

**CITY OF FORT PIERCE**  
**RETIREMENT AND BENEFIT SYSTEM**  
FIFTY-FOURTH ANNUAL ACTUARIAL VALUATION REPORT  
FOR THE YEAR ENDING SEPTEMBER 30, 2012

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**REPORT OF SEPTEMBER 30, 2012 ACTUARIAL VALUATION**

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April 18, 2013

The City Commission and  
Retirement Board  
Fort Pierce, Florida

Dear Commission and Retirement Board Members:

The results of the September 30, 2012 annual actuarial valuation of the City of Fort Pierce Retirement and Benefit System are presented in this report. The purpose of the valuation was to measure the System's funding progress, provide actuarial information in connection with applicable Governmental Accounting Standards Board Statements and to determine the employer contribution rates for the 2013-2014 fiscal year.

This report should not be relied upon for any other purpose. This report may be distributed to parties other than the System only in its entirety and only with the permission of the Board. This report should not be relied on for any purpose other than those described above. It was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board.

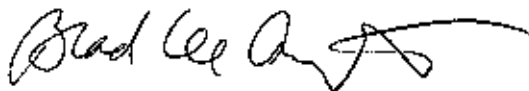
The signing actuaries are independent of the plan sponsor.

The valuation was based upon information, furnished by the City, concerning Retirement System benefits, financial transactions, and individual members, terminated members, retirees and beneficiaries. Data was checked for internal and year to year consistency, but was not otherwise audited by us. As a result, we are unable to assume responsibility for the accuracy or completeness of the data provided.

Future actuarial measurements may differ significantly from those presented in this report due to such factors as experience differing from that anticipated by actuarial assumptions, changes in plan provisions, actuarial assumptions/methods or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of future measurements.

To the best of our knowledge, this report is complete and accurate and the valuation was conducted in accordance with standards of practice prescribed by the Actuarial Standards Board and in compliance with the applicable state statutes. The undersigned are Members of the American Academy of Actuaries (MAAA) who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. It is our opinion that the actuarial assumptions used for the valuation produce results which are reasonable.

Respectfully submitted,



Brad Lee Armstrong, ASA, EA, MAAA



Randall J. Dziubek, EA, MAAA

BLA:mrB

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**SECTION A**

SUMMARY OF VALUATION RESULTS  
AND CERTIFICATION

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# **SUMMARY OF VALUATION RESULTS**

## **SEPTEMBER 30, 2012**

### **FUNDING OBJECTIVE**

The basic funding objective of the Retirement and Benefit System is to avoid transfer of the cost of benefit obligations between generations of taxpayers. This objective is implemented by contributions sufficient to:

- pay for costs allocated to the current year on account of service rendered by participants in the current year (Normal Cost).
- pay for costs allocated to prior years on account of service rendered by participants in prior years (Unfunded Actuarial Accrued Liability) over a maximum 30-year period.

The annual actuarial valuation measures the relationship between Retirement and Benefit System obligations and assets and determines the contribution rates for the ensuing year.

### **FUNDING PROGRESS INDICATORS**

The September 30, 2012 actuarial valuation indicates that the actuarial accrued liabilities of the Retirement and Benefit System, measured in accordance with Statement No. 25 of the Governmental Accounting Standards Board, are 85% funded by valuation assets. This remained consistent with last year's funded ratio of 85%. Although not historically referred to, the ratio of the market value of assets to the actuarial accrued liabilities is 89%. This is an increase from last year's 80%.

### **TRENDS TO MONITOR**

The market value of assets currently exceeds the funding value of assets by \$6.6 million. If losses from investment returns below the 8% assumed or losses from other sources do not emerge, this will create downward pressure on contribution requirements and a coinciding upward pressure on the funded ratios in next year's report.

# SUMMARY OF VALUATION RESULTS

## SEPTEMBER 30, 2012

### OBSERVED EXPERIENCE

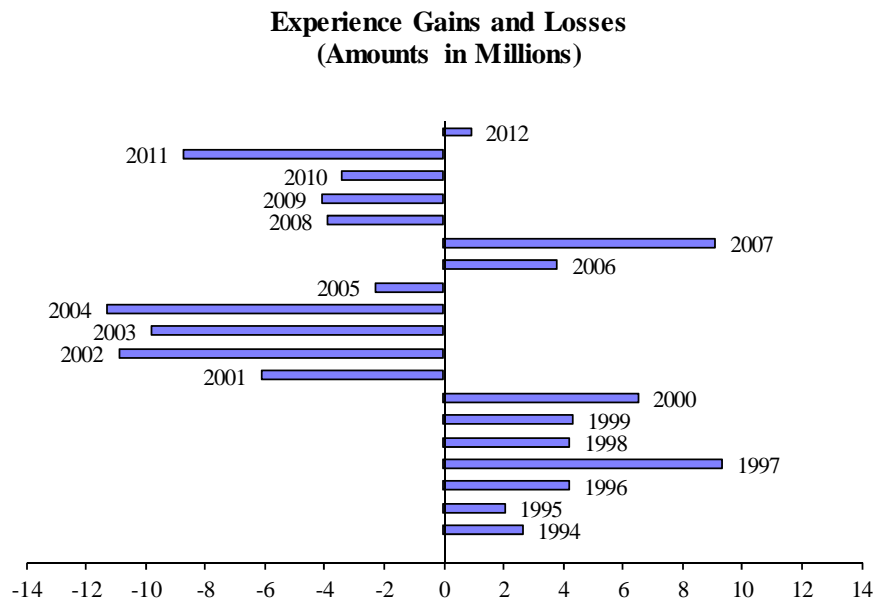
While the investment return on market value was 19.54%, the recognized rate of investment return was 8.03% due to averaging investment experience over the last 4 years. This is consistent with the long-term funding assumption of 8.0% expected. Note that each year's investment experience gain (loss) is spread over four years in equal dollar installments to reduce the effect of market volatility on contribution rates.

Demographic experience varied among the divisions. The principal deviations from projected experience were:

- 3.2% average pay increases across all the divisions vs. 5.8% expected (favorable)
- 16 retirements in all the divisions vs. 18 expected (favorable)
- 10-year average payroll growths were less than the 4.5% assumed
- Reductions in active member workforces (favorable for normal cost; unfavorable for unfunded liability)

The net effect of the preceding experience factors was an aggregate experience gain of \$853,641.

Year-to-year experience variations are expected and normal in the operation of a retirement system as members vary their activities and economic conditions change. The expectation is that the plus years and minus years will tend to cancel over 5 to 10 year periods.



Derivation of the current year's gain is located on Page B-3.

## SUMMARY OF VALUATION RESULTS SEPTEMBER 30, 2012

### VALUATION RESULTS - CONTRIBUTION REQUIREMENT

The percent of payroll contribution requirements for the 2013-2014 fiscal year are:

	<b>General</b>	<b>Utilities Authority</b>	<b>Police</b>
Members			
-Bargaining	5.16 %	6.16 %	5.16 %
-Non-Bargaining	5.16	6.16	5.16
Employer for			
-Bargaining	17.19 %	18.57 %	16.17 %
-Non-Bargaining	17.19	18.57	16.17
-Illustrative	\$1,619,255	\$2,393,183	\$956,205

For comparison, the percent of payroll contribution requirements for the 2012-2013 fiscal year based on last year's valuation are:

	<b>General</b>	<b>Utilities Authority</b>	<b>Police</b>
Members			
-Bargaining	5.16 %	6.16 %	5.16 %
-Non-Bargaining	5.16	6.16	5.16
Employer for			
-Bargaining	16.50 %	18.51 %	15.83 %
-Non-Bargaining	16.50	18.51	15.83
-Illustrative	\$1,529,564	\$2,404,163	\$926,811

Comparative contribution information is shown on page B-2. Composition of the current contribution rates is shown on page B-1.

## SUMMARY OF VALUATION RESULTS SEPTEMBER 30, 2012

### **COST-OF-LIVING ADJUSTMENT (COLA)**

Section 13 - 43 of the City's Code of Ordinances provides for a COLA if the investment return of the fund exceeds that required to satisfy the actuarial interest assumption, which did happen this year. In addition, the cumulative value of any COLA's granted since 1999 may not exceed the cumulative net actuarial gains since 1999. Page B-11 shows the cumulative value of COLA's and net actuarial gains/(losses) since 1999. The present balance is (\$35,573,134). So even though the recognized rate of investment return for the last fiscal year of 8.03% marginally exceeded the actuarial interest assumption of 8%, no COLA could be provided under Section 13 - 43 until the Retirement and Benefit System's future actuarial gains exceed \$35,573,134 plus interest. Given the cumulative net actuarial loss balance, this COLA provision is not likely to operate for the indefinite future.

### **CERTIFICATION**

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation report. 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 report.



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Brad Lee Armstrong, ASA, EA, MAAA  
Enrolled Actuary No. 11-5614  
April 18, 2013



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## **SECTION B**

### VALUATION RESULTS

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**CONTRIBUTIONS TO FINANCE BENEFITS OF THE  
RETIREMENT AND BENEFIT SYSTEM  
FOR THE PLAN YEAR BEGINNING OCTOBER 1, 2013  
TO BE CONTRIBUTED DURING THE FISCAL YEAR  
BEGINNING OCTOBER 1, 2013**

<b>Contributions for</b>	<b>Contributions Expressed as Percents of Active Member Payroll</b>		
	<b>General Members</b>	<b>Utilities Authority</b>	<b>Police Members</b>
Normal Cost			
Service pensions	11.71 %	11.37 %	17.91 %
Disability pensions	0.52	0.51	1.15
Death-in-service pensions	0.62	0.63	0.41
Deferred service pensions	2.28	2.28	0.97
Refunds of member contributions	0.51	0.59	0.32
Total Normal Cost	15.64	15.38	20.76
Unfunded Actuarial Accrued Liability (1)			
Retired members and beneficiaries	0.00	0.00	0.00
Active and vested terminated members	3.31	7.26	0.00
Total Unf'd. Actuarial Accrued Liability	3.31	7.26	0.00
Administrative Expenses	0.27	0.27	0.27
Total Unadjusted Computed Contribution	19.22	22.91	21.03
Adjustments to Computed Contribution			
FS 112.64 (5) Compliance	3.13	1.82	0.95
Full funding credit (2)	0.00	0.00	(0.65)
Total Adjustments	3.13	1.82	0.30
Total Adjusted Contribution Requirement	22.35	24.73	21.33
Member portion	5.16	6.16	5.16
Employer portion	17.19	18.57	16.17

(1) Financing period schedules begin on page B-7.

(2) This is a temporary credit toward the contribution requirement; see pages B-7 and B-9.

FS 112.64 requires employer contributions to be deposited not less frequently than quarterly. Member contributions, which are in addition to the Employer contributions, must be deposited immediately after each pay period.

## RECOMMENDED AND ACTUAL CONTRIBUTIONS COMPARATIVE STATEMENT

Fiscal Date	Valuation Date	Percentage of Payroll Contributions			Dollar Contributions @	
		General Members	Utilities Authority	Police Members	Proj. Funding Requirement	Actual \$
79/80 (b)		7.75 %	8.05 %	10.21 %	\$ 700,500	\$ 785,821
84/85	9/83	7.61	7.82	9.59	1,189,618	1,349,378
89/90	9/88	6.02	7.76	9.17	1,779,600	2,021,209
95/96	9/94	4.74	6.41	4.54	1,737,080	2,328,501
96/97 (b)	9/95	4.79	5.34	4.98	1,877,033	2,270,176
97/98 (b)	9/96	4.67	6.77	3.03	1,875,979	2,062,431
98/99	9/97	3.58	5.18	0.00	1,513,090	1,275,077
99/00 (b)	9/98 #	0.51	1.20	1.45	709,194	982,054
00/01 (b)	9/99	0.00	0.26	0.00	801,012	1,195,351
01/02 (b)	9/00	0.00	0.26	0.00	906,649	2,158,784
02/03 (b)	9/01	2.91	1.10	0.00	2,048,079	2,271,079
03/04	9/02	4.67	3.23	1.38	2,893,397	3,610,663
04/05	9/03	6.15	4.93	3.76	3,948,626	5,634,357
05/06	9/04	8.01	6.23	6.76	6,283,117	8,975,380
06/07	9/05	11.05	11.94	14.14	3,624,157	4,114,963
07/08 (b)	9/06	11.59	11.01	14.88	3,939,766	4,082,846
08/09 (b)	9/07	9.71	10.06	12.26	3,517,935	3,580,089
09/10	9/08	10.36	10.67	12.79	3,964,443	3,377,350
10/11	9/09	11.06	11.86	12.97	3,999,560	3,181,447
11/12 (b)	9/10	12.59	14.08	13.51	3,937,037	3,566,751
12/13 (b)	10/11	16.50	18.51	15.83	4,860,538	
<b>13/14</b>	<b>11/12</b>	<b>17.19</b>	<b>18.57</b>	<b>16.17</b>	<b>4,968,643</b>	

\* Prior to 9/30/96 the minimum employer contribution required in accordance with Sec. 21.3 of the Retirement and Benefit System Ordinance was 7.60% for General and Utilities Authority, 9.61% for Police.

@ Actual Employer contributions are determined by applying the Employer's contribution rate to the emerging payroll. Projected funding requirement is derived from the City portion of the contribution rates on page B-1. The payroll was increased by a factor of 1.092 (1.045<sup>2</sup>) to reflect projected payroll growth to the beginning of the fiscal year during which the contribution will be made. Prior to the valuation date of 9/30/2005, dollar contributions included Fire members.

(a) Before changes in benefit provisions and/or actuarial assumptions and cost methods.

(b) After changes in benefit provisions and/or actuarial assumptions and cost methods.

# Prior to the 9/98 actuarial valuation reimbursement of investment expenses (approx. 2% of payroll) were included in the contribution requirement. The plan was amended 4/98 to allow payment of investment expenses out of investment income.

**EXPERIENCE GAIN (LOSS)  
YEAR ENDED SEPTEMBER 30, 2012**

	Divisions			Total
	General Members	Utilities Authority	Police Members	
<b>DERIVATION</b>				
(1) UAAL* at start of year	\$7,947,025	\$13,407,167	\$3,866,445	\$25,220,637
(2) Employer normal cost for year	930,739	1,115,227	858,839	2,904,805
(3) Employer contributions	1,098,760	1,695,258	772,733	3,566,751
(4) Interest accrued: .08 x [(1) + ½ [(2) – (3)]]	629,041	1,049,372	312,760	1,991,173
(5) Expected UAAL before changes: [(1) + (2) - (3) + (4)]	8,408,045	13,876,508	4,265,311	26,549,864
(6) Effect of assumption changes	0	0	0	0
(7) Effect of cost method changes/ accounting and timing differences	0	0	0	0
(8) Effect of benefit changes	0	0	0	0
(9) Expected UAAL after changes	8,408,045	13,876,508	4,265,311	26,549,864
(10) Actual UAAL	8,236,328	12,874,991	4,584,904	25,696,223
(11) Gain (loss): (9) - (10)	171,717	1,001,517	(319,593)	853,641

\* UAAL represents unfunded actuarial accrued liability.

**DEVELOPMENT OF FUNDING VALUE OF  
RETIREMENT SYSTEM ASSETS**

<b>Year Ended September 30:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
A. Funding Value Beginning of Year	\$143,467,320	\$147,093,735	\$148,690,936	\$142,462,557
B. Market Value End of Year	129,119,322	138,853,804	134,533,659	154,199,397
C. Market Value Beginning of Year	126,932,071	129,119,322	138,853,804	134,533,659
D. Non-Investment Net Cash Flow	(2,137,055)	(4,487,610)	(6,003,229)	(6,034,911)
E. Investment Income				
E1. Market Total: B - C - D	4,324,306	14,222,092	1,683,084	25,700,649
E2. Amount for Immediate Recognition (8.0%)	11,391,903	11,587,994	11,655,146	11,155,608
E3. Amount for Phased-In Recognition: E1 - E2	(7,067,597)	2,634,098	(9,972,062)	14,545,041
F. Phased-In Recognition of Investment Income				
F1. Current Year: 0.25 x E3	(1,766,899)	658,525	(2,493,016)	3,636,260
F2. First Prior Year	(8,278,908)	(1,766,899)	658,525	(2,493,016)
F3. Second Prior Year	3,884,099	(8,278,908)	(1,766,899)	658,525
F4. Third Prior Year	<u>533,275</u>	<u>3,884,099</u>	<u>(8,278,906)</u>	<u>(1,766,900)</u>
F5. Total Recognized Investment Gain	(5,628,433)	(5,503,183)	(11,880,296)	34,869
G. Funding Value End of Year: A + D + E2 + F5	147,093,735	148,690,936	142,462,557	147,618,123
H. Difference between Market & Funding Value	(17,974,413)	(9,837,132)	(7,928,898)	6,581,274
I. Recognized Rate of Return	4.05%	4.20%	(0.15)%	8.03%
J. Market Value Return	3.44%	11.21%	1.24%	19.54%

The Funding Value of Assets recognizes assumed investment income (Line E2) fully each year. Differences between actual and assumed investment income (Line E3) are phased-in over a closed 4 year period. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, the Funding Value of Assets will tend to be greater than Market Value. If assumed rates are exactly realized for 4 consecutive years, it will become equal to Market Value.

**FUNDING INDICATORS # – HISTORICAL COMPARISON**  
**(\$ AMOUNTS IN THOUSANDS)**

Valuation Date	Indicator (1)		Indicator (2)			Indicator (3)	
	Gain (Loss)	Valuation Assets	AAL*	Funded Ratio	Unfunded AAL	Member Payroll	Ratio to Payroll
9/92	\$ 2,068	\$ 67,717	\$ 69,355	98 %	\$ 1,638	\$24,913	7 %
9/93	4,360	75,833	72,883	104	(2,950)	23,602	(12)
9/94	2,627	83,023	77,060	108	(5,963)	24,137	(25)
9/95 (b)	2,031	92,515	86,560	107	(5,955)	26,174	(23)
9/96 (b)	4,188	103,164	93,874	110	(9,290)	27,529	(34)
9/97	9,324	119,224	100,121	119	(19,103)	29,986	(64)
9/98 (b)	4,181	132,975	109,210	122	(23,765)	30,296	(78)
9/99 (b)	4,315	146,903	120,514	122	(26,389)	31,688	(83)
9/00 (b)	6,465	162,020	129,969	125	(32,051)	33,312	(96)
9/01 (b)	(6,086)	165,023	137,067	120	(27,955)	35,600	(79)
9/02 (b)	(10,908)	167,050	149,437	112	(17,610)	37,037	(48)
9/03	(9,845)	168,943	162,127	104	(6,816)	40,313	(17)
9/04	(11,328)	171,558	186,671	92	15,113	43,544	35
9/05	(2,296)	185,776	216,534	86	30,758	48,880	63
9/06 (b)	3,801	120,062	130,861	92	10,800	30,532	35
9/07 (b)	9,087	135,944	138,610	98	2,666	30,984	9
9/08	(3,888)	143,467	150,475	95	7,008	32,952	21
9/09	(4,060)	147,094	158,755	93	11,661	31,016	38
9/10 (b)	(3,429)	148,691	164,865	90	16,174	26,779	60
10/11 (b)	(8,690)	142,463	167,683	85	25,220	25,744	98
<b>11/12</b>	<b>854</b>	<b>147,618</b>	<b>173,314</b>	<b>85</b>	<b>25,696</b>	<b>25,842</b>	<b>99</b>

# Excludes Fire after 9/05 valuation date.

\* Actuarial Accrued Liabilities.

(a) Before changes in benefit provisions and/or actuarial assumptions.

(b) After changes in benefit provisions and/or actuarial assumptions.

**UNFUNDED ACTUARIAL ACCRUED LIABILITY**  
**(\$ AMOUNTS IN THOUSANDS)\***

	September 30, 2012			September 30, 2011		
	General Members	Utilities Authority	Police Members	General Members	Utilities Authority	Police Members
A. Actuarial present value of future benefits	\$63,857	\$90,496	\$53,025	\$62,477	\$89,057	\$51,267
B. Actuarial present value of future normal costs	10,537	13,485	10,041	10,778	13,847	10,493
C. Actuarial accrued liability	53,320	77,011	42,984	51,699	75,210	40,774
D. Actuarial value of assets	45,084	64,136	38,399	43,752	61,803	36,907
E. Unfunded actuarial accrued liability	8,236	12,875	4,585	7,947	13,407	3,866
F. Funded Ratio	84.6%	83.3%	89.3%	84.6%	82.2%	90.5%

\* Totals may be off due to rounding.

**SOURCES AND FINANCING OF  
UNFUNDED ACTUARIAL ACCRUED LIABILITY  
GENERAL MEMBERS**

Year Established	Initial Years	Years Remaining	Unfd. Act. Accr. Liab.		Amortization Factor	Amortization Payment*	% of Payroll Contribution*
			Initial Amount	Current Amount			
<b>Initial Unfunded</b>							
1981	34	3	\$ 823,833	\$ (189,982)	2.8565	\$ (70,919)	(0.83) %
<b>Experience Changes</b>							
1983	30	1	(366,497)	(75,693)	0.9837	(78,643)	(0.92)
1984	30	2	(99,400)	(38,415)	1.9355	(20,724)	(0.24)
1985	30	3	(188,808)	(102,400)	2.8565	(38,225)	(0.45)
1986	30	4	(1,082,703)	(729,226)	3.7477	(211,805)	(2.47)
1987	30	5	(7,872)	(6,595)	4.6099	(1,589)	(0.02)
1988	30	6	435,310	381,444	5.4442	79,378	0.92
1989	30	7	(529,751)	(504,402)	6.2515	(93,201)	(1.09)
1990	30	8	292,576	296,523	7.0326	49,639	0.58
1991	30	9	(8,308)	(8,873)	7.7884	(1,366)	(0.02)
1992	30	10	(260,310)	(289,275)	8.5197	(41,473)	(0.48)
1993	30	11	(1,200,305)	(1,374,293)	9.2273	(185,193)	(2.16)
1994	30	12	(298,407)	(349,127)	9.9120	(44,568)	(0.52)
1995	30	13	(571,245)	(680,256)	10.5745	(82,798)	(0.96)
1996	30	14	(328,506)	(395,865)	11.2155	(46,193)	(0.54)
1997	30	15	(1,697,188)	(2,059,182)	11.8357	(231,435)	(2.69)
1998	30	16	(1,095,283)	(1,332,071)	12.4359	(144,776)	(1.69)
1999	30	17	(888,248)	(1,078,634)	13.0166	(113,758)	(1.32)
2000	30	18	(1,366,921)	(1,651,762)	13.5784	(169,551)	(1.97)
2001	30	19	1,108,179	1,332,706	14.1221	133,500	1.55
2002	30	20	2,074,314	2,476,018	14.6481	242,608	2.82
2003	30	21	2,097,459	2,479,105	15.1571	238,093	2.77
2004	30	22	2,013,373	2,351,268	15.6496	221,744	2.58
2005	30	23	208,003	239,534	16.1262	22,219	0.26
2006	30	24	(1,561,550)	(1,769,944)	16.5873	(161,720)	(1.88)
2007	30	25	(3,153,776)	(3,512,829)	17.0334	(316,577)	(3.69)
2008	30	26	1,535,312	1,677,891	17.4651	149,321	1.74
2009	30	27	1,306,244	1,398,735	17.8828	123,053	1.43
2010	30	28	301,258	315,675	18.2870	27,480	0.32
2011	30	29	3,140,943	3,216,954	18.6781	277,347	3.23
2012	30	30	(171,717)	(171,717)	19.0565	(14,674)	(0.17)
<b>Benefit Changes</b>							
1985	30	3	307,194	166,606	2.8565	62,193	0.72
1990	30	8	919,717	932,123	7.0326	156,042	1.82
1996	30	14	(126,041)	(151,887)	11.2155	(17,724)	(0.21)
1998	30	16	(4,204)	(5,114)	12.4359	(556)	(0.01)
2000	30	18	416,125	502,838	13.5784	51,616	0.60
2004	30	22	603,572	704,866	15.6496	66,475	0.77
2005	30	23	2,422,727	2,789,982	16.1262	258,797	3.01
2006	30	24	1,820,155	2,063,059	16.5873	188,502	2.19
2010	30	28	421,454	441,624	18.2870	38,444	0.45
2011	30	29	(604,106)	(618,725)	18.6781	(53,343)	(0.62)
<b>Assumption Changes</b>							
1985	30	3	(213,316)	(115,692)	2.8565	(43,187)	(0.50)
1987	30	5	1,460,488	1,145,177	4.6099	275,922	3.21
1990	30	8	84,603	85,745	7.0326	14,354	0.17
1995	30	13	822,391	979,329	10.5745	119,200	1.39
2001	30	19	(571,357)	(687,121)	14.1221	(68,830)	(0.80)
2011	30	29	154,468	158,206	18.6781	13,640	0.16
<b>Totals</b>				<b>\$8,236,328</b>		<b>\$556,739</b>	<b>6.44 %</b>

\* Actual wage growth over the past 10 years has been (0.32)%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. This has been used in the above calculation as required.



**SOURCES AND FINANCING OF  
UNFUNDED ACTUARIAL ACCRUED LIABILITY  
UTILITIES AUTHORITY MEMBERS**

Year Established	Initial Years	Years Remaining	Unfd. Act. Accr. Liab.		Amortization Factor	Amortization Payment*	% of Payroll Contribution*
			Initial Amount	Current Amount			
<b>Initial Unfunded</b>							
1981	34	3	\$1,760,177	\$ 635,938	2.8565	\$ 230,445	1.98 %
<b>Experience Changes</b>							
1983	30	1	347,917	(73,770)	0.9837	(75,873)	(0.65)
1984	30	2	(359,556)	6,064	1.9355	3,206	0.03
1985	30	3	15,796	(67,448)	2.8565	(24,441)	(0.21)
1986	30	4	(125,200)	(414,158)	3.7477	(115,675)	(0.99)
1987	30	5	(619,038)	(191,794)	4.6099	(44,030)	(0.38)
1988	30	6	(246,244)	245,467	5.4442	48,234	0.41
1989	30	7	280,129	(124,031)	6.2515	(21,452)	(0.18)
1990	30	8	(130,266)	412,907	7.0326	64,149	0.55
1991	30	9	407,412	(254,596)	7.7884	(36,085)	(0.31)
1992	30	10	(238,416)	(432,252)	8.5197	(56,575)	(0.49)
1993	30	11	(388,969)	(1,607,089)	9.2273	(196,152)	(1.68)
1994	30	12	(1,360,632)	(1,145,377)	9.9120	(131,419)	(1.13)
1995	30	13	(978,978)	(1,160,087)	10.5745	(125,971)	(1.08)
1996	30	14	(974,186)	(1,133,422)	11.2155	(117,141)	(1.01)
1997	30	15	(940,560)	(2,660,183)	11.8357	(262,951)	(2.26)
1998	30	16	(2,192,535)	(3,082,600)	12.4359	(292,651)	(2.51)
1999	30	17	(2,534,640)	(1,386,747)	13.0166	(126,907)	(1.09)
2000	30	18	(1,141,977)	(1,581,945)	13.5784	(140,002)	(1.20)
2001	30	19	(1,309,143)	1,916,643	14.1221	164,501	1.41
2002	30	20	1,593,737	3,413,656	14.6481	284,858	2.44
2003	30	21	2,859,829	3,182,501	15.1571	258,784	2.22
2004	30	22	2,692,574	1,838,914	15.6496	146,005	1.25
2005	30	23	1,574,647	260,081	16.1262	20,200	0.17
2006	30	24	225,846	(3,054,880)	16.5873	(232,474)	(2.00)
2007	30	25	(2,695,199)	(3,540,486)	17.0334	(264,385)	(2.27)
2008	30	26	(3,178,605)	1,948,868	17.4651	143,001	1.23
2009	30	27	1,783,264	2,433,008	17.8828	175,640	1.51
2010	30	28	2,272,126	2,796,399	18.2870	198,836	1.71
2011	30	29	2,668,679	4,806,076	18.6781	336,942	2.89
2012	30	30	(1,001,517)	(1,001,517)	19.0565	(69,296)	(0.59)
<b>Benefit Changes</b>							
1985	30	3	393,236	211,847	2.8565	76,767	0.66
1996	30	14	1,797,497	2,166,072	11.2155	223,867	1.92
1998	30	16	(6,868)	(8,353)	12.4359	(793)	(0.01)
2000	30	18	217,608	262,952	13.5784	23,271	0.20
2005	30	23	5,714,128	6,580,320	16.1262	511,072	4.39
2007	30	25	879,772	979,933	17.0334	73,176	0.63
2011	30	29	(859,973)	(880,784)	18.6781	(61,750)	(0.53)
<b>Assumption Changes</b>							
1985	30	3	(313,763)	(169,033)	2.8565	(61,253)	(0.53)
1987	30	5	2,484,163	1,934,875	4.6099	444,184	3.81
1990	30	8	(71,195)	(72,153)	7.0326	(11,210)	(0.10)
1995	30	13	1,262,801	1,503,784	10.5745	163,293	1.40
2001	30	19	(1,106,750)	(1,330,987)	14.1221	(114,236)	(0.98)
2011	30	29	695,546	712,378	18.6781	49,943	0.43
<b>Totals</b>				<b>\$12,874,991</b>		<b>\$1,057,652</b>	<b>9.08 %</b>

\* Actual wage growth over the past 10 years has been 2.07%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. This has been used in the above calculation as required.

# SOURCES AND FINANCING OF UNFUNDED ACTUARIAL ACCRUED LIABILITY POLICE MEMBERS

Year Established	Initial Years	Years Remaining	Unfd. Act. Accr. Liab.		Amortization Factor	Amortization Payment*	% of Payroll Contribution*
			Initial Amount	Current Amount			
<b>Initial Unfunded</b>							
1981	34	3	\$ 387,782	\$ (230,662)	2.8565	\$ (82,605)	(1.50) %
<b>Experience Changes</b>							
1983	30	1	(111,519)	(23,032)	0.9837	(23,594)	(0.43)
1984	30	2	(94,576)	(36,551)	1.9355	(19,174)	(0.35)
1985	30	3	(179,528)	(97,367)	2.8565	(34,869)	(0.63)
1986	30	4	(625,033)	(420,975)	3.7477	(115,762)	(2.10)
1987	30	5	59,331	46,522	4.6099	10,476	0.19
1988	30	6	411,907	360,936	5.4442	69,314	1.26
1989	30	7	(756,895)	(720,677)	6.2515	(121,380)	(2.21)
1990	30	8	125,313	127,003	7.0326	19,147	0.35
1991	30	9	(203,783)	(217,610)	7.7884	(29,827)	(0.54)
1992	30	10	(212,982)	(236,681)	8.5197	(29,857)	(0.54)
1993	30	11	(924,672)	(1,092,165)	9.2273	(128,058)	(2.33)
1994	30	12	(461,122)	(539,499)	9.9120	(59,274)	(1.08)
1995	30	13	(631,047)	(751,472)	10.5745	(77,889)	(1.42)
1996	30	14	(985,977)	(1,188,151)	11.2155	(116,850)	(2.12)
1997	30	15	(2,131,299)	(2,585,885)	11.8357	(242,490)	(4.41)
1998	30	16	769,031	935,286	12.4359	83,987	1.53
1999	30	17	(1,200,250)	(1,457,512)	13.0166	(125,799)	(2.29)
2000	30	18	(597,465)	(721,967)	13.5784	(60,090)	(1.09)
2001	30	19	578,886	696,173	14.1221	56,038	1.02
2002	30	20	1,258,164	1,501,817	14.6481	117,217	2.13
2003	30	21	1,317,638	1,557,390	15.1571	118,136	2.15
2004	30	22	2,033,822	2,375,149	15.6496	175,466	3.19
2005	30	23	(40,822)	(47,010)	16.1262	(3,389)	(0.06)
2006	30	24	455,702	516,515	16.5873	36,391	0.66
2007	30	25	(2,754,392)	(3,067,975)	17.0334	(211,601)	(3.85)
2008	30	26	569,652	622,553	17.4651	42,093	0.77
2009	30	27	481,424	515,512	17.8828	34,214	0.62
2010	30	28	458,881	480,843	18.2870	31,363	0.57
2011	30	29	856,807	877,542	18.6781	56,314	1.02
2012	30	30	319,593	319,593	19.0565	20,198	0.37
<b>Benefit Changes</b>							
1985	30	3	168,462	91,365	2.8565	32,720	0.59
1996	30	14	(52,503)	(63,270)	11.2155	(6,222)	(0.11)
1998	30	16	866,643	1,054,001	12.4359	94,647	1.72
2000	30	18	154,856	187,125	13.5784	15,575	0.28
2002	30	20	(2,757)	(3,291)	14.6481	(257)	(0.00)
2005	30	23	3,376,647	3,888,505	16.1262	280,298	5.10
2006	30	24	21,867	24,785	16.5873	1,746	0.03
2010	30	28	144,060	150,954	18.2870	9,846	0.18
2011	30	29	(576,034)	(589,974)	18.6781	(37,860)	(0.69)
<b>Assumption Changes</b>							
1985	30	3	(117,742)	(63,857)	2.8565	(22,869)	(0.42)
1987	30	5	409,545	321,127	4.6099	72,311	1.31
1990	30	8	194,195	196,814	7.0326	29,672	0.54
1995	30	13	576,369	686,358	10.5745	71,140	1.29
2000	30	18	93,418	112,884	13.5784	9,395	0.17
2001	30	19	418,050	502,751	14.1221	40,469	0.74
2011	30	29	577,020	590,984	18.6781	37,925	0.69
<b>Totals</b>				<b>\$4,584,904</b>		<b>\$16,382</b>	<b>0.30 %</b>

\* Actual wage growth over the past 10 years has been 1.72%, versus the 4.5% assumed. FS 112 requires use of the 10-year average if less than assumed. This has been used in the above calculation as required.

**ACTUARIAL BALANCE SHEET - SEPTEMBER 30, 2012**  
**(\$ AMOUNTS IN THOUSANDS)\***

**PRESENT RESOURCES AND EXPECTED FUTURE RESOURCES**

	<b>General Members</b>	<b>Utilities Authority Members</b>	<b>Police Members</b>	<b>Total</b>
A. Funding value of plan assets:				
1. Net assets from plan financial statements (Market)	\$47,093	\$66,995	\$40,111	\$154,199
2. Funding value adjustment	(\$2,009)	(\$2,859)	(\$1,712)	(\$6,580)
3. Funding value of assets	\$45,084	\$64,136	\$38,399	\$147,619
B. Actuarial present value of expected future employer contributions:				
1. For normal costs	\$ 6,989	\$ 8,001	\$ 7,528	\$22,518
2. For unfunded actuarial accrued liability	8,236	12,875	4,585	25,696
3. Total	\$15,225	\$20,876	\$12,113	\$48,214
C. Actuarial present value of expected future member contributions	3,548	5,484	2,513	11,545
D. Total Present and Future Resources	\$63,857	\$90,496	\$53,025	\$207,378

**ACTUARIAL PRESENT VALUE OF EXPECTED FUTURE  
BENEFIT PAYMENTS AND RESERVES**

	<b>General Members</b>	<b>Utilities Authority Members</b>	<b>Police Members</b>	<b>Total</b>
A. To retired members and beneficiaries	\$32,794	\$46,518	\$25,139	\$104,451
B. To vested terminated members	1,389	687	295	2,371
C. To present active members:				
1. Allocated to service rendered prior to valuation date	\$19,137	\$29,806	\$17,550	\$66,493
2. Allocated to service likely to be rendered after valuation date	\$10,537	\$13,485	\$10,041	\$34,063
3. Total	\$29,674	\$43,291	\$27,591	\$100,556
D. Total actuarial present value of expected future benefit payments	\$63,857	\$90,496	\$53,025	\$207,378

\* Totals may be off due to rounding.

## CUMULATIVE EXPERIENCE GAINS (LOSSES)

Year Ended September 30	Balance at Beginning of Year	Interest	Gain (Loss) During Year	Value of Cost- of-Living Adjustment During Year	Balance at End of Year
1999	\$ -	\$ -	\$ 4,314,699	\$ 709,305	\$ 3,605,394
2000	3,605,394	288,432	6,465,035	1,219,607	9,139,254
2001	9,139,254	731,140	(6,086,030)	1,186,656	2,597,708
2002	2,597,708	207,817	(10,907,939)	-	(8,102,414)
2003	(8,102,414)	(648,193)	(9,844,539)	-	(18,595,145)
2004	(18,595,145)	(1,487,612)	(11,328,205)	-	(31,410,961)
2005	(31,410,961)	(2,512,877)	(2,296,402)	-	(36,220,240)
2006*	(18,683,996)	(1,494,720)	3,801,047	-	(16,377,668)
2007	(16,377,668)	(1,310,213)	9,086,773	-	(8,601,108)
2008	(8,601,108)	(688,089)	(3,888,228)	-	(13,177,425)
2009	(13,177,425)	(1,054,194)	(4,059,794)	-	(18,291,413)
2010	(18,291,413)	(1,463,313)	(3,428,818)	-	(23,183,544)
2011	(23,183,544)	(1,854,684)	(8,690,267)	-	(33,728,495)
2012	(33,728,495)	(2,698,280)	853,641	-	(35,573,134)

\* After removing the estimated impact of Fire members.

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## **SECTION C**

**SUMMARY OF BENEFIT PROVISIONS AND  
VALUATION DATA SUBMITTED BY RETIREMENT  
AND BENEFIT SYSTEM**

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## **SUMMARY OF BENEFIT PROVISIONS (SEPTEMBER 30, 2012)**

**Participation:** Participation in the retirement and benefit system begins upon employment.

**Normal Retirement** (no reduction factor for age):

**Eligibility** - Original members: 20 or more years of service.

**All members** - General, Utilities Authority: 25 or more years of service regardless of age, or age 60 with 5 or more years of service.

- Police: 25 or more years of service, regardless of age, or age 55 with 5 or more years of service.

**Mandatory Retirement Age** - None.

**Annual Amount** - All members: Total service times 3.0% of final average salary.

The normal form of benefit is a benefit payable for life. Optional forms are available on an actuarial equivalent basis.

**Type of Final Average Salary** - General: Highest 5 consecutive years out of last 10. Police, Fire, Utilities Authority: Highest 5 years out of last 10.

**Deferred Retirement Option Plan (DROP) Retirement:**

**Eligibility** – General, Police, and Utilities Authority members: Same as Normal Retirement, election may be made on or after normal retirement eligibility, but not after reaching 30 years of service. Participation in the DROP ends after five years.

**Annual Amount** – Computed as a normal retirement but based upon service and final average salary at time of DROP election. Member contributions cease and monthly benefits (and post-retirement increases, if any) accumulate in a self-directed DROP account and are payable to the member upon termination of employment.

**Deferred Retirement** (vested benefit):

**Eligibility** – 5 or more years of service. Benefit begins upon attaining age 60.

**Annual Amount** – Computed as a normal retirement but based upon service and final average salary at time of termination.

**Duty Disability Retirement:**

**Eligibility** - No age or service requirements if the retirement board finds the member to be in receipt of weekly workers' compensation on account of disability in the course of duty.

**Annual Amount** - Computed as a normal retirement based upon service projected to the end of the duty disability period and final average salary at time of disability. Minimum benefit is 75% of final average salary during the duty disability period. The duty disability period ends on the earlier of the 25th anniversary of the member's hire date or the date the member attains age 65 but not prior to 5 years from the date of duty disability retirement.

**Non-Duty Disability Retirement:**

**Eligibility** – 5 or more years of service.

**Annual Amount** - Computed as a normal retirement but based upon service and final average salary at time of disability.

**Duty Death Before Retirement:**

**Eligibility** - No age or service requirements. Benefits begin upon termination of workers' compensation.

**Annual Amount** - A benefit equal to the same amount that was paid by workers' compensation to the spouse until death, to unmarried children under 18 and dependent parents.

**Non-Duty Death Before Retirement:**

**Eligibility** - 5 or more years of service.

**Annual Amount** - Computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

**Post-Retirement Increases:** COLA may be granted from investment returns in excess of actuarial interest assumption, not to exceed 3%.

**Military Service:** May be purchased by members who meet the eligibility conditions.

**Member Contributions:**     General: 5.16% of annual salary  
                                  Police : 5.16% of annual salary  
                                  Utilities Authority: 6.16% of annual salary

**Employer Contributions:** Actuarially determined amounts which together with member contributions are sufficient to at least cover the requirements of the funding objective stated on page A-1.

**Changes in Plan Provisions:** None.

# ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

## REVENUES AND EXPENDITURES

	Year Ended	
	9/30/2012	9/30/2011
<b>REVENUES:</b>		
a. Member contributions:		
General	\$ 447,037	\$ 445,161
Police	293,935	284,502
Utilities Authority	732,538	777,981
b. Employer contributions:		
General	1,098,760	966,571
Police	772,733	707,139
Utilities Authority	1,695,258	1,507,737
c. Investment income:		
1. Interest and dividends	2,776,504	3,044,151
2. Gain or loss on sales	1,960,463	4,300,672
3. Unrealized gain/loss	21,428,137	(5,251,193)
d. Total revenues	\$ 31,205,365	\$ 6,782,721
<b>EXPENDITURES:</b>		
a. Refunds of member contributions:		
General	81,064	103,695
Police	92,250	38,815
Utilities Authority	74,524	115,181
b. Benefits paid:		
General	3,496,700	3,418,674
Police	2,363,058	2,310,900
Utilities Authority	4,734,907	4,488,322
c. Investment expenses	464,454	410,546
d. Administrative expenses	68,924	65,000
e. Other	163,743	151,733
f. Total expenditures	\$ 11,539,626	\$ 11,102,866
<b>ADJUSTMENTS:</b>	\$ -	\$ -
<b>RESERVE INCREASE:</b>	\$ 19,665,739	\$ (4,320,145)

## MARKET VALUE OF ASSETS

	9/30/2012	9/30/2011
Cash	\$ 28,041	\$ 840,620
Receivables & Accruals	799,093	708,828
Other short-term	3,439,402	4,855,854
Bonds - government	6,576,421	7,042,943
- corporate	41,046,994	38,409,786
Stocks - common	11,419,701	8,803,570
- mutual funds	90,929,546	73,921,938
Other - limited partnership	-	-
Other - prepaid expenses	-	-
Total assets	154,239,198	134,583,539
Less accounts payable	39,801	49,880
Net assets	\$ 154,199,397	\$ 134,533,659
<b>Increase in assets</b>	\$ 19,665,739	\$ (4,320,145)



**RETIRED MEMBER AND BENEFICIARY DATA SEPTEMBER 30, 2012**  
**TABULATED BY VALUATION DIVISIONS**

Valuation Divisions	No.	Annual Benefits	Average Benefit	Actuarial Value of Benefits
General Members	187	\$ 3,522,381	\$ 18,836	\$ 32,794,112
Utilities Authority Members	192	4,852,376	25,273	46,517,689
Police Members	73	2,497,560	34,213	25,138,551
<b>Totals</b>	<b>452</b>	<b>\$10,872,317</b>	<b>\$24,054</b>	<b>\$104,450,352</b>

Divisions	All Retirement's Averages			New Age and Service Retired Members Added During Year Ended 9-30-2012 Averages		
	Attained Age	Retirement Age	Current Annual Benefits	No.	Age	Annual Benefits
	General Members	69.8	60.2	\$18,836	4	61.4
Utilities Authority Members	67.7	57.5	25,273	9	57.9	29,628
Police Members	64.0	54.0	34,213	1	55.9	10,085

## RETIRED MEMBER AND BENEFICIARY DATA HISTORICAL COMPARISON

Period	Added		Removed		Net Increase		End of Period		Expected Removals	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits	No.	Benefits
9/30/78	16	\$ 73,077	4	\$ 6,235	12	\$ 66,842	107	\$ 355,275	N/A	N/A
9/30/79	16	78,577	6	19,040	10	59,537	117	414,812	N/A	N/A
9/30/80	14	68,014	6	13,899	8	54,115	125	468,927	N/A	N/A
9/30/81	8	51,167	4	9,914	4	41,253	129	510,180	N/A	N/A
9/30/82	15	102,964	3	10,568	12	92,396	141	602,576	3.6	\$10,800
9/30/83	15	94,040	9	17,784	6	76,256	147	678,832	4.2	12,930
9/30/84	16	74,505	6	14,486	10	60,019	157	738,851	4.3	15,103
9/30/85	11	87,916	6	16,055	5	71,861	162	810,712	4.8	17,129
9/30/86	21	237,533	8	34,936	13	202,597	175	1,013,309	5.3	20,394
9/30/87	17	182,208	7	18,904	10	163,304	185	1,176,613	5.7	25,092
9/30/88	16	176,569	6	18,144	10	158,425	195	1,335,038	6.0	29,181
9/30/89	18	210,866	7	29,378	11	181,488	206	1,516,526	6.6	34,395
9/30/90	19	284,294	8	50,713	11	233,581	217	1,750,107	7.2	40,904
9/30/91	12	166,933	12	40,397	-	126,536	217	1,876,643	7.8	48,142
9/30/92	19	279,791	6	12,185	13	267,606	230	2,144,249	7.4	46,602
9/30/93	26	505,107	8	102,192	18	402,915	248	2,547,164	8.1	53,142
9/30/94	20	319,610	8	59,627	12	259,983	260	2,807,147	8.7	58,237
9/30/95	22	481,651	9	41,888	13	439,763	273	3,246,910	9.2	64,542
9/30/96	12	177,476	9	54,301	3	123,175	276	3,370,085	8.4	61,052
9/30/97	20	311,526	11	62,949	9	248,577	285	3,618,662	8.9	66,449
9/30/98	35	833,113	9	47,534	27	785,579	311	4,404,241	9.1	72,632
9/30/99	25	507,447	15	126,797	10	380,650	321	4,784,891	9.7	82,380
9/30/00	27	646,116	14	129,198	13	516,918	334	5,301,809	9.9	90,589
9/30/01	23	628,192	15	97,296	8	530,896	342	5,832,705	9.9	97,991
9/30/02	23	526,601	3	33,319	20	493,282	362	6,325,987	9.7	109,931
9/30/03	17	313,250	5	42,129	12	271,121	374	6,597,108	10.6	121,871
9/30/04	25	705,692	3	44,505	22	661,187	396	7,258,295	11.2	132,981
9/30/05	11	354,475	22	266,853	(11)	87,622	385	7,345,917	12.4	149,279
9/30/06 *	37	1,017,845	99	2,907,201	(62)	(1,889,356)	323	5,456,561	10.0	109,462
9/30/07	32	820,021	18	202,924	14	617,097	337	6,073,658	11.0	126,496
9/30/08	23	635,039	12	184,195	11	450,844	348	6,524,502	11.2	138,459
9/30/09	55	1,551,148	16	182,856	39	1,368,292	387	7,892,794	11.7	149,577
9/30/10	56	2,229,035	14	177,196	42	2,051,839	429	9,944,633	12.3	170,609
9/30/11	26	672,328	16	239,318	10	433,010	439	10,377,643	12.9	197,045
<b>9/30/12</b>	<b>27</b>	<b>746,421</b>	<b>14</b>	<b>251,747</b>	<b>13</b>	<b>494,674</b>	<b>452</b>	<b>10,872,317</b>	<b>13.5</b>	<b>196,990</b>

\*Removed 90 Fire retirees and beneficiaries and \$2,811,761 annual benefits in the 9/30/2006 Valuation.

**RETIRED MEMBERS AND BENEFICIARIES  
HISTORICAL COMPARISON**

Valuation Date	% Increase in Annual Benefits	No. of Active Per Retired	Annual Benefits as % of Active Payroll	Average Benefits
9/30/78	23.2 %	5.9	4.9 %	\$ 3,320
9/30/79	16.8	5.3	5.4	3,545
9/30/80	13.0	5.0	5.6	3,751
9/30/81	5.4	5.1	5.4	3,955
9/30/82	8.1	5.0	5.3	4,274
9/30/83	8.0	4.9	5.5	4,618
9/30/84	8.8	4.7	5.5	4,706
9/30/85	9.7	4.7	5.4	5,004
9/30/86	25.0	4.4	6.1	5,790
9/30/87	16.1	4.2	6.6	6,360
9/30/88	13.5	4.2	6.8	6,846
9/30/89	13.6	4.0	7.5	7,362
9/30/90	15.4	3.9	7.8	8,065
9/30/91	7.2	3.9	7.9	8,648
9/30/92	14.3	3.6	8.6	9,323
9/30/93	18.8	3.1	10.8	10,271
9/30/94	10.2	3.0	11.6	10,797
9/30/95	15.7	3.0	12.4	11,893
9/30/96	3.8	3.0	12.2	12,210
9/30/97	7.4	3.2	12.1	12,697
9/30/98	21.7	2.8	14.5	14,162
9/30/99	8.6	2.7	15.1	14,906
9/30/00	10.8	2.7	15.9	15,874
9/30/01	10.0	2.7	16.4	17,055
9/30/02	8.5	2.5	17.1	17,475
9/30/03	4.3	2.5	16.4	17,639
9/30/04	10.0	2.4	16.7	18,329
9/30/05	1.2	2.6	15.0	19,080
9/30/06 *	20.3	2.0	17.9	16,893
9/30/07	11.3	2.0	19.6	18,023
9/30/08	7.4	2.0	19.8	18,749
9/30/09	21.0	1.7	25.4	20,395
9/30/10	26.0	1.3	37.1	23,181
9/30/11	4.4	1.3	40.3	23,639
<b>9/30/12</b>	<b>4.8</b>	<b>1.2</b>	<b>42.1</b>	<b>24,054</b>

\* Removed 90 Fire retirees and beneficiaries, and \$2,811,761 annual benefits in the 9/30/2006 valuation.

**RETIRED MEMBER AND BENEFICIARY DATA AS OF SEPTEMBER 30, 2012**  
**BY TYPE OF BENEFIT BEING PAID**

<u>Type of Benefit Being Paid</u>	<u>No.</u>	<u>Annual Benefits</u>	<u>Average Benefits</u>
Age and Service Benefits			
Straight Life - benefit terminating at death of retirant	150	\$3,640,875	\$24,273
Option A - 100% joint and survivor benefit	94	2,680,895	28,520
Option B/D/E - 50%/75%/67% joint and survivor benefit	82	2,459,865	29,998
Option C - 10 year certain and life	24	509,331	21,222
Surviving beneficiaries	66	740,088	11,213
Other Age and Service Benefits	<u>1</u>	<u>13,155</u>	<u>13,155</u>
Total Age and Service Benefits	417	10,044,209	24,087
Casualty Benefits			
Duty Disability	11	368,276	33,480
Non-duty Disability	12	189,651	15,804
Duty Death	2	47,846	23,923
Non-duty Death	<u>10</u>	<u>222,335</u>	<u>22,234</u>
Total Casualty Benefits	35	828,108	23,660
<b>Total Benefits Being Paid</b>	<b>452</b>	<b>\$10,872,317</b>	<b>\$24,054</b>

**RETIRED MEMBERS AND BENEFICIARIES AS OF SEPTEMBER 30, 2012**  
**BY ATTAINED AGE**

Age Last Birthday	Age and Service		Casualty		Total	
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits
Under 45	4	\$ 47,172	3	\$ 76,890	7	\$ 124,062
45-49	6	202,359	4	102,507	10	304,866
50-54	25	1,011,203	6	102,224	31	1,113,427
55-59	48	1,933,740	7	105,204	55	2,038,944
60-64	76	2,196,235	11	344,264	87	2,540,499
65-69	85	2,252,422			85	2,252,422
70-74	58	1,067,011	5	67,160	63	1,134,171
75-79	34	496,210			34	496,210
80-84	38	505,208	1	32,015	39	537,223
85-89	26	221,095			26	221,095
90 & Over	15	109,398			15	109,398
<b>Totals</b>	<b>415</b>	<b>\$ 10,042,053</b>	<b>37</b>	<b>\$ 830,264</b>	<b>452</b>	<b>\$ 10,872,317</b>

**INACTIVE VESTED MEMBERS AS OF SEPTEMBER 30, 2012  
BY ATTAINED AGE**

<b>Attained Age</b>	<b>General Members</b>		<b>Utilities Authority</b>		<b>Police Members</b>		<b>TOTAL</b>	
	<b>No.</b>	<b>Estimated Annual Benefits</b>	<b>No.</b>	<b>Estimated Annual Benefits</b>	<b>No.</b>	<b>Estimated Annual Benefits</b>	<b>No.</b>	<b>Estimated Annual Benefits</b>
30-34	1	\$ 10,456					1	\$ 10,456
35-39	1	10,337					1	10,337
40-44	1	9,686	2	\$ 22,405	1	\$ 19,764	4	51,855
45-49	5	98,029					5	98,029
50-54	4	36,910	4	44,174			8	81,085
55-59	3	23,596	4	49,834	2	31,459	9	104,889
60-64	1	61,545					1	61,545
<b>TOTALS</b>	<b>16</b>	<b>\$ 250,559</b>	<b>10</b>	<b>\$116,413</b>	<b>3</b>	<b>\$51,223</b>	<b>29</b>	<b>\$418,196</b>

**ACTIVE MEMBERS INCLUDED IN VALUATION  
GENERAL MEMBERS**

Valuation September 30	Active Members	Vested Term. Members	Valuation Payroll	Average		
				Age	Service	Pay
1993	203	2	\$ 4,734,597	44.7	9.8	\$ 23,323
1994	206	6	5,016,096	44.7	9.4	24,350
1995	221	5	5,476,618	44.9	9.0	24,781
1996	242	4	6,231,691	44.3	8.7	25,751
1997	254	4	6,751,233	44.3	8.3	26,580
1998	249	3	6,868,334	44.6	8.5	27,584
1999	242	2	6,892,761	45.3	8.6	28,482
2000	260	2	7,717,224	45.8	8.5	29,682
2001	268	3	8,308,758	45.1	8.3	31,003
2002	275	7	8,901,179	45.5	8.1	32,368
2003	302	5	9,994,351	46.5	7.7	33,094
2004	294	7	10,546,747	46.1	8.1	35,873
2005	297	7	11,854,374	46.4	8.6	39,914
2006	287	6	11,206,771	46.5	8.0	39,048
2007	289	6	11,131,329	47.3	8.3	38,517
2008	281	6	11,949,389	47.9	9.0	42,525
2009	265	8	11,108,762	47.5	8.6	41,920
2010	226	13	8,874,396	46.8	8.0	39,267
2011	219	16	8,488,894	47.1	8.2	38,762
<b>2012</b>	<b>216</b>	<b>16</b>	<b>\$8,625,945</b>	<b>47.8</b>	<b>8.9</b>	<b>\$39,935</b>

**NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP  
GENERAL MEMBERS**

Year Ended September 30	Number Added During Year		Normal Retirement		Disability Retirement		Died In Service		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Withdrawal		Totals		
									A	E	A	E	
2003	57	30	5	9.3	2	0.4	0	0.5	20	3	23	23.0	302
2004	39	47	7	9.3	0	0.4	0	0.5	36	4	40	23.0	294
2005	43	40	3	9.9	0	0.4	0	0.5	33	4	37	21.8	297
2006	62	72	7	12.3	0	0.4	1	0.5	61	3	64	16.0	287
2007	40	38	5	16.1	0	0.4	2	0.5	31*	0	31	21.3	289
2008	19	27	7	14.8	0	0.4	0	0.5	19	1	20	19.7	281
2009	20	36	23	18.2	0	0.4	1	0.5	10	2	12	17.0	265
2010	10	49	23	12.9	0	0.4	0	0.5	21	5	26	16.1	226
2011	17	24	11	7.5	1	0.4	1	0.5	8	3	11	12.3	219
<b>2012</b>	<b>10</b>	<b>13</b>	<b>4</b>	<b>7.0</b>	<b>0</b>	<b>0.5</b>	<b>3</b>	<b>0.3</b>	<b>5</b>	<b>1</b>	<b>6</b>	<b>12.3</b>	<b>216</b>
<b>10 Year Totals</b>	<b>317</b>	<b>376</b>	<b>95</b>	<b>117.3</b>	<b>3</b>	<b>4.1</b>	<b>8</b>	<b>4.8</b>	<b>244</b>	<b>26</b>	<b>270</b>	<b>182.5</b>	

*A represents actual number; E represents expected number.*

*\* Includes 47 General Fire members.*

**ACTIVE MEMBERS INCLUDED IN VALUATION  
UTILITIES AUTHORITY MEMBERS**

Valuation September 30	Active Members	Vested Term. Members	Valuation Payroll	Average		
				Age	Service	Pay
1993	273	3	\$ 8,585,822	41.8 yrs.	9.1 yrs.	\$ 31,450
1994	260	3	8,498,037	42.1	9.1	32,685
1995	252	3	8,491,889	42.5	9.6	33,698
1996	250	2	8,697,097	43.0	10.0	34,788
1997	260	2	9,272,216	43.3	9.8	35,662
1998	230	12	8,481,126	43.7	10.0	36,874
1999	247	10	9,431,774	44.0	9.3	38,185
2000	244	12	9,750,426	44.1	9.5	39,961
2001	257	13	10,236,646	44.1	9.0	39,831
2002	253	9	10,675,070	44.9	9.7	42,194
2003	248	10	10,744,695	45.3	10.0	43,325
2004	245	11	11,193,220	45.8	10.1	45,687
2005	256	12	12,754,845	46.5	10.1	49,824
2006	263	11	12,551,346	46.6	9.6	47,724
2007	278	10	13,494,349	46.5	9.3	48,541
2008	282	12	13,970,069	46.5	9.1	49,539
2009	266	7	13,244,000	46.0	9.3	49,789
2010	248	8	12,119,371	46.2	9.3	48,868
2011	237	10	11,893,916	47.0	9.9	50,185
<b>2012</b>	<b>237</b>	<b>10</b>	<b>\$11,801,344</b>	<b>47.2</b>	<b>9.9</b>	<b>\$49,795</b>

**NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP  
UTILITIES AUTHORITY MEMBERS**

Year Ended September 30	Number Added During Year		Normal Retirement		Disability Retirement		Died In Service		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Withdrawal	Vested	Totals		
2003	17	22	5	4.3	0	0.4	0	0.5	8	9	17	14.9	248
2004	21	24	5	4.3	0	0.4	1	0.5	13	5	18	14.9	245
2005	30	19	5	6.2	0	0.4	0	0.5	8	6	14	14.3	256
2006	36	29	12	7.6	0	0.5	0	0.6	17	0	17	15.2	263
2007	40	25	6	6.7	1	0.5	0	0.6	18	0	18	17.0	278
2008	27	23	11	9.2	0	0.5	0	0.6	9	3	12	18.7	282
2009	11	27	13	8.2	2	0.5	1	0.5	10	1	11	18.3	266
2010	11	29	19	9.7	0	0.5	0	0.5	9	1	10	15.3	248
2011	5	16	7	5.8	0	0.5	0	0.5	7	2	9	13.4	237
<b>2012</b>	<b>20</b>	<b>20</b>	<b>8</b>	<b>8.6</b>	<b>0</b>	<b>0.6</b>	<b>0</b>	<b>0.4</b>	<b>11</b>	<b>1</b>	<b>12</b>	<b>11.0</b>	<b>237</b>
<b>10 Year Totals</b>	<b>218</b>	<b>234</b>	<b>91</b>	<b>70.6</b>	<b>3</b>	<b>4.8</b>	<b>2</b>	<b>5.2</b>	<b>110</b>	<b>28</b>	<b>138</b>	<b>153.0</b>	

*A represents actual number; E represents expected number*



## ACTIVE MEMBERS INCLUDED IN VALUATION POLICE MEMBERS

Valuation September 30	Active Members	Vested Term. Members	Payroll	Average		
				Age	Service	Pay
1993	94	0	\$ 3,093,896	38.5 yrs.	9.4 yrs.	\$ 32,914
1994	102	0	3,333,068	38.4	9.0	32,677
1995	103	0	3,626,231	39.2	9.6	35,206
1996	103	2	3,663,859	38.8	9.3	35,571
1997	105	2	3,717,397	39.0	9.2	35,404
1998	111	3	4,234,703	37.7	7.9	38,150
1999	106	2	4,224,186	38.1	8.4	39,851
2000	112	2	4,503,739	38.6	7.9	40,212
2001	107	1	4,418,980	38.5	8.1	41,299
2002	102	2	4,567,931	39.7	9.0	44,784
2003	103	3	4,921,744	39.9	9.1	47,784
2004	103	3	5,496,631	40.3	9.9	53,365
2005	105	3	5,943,309	40.9	10.6	56,603
2006	111	2	6,773,879	39.3	9.4	61,026
2007	106	2	6,358,225	38.9	9.4	59,983
2008	117	2	7,032,172	39.2	9.4	60,104
2009	111	3	6,663,530	38.6	9.2	60,032
2010	102	3	5,785,106	38.4	9.0	56,717
2011	101	4	5,361,391	38.9	9.7	53,083
<b>2012</b>	<b>99</b>	<b>3</b>	<b>\$5,415,125</b>	<b>39.0</b>	<b>9.8</b>	<b>\$54,698</b>

## NUMBER ADDED TO AND REMOVED FROM ACTIVE MEMBERSHIP POLICE MEMBERS

Year Ended September 30	Number Added During Year		Normal Retirement		Disability Retirement		Died In Service		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Withdrawal	Vested	Totals		
									A	A	A	E	
2003	11	10	1	3.8	0	0.2	0	0.1	5	4	9	4.6	103
2004	6	6	2	3.8	0	0.2	0	0.1	4	0	4	4.6	103
2005	4	2	0	4.5	0	0.2	0	0.1	2	0	2	3.8	105
2006	16	10	6	5.9	0	0.2	1	0.1	3	0	3	3.5	111
2007	5	10	6	5.3	0	0.2	1	0.1	3	0	3	4.9	106
2008	13	2	0	4.7	0	0.2	0	0.1	2	0	2	4.2	117
2009	12	18	5	5.1	0	0.2	0	0.1	12	1	13	5.1	111
2010	4	13	9	4.4	0	0.2	0	0.1	4	0	4	5.3	102
2011	5	6	1	1.7	0	0.2	0	0.1	4	1	5	5.3	101
<b>2012</b>	<b>14</b>	<b>16</b>	<b>1</b>	<b>0.9</b>	<b>3</b>	<b>0.3</b>	<b>0</b>	<b>0.1</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>3.7</b>	<b>99</b>
<b>10 Year Totals</b>	<b>90</b>	<b>93</b>	<b>31</b>	<b>40.1</b>	<b>3</b>	<b>2.1</b>	<b>2</b>	<b>1.0</b>	<b>51</b>	<b>6</b>	<b>57</b>	<b>45.0</b>	

*A represents actual number; E represents expected number*

**GENERAL MEMBERS  
AS OF SEPTEMBER 30, 2012  
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	1							1	\$ 31,984
25-29	8	4						12	358,122
30-34	5	5	2					12	384,594
35-39	7	10	8	2				27	1,158,722
40-44	10	11	8	4				33	1,312,041
45-49	6	18	5	1	3			33	1,334,094
50-54	6	11	9	8	2			36	1,525,857
55-59	11	10	6	5	7			39	1,656,187
60	1	2						3	183,906
61	1	1						2	62,191
62	1	2						3	122,018
63	1	3						4	263,146
65		2						2	76,176
67		1						1	31,515
68			1					1	8,093
69	1							1	66,926
71		1			1			2	15,159
73	1							1	10,431
75			1					1	7,812
76			1					1	8,521
79			1					1	8,450
<b>Totals</b>	<b>60</b>	<b>81</b>	<b>42</b>	<b>20</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>216</b>	<b>\$8,625,945</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 47.8 years  
Service: 8.9 years  
Annual Pay: \$39,935

**UTILITIES AUTHORITY MEMBERS  
AS OF SEPTEMBER 30, 2012  
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	2							2	\$ 52,499
25-29	7	7						14	556,285
30-34	10	7	5					22	923,464
35-39	7	7	2	1				17	843,068
40-44	12	9	6	3	6			36	1,913,172
45-49	4	13	4	8	2	2		33	1,681,057
50-54	8	16	10	6	3	2		45	2,202,304
55-59	5	17	4	8	8	2	1	45	2,435,301
60	1	2	2		1			6	267,157
61			2					2	141,154
62		1	3					4	196,397
63		1	1					2	60,042
64		2	1	1				4	271,834
65	1	1						2	115,779
68		1						1	40,769
71			1					1	33,294
75		1						1	67,768
<b>Totals</b>	<b>57</b>	<b>85</b>	<b>41</b>	<b>27</b>	<b>20</b>	<b>6</b>	<b>1</b>	<b>237</b>	<b>\$11,801,344</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 47.2 years  
Service: 9.9 years  
Annual Pay: \$49,795

**POLICE MEMBERS  
AS OF SEPTEMBER 30, 2012  
BY ATTAINED AGE AND YEARS OF SERVICE**

Attained Age	Years of Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
20-24	4							4	\$ 145,034
25-29	10	6						16	629,256
30-34	7	4	1					12	499,004
35-39	6	4	8	1				19	1,042,517
40-44	3	4	4	7	2			20	1,268,397
45-49	3		4	6	4			17	1,112,099
50-54		1	2	3	1			7	455,332
55-59			1	1	1			3	201,717
60			1					1	61,769
<b>Totals</b>	<b>33</b>	<b>19</b>	<b>21</b>	<b>18</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>99</b>	<b>\$5,415,125</b>

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age:           39.0       years  
Service:       9.8        years  
Annual Pay:   \$54,698

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## **SECTION D**

ACTUARIAL COST METHOD, ACTUARIAL  
ESTIMATES AND DEFINITIONS OF TECHNICAL  
TERMS

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## ACTUARIAL COST METHOD USED FOR THE VALUATION

The actuarial cost method is a procedure for allocating the actuarial present value of future benefits and expenses to time periods. The method used for this valuation is the individual entry-age actuarial cost method, and has the following characteristics:

***Actuarial Present Value of Future Benefits.*** Actuarial present values are calculated using the benefit provisions applicable to active members, vested terminated members, and retirees and beneficiaries as of the valuation date using the assumptions summarized elsewhere in this report.

***Normal Costs.*** The actuarial present values for each year of service rendered before and after the valuation date are determined so that:

- (i) the annual normal costs for each individual active member, payable from the member's effective date of employment (or entry age) to projected date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the active member's year-by-year projected pensionable pay.

***Actuarial Accrued Liabilities.*** The actuarial present value of future benefits minus the actuarial present value of normal costs rendered after the valuation date are the actuarial accrued liabilities.

***Funding Value of Assets.*** The accrued assets recognized as of the valuation date for the purpose of determining contribution requirements.

***Unfunded Actuarial Accrued Liabilities.*** The actuarial accrued liabilities minus the funding value of assets are the unfunded actuarial accrued liabilities.

***Amortization of Unfunded Actuarial Accrued Liabilities.*** Unfunded actuarial accrued liabilities were amortized by level (principal & interest combined) percent-of-payroll contributions over periods shown elsewhere in this report. Active member payroll was assumed to increase 4.5% a year for the purpose of determining the level percent contributions.

**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL  
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY\*  
(\$ AMOUNTS IN THOUSANDS)  
GENERAL MEMBERS**

Year	Pay		Unfunded		Contribution	
	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars
2012	\$ 8,589	\$8,589	\$ 8,236	\$8,236	\$ 286	\$ 286
2013	8,976	8,589	8,592	8,222	379	363
2014	9,380	8,589	8,876	8,128	418	383
2015	9,802	8,589	9,143	8,012	533	467
2016	10,243	8,589	9,308	7,805	789	662
2021	12,764	8,589	10,264	6,907	356	240
2026	15,907	8,589	11,450	6,183	886	478
2031	19,823	8,589	7,733	3,351	2,034	881
2041	30,784	8,589	(32)	(9)	(32)	(9)
2042	32,169	8,589	0	0	0	0

* \$ (171,717)	over 30 years	\$ (2,059,182)	over 15 years
2,756,435	over 29 years	(547,752)	over 14 years
757,299	over 28 years	299,073	over 13 years
1,398,735	over 27 years	(349,127)	over 12 years
1,677,891	over 26 years	(1,374,293)	over 11 years
(3,512,829)	over 25 years	(289,275)	over 10 years
293,115	over 24 years	(8,873)	over 9 years
3,029,516	over 23 years	1,314,391	over 8 years
3,056,134	over 22 years	(504,402)	over 7 years
2,479,105	over 21 years	381,444	over 6 years
2,476,018	over 20 years	1,138,582	over 5 years
645,585	over 19 years	(729,226)	over 4 years
(1,148,924)	over 18 years	(241,468)	over 3 years
(1,078,634)	over 17 years	(38,415)	over 2 years
(1,337,185)	over 16 years	(75,693)	over 1 year
		<b>\$ 8,236,328</b>	<b>TOTAL</b>

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.

**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL  
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY\*  
(\$ AMOUNTS IN THOUSANDS)  
UTILITY AUTHORITY MEMBERS**

Year	Pay		Unfunded		Contribution	
	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars
2012	\$11,653	\$11,653	\$12,875	\$12,875	\$ 846	\$ 846
2013	12,177	11,653	13,006	12,446	962	921
2014	12,725	11,653	13,025	11,927	1,002	918
2015	13,297	11,653	13,002	11,393	803	704
2016	13,896	11,653	13,189	11,060	971	814
2021	17,317	11,653	15,428	10,381	587	395
2026	21,580	11,653	16,891	9,121	1,132	611
2031	26,892	11,653	12,392	5,369	2,877	1,246
2041	41,763	11,653	(185)	(52)	(188)	(53)
2042	43,642	11,653	0	0	0	0

* \$ (1,001,517)	over 30 years	\$ (2,660,183)	over 15 years
4,637,670	over 29 years	1,032,650	over 14 years
2,796,399	over 28 years	343,697	over 13 years
2,433,008	over 27 years	(1,145,377)	over 12 years
1,948,868	over 26 years	(1,607,089)	over 11 years
(2,560,553)	over 25 years	(432,252)	over 10 years
(3,054,880)	over 24 years	(254,596)	over 9 years
6,840,401	over 23 years	340,754	over 8 years
1,838,914	over 22 years	(124,031)	over 7 years
3,182,501	over 21 years	245,467	over 6 years
3,413,656	over 20 years	1,743,081	over 5 years
585,656	over 19 years	(414,158)	over 4 years
(1,318,993)	over 18 years	611,304	over 3 years
(1,386,747)	over 17 years	6,064	over 2 years
(3,090,953)	over 16 years	(73,770)	over 1 year
		<b>\$ 12,874,991</b>	<b>TOTAL</b>

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.



**LEVEL PERCENT OF ACTIVE MEMBER COVERED PAYROLL  
AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY\*  
(\$ AMOUNTS IN THOUSANDS)  
POLICE MEMBERS**

Year	Pay		Unfunded		Contribution	
	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars
2012	\$ 5,501	\$5,501	\$4,585	\$4,585	\$ (36)	\$ (36)
2013	5,749	5,501	4,989	4,775	(13)	(12)
2014	6,007	5,501	5,402	4,947	7	7
2015	6,278	5,501	5,826	5,106	128	112
2016	6,560	5,501	6,157	5,163	267	224
2021	8,175	5,501	7,768	5,227	261	175
2026	10,188	5,501	8,516	4,599	914	494
2031	12,695	5,501	4,721	2,046	1,409	610
2041	19,716	5,501	59	16	60	17
2042	20,603	5,501	0	0	0	0

* \$	319,593	over 30 years	\$ (2,585,885)	over 15 years
	878,552	over 29 years	(1,251,421)	over 14 years
	631,797	over 28 years	(65,114)	over 13 years
	515,512	over 27 years	(539,499)	over 12 years
	622,553	over 26 years	(1,092,165)	over 11 years
	(3,067,975)	over 25 years	(236,681)	over 10 years
	541,300	over 24 years	(217,610)	over 9 years
	3,841,495	over 23 years	323,817	over 8 years
	2,375,149	over 22 years	(720,677)	over 7 years
	1,557,390	over 21 years	360,936	over 6 years
	1,498,526	over 20 years	367,649	over 5 years
	1,198,924	over 19 years	(420,975)	over 4 years
	(421,958)	over 18 years	(300,521)	over 3 years
	(1,457,512)	over 17 years	(36,551)	over 2 years
	1,989,287	over 16 years	(23,032)	over 1 year
			<b>\$ 4,584,904</b>	<b>TOTAL</b>

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.

## ACTUARIAL ESTIMATES USED FOR THE VALUATION

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future activities (actuarial estimates) to the benefit provisions and people information of the System.

The principal areas of risk which require estimates of future activities are:

- (i) long-term rates of investment return to be generated by the assets of the System
- (ii) patterns of pay increases to members
- (iii) rates of mortality among members, retirants, and beneficiaries
- (iv) rates of withdrawal of active members
- (v) rates of disability among active members
- (vi) the age patterns of actual retirements

In a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives - - - a period of time which can be as long as a century.

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Actual activities of the System will not coincide exactly with estimated activities, due to the nature of the activities. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activities to date. The result is a continual series of adjustments (usually small) to the computed contribution rate.

From time to time one or more of the estimates are modified to reflect experience trends (but not random or temporary year to year fluctuations).

Actuarial estimates regarding the net investment return, inflation, real investment return, and salary increase rates are used, in combination with the other assumptions, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of total valuation payroll.

**Net Rate of Investment Return.** 8% per annum, compounded annually, net of investment expenses.

**Inflation.** 4.5% per annum, (5.0% prior to 10-1-95), compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate, as measured by the Consumer Price Index, has been:

	<b>Year Ended September 30</b>					<b>Average for Period</b>
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	
Actual	2.0%	3.9%	1.1%	(1.3)%	4.9%	2.1%
Assumed	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

**Real Investment Return.** 3.5% per annum, compounded annually. This is the rate of return assumed to be produced by investing a pool of assets in an inflation-free environment. Recent real investment return for the Retirement System has been:

	<b>Year Ended September 30</b>					<b>Average for Period</b>
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	
Total Rate of Return	8.0%	(0.2)%	4.2%	4.0%	6.2%	4.4%
Less Inflation Rate	2.0%	3.9%	1.1%	(1.3)%	4.9%	2.1%
Actual Real Rate of Return	6.0%	(4.1)%	3.1%	5.3%	1.3%	2.3%
Assumed Real Rate of Return	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Assumed Net Rate of Return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

The total investment return rate was computed using the approximate formula  $i = I$  divided by  $1/2 (A + B - I)$ , where  $I$  is actual realized investment income plus market value adjustments,  $A$  is the beginning of year asset value, and  $B$  is the end of year asset value.

The preceding investment return rates reflect the particular characteristics of this Retirement System and should not be used to measure an investment advisor's performance or for comparison with other retirement systems. Such use will usually mislead.

**Salary Increases.** Employee salaries are estimated to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel.

A schedule of estimated rates of increases in individual salaries for sample ages follows:

<b>Annual Rates of Salary Increases For Sample Ages</b>						
<b>Age</b>	<b>General &amp; Utilities Authority</b>			<b>Police Officers</b>		
	<b>Merit &amp; Seniority</b>	<b>Inflation</b>	<b>Total</b>	<b>Merit &amp; Seniority</b>	<b>Inflation</b>	<b>Total</b>
20	4.2 %	4.5 %	8.7 %	4.0 %	4.5 %	8.5 %
30	2.5 %	4.5 %	7.0 %	2.8 %	4.5 %	7.3 %
40	1.8 %	4.5 %	6.3 %	2.2 %	4.5 %	6.7 %
50	0.9 %	4.5 %	5.4 %	1.2 %	4.5 %	5.7 %
55	0.5 %	4.5 %	5.0 %	0.7 %	4.5 %	5.2 %
60	0.1 %	4.5 %	4.6 %	0.2 %	4.5 %	4.7 %

These rates were first used in the September 30, 2001 valuation.

It is estimated that the group size will remain constant and that total payroll for the group will increase at the rate of the general increase in wage levels due to inflation, which in this case is 4.5%.

A schedule of recent salary change experience follows:

	<b>% Change in Salaries</b>					<b>Average 5 Year</b>
	<b>Year Ended September 30</b>					
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	
<b>Rate of Change in Salaries</b>						
- Total	<b>3.2</b> %	0.1 %	1.0 %	2.5 %	7.0 %	2.7 %
- General	<b>3.9</b>	(0.6)	0.8	1.6	11.0	3.3
- U.A.	<b>1.6</b>	2.8	1.9	2.4	5.5	2.8
- Police	<b>5.4</b>	(4.7)	(0.7)	4.3	3.5	1.5
Expected - Total	<b>5.8</b>	5.9	5.9	5.9	5.8	5.9 %
- General	<b>5.6</b>	5.7	5.7	5.6	5.6	5.6
- U.A.	<b>5.7</b>	5.7	5.7	5.7	5.7	5.7
- Police	<b>6.8</b>	6.8	6.8	6.8	6.8	6.8

	<b>% Change in Total Payroll</b>						
	<b>Year Ended September 30</b>					<b>Average</b>	
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>5 Year</b>	<b>10 Year</b>
- Total	<b>0.4</b> %	(3.9) %	(13.7) %	(5.9) %	6.4 %	(3.6) %	0.7 %
- General	<b>1.6</b>	(4.3)	(20.1)	(7.0)	7.3	(5.0)	(0.3)
- U.A.	<b>(0.8)</b>	(1.9)	(8.5)	(5.2)	3.5	(2.7)	2.1
- Police	<b>1.0</b>	(7.3)	(13.2)	(5.2)	10.6	(3.2)	1.7

In order to achieve the funding objective of a contribution rate which remains level as a percent of payroll, the total rate of investment return must exceed the rate of average increase in salaries by an amount equal to the estimated real investment return rate.

**Mortality Table.** The mortality tables used to measure retired life mortality were the RP-2000 Combined healthy mortality table for males and the RP-2000 Combined healthy mortality table for females. The mortality rates used in evaluating disability allowances were the RP-2000 Combined mortality tables, set forward 10 years for males and females. No margin for future mortality improvements are included in these tables.

Sample Ages	RP-2000 Combined Healthy Table			
	Value of		Future	
	\$1 Monthly for Life		Expectancy (Years)	
	Men	Women	Men	Women
50	\$135.60	\$138.81	30.80	33.59
55	128.15	132.41	26.18	28.91
60	118.59	124.05	21.74	24.38
65	107.04	113.86	17.61	20.12
70	93.87	102.05	13.88	16.23
75	79.25	88.78	10.57	12.74
80	63.99	74.38	7.75	9.68

This estimate is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. 100% of the death-in-service retirements were assumed to be non-duty.

**Rates of separation from active membership.** The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This estimate measures the probabilities of members remaining in employment.

Samples Ages	Years of Service	Percent Separating Within Next Year	
		General and Utilities Authority	Police
ALL	0	20.00 %	15.00 %
	1	15.00	12.00
	2	10.00	10.00
	3	8.00	8.00
	4	7.00	6.00
20	5 & Over	7.00	5.80
25		7.00	5.80
30		7.00	4.20
35		7.00	2.10
40		7.00	1.40
45		4.50	1.00
50		2.00	1.00
55		2.00	1.00
60		2.00	1.00
65		2.00	1.00

The rates for all divisions were first used in the September 30, 2001 valuation.

**Rates of Disability.** These estimates represent the probabilities of active members becoming disabled.

Sample Ages	Percent Becoming Disabled Within Next Year	
	General and Utilities Authority	Police
20	0.04 %	0.07 %
25	0.04	0.09
30	0.04	0.10
35	0.05	0.14
40	0.10	0.21
45	0.17	0.32
50	0.36	0.52
55	0.59	0.92
60	0.90	1.53
65	1.00	1.65

The mortality table was set forward ten years for projecting disability costs. 100% of the disability retirements were assumed to be non-duty related for General and Utilities Authority members. 75% of the disability retirements were assumed to be non-duty for Police members.

**Rates of Retirement.** These rates are used to measure the probabilities of an eligible member retiring during the next year.

Service Years	Service Based		Age Based		
	General and Utilities Authority	Police	Retirement Ages	General and Utilities Authority	Police
25	40 %	75 %	55		35 %
26	40	75	56		30
27	40	75	57		30
28	40	75	58		30
29	40	75	59		30
30	40	100	60	10 %	30
31	40	100	61	5	30
32	40	100	62	12	30
33	40	100	63	6	30
34	40	100	64	14	40
35	100	100	65	65	100
			66	25	
			67	30	
			68	40	
			69	50	
			70	100	

These rates were first used for the September 30, 1995 valuation with the exception of the Police service based rates, which were first used for the September 30, 2000 valuation, Police age based rates which were first used for the September 30, 2001 valuation, and Utilities Authority service based rates which were first used for the September 30, 2007 valuation.

**Marital Status.** It is estimated that 80% of active members who meet the age and service requirements for pre-retirement survivor benefits are married. Female spouses are estimated to be 3 years younger than the male participant. Male spouses are estimated to be 3 years older than the female participant.



*Vested members* who terminate with a benefit worth less than 100% of their own accumulated contributions were presumed to elect a refund of accumulated contributions and forfeit the vested benefit.

*Lump sum payments* included in the calculation of the average pay upon which benefits are computed were estimated to increase benefits by the following percents.

General and Police Members	5.0 %
Utilities Authority Members	3.5

*Administrative Expenses.* Administrative expenses for the next year are assumed to be equal to the previous year's amount.

*Investment Expenses.* Investment expenses are paid out of investment income.

*Active Member Group Size.* The valuation was based on a constant active member group size.

## DEFINITIONS OF TECHNICAL TERMS

**Accrued Service.** Service credited under the system which was rendered before the date of the actuarial valuation.

**Actuarial Accrued Liability.** The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as "accrued liability" or "past service liability."

**Actuarial Cost Method.** A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future benefit payments" between future normal costs and actuarial accrued liability. Sometimes referred to as the "actuarial valuation cost method."

**Actuarial Equivalent.** A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial activities.

**Actuarial Present Value.** The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as "present value."

**Amortization.** Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with lump sum payment.

**Experience Estimates (Assumptions).** Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

**Experience Gain (Loss).** The difference between actual actuarial costs and estimated actuarial costs -- during the period between two valuation dates.

**Funding Value of Assets.** The actuarial value of assets used to determine contribution amounts.

**Normal Cost.** The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as "current service cost."

**Unfunded Actuarial Accrued Liability.** The difference between the actuarial accrued liability and the actuarial value of system assets. Sometimes referred to as "unfunded past service liability," "unfunded accrued liability" or "unfunded supplemental present value."

Most retirement systems have an unfunded actuarial accrued liability. They arise each time new benefits are added and each time an experience loss is realized.

Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to control the amount of unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar).

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## **SECTION E**

### **DISCLOSURES AND SUPPLEMENTARY INFORMATION REQUIRED BY STATEMENT NO. 25 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

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**This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.**

# GASB STATEMENT NO. 25

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF FUNDING PROGRESS (DOLLAR AMOUNTS IN THOUSANDS)

Valuation Date	Valuation Assets	AAL*	Funded Ratio	Unfunded AAL*	Member Payroll	Ratio to Payroll
9/03	\$ 168,943	\$ 162,127	104	\$(6,816)	\$40,313	(17)
9/04	171,558	186,671	92	15,113	43,544	35
9/05	185,776	216,534	86	30,758	48,880	63
9/06 (b)	120,062	130,861	92	10,799	30,532	35
9/07 (b)	135,944	138,610	98	2,666	30,984	9
9/08	143,467	150,475	95	7,008	32,952	21
9/09	147,094	158,755	93	11,661	31,016	38
9/10 (b)	148,691	164,865	90	16,174	26,779	60
10/11 (b)	142,463	167,683	85	25,220	25,744	98
<b>11/12</b>	<b>147,618</b>	<b>173,314</b>	<b>85</b>	<b>25,696</b>	<b>25,842</b>	<b>99</b>

\* Actuarial Accrued Liabilities.

(b) After changes in benefit provisions and/or actuarial assumptions.

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year	Aggregate Contribution Rates as Percents of Valuation Payroll	Projected Dollar Contribution Based on Valuation Payroll #	Actual Contribution Based on Actual Payroll@
04/05	9.20	\$ 3,948,626	\$ 5,634,357
05/06	13.60	6,283,117	8,975,380
06/07	12.75	3,624,157	4,114,963
07/08	12.08	3,939,766	4,082,846
08/09	10.40	3,517,935	3,580,089
09/10	11.06	3,978,173	3,377,350
10/11	11.81	3,999,560	3,181,447
11/12	13.46	3,937,037	3,566,751
12/13	17.29	4,860,538	
<b>13/14</b>	<b>17.61</b>	<b>4,968,643</b>	

# Contribution for 07/08 fiscal year and beyond excludes general fire district.

@ Actual Employer contributions are determined by applying the Employer's contribution rate to the emerging payroll. Projected funding requirement is based on a stable work force and projected salary increases.

## GASB STATEMENT No. 25 REQUIRED SUPPLEMENTARY INFORMATION

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

Valuation Date	September 30, 2012
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Percent-of-Payroll, Closed
Remaining Amortization Periods#	1-30 years
Asset Valuation Method	4-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return*	8.00%
Projected Salary Increases*	General & U.A.: 4.5% - 8.7%
	Police: 4.5% - 8.5%
*Includes Inflation and other general increases at Cost-of-living adjustments	4.50% None
Retirees and beneficiaries receiving benefits	452
Terminated plan members entitled to but not yet receiving benefits	35
Active plan members	
- Vested	402
- Non-vested	150
Total	1,039

# The periods are in compliance with Florida Statutes and Actuarial Standards of Practice, but do not necessarily produce an Annual Required Contribution with an aggregate amortization of the unfunded actuarial accrued liability under 30 years.

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**SECTION F**  
STATE REQUIRED DATA

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## ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS (\$ IN THOUSANDS)\*

	September 30, 2012				September 30, 2011			
	General Members	Utilities Authority	Police Members	Total	General Members	Utilities Authority	Police Members	Total
(i) Actuarial present value of active member benefits:								
Service retirement	\$24,882	\$37,200	\$25,327	\$ 87,409	\$23,370	\$37,392	\$24,598	\$ 85,360
Vested termination benefits	2,892	3,571	772	7,235	2,888	3,677	800	7,365
Disability retirement	781	978	1,028	2,787	783	1,005	1,055	2,843
Survivor benefits (pre-retirement)	1,039	1,405	422	2,867	1,015	1,415	427	2,857
Termination benefits - refunds	81	136	41	258	89	124	36	249
Total	29,674	43,291	27,591	100,556	28,145	43,612	26,916	98,673
(ii) Actuarial present value of terminated vested members	1,389	687	295	2,371	1,393	684	312	2,390
(iii) Actuarial present value of retired members & beneficiaries:								
Present value of benefits	32,794	46,518	25,139	104,450	32,939	44,761	24,039	101,738
Reserve	0	0	0	0	0	0	0	0
Total	32,794	46,518	25,139	104,450	32,939	44,761	24,039	101,738
(iv) Total actuarial present value of future benefit payments	63,857	90,496	53,025	207,378	62,477	89,057	51,267	202,801
(v) Present value of active member future payroll	68,755	89,020	48,692	206,467	69,935	91,535	50,912	212,382
(vi) Present value of future active member contributions	3,548	5,484	2,513	11,544	3,609	5,639	2,627	11,874
(vii) Active member accumulated contributions	4,412	7,996	3,399	15,807	4,087	7,800	3,293	15,180
(viii) Plan costs for fiscal year beginning October 1, 2013								
Normal costs								
Service pensions	11.71%	11.37%	17.91%		11.76%	11.35%	17.94%	
Disability pensions	0.52%	0.51%	1.15%		0.52%	0.51%	1.13%	
Death-in-service pensions	0.62%	0.63%	0.41%		0.63%	0.63%	0.41%	
Deferred service pensions	2.28%	2.28%	0.97%		2.28%	2.27%	0.96%	
Refunds of member contributions	0.51%	0.59%	0.32%		0.51%	0.60%	0.33%	
Total normal cost	15.64%	15.38%	20.76%		15.70%	15.36%	20.77%	
Payment to amortize unf'd act. accr. liab.	3.31%	7.26%	0.00%		2.79%	7.12%	0.00%	
Administrative expenses	0.27%	0.27%	0.27%		0.25%	0.25%	0.25%	
FS112.64(5) Requirement/Temporary Funding Credits	3.13%	1.82%	0.30%		2.92%	1.94%	-0.03%	
Amount to be paid by participants	5.16%	6.16%	5.16%		5.16%	6.16%	5.16%	
Expected plan sponsor contribution								
% of payroll	17.19%	18.57%	16.17%	17.61%	16.50%	18.51%	15.83%	17.29%
dollars	1,619	2,393	956	4,969	1,530	2,404	927	4,861

\* Totals may be off due to rounding.



**ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS**  
**(\$ IN THOUSANDS)\***

	September 30, 2012				September 30, 2011			
	General Members	Utilities Authority	Police Members	Total	General Members	Utilities Authority	Police Members	Total
Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35)								
(i) Vested accrued benefits								
Retired members and beneficiaries	\$ 32,794	\$ 46,518	\$ 25,139	\$ 104,451	\$ 32,939	\$ 44,761	\$ 24,039	\$ 101,739
Terminated members	1,389	687	295	2,371	1,393	684	312	2,389
Active members (includes non-forfeitable accum. member contributions)	12,532	22,021	12,502	47,055	11,377	21,548	11,635	44,560
Total	\$ 46,715	\$ 69,226	\$ 37,936	\$ 153,877	\$ 45,709	\$ 66,993	\$ 35,986	\$ 148,688
(ii) Non-vested accrued benefits	1,197	1,335	1,054	3,586	1,356	1,906	954	4,216
(iii) Total actuarial p.v. of accrued benefits	\$ 47,912	\$ 70,561	\$ 38,990	\$ 157,463	\$ 47,065	\$ 68,899	\$ 36,940	\$ 152,904
(iv) Actuarial p.v. of accrued benefits at begin. of year	\$ 47,065	\$ 68,899	\$ 36,940	\$ 152,904	\$ 45,862	\$ 66,071	\$ 36,324	\$ 148,257
(v) Changes attributable to:								
Amendments	\$ -	\$ -	\$ -	\$ -	\$ (400)	(\$588)	\$ (412)	\$ (1,400)
Assumption change	-	-	-	-	11	444	426	881
Operation of decrements	4,425	6,471	4,505	15,401	5,114	7,576	2,952	15,642
Benefit payments	(3,578)	(4,809)	(2,455)	(10,842)	(3,522)	(4,604)	(2,350)	(10,476)
Other	-	-	-	-	-	-	-	-
(vi) Net change	847	1,662	2,050	4,559	1,203	2,828	616	4,647
(vii) Actuarial p.v. of Accr. benefits at end of year	\$ 47,912	\$ 70,561	\$ 38,990	\$ 157,463	\$ 47,065	\$ 68,899	\$ 36,940	\$ 152,904
Actuarial Present Value of Accrued Benefits Using FRS Interest Rate								
(i) Vested	\$ 47,830	\$ 70,995	\$ 38,973	\$ 157,798	\$ 46,119	\$ 67,706	\$ 36,431	\$ 150,256
(ii) Non-Vested	1,233	1,380	1,097	3,710	1,402	1,973	993	4,368
(iii) Total	49,063	72,375	40,070	161,508	47,521	69,679	37,424	154,472
(iv) Market Value of Assets (MVA)	47,093	66,995	40,111	154,199	41,317	58,364	34,853	134,534
(v) Funded Ratio Using FRS Interest Rate and MVA	95.98%	92.57%	100.10%	95.47%	86.94%	83.76%	93.13%	87.09%

\* Totals may be off due to rounding.

## RECONCILIATION OF MEMBERSHIP DATA

	<b>From 10/1/11 To 9/30/12</b>	<b>From 10/1/10 To 9/30/11</b>
<b>A. Active Members</b>		
1. Number Included in Last Valuation	557	576
2. New Members Included in Current Valuation	44	26
3. Non-Vested Employment Terminations	(28)	(18)
4. Vested Employment Terminations	(2)	(6)
5. Service Retirements	(13)	(19)
6. Disability Retirements	(3)	(1)
7. Deaths	(3)	(1)
8. Other	0	0
9. Number Included in this Valuation	552	557
<b>B. Terminated Vested Members</b>		
1. Number Included in Last Valuation	30	24
2. Additions from Active Members	2	6
3. Lump Sum Payments	1	0
4. Payments Commenced	2	(1)
5. Deaths	0	0
6. Other	0	1
7. Number Included in this Valuation	35	30
<b>C. Service Retirees, Disability Retirees and Beneficiaries</b>		
1. Number Included in Last Valuation	439	429
2. Additions from Active Members	17	21
3. Additions from Terminated Vested Members	2	1
4. Removals Resulting in No Further Payments	(14)	(16)
5. Deaths Resulting in New Survivor Benefits	7	5
6. Other	1	(1)
7. Number Included in this Valuation	452	439

April 18, 2013

Ms. Gloria J. Johnson  
Finance Director  
City of Fort Pierce Retirement and Benefit System  
100 North U.S. Highway 1  
Fort Pierce, Florida 34954-1480

Dear Gloria:

Enclosed are 25 copies of the September 30, 2012 Annual Actuarial Valuation of the City of Fort Pierce Retirement and Benefit System.

As directed by the Board, we have sent a copy directly to the following:

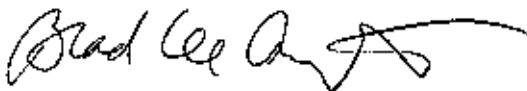
DiBartolomeo, McBee, Hartley & Barnes, P.A.

One copy should be sent, within 60 days to:

Bureau of Local Retirement Systems	Office of Municipal Police Officers'
Division of Retirement	& Firefighters' Retirement Funds
P.O. Box 9000	P.O. Box 3010
Tallahassee, Florida 32315-9000	Tallahassee, Florida 32315-3010

We welcome your questions and comments.

Sincerely yours,



Brad Lee Armstrong, ASA, EA, MAAA

BLA:mr  
Enclosures