions from City and State	\$9,695,252	\$4,482,829	\$14,178,081
c. Present value of future expected benefit payments for active members at entry age	n/a	n/a	n/a
d. Amount of active members' accumulated contributions	\$6,560,974	\$3,702,347	\$10,263,321

October 1, 2005

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
9. Participant Data			
a. Active members:			
i. Number	266	124	390
ii. Total annual payroll	\$14,438,995	\$6,868,042	\$21,307,037
iii. Projected annual payroll	\$15,016,555	\$7,142,764	\$22,159,319
b. Retired members and beneficiaries:			
i. Number	149	139	288
ii. Total annualized benefit	\$3,634,840	\$3,429,299	\$7,064,139
c. Disabled members receiving benefits:			
i. Number	15	8	23
ii. Total annualized benefit	\$229,714	\$129,243	\$358,957
d. Terminated vested members:			
i. Number	25	5	30
ii. Total annualized benefit	\$219,316	\$63,648	\$282,964
10. Assets			
Actuarial Value of Assets	n/a	n/a	\$144,236,229
Market Value of Assets	n/a	n/a	\$161,173,031
11. Liabilities			
a. Present value of all future expected benefit payments:			
i. Active members:			
Retirement benefits	\$51,770,694	\$26,277,485	\$78,048,179
Vesting benefits	\$615,936	\$310,509	\$926,445
Disability benefits	\$3,706,462	\$1,874,048	\$5,580,510
Death benefits	\$339,723	\$200,257	\$539,980
Sub-total	\$56,432,815	\$28,662,299	\$85,095,114
ii. Terminated vested members	\$938,681	\$282,270	\$1,220,951
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$42,268,907	\$40,294,014	\$82,562,921
Disabled members	\$2,546,355	\$1,478,749	\$4,025,104
Sub-total	\$44,815,262	\$41,772,763	\$86,588,025
iv. Member contributions (annuities & refunds)	\$367,626	\$131,833	\$499,459
v. Total present value of all future expected ben. pmts.	\$102,554,384	\$70,849,165	\$173,403,549

October 1, 2005

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
b. Liabilities due and unpaid	\$0	\$0	\$0
c. Actuarial accrued liability	\$84,536,073	\$62,672,947	\$147,209,020
d. Unfunded actuarial accrued liability	n/a	n/a	\$2,972,791
e. Frozen Initial Liability	n/a	n/a	n/a
12. Actuarial Present Value of Accrued Benefits (please reference Table IV for details concerning the present value of accrued benefits)	\$75,314,924	\$57,479,089	\$132,794,013
13. Pension Cost (as a % of payroll)			
a. Normal cost	16.12%	16.81%	16.34%
i. Dollar amount:	\$2,420,689	\$1,200,507	\$3,621,196
b. Payment to amortize unfunded liability	n/a	n/a	0.88%
Dollar amount:	n/a	n/a	\$194,015
c. Expected State Contribution	3.23%	4.35%	3.59%
Dollar amount:	\$485,156	\$310,570	\$795,726
d. Amount to be contributed by members	7.50%	7.50%	7.50%
Dollar amount:	\$1,126,242	\$535,707	\$1,661,949
e. Expected City Contribution	n/a	n/a	6.13%
Dollar amount:	n/a	n/a	\$1,357,536
14. Past Contributions (For year ending September 30,2005)			
a. Required Employer and State contribution	n/a	n/a	\$3,429,152
b. Actual contribution made by:			
i. Employer	n/a	n/a	\$1,476,918
ii. Members	n/a	n/a	\$1,646,805
iii. State	n/a	n/a	\$795,726

INFORMATION REQ. BY FLORIDA STATUTE (CHAP. 112)

TABLE V
(continued)

October 1, 2005

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
15. Net actuarial (gain)/loss	n/a	n/a	(\$296,800)
16. Other disclosures			
a. Present value of active members':			
i. Future salaries:			
at attained age	\$114,199,393	\$51,693,601	\$165,892,994
at entry age	n/a	n/a	n/a
ii. Future contributions:			
at attained age	\$8,564,954	\$3,877,020	\$12,441,974
at entry age	n/a	n/a	n/a
b. Present value of future contributions from City and State	\$9,453,357	\$4,299,198	\$13,752,555
c. Present value of future expected benefit payments for active members at entry age	n/a	n/a	n/a
d. Amount of active members' accumulated contributions	\$6,418,953	\$3,369,220	\$9,788,173

UNFUNDED LIABILITY BASES

TABLE Va

Description	Original Amount	Outstanding Balance as of October 1, 2005	2005/2006	Outstanding Balance as of October 1, 2006	2006/2007	Years Remaining 10/01/2006
			Actual Amortization Payment		Expected Amortization Payment	
'03 Actuarial Losses	\$1,464,133	\$1,536,262	\$99,531	\$1,567,312	\$103,512	27
'04 Actuarial Losses	\$926,984	\$950,022	\$60,447	\$970,327	\$62,865	28
'05 Actuarial Gains	(\$296,800)	(\$296,800)	(\$18,566)	(\$303,462)	(\$19,308)	29
'06 Actuarial Gains	(\$1,492,443)			(\$1,492,443)	(\$93,357)	30
'03 Assumption Change	\$2,269,023	\$2,380,805	\$154,247	\$2,428,926	\$160,416	27
04 Assumption Change	(\$1,558,759)	(\$1,597,498)	(\$101,644)	(\$1,631,640)	(\$105,710)	28
Total	\$1,312,138	\$2,972,791	\$194,015	\$1,539,020	\$108,418	

<u>Date</u>	<u>Projected Unfunded Liability</u>
October 1, 2006	\$1,539,020
October 1, 2007	\$1,561,419
October 1, 2008	\$1,581,385
October 1, 2036	\$0

Note: Outstanding balance as of October 1, 2002 liquidated as a result of pension obligation bond contribution of \$47,728,526.

ASSETS**TABLE VI**

	<u>As of</u> <u>October 1, 2005</u>	<u>As of</u> <u>October 1, 2006</u>
1. Market Value of Assets*		
a. Cash and cash equivalents (4%)	\$1,332,547	\$6,209,487
b. U.S. government bonds & notes (1%)	\$2,014,311	\$2,076,569
c. Corporate bonds (11%)	\$18,983,738	\$19,431,448
d. Equities (84%)	\$138,842,435	\$146,644,146
e. Insurance contracts (0%)	\$0	\$0
f. Foreign bonds (0%)	\$0	\$0
g. Mortgages/loans (0%)	\$0	\$0
h. Other assets (0%)	\$0	\$0
i. Accrued income receivable (0%)	\$0	\$0
j. Contributions receivable (0%)	\$0	\$0
k. Other receivables (0%)	\$0	\$396,178
l. Benefits payable (0%)	\$0	\$0
m. Other payables (0%)	\$0	\$0
n. Market value of assets	\$161,173,031	\$174,757,828

* The percentages in parentheses indicate the proportion of assets committed to each type of investment as of October 1, 2006.

ASSET RECONCILIATION**TABLE VIa**

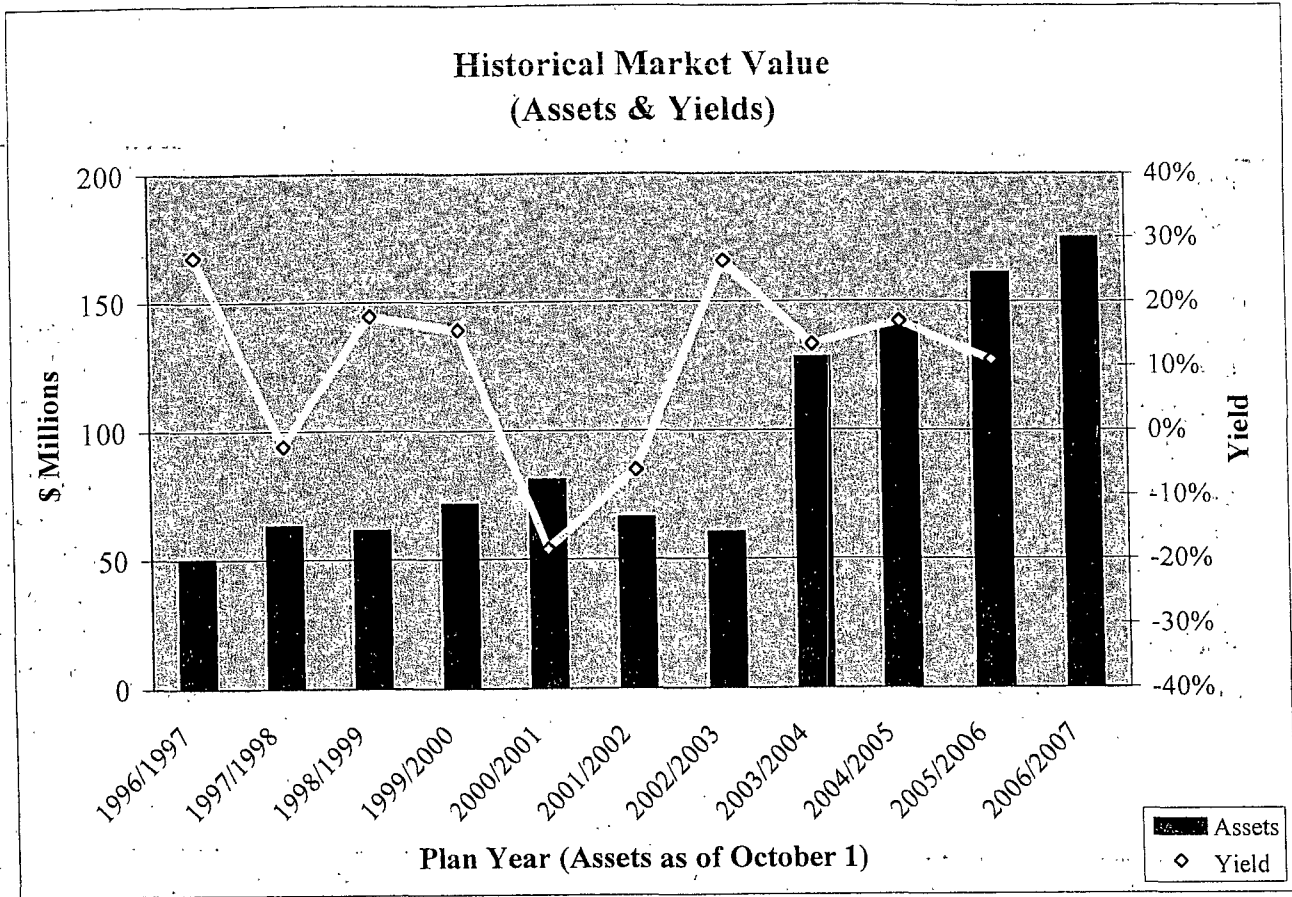
1. Market Value of Assets as of October 1, 2005	\$161,173,031
2. Increases Due to:	
a. Contributions:	
i. Employer	\$1,555,941
ii. Members	\$1,667,085
iii. State	\$1,172,293
iv. Total	<u>\$4,395,319</u>
b. Investment income (interest and dividends)	\$3,167,852
c. Realized and unrealized gains/(losses)	\$15,207,091
d. Total increases	<u><u>\$22,770,262</u></u>
3. Decreases Due to:	
a. Benefit payments	(\$7,926,264)
b. Refund of member contributions	(\$137,259)
c. Investment expenses	(\$924,957)
d. Administrative expenses	(\$198,546)
e. Adjustment	\$1,561
f. Total decreases	<u><u>(\$9,185,465)</u></u>
4. Market Value of Assets as of October 1, 2006	\$174,757,828

ACTUARIAL VALUE OF ASSETS**TABLE VIb**

1. Actuarial Value of Assets on October 1, 2005	\$144,236,229
2. 2005/2006 Net Cash Flow	
a. Contributions	\$4,395,319
b. Disbursements (Net of investment expense)	<u>(\$8,262,069)</u>
c. Net Cash Flow	<u>(\$3,866,750)</u>
2.a.+ 2.b.	
3. Expected Investment Return [1. x .085] + [2.c. x .0425]	\$12,095,743
4. Expected Actuarial Value of Assets on October 1, 2006 1. + 2.c. + 3.	\$152,465,222
5. Market Value of Assets on October 1, 2006	\$174,757,828
6. Excess of Market Value over Expected Actuarial Value 5. - 4.	\$22,292,606
7. 20% Adjustment towards Market .20 x 6	\$4,458,521
8. Market Related Value of Assets on October 1, 2006 4. + 7.	\$156,923,743
9. 80% of Market Value .80 x 5.	\$139,806,262
10. 120% of Market Value 1.20 x 5.	\$209,709,394
11. Preliminary Actuarial Value of Assets on October 1, 2006 8. not less than 9. and not greater than 10.	\$156,923,743
12. State Contribution Reserve	\$1,414,565
13. Actuarial Value of Assets on October 1, 2006 11. - 12.	\$155,509,178

HISTORICAL ASSET INFORMATION

TABLE VII



Plan Year	Market Value as of October 1	Actuarial Value as of October 1	Benefit Payments*	Administrative Expenses	City, State, and Member Contributions	Market Value Yield	Actuarial Value Yield
1996/1997	\$50,147,577	\$46,403,969	\$3,593,971	\$111,034	\$3,175,523	27.01%	30.00%
1997/1998	\$63,089,909	\$59,716,347	\$3,612,238	\$163,428	\$3,496,659	-2.35%	8.66%
1998/1999	\$61,331,114	\$64,595,431	\$3,770,488	\$237,662	\$3,279,483	17.81%	13.80%
1999/2000	\$71,460,006	\$72,733,066	\$5,393,542	\$216,145	\$4,129,442	15.64%	7.64%
2000/2001	\$81,040,258	\$76,750,272	\$4,137,044	\$157,558	\$4,393,825	-18.42%	2.02%
2001/2002	\$66,199,876	\$78,399,664	\$6,280,657	\$169,057	\$4,581,485	-6.06%	-5.27%
2002/2003	\$60,376,067	\$72,451,280	\$6,847,454	\$189,999	\$52,804,413	26.35%	7.97%
2003/2004	\$128,078,663	\$125,816,211	\$7,084,121	\$207,389	\$3,495,385	13.34%	9.28%
2004/2005	\$141,119,629	\$133,518,595	\$7,422,418	\$209,880	\$4,209,613	16.84%	10.73%
2005/2006	\$161,173,031	\$144,236,229	\$8,063,523	\$198,546	\$4,395,319	10.96%	10.64%
2006/2007	\$174,757,828	\$155,509,178					

* includes contributions refunded

REVENUES BY SOURCE AND EXPENSES BY TYPE

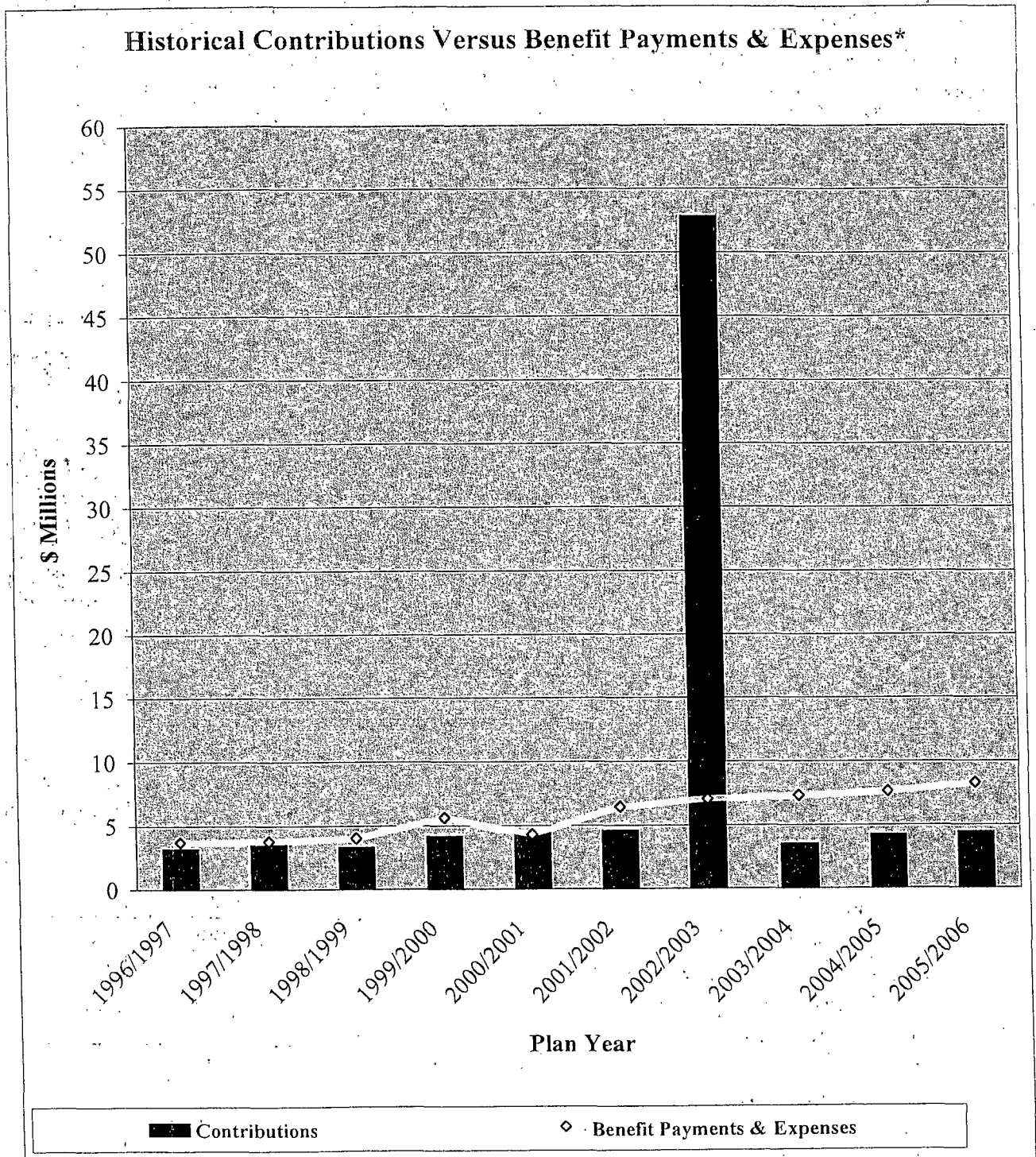
TABLE VIIa

REVENUES

Fiscal Year	City Contrib.	State Contrib.	Member Contrib.	Total Contrib.	Net Invest. Income	Total
1995/1996	\$1,460,171	\$716,587	\$857,349	\$3,034,107	\$4,036,632	\$7,070,739
1996/1997	\$1,494,689	\$739,198	\$941,636	\$3,175,523	\$13,280,931	\$16,456,454
1997/1998	\$1,645,613	\$795,726	\$1,055,320	\$3,496,659	(\$1,479,788)	\$2,016,871
1998/1999	\$1,470,121	\$793,734	\$1,015,628	\$3,279,483	\$10,857,559	\$14,137,042
1999/2000	\$2,121,647	\$820,238	\$1,187,557	\$4,129,442	\$11,698,559	\$15,828,001
2000/2001	\$2,357,855	\$897,696	\$1,138,274	\$4,393,825	(\$12,723,401)	(\$8,329,576)
2001/2002	\$2,307,196	\$964,461	\$1,309,828	\$4,581,485	(\$3,131,425)	\$1,450,060
2002/2003	\$50,357,964	\$1,018,653	\$1,427,796	\$52,804,413	\$22,335,323	\$75,139,736
2003/2004	\$917,400	\$1,020,022	\$1,557,963	\$3,495,385	\$17,834,971	\$21,330,356
2004/2005	\$1,476,918	\$1,085,890	\$1,646,805	\$4,209,613	\$24,496,929	\$28,706,542
2005/2006	\$1,555,941	\$1,172,293	\$1,667,085	\$4,395,319	\$18,374,943	\$22,770,262

EXPENSES

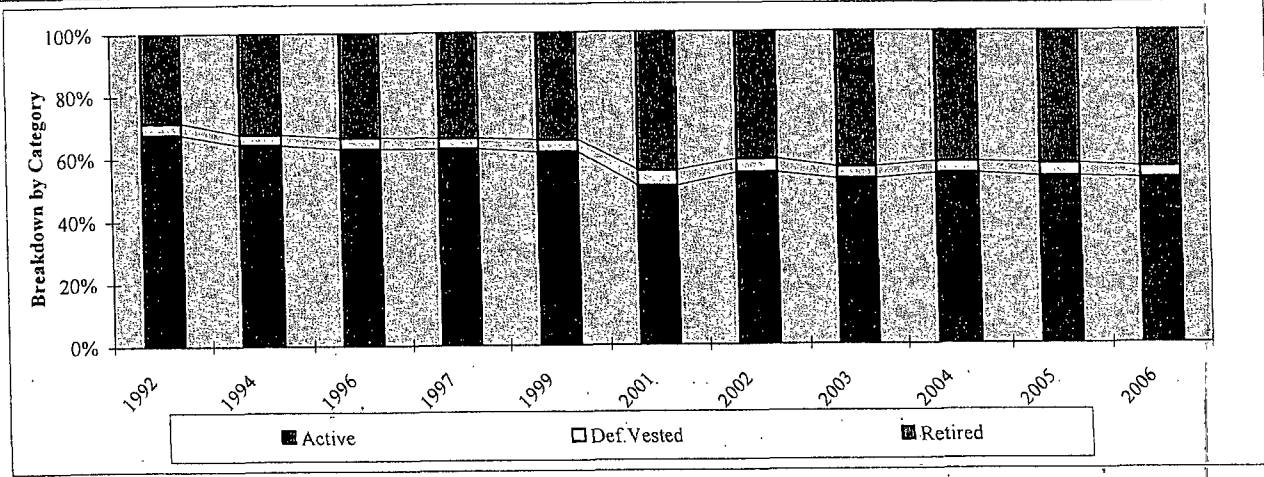
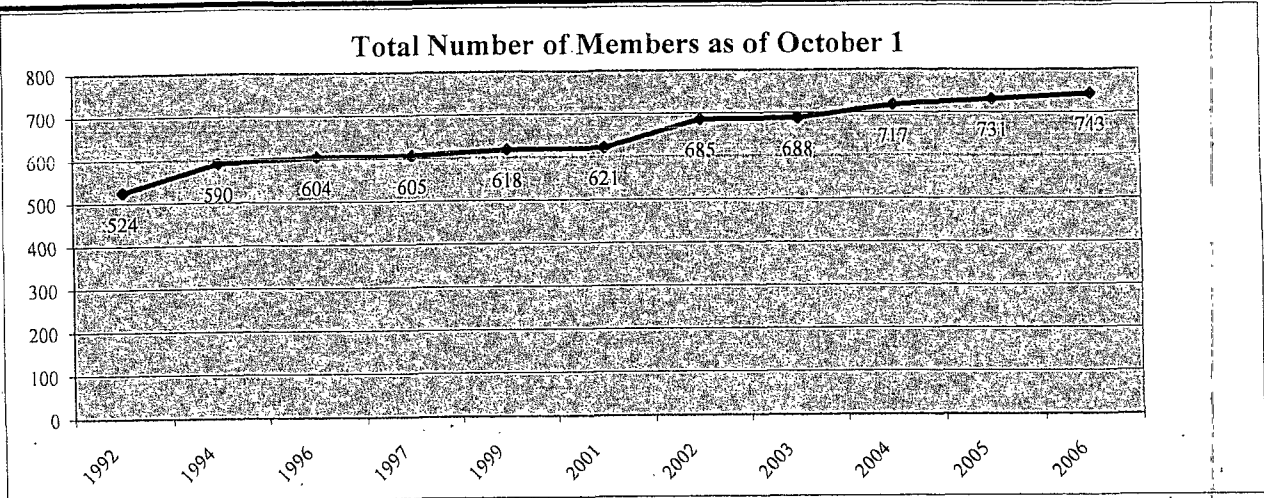
Fiscal Year	Benefits Paid	Member Refunds	Administrative Expenses	Total
1995/1996	\$3,489,689	\$0	\$142,585	\$3,632,274
1996/1997	\$3,497,861	\$96,110	\$111,034	\$3,705,005
1997/1998	\$3,541,688	\$70,550	\$163,428	\$3,775,666
1998/1999	\$3,711,396	\$59,092	\$237,662	\$4,008,150
1999/2000	\$5,215,096	\$178,446	\$216,145	\$5,609,687
2000/2001	\$3,904,353	\$232,691	\$157,558	\$4,294,602
2001/2002	\$6,126,979	\$153,678	\$169,057	\$6,449,714
2002/2003	\$6,645,474	\$201,980	\$189,999	\$7,037,453
2003/2004	\$6,951,917	\$132,204	\$207,389	\$7,291,510
2004/2005	\$7,255,975	\$166,443	\$209,880	\$7,632,298
2005/2006	\$7,926,264	\$137,259	\$198,546	\$8,262,069



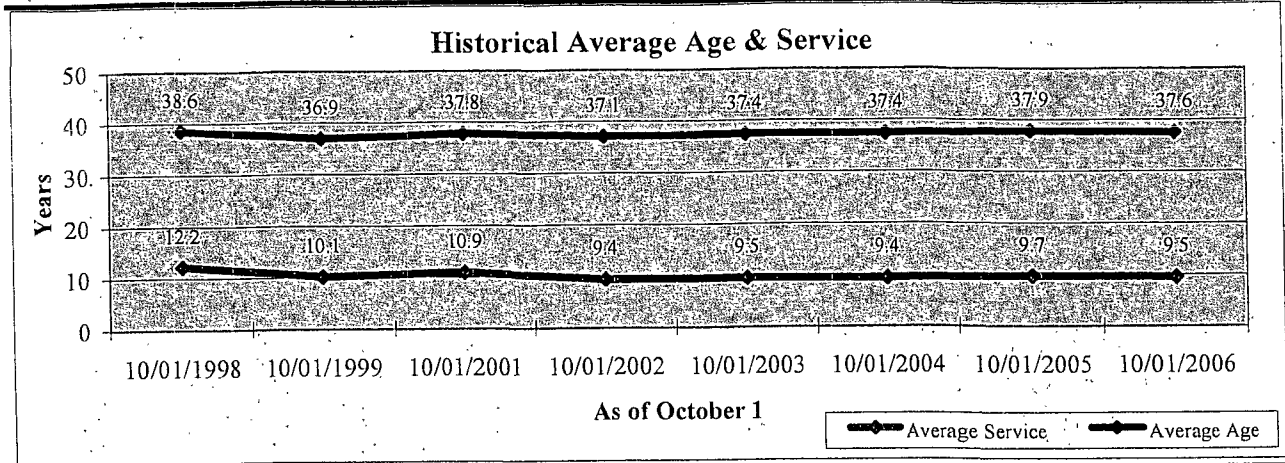
* Please reference Table VIIa on page 22 for the historical benefit payments, expenses, and contributions.

SUMMARY OF MEMBER DATA

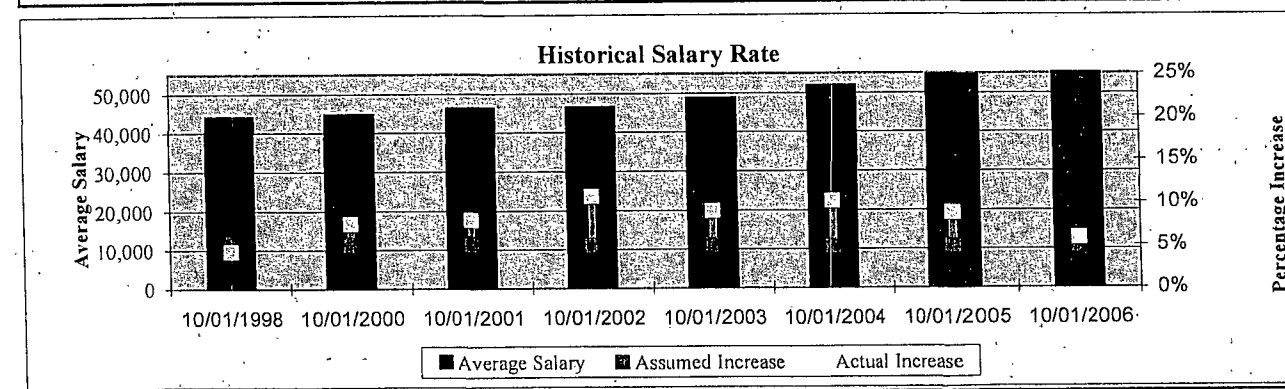
TABLE IX



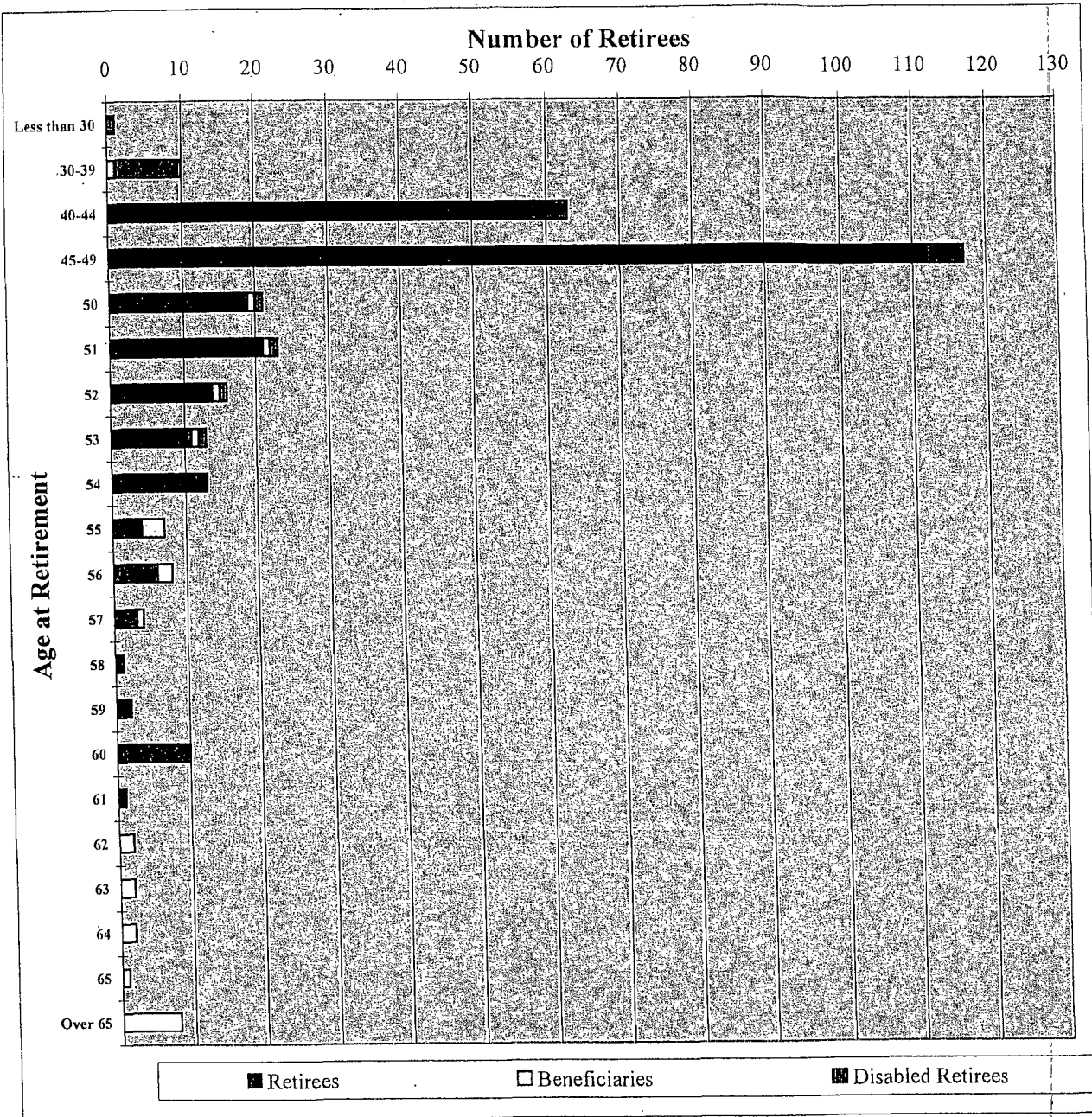
	As of October 1, 2005	As of October 1, 2006
1. Active Members		
a. Police Officers	266	264
b. Firefighters	124	127
c. Sub-total	390	391
2. Non-active, Non-retired Members		
a. Fully or partially vested	30	27
b. Beneficiaries	0	0
c. Sub-total	30	27
3. Retired Members		
a. Non-disabled(including DROP)	260	275
b. Disabled	23	24
c. Beneficiaries	28	26
d. Sub-total	311	325
4. Total Members	731	743



Date	Average Service Earned	Average Attained Age	Date	Average Service Earned	Average Attained Age
10/01/1998	12.2	38.6	10/01/2003	9.5	37.4
10/01/1999	10.1	36.9	10/01/2004	9.4	37.4
10/01/2001	10.9	37.8	10/01/2005	9.7	37.9
10/01/2002	9.4	37.1	10/01/2006	9.5	37.6



Date	Average Salary	Actual Salary Increase	Date	Average Salary	Actual Salary Increase
10/01/1998	\$44,151	4.31%	10/01/2003	\$48,769	9.01%
10/01/2000	\$44,793	7.60%	10/01/2004	\$51,871	10.17%
10/01/2001	\$46,356	8.00%	10/01/2005	\$54,633	8.75%
10/01/2002	\$46,500	10.73%	10/01/2006	\$55,190	5.84%



Average benefit being paid to non-disabled retirees is \$2,344.00 per month.
 Average benefit being paid to disabled retirees is \$1,318.75 per month.
 Average benefit being paid to beneficiaries is \$670.00 per month.

	<u>Active</u>	<u>Non-active, Non-retired</u>	<u>Retired</u>	<u>Total</u>
1. Number of members as of October 1, 2005:	390	30	311	731
2. Change in status during the plan year:				
a. Actives who became inactive				
b. Actives who retired	(19)		19	
c. Inactives who became active				
d. Inactives who retired		(1)	1	
e. Retirees who became active				
3. No longer members due to:				
a. Death	(1)		(7)	(8)
b. Permanent break-in-service	(19)	(1)		(20)
c. Receipt of lump sum payment				
d. Expiration of certain period				
e. Included in error last year				
4. New member due to:				
a. Initial membership	39			39
b. Death of another member			1	1
c. Omitted in error last year				
d. Reinstatement	1	(1)		
5. Number of members as of October 1, 2006	391	27	325	743

AGE-SERVICE-SALARY TABLE

TABLE IXd

(All Active Members)

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	7	11	0	0	0	0	0	0	0	0	18
Avg.Pay	35,720	39,980	0	0	0	0	0	0	0	0	38,323
25 to 29	5	43	7	0	0	0	0	0	0	0	55
Avg.Pay	35,746	41,987	49,440	0	0	0	0	0	0	0	42,368
30 to 34	0	41	29	3	0	0	0	0	0	0	73
Avg.Pay	0	43,719	49,857	48,651	0	0	0	0	0	0	46,360
35 to 39	3	24	13	32	6	0	0	0	0	0	78
Avg.Pay	24,927	44,827	51,956	56,779	66,462	0	0	0	0	0	51,817
40 to 44	1	14	6	14	33	7	0	0	0	0	75
Avg.Pay	36,070	44,015	49,771	53,903	72,353	83,052	0	0	0	0	62,327
45 to 49	0	3	3	11	22	24	0	0	0	0	63
Avg.Pay	0	42,520	46,712	57,041	72,742	79,591	0	0	0	0	69,931
50 to 54	0	2	1	3	7	9	2	0	0	0	24
Avg.Pay	0	50,685	49,868	64,483	67,265	77,298	87,375	0	0	0	70,249
55 to 59	0	0	1	0	0	1	1	1	0	0	4
Avg.Pay	0	0	69,026	0	0	78,514	74,591	80,993	0	0	75,781
60 to 64	0	0	0	0	1	0	0	0	0	0	1
Avg.Pay	0	0	0	0	64,110	0	0	0	0	0	64,110
65 to 69	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
Total	16	138	60	63	69	41	3	1	0	0	391
Avg.Pay	33,726	43,179	50,417	56,165	71,329	79,652	83,114	80,993	0	0	55,190

* The average pay shown is the average of the annual rate of pay including any overtime pay and other special compensation.

AGE-SERVICE-SALARY TABLE

TABLE IXe

(Police Officers)

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up.	
Under 25	5	4	0	0	0	0	0	0	0	0	9
Avg. Pay	36,326	37,454	0	0	0	0	0	0	0	0	36,827
25 to 29	2	31	7	0	0	0	0	0	0	0	40
Avg. Pay	35,210	43,015	49,440	0	0	0	0	0	0	0	43,749
30 to 34	0	31	24	3	0	0	0	0	0	0	58
Avg. Pay	0	43,722	48,448	48,651	0	0	0	0	0	0	45,933
35 to 39	2	16	9	21	3	0	0	0	0	0	51
Avg. Pay	19,757	44,880	52,038	56,613	66,494	0	0	0	0	0	51,261
40 to 44	1	12	6	11	16	6	0	0	0	0	52
Avg. Pay	36,070	43,447	49,771	53,413	74,057	87,166	0	0	0	0	60,606
45 to 49	0	2	3	6	11	18	0	0	0	0	40
Avg. Pay	0	43,163	46,712	58,548	72,109	79,733	0	0	0	0	70,154
50 to 54	0	2	1	3	2	2	2	0	0	0	12
Avg. Pay	0	50,685	49,868	64,483	68,206	93,181	87,375	0	0	0	70,184
55 to 59	0	0	0	0	0	1	0	0	0	0	1
Avg. Pay	0	0	0	0	0	78,514	0	0	0	0	78,514
60 to 64	0	0	0	0	1	0	0	0	0	0	1
Avg. Pay	0	0	0	0	64,110	0	0	0	0	0	64,110
65 to 69	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
Total	10	98	50	44	33	27	2	0	0	0	264
Avg. Pay	32,763	43,529	49,316	56,071	72,064	82,336	87,375	0	0	0	54,176

* The average pay shown is the average of the annual rate of pay including any overtime pay and other special compensation.

AGE-SERVICE-SALARY TABLE

TABLE IXf

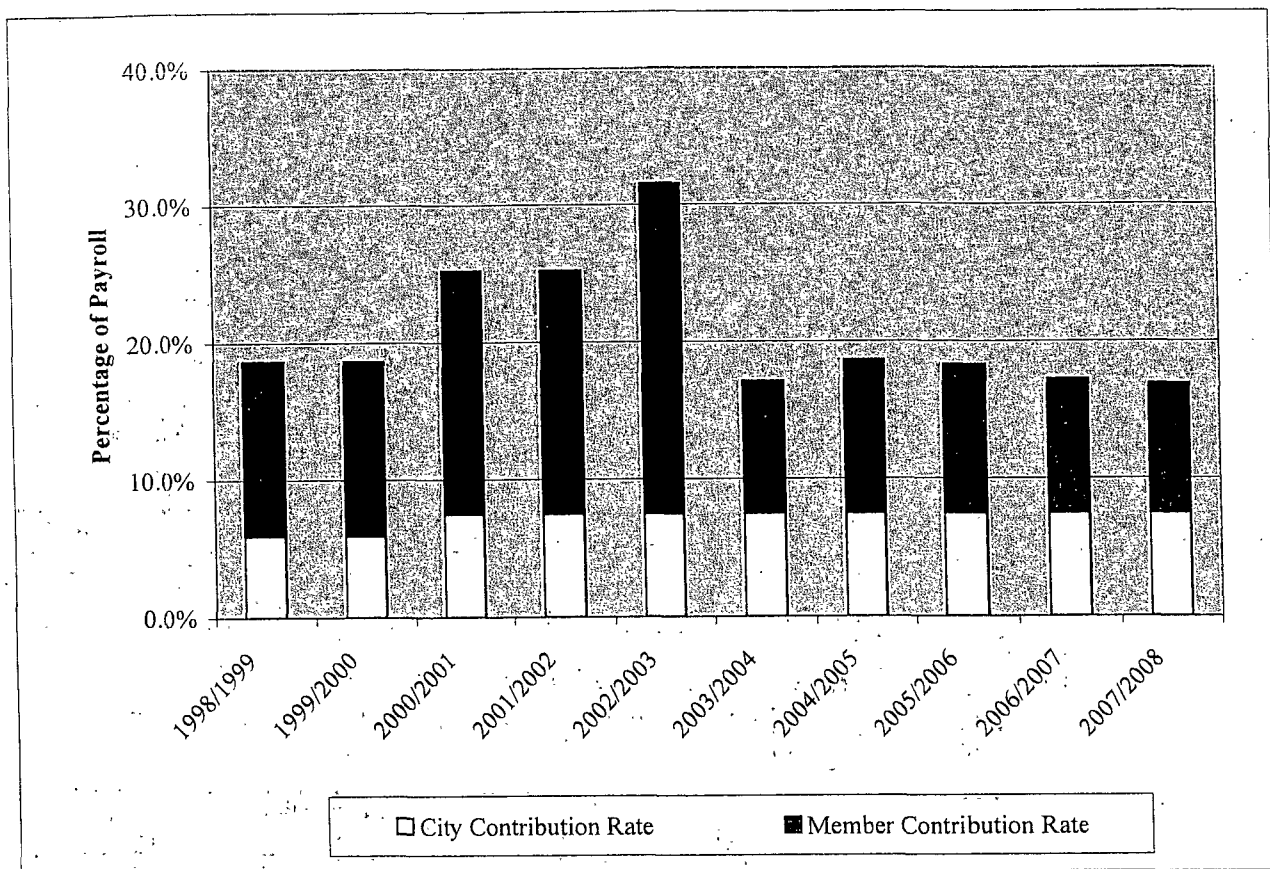
(Firefighters)

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	2	7	0	0	0	0	0	0	0	0	9
Avg.Pay	34,205	41,424	0	0	0	0	0	0	0	0	39,820
25 to 29	3	12	0	0	0	0	0	0	0	0	15
Avg.Pay	36,103	39,332	0	0	0	0	0	0	0	0	38,686
30 to 34	0	10	5	0	0	0	0	0	0	0	15
Avg.Pay	0	43,711	56,620	0	0	0	0	0	0	0	48,014
35 to 39	1	8	4	11	3	0	0	0	0	0	27
Avg.Pay	35,267	44,722	51,770	57,097	66,429	0	0	0	0	0	52,870
40 to 44	0	2	0	3	17	1	0	0	0	0	23
Avg.Pay	0	47,424	0	55,698	70,750	58,366	0	0	0	0	66,220
45 to 49	0	1	0	5	11	6	0	0	0	0	23
Avg.Pay	0	41,235	0	55,232	73,374	79,164	0	0	0	0	69,543
50 to 54	0	0	0	0	5	7	0	0	0	0	12
Avg.Pay	0	0	0	0	66,888	72,760	0	0	0	0	70,313
55 to 59	0	0	1	0	0	0	1	1	0	0	3
Avg.Pay	0	0	69,026	0	0	0	74,591	80,993	0	0	74,870
60 to 64	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
Total	6	40	10	19	36	14	1	1	0	0	127
Avg.Pay	35,331	42,323	55,921	56,385	70,655	74,476	74,591	80,993	0	0	57,301

* The average pay shown is the average of the annual rate of pay including any overtime pay and other special compensation.

HISTORICAL CONTRIBUTION RATE

TABLE X



<u>Fiscal Year</u>	<u>Member Contribution Percentage</u>	<u>Expected City & State Contribution Percentage</u>	<u>Fiscal Year</u>	<u>Member Contribution Percentage</u>	<u>Expected City & State Contribution Percentage</u>
1998/1999	5.93%	12.71%	2003/2004	7.50%	9.61%
1999/2000	5.93%	12.71%	2004/2005	7.50%	11.13%
2000/2001	7.50%	17.71%	2005/2006	7.50%	10.78%
2001/2002	7.50%	17.71%	2006/2007	7.50%	9.72%
2002/2003	7.50%	24.03%	2007/2008	7.50%	9.40%

Fiscal Year 2003/2004 does not include pension bond contribution of \$47,728,526.

1. Actuarial Cost Method

Entry Age Normal Cost Method

2. Decrements

- Mortality**

Sex-distinct rates set forth in the 1994 Group Annuity Mortality Table

- Disability**

Representative values of the assumed annual rates of disability among members in active service are set forth in the following table. All disabilities are assumed to be service-related.

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.095%	30	0.205%	40	0.440%	50	1.220%
25	0.150%	35	0.260%	45	0.620%	55	1.820%

- Permanent Withdrawal from Active Status (Firefighters)**

The assumed annual rates of withdrawal among firefighters in active service are set forth in the following table:

Age	Years of Service					
	< 1	1 to 2	2 to 3	3 to 4	4 to 5	5 or more
Less than 30	10.0%	6.0%	5.0%	4.0%	3.0%	3.0%
30 to 34	10.0%	6.0%	5.0%	4.0%	3.0%	2.5%
35 to 39	10.0%	6.0%	5.0%	4.0%	3.0%	2.0%
40 to 44	10.0%	6.0%	5.0%	4.0%	3.0%	1.5%
45 to 49	10.0%	6.0%	5.0%	4.0%	3.0%	1.0%
50 to 54	10.0%	6.0%	5.0%	4.0%	3.0%	0.5%
55 or older	10.0%	6.0%	5.0%	4.0%	3.0%	0.0%

- Permanent Withdrawal from Active Status (Police Officers)**

The assumed annual rates of withdrawal among police officers in active service are set forth in the following table:

Age	Years of Service					
	< 1	1 to 2	2 to 3	3 to 4	4 to 5	5 or more
Less than 30	15.0%	9.0%	6.0%	4.5%	3.0%	3.0%
30 to 34	15.0%	9.0%	6.0%	4.5%	3.0%	2.5%
35 to 39	15.0%	9.0%	6.0%	4.5%	3.0%	2.0%
40 to 44	15.0%	9.0%	6.0%	4.5%	3.0%	1.5%
45 to 49	15.0%	9.0%	6.0%	4.5%	3.0%	1.0%
50 to 54	15.0%	9.0%	6.0%	4.5%	3.0%	0.5%
55 or older	15.0%	9.0%	6.0%	4.5%	3.0%	0.0%

- **Retirement**

The assumed annual rates of retirement are set forth in the following table:

Age Range	Rate at Each Age	Age Range	Rate at Each Age
Less than 45	10%	50 to 55	10%
45 to 49	10%	55	100%

100% are assumed to retire after 25 years of service.

3. Interest Rates

- **Used for Calculating All Liabilities (including GASB 25/27 liabilities)**
8.50% per annum

4. Marriage Assumption

- **Percent Married**
90% of members are assumed to be married
- **Age Difference Between Spouses**
Male spouses are assumed to be two years older than female spouses

5. Salary Increases

Salaries are assumed to increase at the annual rates set forth in the following table:

Age Range	Rate at Each Age	Age Range	Rate at Each Age
Less than 30	7%	35 to 39	5%
30 to 34	6%	40 and older	4%

Maximum future overtime assumed not to exceed 20% of base pay.

6. Expenses

Annual administrative expenses, *exclusive* of investment expenses and commissions, are assumed to be equal to the annual average of actual administrative expenses incurred since the previous valuation. In addition, the interest rates set forth in item 3. above are assumed to be net of investment expenses and commissions.

7. Assets

The actuarial value of assets is based on a moving market value averaged over five years. Each year, the actuarial asset value is projected forward at the valuation date based on actual contributions and benefit payments at the assumed interest assumption. One fifth of the difference between the projected actuarial value and the market value plus the prior deferrals is added to the projected actuarial value. The remaining four fifths is deferred to each of the next four years as future adjustments to the actuarial value. The result cannot be greater than 120% of market value or less than 80% of market value.

8. Unfunded Liability Bases and Funding Period (Pursuant to Chapter 112, Florida Statutes)

All unfunded liability bases which were established prior to October 1, 1997, as well as those bases established as of that date, have been combined into a single, "fresh-start" base effective October 1, 1997. This base will be amortized over a period of 20 years, which period is within the maximum amortization period allowed by Chapter 112.64, Florida Statutes. New bases established after October 1, 1997 will be amortized over a period of 30 years as allowed by the Statutes. In addition, the annual payment towards the unfunded actuarial accrued liability has been determined as a level percentage of payroll. Total payroll has been assumed to increase at the rate of 4.00% per annum.

9. Member Share of the Required Contribution

- The members' share of the total required contribution has been set at 7-1/2% beginning October 1, 1999.

ASSUMPTION CHANGES

TABLE XIa

The following assumptions have been changed in the past few years:

Effective October 1, 1999:

- a. The assumed rates of retirement set forth in item 2., Table XI have been changed due to amendments to the Plan;
- b. The method of determining the members' share of the required contribution has been changed to the method described in item 9., Table XI in order to comply with Section 2-599 of the Code of Ordinances.

Effective October 1, 2001

- a. The asset method was changed from a book-related value to a market related value with a five - year phase in.
- b. The Interest rate used for calculating all liabilities has been changed from 9.00% to 8.50%.

Effective October 1, 2003

- a. The mortality assumption has been changed from 1983 Group Annuity Mortality Table to the 1994 Group Annuity Mortality Table

Effective October 1, 2004

- a. Maximum future overtime assumed not to exceed 20% of base pay.

NOTE: Assumption and method changes that have first been reflected in this valuation are shown in bold print.

1. Monthly Accrued Benefit

2¹/₂% of Final Average Earnings multiplied by Credited Service

2. Normal Retirement Age and Benefit

- **Age**

Age 55 with at least 10 years of Credited Service or any age with at least 20 years of Credited Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Life annuity (normal form of payment);

Actuarially reduced 66²/₃% joint and contingent annuity (optional);

Actuarially reduced 66²/₃% joint and last survivor annuity (optional).

(Note: All forms of payment guarantee at least the return of the Member Contributions. In addition, the Member may change his joint annuitant after retirement under the conditions set forth in Plan.)

3. Deferred Retirement Option Plan (DROP)

Effective October 1, 1999, a deferred retirement option plan (DROP) has been established. A member is eligible for participation in the DROP after completing 25 years of service. Members in the DROP continue as active employees but no longer contribute or accrue benefits. The accrued benefit is calculated at entry into the DROP and is paid into an account within the Plan designated by the member for investment. The maximum period of participation is 60 months. At termination of employment, participant is paid balance of account in the form elected.

4. Disability Retirement Eligibility and Benefit

- **Eligibility**

Active members are eligible for a disability benefit provided that they either: (1) become totally and permanently disabled in the line of duty, or (2) have earned at least five years of Credited Service and become totally and permanently disabled not in the line of duty.

- **Amount**

A monthly benefit equal to the largest of (a), (b), or (c), as follows:

(a) Monthly Accrued Benefit;

(b) 42% of Final Average Earnings (for disabilities incurred in the line of duty); or

(c) 25% of Final Average Earnings (for all other disabilities)

- **Form of Payment**

Same as for Normal Retirement, but in no event will payments be made after the Member's recovery from such disability.

5. Termination Benefit

- **Age**

Any age with at least 10 years of Credited Service

- **Amount**

Monthly Accrued Benefit, payable at age 60

- **Form of Payment**

Same as for Normal Retirement

(Note: Members with less than 10 years of Credited Service who terminate employment will receive a refund of their Member Contributions. Members with at least 10 years of Credited Service who terminate employment may elect to receive a refund of their Member Contributions in lieu of any other Plan benefit.)

6. Pre-Retirement Death Benefit

In the case of the death of a member prior to retirement, his beneficiary will receive the member's accumulated contributions without interest, or if such member had attained Normal Retirement Age, then his beneficiary will receive a monthly life annuity as if the member had elected retirement on the day before he died and had elected the 66²/₃% joint and contingent annuity. If a member who has 16 or more years of credited service is killed in an accident, other members may contribute unused vacation time toward his or her length of credited service in order to allow his or her beneficiary to qualify for the monthly life annuity described above.

7. Cost-of-Living Adjustments

A retired member on or before October 1, 1999 will receive an annual 2% adjustment beginning at the later of November 1, 1999 and the October 1 following his 62nd birthday.

A member who retires after October 1, 1999 (including DROP participants) with 25 or more years of service will receive an annual 2% adjustment beginning at the later of November 1, 1999 and the October first following his 55th birthday.

A member who retires after October 1, 1999 (including DROP participants) with 20 or more years of service but less than 25 years of service will receive an annual 2% adjustment beginning at the later of November 1, 1999 and the October first following his 62nd birthday.

A member who receives a disability retirement benefit after October 1, 1999, shall upon the attainment of age 62 on or before October 1st, have the next monthly retirement benefit adjusted by two percent beginning his benefit for the month of October next coincident with the retirees attainment of age 62.

8. Final Average Earnings

Final Average Earnings mean average earnings for the highest 36 consecutive months, where earnings include base pay (including all paid leaves), overtime pay, working out of classification pay, longevity pay, Florida city firefighters supplemental education incentive payments, Florida police officer educational salary incentive payments, police security overtime pay, special assignment pay, special duty assignment pay, paramedic certification pay, stand-by pay, call-back pay, acting out of classification pay, and termination vacation pay, except as provided for by collective bargaining agreements. In addition, for those employees who become a member of the plan on or after October 1, 1996, earnings are limited to \$150,000 per year (as indexed).

9. Credited Service

Credited Service means the total number of months of service with the City, expressed in terms of full and fractional years, where a member earns one month of service for at least 10 days of service within each month beginning on the day of the month corresponding to the member's date of employment. Credited Service will include unused sick leave credits, any authorized leave of absence up to 90 days, and military service as required by Federal law.

10. Membership Requirements

In order to become a Member of the Plan, a person must be employed by the City of Gainesville, Florida on a full-time basis as a certified firefighter or law enforcement officer. An otherwise eligible employee may elect to have future City contributions made to the ICMA program in lieu of continuing his active membership in the plan.

11. Member Contributions

Members are required to contribute 7-1/2% of gross pay. Member Contributions are deemed to be "picked-up" by the City pursuant to Internal Revenue Code (IRC) §414(h)(2).

The following plan amendments have been adopted within the past few years:

Effective October 1, 1999:

- a. The Social Security offset has been eliminated;
- b. The DROP has been created, as described in Item 3., Table XII;
- c. An annual COLA has been included, as described in Item 7., Table XII.
- d. The pre-retirement death benefit has been amended as described in Item 6., Table XII.

