TAB 2

GRS

Gabriel Roeder Smith & Company
Consultants & Actuaries

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May 12, 2009

Ms. Sharon Jones
Director of Human Resources
City of Palmetto
516 8th Avenue West
Palmetto, Florida 34220

Re: General Employees Retirement Plan

Dear Ms. Jones:

We have determined the required contribution for the Fiscal Year Ending (FYE) September 30, 2010 for the City of Palmetto Retirement Plan reflecting the change in the investment return assumption from 7.75% to 7.5%. If this is the only change, the required contribution for the FYE September 30, 2010 would be $866,192 or 21.59% of covered pay. This is an increase of $226,587 or 5% of covered pay from the required contribution for the FYE September 30, 2009.

As requested, we have developed some alternatives that could be used which will lower the required contribution amounts. The first alternative is to change the asset smoothing method to one that phases in the difference between the actual and expected investment earnings over a period of 5 years and uses a 20% corridor around market value.

Another alternative is to increase the amortization period of gains and losses from 15 years to 20, 25 or 30 years. If this is done, the actuarial loss that occurred in the FYE September 30, 2008 will have less of an impact on the required contribution for the FYE September 30, 2010.

The results of the various alternatives we studied are as follows:

	Reduction in the Annual Required Contribution for the FYE 9/30/2010	
Amortization Period for Gains and Losses starting in the FYE 9/30/2008	***As a percent of pay***	***As a dollar amount***
20	0.55%	$22,061
25	0.85%	$34,231
30	1.04%	$41,549

If the asset smoothing and corridor are also changed as described above, the required contribution for the FYE September 30, 2010 would decrease by an additional 1.53% of pay, or $61,507.

The Board might choose, for example, to change the asset smoothing method and use 25 years for the amortization of actuarial gains or losses. In that case, the savings for next year would be 2.38% of pay, or $95,738.

We welcome your questions and comments.

Sincerely yours,

Steve Palmquist

J. Stephen Palmquist, ASA
Senior Consultant and Actuary

JSP/ja

GRS

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March 12, 2009

Ms. Diane Ponder
Deputy City Clerk
City of Palmetto
516 8th Avenue West
Palmetto, Florida 34221

Re: City of Palmetto General Employees Pension Plan

Dear Diane:

We have been asked by the Board of Trustees to provide a fee estimate to formulate different alternatives concerning the investment return assumption and different asset smoothing methods that could lessen the impact of lowering this assumed rate. In last year's actuarial valuation report the investment return assumption was lowered from 8.5% to 7.75%. Additionally, the Board approved lowering this assumption to 7.5% starting with our October 1, 2008 actuarial valuation report.

As discussed at previous meetings, we recommend lowering the investment return assumption from 7.75% to 7.5%. If this is done the required contribution will increase. Changing the asset smoothing method would not necessarily lessen the impact that decreasing the investment return assumption would have on the required contribution. There may have been an opportunity to write up the actuarial value of assets to the market value of assets in the past, but due to poor equity markets since last fall the current actuarial value of assets is significantly higher than the market value of assets.

One approach to lessen the impact of lowering the investment return assumption from 7.75% to 7.5% is to hold off on lowering this assumption until the financial conditions approve.

We welcome your questions and comments.

Sincerely yours,

Steve Palmquist

J. Stephen Palmquist, ASA
Senior Consultant and Actuary

JSP/ja
Enclosure

CITY OF PALMETTO RETIREMENT PLAN

ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2008

ANNUAL EMPLOYER CONTRIBUTION IS DETERMINED BY THIS VALUATION FOR THE PLAN YEAR ENDING SEPTEMBER 30, 2010

GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

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May 13, 2009

Board of Trustees
City of Palmetto Retirement Plan
Palmetto, Florida

Dear Board Members:

We are pleased to present our October 1, 2008 Actuarial Valuation Report for the Plan. The purpose of the Report is to set forth required contribution levels, to disclose plan assets and actuarial liabilities, to comment on funding progress and to provide supporting information regarding the operation of the Plan. This Report is also designed to comply with requirements of the State.

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

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

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

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

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

J. Stephen Palmquist
J. Stephen Palmquist, ASA, MAAA, FCA
Enrolled Actuary No. 08-1560

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

Statement by Enrolled Actuary

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

Stephen Palmquist
Signature

5-12-2009
Date

08-1560
Enrollment Number

TABLE OF CONTENTS

SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The minimum required employer contribution developed in this year's valuation is compared below with that of the previous valuation:

	For FYE 9/30/10 Based on 10/1/2008 Valuation	For FYE 9/30/09 Based on 10/1/2007 Valuation	Increase (Decrease)
Required Employer Contribution	$ 866,192	$ 639,605	$ 226,587
As % of Covered Payroll	21.59 %	16.59 %	5.00 %

The required contributions listed above were calculated as though payments are made at the end of each biweekly pay period. The actual employer contribution during the fiscal year ending September 30, 2008 was $516,320 compared to the minimum required amount of $495,147.

Revisions in Benefits

The following changes were made by Ordinance No. 08-968 that was adopted on May 19, 2008:

(1) Upon attaining Normal Retirement, members who do not elect to participate in the DROP have the option of electing a partial lump sum benefit with the remaining portion of their benefit converted to one of the other Optional Forms.

(2) Terminated employees who return to work after having received a refund of their accumulated contributions may have their prior service reinstated if they repay the full amount of the refund plus 5.0% interest.

The above changes in benefits had no actuarial impact on the Plan.

Revisions in Actuarial Assumptions or Methods

The investment earnings assumption was changed from 7.75% per year net of investment expenses to 7.50% net of investment expenses.

Actuarial Experience

There was a net actuarial loss of $1,446,623 for the year which means that actual experience was less favorable than expected. The loss is primarily due to recognized investment return below the assumed rate of 7.75%. The investment return was -13.9% on market value of assets and -5.8% based on the actuarial value. The actuarial loss has caused an increase in the required contribution of 4.16% of covered payroll.

Analysis of Change in Employer Contribution

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

Contribution Rate Last Year	16.59 %
Actuarial Experience	4.16
Normal Cost	0.05
Administrative Expenses	(0.14)
Amortization Payment on UAAL	(0.22)
Change in Benefits	0.00
Change in Assumptions	1.15
Contribution rate this year	21.59

Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year.

Smaller plans in particular often see significant year-to-year changes in the employer's contribution rate. The impact of a single new disability retirement or a single active member death can move the contribution rate by more than one percent of pay in a very small plan. Normal variability in the number of retirements or terminations or salary increases or hiring can all cause noticeable shifts in the contribution rate from one year to the next.

Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Actuarial Value of Assets exceeds the Market Value of Assets by $723,733 as of the valuation date (see Section C). This difference will be gradually recognized over the next five years in the absence of offsetting gains. In turn, the computed employer contribution rate will increase by approximately 2.0% of covered payroll over the same period.

Relationship to Market Value

If Market Value had been the basis for the valuation, the City contribution rate would have been 23.64% rather than 21.59%. In the absence of other gains and losses, the City contribution rate should increase to this value over the next several years. Due to the recent economic downturn, further asset losses have likely occurred after September 30, 2008. These losses will be reflected in the October 1, 2009 valuation for the fiscal year ending September 30, 2011.

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

SECTION B

VALUATION RESULTS

PARTICIPANT DATA	October 1, 2008	October 1, 2007
ACTIVE MEMBERS		
Number	92	93
Covered Annual Payroll	$ 3,857,700	$ 3,707,079
Average Annual Payroll	$ 41,932	$ 39,861
Average Age	46.5	46.2
Average Past Service	7.5	7.0
Average Age at Hire	39.0	39.2
RETIREES & BENEFICIARIES & DROP		
Number	41	39
Annual Benefits	$ 503,599	$ 468,708
Average Annual Benefit	$ 12,283	$ 12,018
Average Age	70.6	70.3
DISABILITY RETIREES		
Number	3	3
Annual Benefits	$ 22,190	$ 22,190
Average Annual Benefit	$ 7,397	$ 7,397
Average Age	64.1	63.1
TERMINATED VESTED MEMBERS		
Number	1	1
Annual Benefits	$ 19,108	$ 19,108
Average Annual Benefit	$ 19,108	$ 19,108
Average Age	54.7	53.7

ANNUAL REQUIRED CONTRIBUTION (ARC)

A. Valuation Date	October 1, 2008 *After changes*	October 1, 2008 *Before Changes*	October 1, 2007
B. ARC to Be Paid During Fiscal Year Ending	9/30/2010	9/30/2010	9/30/2009
C. Assumed Date of Employer Contribution	Biweekly	Biweekly	Biweekly
D. Annual Payment to Amortize Unfunded Actuarial Liability	$ 455,732 ✓	$ 435,484	$ 277,875
E. Employer Normal Cost SRV accd in current year	346,870 ✓	323,593	314,155
F. ARC if Paid on the Valuation Date: D+E	802,602	759,077	592,030
G. ARC Adjusted for Frequency of Payments	832,769	788,525	614,998
H. ARC as % of Covered Payroll	21.59 %	20.44 %	16.59 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	4.00 %	4.00 %	4.00 %
J. Covered Payroll for Contribution Year	4,012,007	4,012,007	3,855,362
K. ARC for Contribution Year: H x J	866,192	820,054	639,605
L. REC as % of Covered Payroll in Contribution Year: M ÷ J	21.59 %	20.44 %	16.59 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS

A. Valuation Date	October 1, 2008 *After Changes* 1.5	October 1, 2008 *Before Changes* 7714	October 1, 2007
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	$ 9,906,650	$ 9,472,191	$ 8,554,261
b. Vesting Benefits	409,181	384,889	354,292
c. Disability Benefits	472,109	451,818	412,740
d. Preretirement Death Benefits	101,645	98,672	93,875
e. Return of Member Contributions	230,183	228,912	243,626
f. Total	11,119,768	10,636,482	9,658,794
2. Inactive Members			
a. Service Retirees & Beneficiaries	5,138,402	5,035,466	4,670,988
b. Disability Retirees	216,121	212,081	210,474
c. Terminated Vested Members	137,846	133,442	118,993
d. Total	5,492,369	5,380,989	5,000,455
3. Total for All Members	16,612,137	16,017,471	14,659,249
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	12,697,837	12,353,329	11,176,288
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35 – Termination Pay DD Accd Ben.	10,012,989	9,771,486	8,855,509
E. Plan Assets			
1. Market Value	7,071,029	7,071,029	8,055,261
2. Actuarial Value	7,794,762	7,794,762	8,107,177
F. Unfunded Actuarial Accrued Liability: C - E2	4,903,075	4,558,567	3,069,111
G. Actuarial Present Value of Projected Covered Payroll	28,833,236	28,411,823	27,081,584
H. Actuarial Present Value of Projected Member Contributions	1,441,662	1,420,591	1,354,079

CALCULATION OF EMPLOYER NORMAL COST

A. Valuation Date	October 1, 2008 *After Changes*	October 1, 2008 *Before Changes*	October 1, 2007
B. Normal Cost for			
1. Service Retirement Benefits	$ 406,104	$ 385,084	$ 366,945
2. Vesting Benefits	29,921	28,683	28,189
3. Disability Benefits	22,542	21,506	21,292
4. Preretirement Death Benefits	3,883	3,761	3,772
5. Return of Member Contributions	45,018	45,157	43,180
6. Total for Future Benefits	507,468	484,191	463,378
7. Assumed Amount for Expenses	32,287	32,287	36,131
8. Total Normal Cost	539,755	516,478	499,509
C. Expected Member Contribution	192,885	192,885	185,354
D. Employer Normal Cost: B8-C	346,870	323,593	314,155
E. Employer Normal Cost as % of Covered Payroll	8.99 %	8.39 %	8.47 %

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

The Unfunded Actuarial Accrued Liability (UAAL) is being amortized as a level dollar amount over the number of years remaining in the amortization period. Details relating to the UAAL are as follows:

A. UAAL Amortization Period and Payments

Original UAAL			Current UAAL		
Date Established	**Source**	**Amount**	**Years Remaining**	**Amount**	**Payment**
10/1/89	Change Assump	$ (40,569)	11	$ (15,493)	$ (1,970)
10/1/89	Amendment	4,215	11	1,540	196
10/1/90	Change Assump	5,928	12	2,253	271
10/1/90	Amendment	524,421	12	199,217	23,958
10/1/91	Change Assump	63,776	13	30,988	3,548
10/1/92	Funding Method Chng	594,796	14	300,532	32,932
10/1/92	Change Assump	(85,976)	14	(45,426)	(4,978)
10/1/93	Funding Method Chng	(519,590)	15	(284,039)	(29,933)
10/1/93	Exp Loss	74,371	0	-	-
10/1/94	Exp Gain	(30,383)	1	(2,759)	(2,759) - 60 away next year
10/1/94	Amendment	35	16	21	2
10/1/95	Exp Gain	(9,456)	2	(1,602)	(830)
10/1/96	Amendment	223,985	18	128,966	12,360
10/1/96	Exp Gain	(8,283)	3	(2,001)	(716)
10/1/97	Exp Gain	(508,962)	4	(157,601)	(43,772)
10/1/98	Change Assump	(244,027)	20	(154,709)	(14,117)
10/1/98	Amendment	540,890	20	342,923	31,291
10/1/98	Exp Loss	15,899	5	5,853	1,346
10/1/99	Exp Loss	40,529	6	17,072	3,383
10/1/00	Exp Gain	(360,959)	7	(171,485)	(30,118)
10/1/01	Exp Loss	236,752	8	94,029	14,933
10/1/01	Change Assump	13,592	23	7,378	635
10/1/02	Exp Loss	916,233	9	660,091	96,261
10/1/03	Exp Gain	(14,327)	10	(11,052)	(1,498)
10/1/04	Exp Gain	(105,544)	11	(86,597)	(11,012)
10/1/05	Exp Gain	(133,444)	12	(117,769)	(14,163)
10/1/06	Exp Loss	626,281	13	619,961	70,972
10/1/07	Exp Loss	20,429	14	20,344	2,229
10/1/07	Assump. Change	1,688,841	29	1,731,309	137,696
10/1/08	Assump. Change	344,508	30	344,508	27,135
10/1/08	Exp Loss	1,446,623	15	1,446,623	152,450
		$ 5,320,584		$ 4,903,075	$ 455,732

B. Schedule Illustrating the Expected Amortization of the UAAL

Year	Expected UAAL
2008	$ 4,903,075
2009	4,780,874
2010	4,646,561
2011	4,501,283
2012	4,344,340
2013	4,128,571
2018	2,838,168
2023	1,627,329
2028	1,146,225
2033	613,797
2038	-

ACTUARIAL GAINS AND LOSSES

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

1.	Last Year's UAAL	$ 3,069,111
2.	Last Year's Employer Normal Cost	317,954
3.	Last Year's Contributions	516,320
4.	Interest at the Assumed Rate on:	
	a. 1 and 2 for one year	262,498
	b. 3 from dates paid	21,299
	c. a - b	241,199
5.	This Year's Expected UAAL 1 + 2 - 3 + 4c	3,111,944
6.	Change in UAAL due to change in asssumptions	344,508
7.	Expected UAAL after assumption changes	3,456,452
8.	This Year's Actual UAAL (After Changes in Benefits or Assumptions)	4,903,075
9.	Net Actuarial Gain (Loss): (7) - (8)	(1,446,623)
10.	Gain (Loss) due to Investments	(1,125,461)
11.	Gain (Loss) from other sources	(321,162)

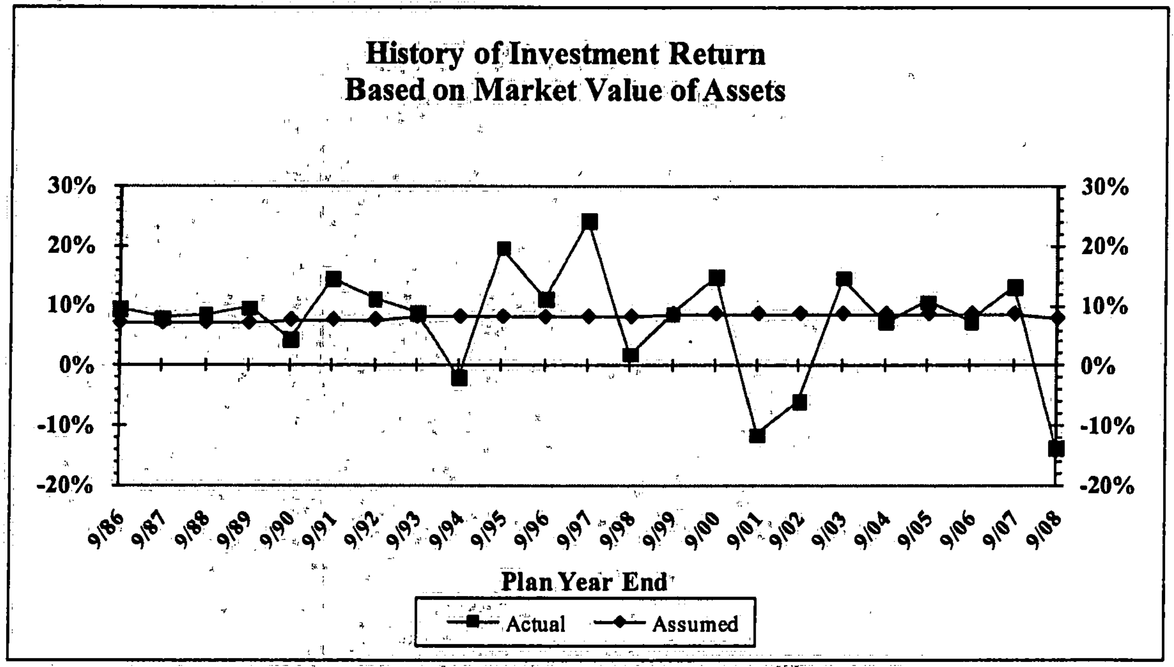
Actuarial gains in previous years have been as follows:

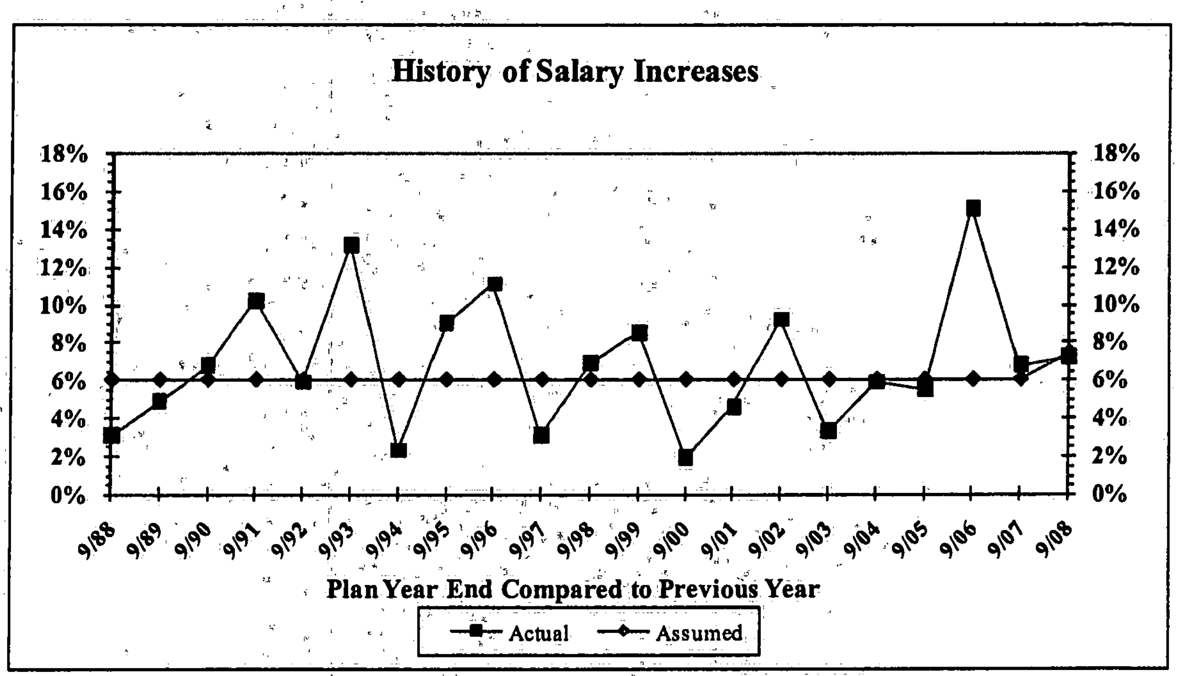
Year Ended	Gain (Loss)
9/30/99	$ (40,529)
9/30/00	360,959
9/30/01	(236,752)
9/30/02	(916,233)
9/30/03	14,327
9/30/04	105,544
9/30/05	133,444
9/30/06	(626,281)
9/30/07	(20,429)
9/30/08	(1,446,623)

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

Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
9/30/1986	9.2 %	7.0 %	---	---
9/30/1987	7.8	7.0	---	---
9/30/1988	8.2	7.0	3.1 %	6.0 %
9/30/1989	9.5	7.0	4.9	6.0
9/30/1990	4.2	7.5	6.8	6.0
9/30/1991	14.3	7.5	10.2	6.0
9/30/1992	10.9	7.5	5.9	6.0
9/30/1993	8.6	8.0	13.2	6.0
9/30/1994	(2.0)	8.0	2.3	6.0
9/30/1995	19.5	8.0	9.0	6.0
9/30/1996	11.0	8.0	11.1	6.0
9/30/1997	24.1	8.0	3.1	6.0
9/30/1998	1.7	8.0	6.9	6.0
9/30/1999	8.5	8.5	8.5	6.0
9/30/2000	14.6	8.5	1.9	6.0
9/30/2001	(11.7)	8.5	4.6	6.0
9/30/2002	(6.1)	8.5	9.2	6.0
9/30/2003	14.5	8.5	3.3	6.0
9/30/2004	7.1	8.5	5.9	6.0
9/30/2005	10.5	8.5	5.5	6.0
9/30/2006	7.2	8.5	15.1	6.0
9/30/2007	12.9	8.5	6.8	6.0
9/30/2008	(13.9)	7.75	7.2	7.4
Averages	7.0 %	---	6.8 %	---

The actual investment return rates shown above are based on the market value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.


History of Investment Return
Based on Market Value of Assets
30%
20%
10%
0%
-10%
-20%
9/86
9/87
9/88
9/89
9/90
9/91
9/92
9/93
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
9/07
9/08
Plan Year End
Actual
Assumed


History of Salary Increases
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
9/88
9/89
9/90
9/91
9/92
9/93
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
9/07
9/08
Plan Year End Compared to Previous Year
Actual
Assumed

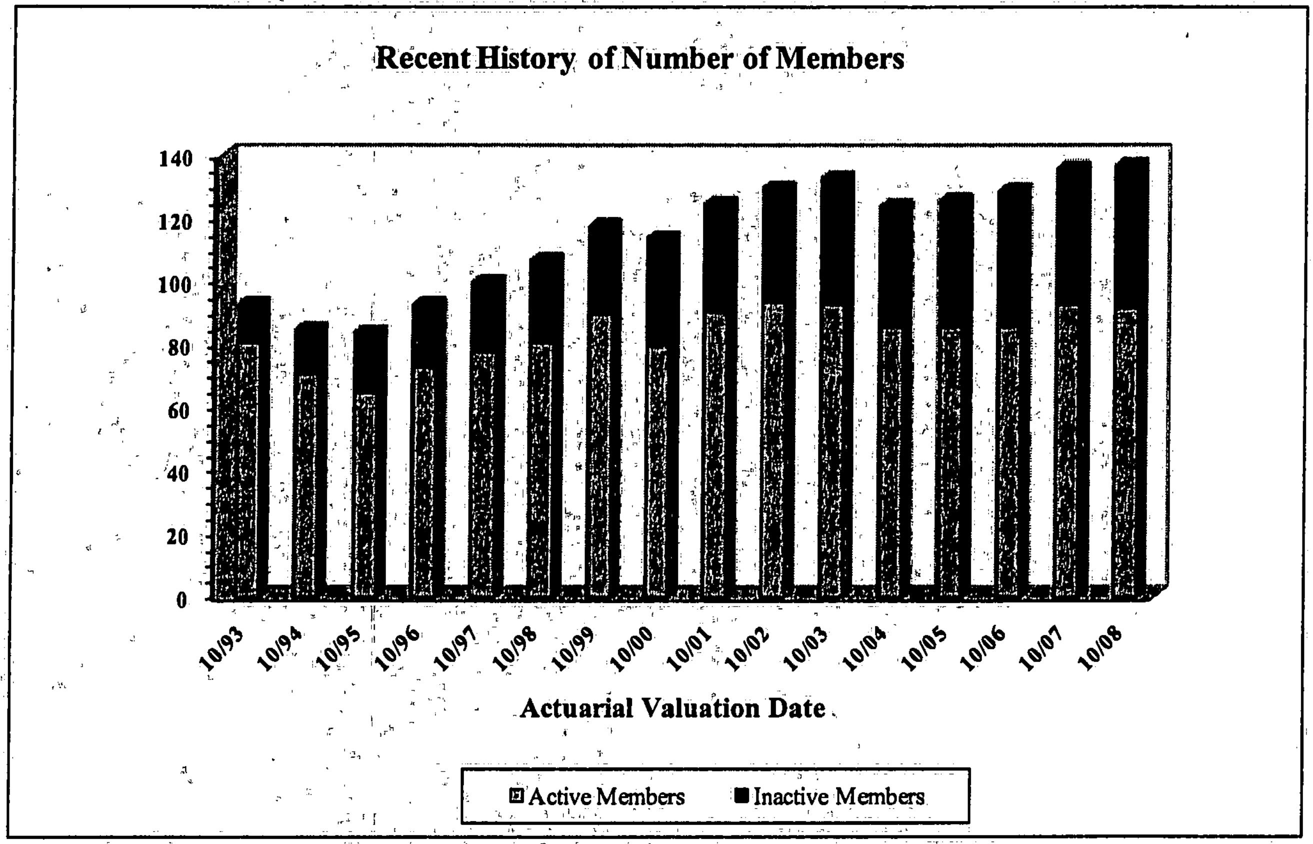
Actual (A) Compared to Expected (E) Decrements Among Active Employees

Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
									Vested	Other	Totals		
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2002	18	15	1	3	1	0	0	0	1	12	13	4	94
9/30/2003	14	15	4	3	0	0	0	0	0	11	11	4	93
9/30/2004	7	14	1	2	0	0	0	0	0	13	13	4	86
9/30/2005	14	14	3	1	0	0	0	0	0	11	11	4	86
9/30/2006	9	9	5	1	0	0	1	0	0	3	3	4	86
9/30/2007	17	10	0	1	0	0	0	0	1	9	10	4	93
9/30/2008	8	9	3	2	0	0	0	0	0	6	6	11	92
9/30/2009				5		0		0				10	
7 Yr Totals *	87	86	17	13	1	0	1	0	2	65	67	35	

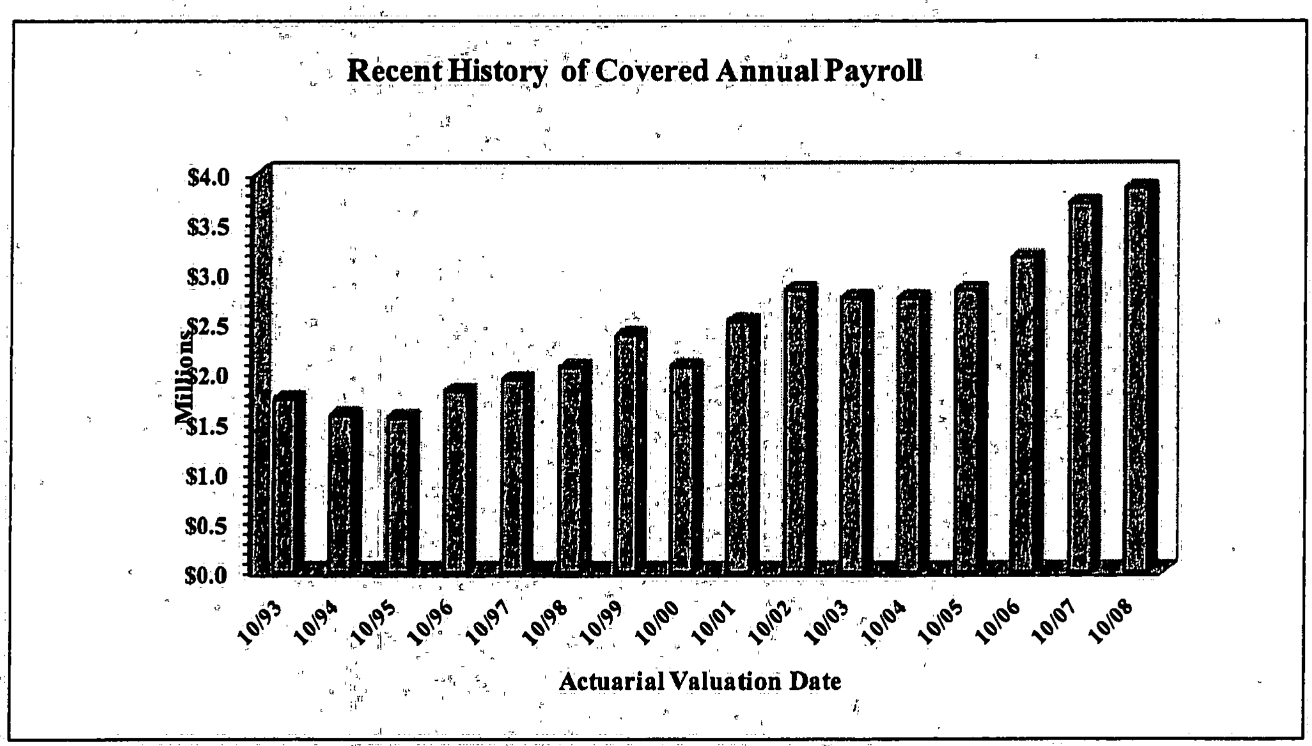
* Totals are through current Plan Year only

RECENT HISTORY OF VALUATION RESULTS

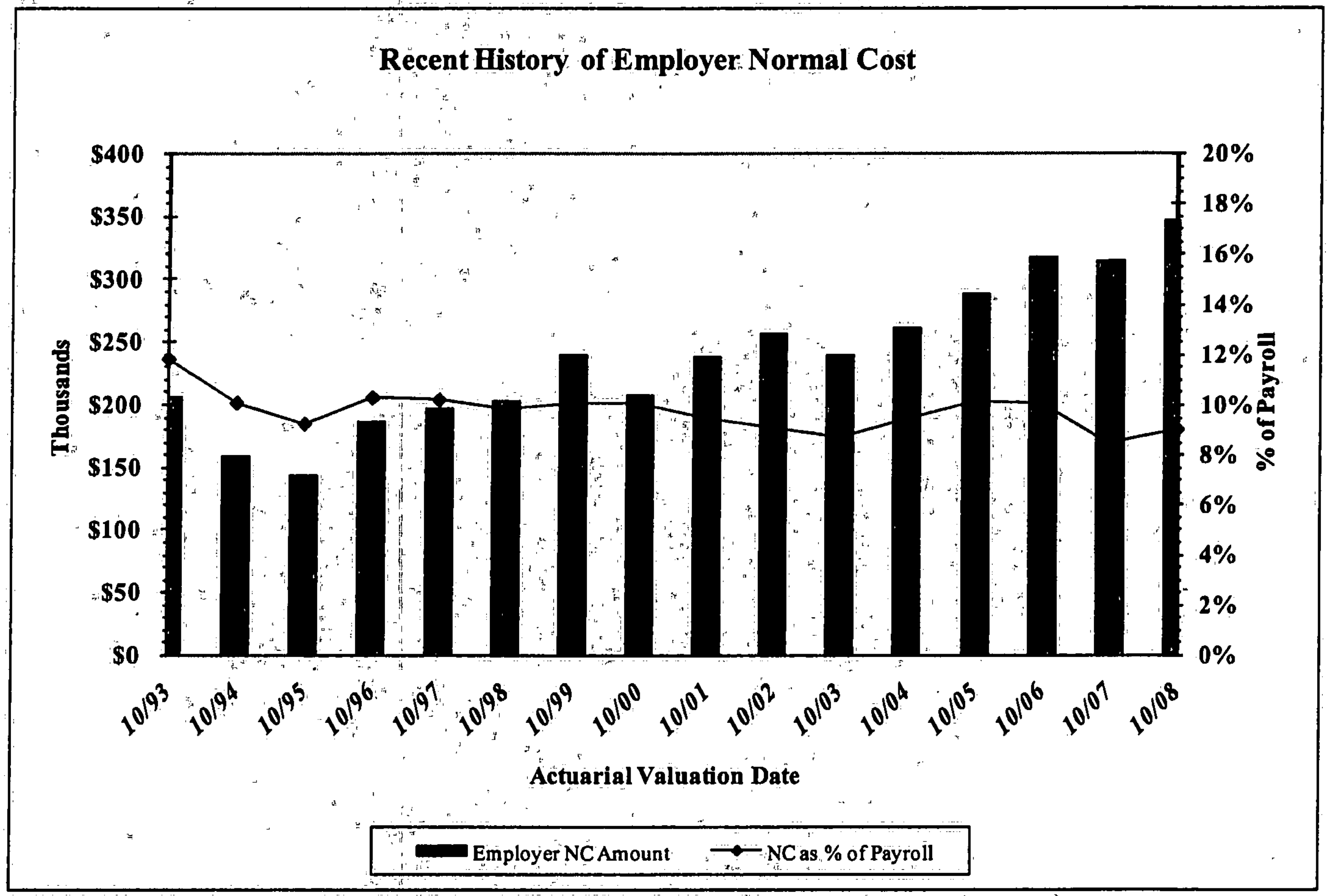
Valuation Date	Number of Active Members	Number of Inactive Members	Covered Annual Payroll	Actuarial Value of Assets	UFAAL	Employer Normal Cost (NC)	NC as % of Payroll
10/1/93	81	12	$ 1,740,350	$ 2,577,964	$ 383,995	$ 205,555	11.81 %
10/1/94	71	14	1,578,354	2,803,417	350,538	158,802	10.06
10/1/95	65	19	1,557,315	3,031,786	346,244	143,495	9.21
10/1/96	73	20	1,816,563	3,302,709	565,043	186,505	10.27
10/1/97	78	22	1,938,289	4,105,384	54,093	197,485	10.19
10/1/98	81	26	2,059,454	4,499,036	331,254	202,871	9.85
10/1/99	90	28	2,383,138	4,968,625	392,604	239,677	10.06
10/1/00	80	34	2,068,992	5,401,727	51,894	208,315	10.07
10/1/01	91	34	2,521,440	5,509,891	259,342	237,881	9.43
10/1/02	94	36	2,832,569	5,274,601	1,121,731	256,602	9.06
10/1/03	93	40	2,752,396	5,868,307	1,091,187	240,405	8.73
10/1/04	86	38	2,753,730	6,423,551	966,692	261,509	9.50
10/1/05	86	40	2,831,275	6,955,448	789,772	288,141	10.18
10/1/06	86	43	3,161,376	7,545,546	1,349,320	317,954	10.06
10/1/07	93	43	3,707,079	8,107,177	3,069,111	314,155	8.47
10/1/08	92	45	3,857,700	7,794,762	4,903,075	346,870	8.99



Recent History of Number of Members
140
120
100
80
60
40
20
0
10/93
10/94
10/95
10/96
10/97
10/98
10/99
10/00
10/01
10/02
10/03
10/04
10/05
10/06
10/07
10/08
Actuarial Valuation Date
Active Members
Inactive Members

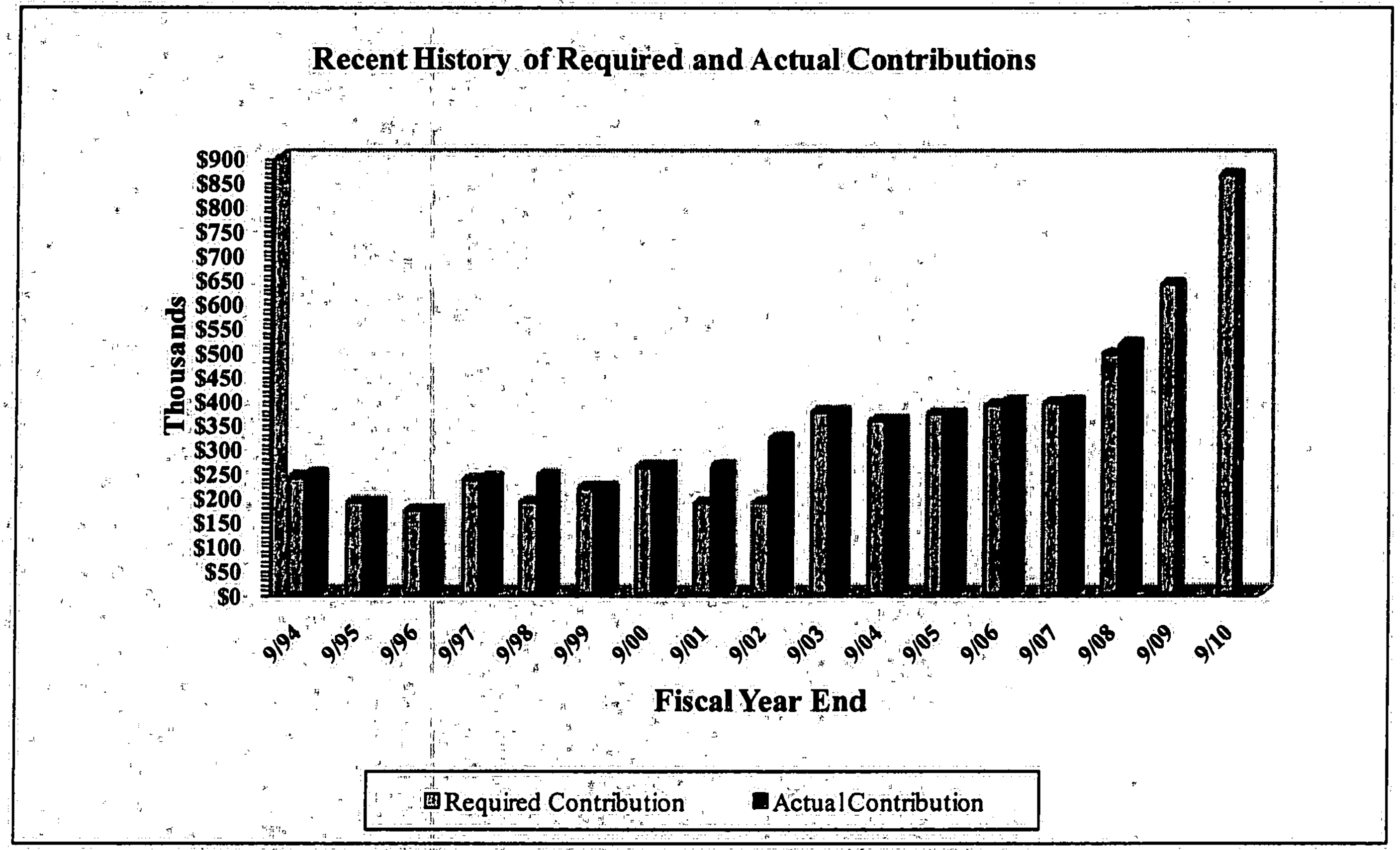


Recent History of Covered Annual Payroll
$4.0
$3.5
$3.0
$2.5
$2.0
$1.5
$1.0
$0.5
$0.0
Millions
10/93
10/94
10/95
10/96
10/97
10/98
10/99
10/00
10/01
10/02
10/03
10/04
10/05
10/06
10/07
10/08
Actuarial Valuation Date


Recent History of Employer Normal Cost
$400
$350
$300
$250
$200
$150
$100
$50
$0
Thousands
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
% of Payroll
10/93
10/94
10/95
10/96
10/97
10/98
10/99
10/00
10/01
10/02
10/03
10/04
10/05
10/06
10/07
10/08
Actuarial Valuation Date
Employer NC Amount
NC as % of Payroll

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS

Valuation	Applies to Fiscal Year Ending	Required Employer Contribution		Actual Employer Contribution for Year to Which Valuation Applies
		Amount	% of Payroll	
10/1/93	9/30/94	$ 240,949	13.84 %	$ 246,171
10/194	9/30/95	188,726	11.96	188,726
10/1/95	9/30/96	171,919	11.04	171,920
10/1/96	9/30/97	234,532	12.91	238,013
10/1/97	9/30/98	188,646	9.73	243,834
10/1/98	9/30/99	218,198	10.59	218,199
10/1/99	9/30/00	261,249	10.96	262,060
10/1/00	9/30/01	187,773	9.08	263,008
10/1/01	9/30/02	188,284	7.47	320,706
10/1/02	9/30/03	375,985	13.27	375,985
10/1/03	9/30/04	356,845	12.96	357,556
10/1/03	9/30/05	370,979	12.96	370,979
10/1/04	9/30/06	390,060	13.62	397,805
10/1/05	9/30/07	394,861	13.41	397,559
10/1/06	9/30/08	495,147	15.06	516,320
10/1/07	9/30/09	639,605	16.59	na
10/1/08	9/30/10	866,192	21.59	na


Recent History of Required and Actual Contributions
Thousands
$900
$850
$800
$750
$700
$650
$600
$550
$500
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
9/07
9/08
9/09
9/10
Fiscal Year End
Required Contribution
Actual Contribution

ACTUARIAL ASSUMPTIONS AND COST METHOD

A. Cost Method	
1. Funding	Entry Age Normal Actuarial Cost Method.
2. Accumulated Benefit Obligation	Accrued Benefit Method.
B. Investment Earnings (Including inflation)	7.50% per year, compounded annually, net of investment expenses.
C. Salary Increases (Including inflation)	Rates based on service, see table on the next page. In addition, salary in the year of retirement is assumed to increase an extra 20% to allow for the inclusion of unused sick and vacation pay in average final compensation.
D. Inflation3% per year.	
E. Retirement Age	See Table below.
F. Turnover Rates	See Table below.
G. Mortality Rates	RP-2000 Generational Mortality Table for males and females; rates for disabled lives are set ahead five years.
H. Disability	
1. Rates	See Table below.
2. Percent Service Connected	N/A
I. Asset Value	The actuarial value of assets is equal to the expected actuarial value plus or minus a 10% corridor adjustment. The expected actuarial value is equal to last year's actuarial value plus contributions and expected investment return at 7.50%, minus expenditures. If expected actuarial value differs from market value by less than 10%, actuarial value is set equal to expected actuarial value. If expected actuarial value is more than 110% of market value, actuarial value is set equal to 110% of market value. If expected actuarial value is less than 90% of market value, actuarial value is set equal to 90% of market value.
J. Administrative Expenses	Amount of actual administrative expenses paid in previous year.
K. Increase in Covered Payroll (for purposes of amortizing the unfunded accrued liability).	0.0%
L. Post Retirement Benefit Increase	None.
M. Changes Since Last Valuation	The investment return assumption was lowered from 7.75% to 7.5%.

Salary Increases

Years of Service	Rates
0 - 19	7.5 %
20 - 24	7.0
25 - 29	6.5
30 +	6.0

Disability

Age	Rates
25	0.09
30	0.12
35	0.14
40	0.25
45	0.35
50	0.55
55	0.74
60	0.97
65	---

Employment Termination Rates
(Based on service if less than 10 years)

Years of Service	Rates
0 - 1	22.0 %
1 - 2	20.0
2 - 3	18.0
3 - 4	16.0
4 - 5	14.0
5 - 6	12.0
6 - 7	10.0
7 - 8	9.0
8 - 9	8.0
9 - 10	7.0
Age (>10 years svc)	Rates
30 +	2.0 %

Retirement Rates

Years past NRD	Rates
0 - 1	75
1 - 2	25
2 - 3	50
3 +	100

GLOSSARY

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

Closed Amortization Period A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.

Employer Normal Cost The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.

Equivalent Single Amortization Period For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.

Experience Gain/Loss A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

Funded Ratio The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

GASB Governmental Accounting Standards Board.

GASB No. 25 and GASB No. 27 These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 27 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 25 sets the rules for the systems themselves.

Normal Cost The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

Open Amortization Period An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

Unfunded Actuarial Accrued Liability	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
Valuation Date	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C

PENSION FUND INFORMATION

SUMMARY OF ASSETS

	9/30/2008	9/30/2007
Cash and Securities - Market Value		
Cash	$ 15,238	$ -
Money Market Funds	458,611	328,241
Treasury and Agency Bonds & Notes	1,167,855	1,379,410
Corporate Bonds	1,381,444	1,110,413
Common Stocks	4,180,007	5,339,422
Pooled Equity Funds	-	-
Pooled Bond Funds	-	-
Other Securities	-	-
Total	7,203,155	8,157,486
Receivables and Accruals		
Member Contribution	-	-
Employer Contribution	-	-
Interest and Dividends	34,178	30,270
Other	-	-
Total	34,178	30,270
Payables		
DROP Accounts	166,304	86,303
Benefits (DROP)	-	-
Accounts payable	-	-
Expenses	-	-
Due to other funds	-	46,192
Total	166,304	132,495
Net Assets - Market Value	7,071,029	8,055,261

PENSION FUND INCOME AND DISBURSEMENTS		
	Year Ending 9/30/2008	Year Ending 9/30/2007
Market Value at Beginning of Period	$ 8,141,564	$ 7,267,224
Income		
Member Contributions	191,480	181,965
Employer Contributions	516,320	397,559
Other Contributions	-	-
Investment Earnings		
Interest & Dividends	215,368	205,783
Realized & Unrealized Gain (Loss)	(1,293,144)	726,667
Total	(1,077,776)	932,450
Other Income	-	-
Total Income	(369,976)	1,511,974
Disbursements		
Monthly Benefit Payments	411,640	396,551
DROP Distributions	-	66,672
Lump Sum Payments	-	-
Refund of Contributions	15,447	67,560
Investment Related Expenses	74,881	70,720
Other Administrative Expenses	32,287	36,131
Insurance Premiums	-	-
Other Expenses	-	-
Total Disbursements	534,255	637,634
Net Increase During Period	(904,231)	874,340
Market Value at End of Period	7,237,333	8,141,564
Less: DROP Account Balance	166,304	86,303
Final Market Value	7,071,029	8,055,261

ACTUARIAL VALUE OF ASSETS

	Year Ending September 30	
	2008	2007
A. Last Year's Actuarial Value of Assets	$ 8,193,480	$ 7,607,428
B. Contributions	707,800	579,524
C. Disbursements	459,374	637,634
D. Time Weighted Cash Flow: 1/2(B-C)	124,213	(29,055)
E. Expected Investment Return: 0.0775*(A+D)	644,621	644,162
F. Expected Actuarial Value of Assets: A+B-C+E	9,086,527	8,193,480
G. Market Value	7,237,333	8,141,564
H. Percentage: F/G	125.6 %	100.6 %
I. Actuarial Value (within 10% of Market)	7,961,066	8,193,480
J. Less: DROP Account Balance	166,304	86,303
K. Final Actuarial Value of Assets	7,794,762	8,107,177

Investment earnings recognized in the Actuarial Value of Assets is computed as follows:

	$ 7,961,066	Actuarial Value this year
-	8,193,480	Actuarial Value last year
-	707,800	Contributions during year
+	534,255	Expenses during year
	(405,959)	Gross Return recognized
	74,881	Investment expenses
	(480,840)	Net Return Recognized

RECONCILIATION OF DROP ACCOUNTS		
Value at beginning of year	$	86,303
Payments credited to accounts	+	71,981
Investment Earnings credited	+	8,020
Withdrawals from accounts	-	0
Value at end of year		166,304

INVESTMENT RATE OF RETURN

The investment rate of return has been calculated on the following basis:

Basis 1 - Interest, dividends, realized gains (losses) and unrealized appreciation (depreciation) divided by the weighted average of the market value of the fund during the year. This figure is normally called the Total Rate of Return.

Basis 2 - Investment earnings recognized in the Actuarial Value of Assets divided by the weighted average of the Actuarial Value of Assets during the year.

Year Ended	Investment Rate of Return	
	Basis 1	Basis 2
9/30/86	9.2 %	--- %
9/30/87	7.8	---
9/30/88	8.2	---
9/30/89	9.5	---
9/30/90	4.2	---
9/30/91	14.3	---
9/30/92	10.9	---
9/30/93	8.6	---
9/30/94	(2.0)	8.0
9/30/95	19.5	8.0
9/30/96	11.0	8.0
9/30/97	24.1	19.6
9/30/98	1.7	8.0
9/30/99	8.5	8.5
9/30/00	14.6	8.5
9/30/01	(11.7)	7.2
9/30/02	(6.1)	(6.0)
9/30/03	14.5	8.5
9/30/04	7.1	8.5
9/30/05	10.5	8.5
9/30/06	7.2	8.5
9/30/07	12.9	8.5
9/30/08	(13.9)	(5.8)
Average Compounded Rate of Return for Number of Years Shown	7.0 %	6.9 %
Average Compounded Rate of Return for Last 5 Years	4.3 %	5.5 %

SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION

A. Valuation Date	October 1, 2008	October 1, 2007
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	$ 5,354,523	$ 4,881,462
b. Terminated Vested Members	137,846	118,993
c. Other Members	3,622,953	2,905,392
d. Total	9,115,322	7,905,847
2. Non-Vested Benefits	897,667	949,662
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	10,012,989	8,855,509
4. Accumulated Contributions of Active Members	934,976	840,881
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	8,855,509	7,400,131
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	0
b. Change in Actuarial Assumptions	241,503	964,532
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	1,343,064	1,021,629
d. Benefits Paid	(427,087)	(530,783)
e. Net Increase	1,157,480	1,455,378
3. Total Value at End of Period	10,012,989	8,855,509
D. Market Value of Assets	7,071,029	8,055,261
E. Assets as % of C3	70.6 %	91.0 %
F. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SCHEDULE OF FUNDING PROGRESS
(GASB Statement No. 25)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c
10/1/1993	$ 2,577,934	$ 2,961,929	$ 383,995	87.0 %	$ 1,740,350	22.1 %
10/1/1994	2,803,417	3,153,955	350,538	88.9	1,578,354	22.2
10/1/1995	3,031,786	3,378,030	346,244	89.8	1,557,315	22.2
10/1/1996	3,302,709	3,867,752	565,043	85.4	1,816,563	31.1
10/1/1997	4,105,384	4,159,477	54,043	98.7	1,938,289	2.8
10/1/1998	4,499,036	4,830,290	331,254	93.1	2,059,454	16.1
10/1/1999	4,968,625	5,361,229	392,604	92.7	2,383,138	16.5
10/1/2000	5,401,727	5,453,621	51,894	99.0	2,068,992	2.5
10/1/2001	5,509,891	5,769,233	259,342	95.5	2,251,442	10.3
10/1/2002	5,274,601	6,396,332	1,121,731	82.5	2,832,569	39.6
10/1/2003	5,868,307	6,959,494	1,091,187	84.3	2,752,396	39.6
10/1/2004	6,423,551	7,390,243	966,692	86.9	2,753,730	35.1
10/1/2005	6,955,448	7,745,220	789,772	89.8	2,831,275	27.9
10/1/2006	7,545,546	8,894,866	1,349,320	84.8	3,161,376	42.7
10/1/2007 (a)	8,107,177	9,487,447	1,380,270	85.5	3,657,867	37.7
10/1/2007 (b)	8,107,177	11,176,288	3,069,111	72.5	3,707,079	82.8
10/1/2008 (a)	7,794,762	12,353,329	4,558,567	63.1	3,857,700	118.2
10/1/2008 (b)	7,794,762	12,697,837	4,903,075	61.4	3,857,700	127.1

(a) before assumption changes
(b) after assumption changes

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(GASB Statement No. 25)

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
1994	$ 240,949	$ 246,171	102.2 %
1995	188,726	188,726	100.0
1996	171,919	171,920	100.0
1997	234,532	238,013	101.5
1998	188,646	243,834	129.3
1999	218,198	218,199	100.0
2000	261,249	262,060	100.3
2001	187,773	263,008	140.1
2002	188,284	320,706	170.3
2003	375,985	375,985	100.0
2004	356,845	357,556	100.2
2005	370,979	370,979	100.0
2006	390,060	397,805	102.0
2007	394,861	397,559	100.7
2008	495,147	516,320	104.3

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

Employer FYE September 30	2009	2008	2007
Annual Required Contribution (ARC)	$ 639,605	$ 495,147	$ 394,861
Interest on Net Pension Obligation (NPO)	(22,708)	(23,202)	(26,110)
Adjustment to ARC	(40,509)	(40,980)	(36,611)
Annual Pension Cost (APC)	657,406	512,925	405,362
Contributions made	*	516,320	397,559
Increase (decrease) in NPO	*	(3,395)	7,803
NPO at beginning of year	(302,771)	(299,376)	(307,179)
NPO at end of year	*	(302,771)	(299,376)

* To be determined

THREE YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2006	$400,726	$397,805	99.3 %	($307,179)
9/30/2007	405,362	397,559	98.1	(299,376)
9/30/2008	512,925	516,320	100.7	(302,771)

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

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

Valuation Date:	October 1, 2008
Contribution Rates	
Employer	21.59%
Plan members	5.00%
Actuarial Cost Method	Entry Age
Amortization Method	Level dollar, closed
Remaining Amortization Period	30 years
Asset Valuation Method	See Assumptions page
Actuarial Assumptions	
Investment rate of return	7.5%
Projected salary increases	6.0 - 7.5%
Includes inflation and other general increases at	3.0%
Cost of Living adjustments	NA

SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/1/07 To 10/1/08	From 10/1/06 To 10/1/07
A. Active Members		
1. Number Included in Last Valuation	93	86
2. New Members Included in Current Valuation	8	17
3. Non-Vested Employment Terminations	(6)	(9)
4. Vested Employment Terminations	0	(1)
5. Service Retirements	(1)	0
6. Disability Retirements	0	0
7. Deaths	0	0
8. DROP Participation	(2)	0
9. Number Included in This Valuation	92	93
B. Terminated Vested Members		
1. Number Included in Last Valuation	1	1
2. Additions from Active Members	0	1
3. Lump Sum Payments/Refund of Contributions	0	(1)
4. Payments Commenced	0	0
5. Deaths	0	0
6. Other--Return to Active	0	0
7. Number Included in This Valuation	1	1
C. DROP Plan Members		
1. Number Included in Last Valuation	2	5
2. Additions from Active Members	2	0
3. Retirements	0	(3)
4. Deaths Resulting in No Further Payments	0	0
5. Other	0	0
6. Number Included in This Valuation	4	2
D. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	40	37
2. Additions from Active Members	1	0
3. Additions from Terminated Vested Members	0	0
4. Deaths Resulting in No Further Payments	(1)	0
5. Deaths Resulting in New Survivor Benefits	0	0
6. End of Certain Period - No Further Payments	0	0
7. Other - Additions from DROP	0	3
8. Number Included in This Valuation	40	40

GRS

Palmetto General - 10/1/08 Active Participants

Age Group	Years of Service to Valuation Date 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	Total
0- 4 NO.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
TOT PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
AVG PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
5- 9 NO.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
TOT PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
AVG PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
10-14 NO.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
TOT PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
AVG PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
15-19 NO.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
TOT PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
AVG PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
20-24 NO.	1.	0.	0.	1.	0.	0.	0.	0.	0.	0.	0.	0.	2.
TOT PAY	26395.	0.	0.	27936.	0.	0.	0.	0.	0.	0.	0.	0.	54331.
AVG PAY	26395.	0.	0.	27936.	0.	0.	0.	0.	0.	0.	0.	0.	27165.
25-29 NO.	0.	4.	1.	0.	0.	0.	0.	0.	0.	0.	0.	0.	5.
TOT PAY	0.	113962.	29358.	0.	0.	0.	0.	0.	0.	0.	0.	0.	143320.
AVG PAY	0.	28491.	29358.	0.	0.	0.	0.	0.	0.	0.	0.	0.	28664.
30-34 NO.	0.	2.	2.	0.	1.	3.	1.	0.	0.	0.	0.	0.	9.
TOT PAY	0.	51750.	57890.	0.	30153.	90797.	31560.	0.	0.	0.	0.	0.	262150.
AVG PAY	0.	25875.	28945.	0.	30153.	30266.	31560.	0.	0.	0.	0.	0.	29128.
35-39 NO.	1.	2.	0.	1.	0.	4.	0.	0.	0.	0.	0.	0.	8.
TOT PAY	26395.	82923.	0.	34106.	0.	148504.	0.	0.	0.	0.	0.	0.	291928.
AVG PAY	26395.	41462.	0.	34106.	0.	37126.	0.	0.	0.	0.	0.	0.	36491.
40-44 NO.	1.	3.	1.	1.	1.	4.	1.	0.	1.	0.	0.	0.	13.
TOT PAY	29100.	116276.	44068.	36779.	64619.	207480.	44675.	0.	49409.	0.	0.	0.	592406.
AVG PAY	29100.	38759.	44068.	36779.	64619.	51870.	44675.	0.	49409.	0.	0.	0.	45570.
45-49 NO.	0.	2.	2.	0.	2.	5.	2.	2.	0.	1.	0.	0.	16.
TOT PAY	0.	73868.	70457.	0.	64663.	210881.	82969.	88340.	0.	50193.	0.	0.	641371.
AVG PAY	0.	36934.	35229.	0.	32332.	42176.	41485.	44170.	0.	50193.	0.	0.	40086.
50-54 NO.	0.	4.	0.	0.	0.	3.	3.	1.	0.	2.	0.	0.	13.
TOT PAY	0.	125685.	0.	0.	0.	131865.	117246.	64262.	0.	96665.	0.	0.	535723.
AVG PAY	0.	31421.	0.	0.	0.	43955.	39082.	64262.	0.	48333.	0.	0.	41209.
55-59 NO.	1.	0.	1.	1.	0.	5.	4.	0.	2.	1.	0.	0.	15.
TOT PAY	34677.	0.	29475.	27097.	0.	197672.	162491.	0.	70989.	40006.	0.	0.	562407.
AVG PAY	34677.	0.	29475.	27097.	0.	39534.	40623.	0.	35495.	40006.	0.	0.	37494.
60-64 NO.	1.	1.	0.	1.	0.	2.	2.	1.	0.	0.	0.	0.	8.
TOT PAY	33686.	25342.	0.	48097.	0.	102553.	75036.	65003.	0.	0.	0.	0.	349717.
AVG PAY	33686.	25342.	0.	48097.	0.	51277.	37518.	65003.	0.	0.	0.	0.	43715.
65-99 NO.	0.	0.	0.	0.	0.	3.	0.	0.	0.	0.	0.	0.	3.
TOT PAY	0.	0.	0.	0.	0.	157503.	0.	0.	0.	0.	0.	0.	157503.
AVG PAY	0.	0.	0.	0.	0.	52501.	0.	0.	0.	0.	0.	0.	52501.
TOT NO.	5.	18.	7.	5.	4.	29.	13.	4.	3.	4.	0.	0.	92.
TOT AMT	150253.	589806.	231248.	174015.	159435.	1247255.	513977.	217605.	120398.	186864.	0.	0.	3590856.
AVG AMT	30051.	32767.	33035.	34803.	39859.	43009.	39537.	54401.	40133.	46716.	0.	0.	39031.

SCHEDULE OF NON-ACTIVE PARTICIPANTS DATA

Age	Terminated Vested Number	Terminated Vested Total Benefits	Disabled Number	Disabled Total Benefits	Age & Service Number	Age & Service Total Benefits	Other Number	Other Total Benefits	Total Number	Total Total Benefits
Under 20	0	0.	0	0.	0	0.	0	0.	0	0.
20 - 24	0	0.	0	0.	0	0.	0	0.	0	0.
25 - 29	0	0.	0	0.	0	0.	0	0.	0	0.
30 - 34	0	0.	0	0.	0	0.	0	0.	0	0.
35 - 39	0	0.	0	0.	0	0.	0	0.	0	0.
40 - 44	0	0.	0	0.	0	0.	0	0.	0	0.
45 - 49	0	0.	0	0.	0	0.	0	0.	0	0.
50 - 54	1	19108.	1	14353.	2	68028.	0	0.	4	101489.
55 - 59	0	0.	0	0.	1	40556.	0	0.	1	40556.
60 - 64	0	0.	0	0.	9	123939.	0	0.	9	123939.
65 - 69	0	0.	1	4291.	9	100994.	0	0.	10	105285.
70 - 74	0	0.	1	3546.	6	52914.	0	0.	7	56460.
75 - 79	0	0.	0	0.	6	86880.	1	3292.	7	90172.
80 - 84	0	0.	0	0.	4	15486.	2	4599.	6	20085.
85 - 89	0	0.	0	0.	1	6911.	0	0.	1	6911.
90 - 94	0	0.	0	0.	0	0.	0	0.	0	0.
95 - 99	0	0.	0	0.	0	0.	0	0.	0	0.
100 & Over	0	0.	0	0.	0	0.	0	0.	0	0.
Total	1	19108.	3	22190.	38	495708.	3	7891.	45	544897.
Ave. Age		54		64		69		82		69
Liability		137846.		216121.		5092622.		45780.		5492369.

SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

A. Ordinances

Plan established under the Code of Ordinances for the City of Palmetto, Florida, Chapter 22, Article IV, and was most recently amended under Ordinance No. 08-968 passed and adopted on May 19, 2008. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

May 1, 1982; Amended Plan Effective Date: October 1, 1996.

C. Plan Year

October 1 through September 30.

D. Type of Plan

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

E. Eligibility Requirements

All full-time employees of the City, except police officers, become members on their date of hire.

F. Credited Service

Credited Service is measured as the total number of years and fractional parts of years from the date of employment to the date of termination or retirement. No service is credited for any periods of employment for which a member received a refund of their contributions. Terminated employees who return to work after having received a refund may have their prior service reinstated if they repay the full amount of the refund plus 5.0% interest.

G. Compensation/Salary

The total compensation for services rendered to the City as a general employee reportable on the member's W-2 form including lump sum payments of unused sick leave and vacation time, plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions.

H. Average Final Compensation (AFC)

The average of Salary during the highest 5 consecutive years out of the last 10 years preceding termination or retirement.

I. Normal Retirement

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

(1) age 60 with 5 years of Credited Service (10 years if hired after January 1, 1995), or
(2) 30 years of Credited Service regardless of age.

Benefit: 2.5% of AFC multiplied by years of Credited Service.

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: There are currently no annual COLA benefits; although the City has adopted an Ad Hoc COLA in the past (refer to Section V, Cost of Living Increases).

J. Early Retirement

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon the attainment of age 55 with 5 years of Credited Service (10 years if hired after January 1, 1995).

Benefit: The Normal Retirement Benefit is reduced by 3.0% for each year by which the Early Retirement date precedes the member's Normal Retirement date.

Normal Form of Benefit: Single Life Annuity; other options are also available.

COLA: There are currently no annual COLA benefits; although the City has adopted an Ad Hoc COLA in the past (refer to Section V, Cost of Living Increases).

K. Delayed Retirement

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

L. Service Connected Disability

Eligibility: Any member with 5 or more years (10 years if hired after January 1, 1995) of Credited Service who becomes totally and permanently disabled and unable to perform regular and continuous duties for the City or establish other gainful employment is immediately eligible for a disability benefit.

Benefit: Accrued Normal Retirement Benefit taking into account compensation earned and service credited until the date of disability. Disability benefits, when combined with Worker's Compensation benefits, can not exceed and will be limited to the AFC on the date of disability.

Normal Form: of Benefit: Benefits begin on the first day of the month following the date the Board approves the disability and are payable until death or recovery from disability. Other options are also available.

COLA: There are currently no annual COLA benefits; although the City has adopted an Ad Hoc COLA in the past (refer to Section V, Cost of Living Increases).

M. Non-Service Connected Disability

Eligibility: Any member with 5 or more years (10 years if hired after January 1, 1995) of Credited Service who becomes totally and permanently disabled and unable to perform regular and continuous duties for the City or establish other gainful employment is immediately eligible for a disability benefit.

Benefit: Accrued Normal Retirement Benefit taking into account compensation earned and service credited until the date of disability. Disability benefits, when combined with Worker's Compensation benefits, can not exceed and will be limited to the AFC on the date of disability.

Normal Form of Benefit: Benefits begin on the first day of the month following the date the Board approves the disability and are payable until death or recovery from disability. Other options are also available.

COLA: There are currently no annual COLA benefits; although the City has adopted an Ad Hoc COLA in the past (refer to Section V, Cost of Living Increases).

N. Death in the Line of Duty

Eligibility: Any member who dies with 5 or more years (10 years if hired after January 1, 1995) of Credited Service is eligible for survivor benefits.

Benefit: Beneficiary will be paid the member's accrued benefit based upon Credited Service and AFC as of the date of death. Benefits begin on the member's Early or Normal Retirement date, at the option of the beneficiary, and will be actuarially reduced for Early Retirement when applicable. Alternatively, beneficiaries of members who were not yet eligible for Early or Normal Retirement can elect immediate benefits that are further reduced for early payment.

Normal Form of Benefit: Payable for 10 years.

In lieu of the benefits described above, beneficiaries of those who were members on or before October 1, 1996 can elect a lump sum based upon the greater of:

(1) 5 times the vested pension benefit, or
(2) the present value of the vested pension benefit.

COLA: There are currently no annual COLA benefits; although the City has adopted an Ad Hoc COLA in the past (refer to Section V, Cost of Living Increases).

The beneficiary of a member with less than 5 years (10 years if hired after January 1, 1995) of Credited Service at the time of death will receive a refund of the member's accumulated contributions with interest.

O. Other Pre-Retirement Death

Eligibility: Any member who dies with 5 or more years (10 years if hired before January 1, 1995) of Credited Service is eligible for survivor benefits.

Benefit: Beneficiary will be paid the member's accrued benefit based upon Credited Service and AFC as of the date of death. Benefits begin on the member's Early or Normal Retirement date, at the option of the beneficiary, and will be actuarially reduced for Early Retirement when applicable. Alternatively, beneficiaries of members who were not yet eligible for Early or Normal Retirement can elect immediate benefits that are further reduced for early payment.

Normal Form of Benefit: Payable for 10 years.

In lieu of the benefits described above, beneficiaries of those who were members on or before October 1, 1996 can elect a lump sum based upon the greater of:

(1) 5 times the vested pension benefit, or
(2) the present value of the vested pension benefit.

COLA: There are currently no annual COLA benefits; although the City has adopted an Ad Hoc COLA in the past (refer to Section V, Cost of Living Increases).

The beneficiary of a member with less than 5 years (10 years if hired after January 1, 1995) of Credited Service at the time of death will receive a refund of the member's accumulated contributions with interest.

P. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

Q. Optional Forms

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are the 10 Year Certain and Life option or the 50%, 66 2/3%, 75% or 100% Joint and Survivor options. A Social Security option is also available for members retiring prior to the time they are eligible for Social Security retirement benefits.

Members who do not participate in the DROP also have the option of electing a partial lump sum with the remaining portion of their benefit converted to one of the Optional Forms above.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years (10 years if hired after January 1, 1995) of Credited Service.

Benefit: The member's accrued Normal Retirement Benefit as of the date of termination. Benefit begins on the member's Normal Retirement date. Alternatively, members may elect to receive an actuarially reduced Early Retirement Benefit any time after age 55.

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

In lieu of the benefits described above, those who were members on or before October 1, 1996 can elect a lump sum based upon the greater of:

(1) 5 times the vested pension benefit, or
(2) the present value of the vested pension benefit.

COLA: There are currently no annual COLA benefits; although the City has adopted an Ad Hoc COLA in the past (refer to Section V, Cost of Living Increases).

Plan members with less than 5 years (10 years if hired before January 1, 1995) of Credited Service will receive a refund of their own accumulated contributions with interest.

S. Refunds

Eligibility: All members terminating employment with less than 5 years of Credited Service are eligible. Optionally, vested members (those with 5 or more years of credited service) may elect a refund in lieu of the vested benefits otherwise due.

Benefit: Refund of the member's contributions with interest. Interest is currently credited at a rate of 4.0% per annum. No interest is credited prior to January 1, 1986.

T. Member Contributions

5.0% of Compensation

U. Employer Contributions

Any additional amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

Effective October 1, 1996, the monthly benefit being received by every retired member, joint pensioner or beneficiary receiving benefits as a result of a retirement that occurred prior to October 1, 1990 received an Ad Hoc COLA of 10%. In addition, for any retirees whose benefits were less than $250 as of October 1, 1996, including the COLA increases, if applicable, their benefits were increased to $250.

W. 13th Check

Not Applicable

X. Deferred Retirement Option Plan

Eligibility: Plan members are eligible for the DROP on the first day of the month coincident with or next following the earlier of:

(1) age 60 with 5 years (10 years if hired after January 1, 1995) of Credited Service, or

Members who meet eligibility must submit a written election to participate in the DROP.

Benefit: The member's Credited Service and AFC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and AFC.

Maximum DROP Period: 60 months from date of participation in the DROP, but not to exceed 5 years from the date the member first became eligible for Normal Retirement.

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

(1) 6.5% per annum compounded monthly on the prior month's ending balance, or
(2) the actual net rate of investment return realized by the Plan for that quarter.

Normal Form of Benefit: Options include a lump sum or DROP distribution used to purchase fixed annuity.

COLA: There are currently no annual COLA benefits; although the City has adopted an Ad Hoc COLA in the past (refer to Section V, Cost of Living Increases).

Y. Other Ancillary Benefits

There are no ancillary retirement type benefits not required by statutes but which might be deemed a City of Palmetto General Employees' Retirement System liability if continued beyond the availability of funding by the current funding source.

Z. Changes from Previous Valuation

The Plan was amended by Ordinance No. 08-968 to add the following provisions:

(1) Upon attaining Normal Retirement, members who do not elect to participate in the DROP have the option of electing a partial lump sum benefit with the remaining portion of their benefit converted to one of the other Optional Forms.

(2) Terminated employees who return to work after having received a refund of their accumulated contributions may have their prior service reinstated if they repay the full amount of the refund plus 5.0% interest.