

TAB 2

CITY OF PALMETTO POLICE OFFICERS' RETIREMENT PLAN

ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2009

**ANNUAL EMPLOYER CONTRIBUTION IS DETERMINED BY THIS VALUATION FOR THE
PLAN YEAR ENDING SEPTEMBER 30, 2011**

GRS

May 10, 2010

Board of Trustees
City of Palmetto Police
Officers Retirement Plan
Palmetto, Florida

Dear Board Members:

We are pleased to present our October 1, 2009 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.

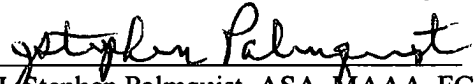
This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate. In my opinion, the techniques and assumptions used are reasonable, 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.

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

As indicated below, the undersigned is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the Academy of Actuaries to render the actuarial opinion herein.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY


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

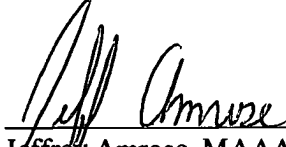

Jeffrey Amrose, MAAA
Enrolled Actuary No. 08-6599

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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 9/30/11 Based on 10/1/2009 Valuation	For FYE 9/30/10 Based on 10/1/2008 Valuation	Increase (Decrease)
Required Employer Contribution As % of Covered Payroll	\$ 446,432 24.67 %	\$ 427,509 21.86 %	\$ 18,923 2.81 %
Estimated State Contribution As % of Covered Payroll	\$ 101,867 5.63 %	\$ 101,867 5.21 %	\$ 0 0.42 %
Required Employer Contribution As % of Covered Payroll	\$ 344,565 19.04 %	\$ 325,642 16.65 %	\$ 18,923 2.39 %

The required contributions listed above are calculated as though payments are made continuously throughout the plan year. The actual employer and state contributions during the fiscal year ending September 30, 2009 were \$186,422 and \$101,867, respectively, for a total of \$288,289. The total annual required contribution was \$281,987.

The required employer contribution has been computed under the assumption that the amount to be received from the state in 2011 on behalf of police officers this year will be equal to the baseline amount of \$101,867. If the actual payment from the State falls below this amount, then the Employer must increase its contribution by the difference.

Revisions in Benefits

There have been no revisions in benefits since the last valuation.

Revisions in Actuarial Assumptions or Methods

There have been no revisions in actuarial assumptions or methods since the last valuation. We recommend updating the mortality assumption from the 1983 Group Annuity Mortality table to a more updated table to reflect increased longevity.

Actuarial Experience

There was a net actuarial loss of \$224,928 for the year which means that actual experience was less favorable than expected. The loss is due to recognized investment return below the assumed rate of 8.0%. The investment return was 4.3% based on market value of assets and 4.1% based on the actuarial value of assets. The actuarial loss caused an increase in the required contribution of 1.16% of covered payroll.

Funded Ratio

The funded ratio, one measure of the Plan's financial health, is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability. The funded ratio is 85.3% this year compared to 88.1% last year.

Analysis of Change in Employer Contribution

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

Contribution Rate Last Year	16.65 %
Actuarial Experience	1.16
Normal Cost Rate	(0.28)
Change in Administrative Expenses	0.76
Amortization Payment on UAAL	1.17
Change in State Contribution	(0.42)
Change in Benefits	0.00
Change in Assumptions and Methods	0.00
Contribution Rate This Year	19.04 %

Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the contribution rate is intended to produce contribution rate 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.

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 \$1,373,496 as of the valuation date (see Section C). This difference will be gradually recognized in the absence of offsetting gains. In turn, the computed employer contribution rate will gradually increase by approximately 7.1% of covered payroll.

Relationship to Market Value

If Market Value had been the basis for the valuation, the City contribution rate would have been 26.15% and the funded ratio would have been 70.9%. In the absence of other gains and losses, the City contribution rate should increase to that level over the next several years.

The remainder of this Report includes detailed actuarial valuation results, information relating to the pension fund, financial accounting information, miscellaneous employee data and a summary of plan provisions.

CHAPTER REVENUE

Increments in Chapter revenue over that received in 1998 must first be used to fund the cost of compliance with minimum benefits. Once minimums are met, any subsequent additional Chapter revenue must be used to provide extra benefits.

As of the valuation date, all minimum benefit requirements have been met. Thus, any additional revenue must be used to provide extra benefits.

Actuarial Confirmation of the Use of State Chapter Money	
1. Base Amount Previous Plan Year	\$ 101,867
2. Amount Received for Previous Plan Year	102,966
3. Benefit Improvements Made in Previous Plan Year	0
4. Excess Funds for Previous Plan Year: (2) - (1) - (3)	1,099
5. Accumulated Excess at Beginning of Previous Year	13,730
6. Prior Excess Used in Previous Plan Year	0
7. Accumulated Excess as of Valuation Date (Available for Benefit Improvements): (4) + (5) - (6)	14,829
8. Base Amount This Plan Year: (1) + (3)	101,867

The Accumulated Excess shown in line 7 is being held in reserve to pay for additional benefits. The reserve is subtracted from Plan assets (see Section C of this Report). The Base Amount in line 8 is the maximum amount the employer may take as a credit against its required contribution; however, in no event may the employer take credit for more than the actual amount of Chapter revenue received.

SECTION B
VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2009	October 1, 2008
ACTIVE MEMBERS		
Number	34	36
Covered Annual Payroll	\$ 1,740,014	\$ 1,880,450
Average Annual Payroll	\$ 51,177	\$ 52,235
Average Age	38.5	38.8
Average Past Service	8.6	7.9
Average Age at Hire	29.9	30.9
RETIREES & BENEFICIARIES & DROP		
Number	19	18
Annual Benefits	\$ 438,327	\$ 405,876
Average Annual Benefit	\$ 23,070	\$ 22,549
Average Age	62.9	61.8
DISABILITY RETIREES		
Number	2	2
Annual Benefits	\$ 25,376	\$ 25,376
Average Annual Benefit	\$ 12,688	\$ 12,688
Average Age	63.8	62.8
TERMINATED VESTED MEMBERS		
Number	4	4
Annual Benefits	\$ 64,141	\$ 64,141
Average Annual Benefit	\$ 16,035	\$ 16,035
Average Age	47.0	46.0

ANNUAL REQUIRED CONTRIBUTION (ARC)		
A. Valuation Date	October 1, 2009	October 1, 2008
B. ARC to Be Paid During Fiscal Year Ending	9/30/2011	9/30/2010
C. Assumed Date of Employer Contributions	Continuously	Continuously
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 104,385	\$ 70,540
E. Employer Normal Cost	308,969	325,274
F. ARC if Paid on the Valuation Date: D+E	413,354	395,814
G. ARC Adjusted for Frequency of Payments	429,252	411,038
H. ARC as % of Covered Payroll	24.67 %	21.86 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	4.00 %	4.00 %
J. Covered Payroll for Contribution Year	1,809,614	1,955,668
K. ARC for Contribution Year: H x J	446,432	427,509
L. Estimate of State Revenue in Contribution Year	101,867	101,867
M. Required Employer Contribution (REC) in Contribution Year	344,565	325,642
N. REC as % of Covered Payroll in Contribution Year: M ÷ J	19.04 %	16.65 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS		
A. Valuation Date	October 1, 2009	October 1, 2008
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 6,500,243	\$ 6,717,707
b. Vesting Benefits	255,287	257,909
c. Disability Benefits	475,097	501,636
d. Preretirement Death Benefits	126,384	131,874
e. Return of Member Contributions	39,054	46,080
f. Total	<u>7,396,065</u>	<u>7,655,206</u>
2. Inactive Members		
a. Service Retirees & Beneficiaries	4,790,199	4,471,286
b. Disability Retirees	232,014	236,966
c. Terminated Vested Members	465,889	430,367
d. Total	<u>5,488,102</u>	<u>5,138,619</u>
3. Total for All Members	12,884,167	12,793,825
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	9,569,617	9,059,310
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	8,598,421	8,121,449
E. Plan Assets		
1. Market Value	6,786,334	6,647,082
2. Actuarial Value	8,159,830	7,979,244
F. Unfunded Actuarial Accrued Liability: C - E2	1,409,787	1,080,066
G. Actuarial Present Value of Projected Covered Payroll	16,373,542	18,302,628
H. Actuarial Present Value of Projected Member Contributions	818,677	915,131

CALCULATION OF EMPLOYER NORMAL COST		
A. Valuation Date	October 1, 2009	October 1, 2008
B. Normal Cost for		
1. Service Retirement Benefits	\$ 289,067	\$ 317,627
2. Vesting Benefits	16,025	15,937
3. Disability Benefits	37,910	42,296
4. Preretirement Death Benefits	6,689	7,383
5. Return of Member Contributions	<u>5,840</u>	<u>6,094</u>
6. Total for Future Benefits	355,531	389,337
7. Assumed Amount for Administrative Expenses	<u>40,439</u>	<u>29,960</u>
8. Total Normal Cost	395,970	419,297
C. Expected Member Contribution	87,001	94,023
D. Employer Normal Cost: B8-C	308,969	325,274
E. Employer Normal Cost as % of Covered Payroll	17.76 %	17.30 %

**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
10/1/87	UAAL	\$ 38,290	8	\$ 5,753	\$ 927
10/1/89	Amendment	271,917	10	70,098	9,673
10/1/90	Assump	(275,825)	11	(85,012)	(11,026)
10/1/91	Method Change	151,157	12	47,771	5,869
10/1/91	Amendment	55,458	12	16,610	2,041
10/1/92	Method Change	91,043	13	29,672	3,476
10/1/94	Change Assump	88,286	15	31,334	3,390
10/1/95	Assump	(37,254)	16	(19,102)	(1,998)
10/1/95	Exp Loss	223,414	1	14,415	14,415
10/1/95	Amendment	(397,919)	16	(165,464)	(17,309)
10/1/96	Exp Gain	(120,426)	2	(22,718)	(11,796)
10/1/97	Exp Gain	(143,141)	3	(31,010)	(11,142)
10/1/98	Change Assump	(386,694)	19	(202,794)	(19,552)
10/1/98	Amendment	635,071	19	328,967	31,717
10/1/98	Exp Gain	(129,264)	4	(32,174)	(8,994)
10/1/99	Exp Gain	(140,888)	5	(40,365)	(9,361)
10/1/00	Exp Gain	(253,148)	6	(82,495)	(16,523)
10/1/01	Exp Gain	(8,524)	7	(4,224)	(751)
10/1/02	Exp Loss	495,854	8	178,757	28,802
10/1/02	Amendment	31,264	23	13,956	1,246
10/1/03	Exp Gain	(79,047)	9	(37,527)	(5,562)
10/1/03	Change Assump	(39,346)	24	(24,595)	(2,163)
10/1/04	Exp Loss	46,245	10	21,805	3,009
10/1/05	Exp Gain	(265,366)	11	(155,369)	(20,151)
10/1/05	Change Assump	174,346	26	114,735	9,828
10/1/06	Exp Loss	86,234	12	52,769	6,483
10/1/06	Amendment	212,273	27	143,206	12,126
10/1/07	Exp Gain	(170,713)	13	(124,052)	(14,533)
10/1/08	Change Assump	(432,385)	29	(465,742)	(38,647)
10/1/08	Exp Loss	1,499,855	24	1,607,656	141,381
10/1/09	Exp Loss	224,928	25	224,928	19,510
		<u>\$ 1,445,695</u>		<u>\$ 1,409,787</u>	<u>\$ 104,385</u>

Amortization Schedule	
Year	Expected UAAL
2009	\$ 1,409,787
2010	1,409,846
2011	1,425,466
2012	1,429,596
2013	1,484,021
2014	1,404,131
2019	1,209,188
2024	942,945
2029	442,108
2034	(105,062)
2039	

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	\$ 1,080,066
2. Last Year's Employer Normal Cost	291,042
3. Last Year's Contributions	288,289
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	109,689
b. 3 from dates paid	<u>7,649</u>
c. a - b	102,040
5. This Year's Expected UAAL 1 + 2 - 3 + 4c	1,184,859
6. This Year's Actual UAAL (Before any Changes in Benefits or Assumptions)	1,409,787
7. Net Actuarial Gain (Loss): (5) - (6)	(224,928)
8. Gain (Loss) due to Investments	(308,677)
9. Gain (Loss) due to Other Causes	83,749

Net actuarial gains in previous years have been as follows:

Year Ended	Gain (Loss)
9/30/99	\$ 140,888
9/30/00	253,148
9/30/01	8,524
9/30/02	(495,854)
9/30/03	79,047
9/30/04	(46,245)
9/30/05	265,366
9/30/06	(86,234)
9/30/07	170,713
9/30/08	(1,499,855)
9/30/09	(224,928)

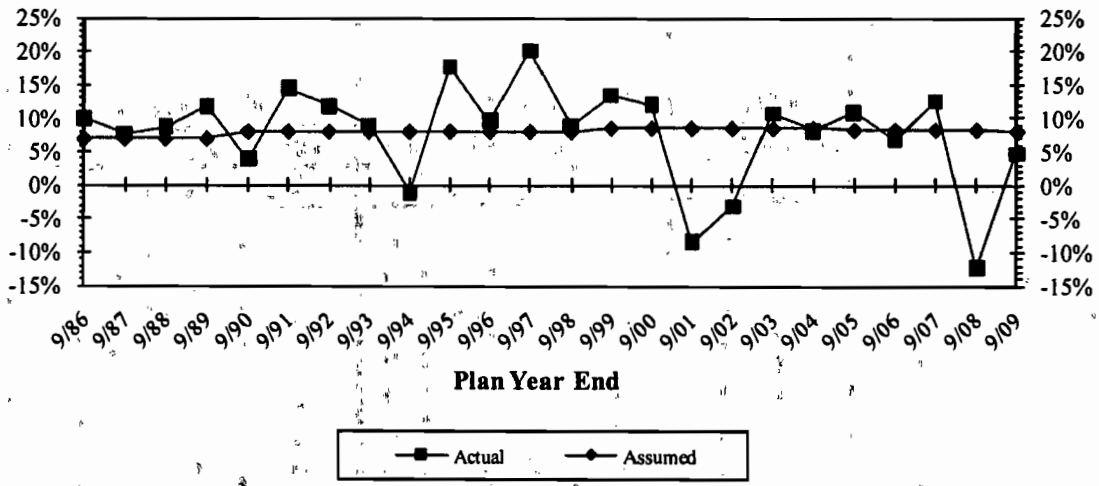
The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan, so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
9/30/1986	10.0 %	7.0 %	7.1 %	5.5 %
9/30/1987	7.7	7.0	8.3	5.5
9/30/1988	8.7	7.0	12.9	5.5
9/30/1989	11.8	7.0	15.5	5.5
9/30/1990	3.9	8.0	18.3	5.5
9/30/1991	14.4	8.0	(1.1)	6.5
9/30/1992	11.8	8.0	3.4	6.5
9/30/1993	8.9	8.0	7.1	6.5
9/30/1994	(1.1)	8.0	2.1	6.5
9/30/1995	17.6	8.0	2.9	6.5
9/30/1996	9.6	8.0	8.4	5.5
9/30/1997	20.0	8.0	9.8	5.5
9/30/1998	8.9	8.0	7.0	5.5
9/30/1999	13.4	8.5	12.4	5.5
9/30/2000	12.0	8.5	(1.0)	5.5
9/30/2001	(8.4)	8.5	7.2	5.5
9/30/2002	(3.1)	8.5	12.5	5.5
9/30/2003	10.7	8.5	9.2	5.5
9/30/2004	8.2	8.5	9.8	8.1
9/30/2005	10.9	8.25	3.2	8.0
9/30/2006	6.9	8.25	9.3	8.0
9/30/2007	12.6	8.25	3.5	8.0
9/30/2008	(12.3) *	8.25	5.9	8.1
9/30/2009	4.7	8.00	0.9	7.9
Averages	7.6 %	---	7.2 %	---

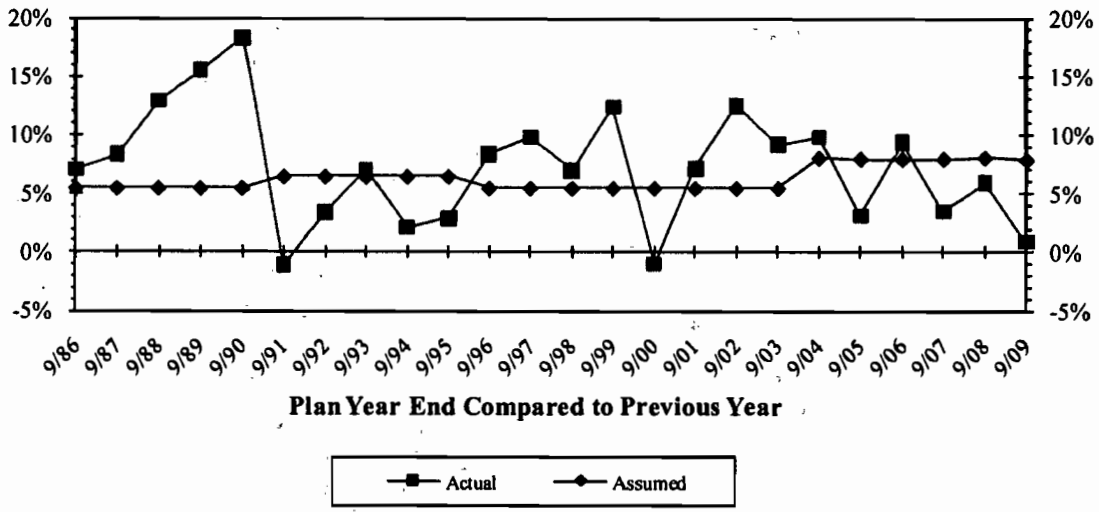
* The return on the actuarial value of assets was 0.7% since the actuarial value of assets was outside the 20% corridor.

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



History of Salary Increases



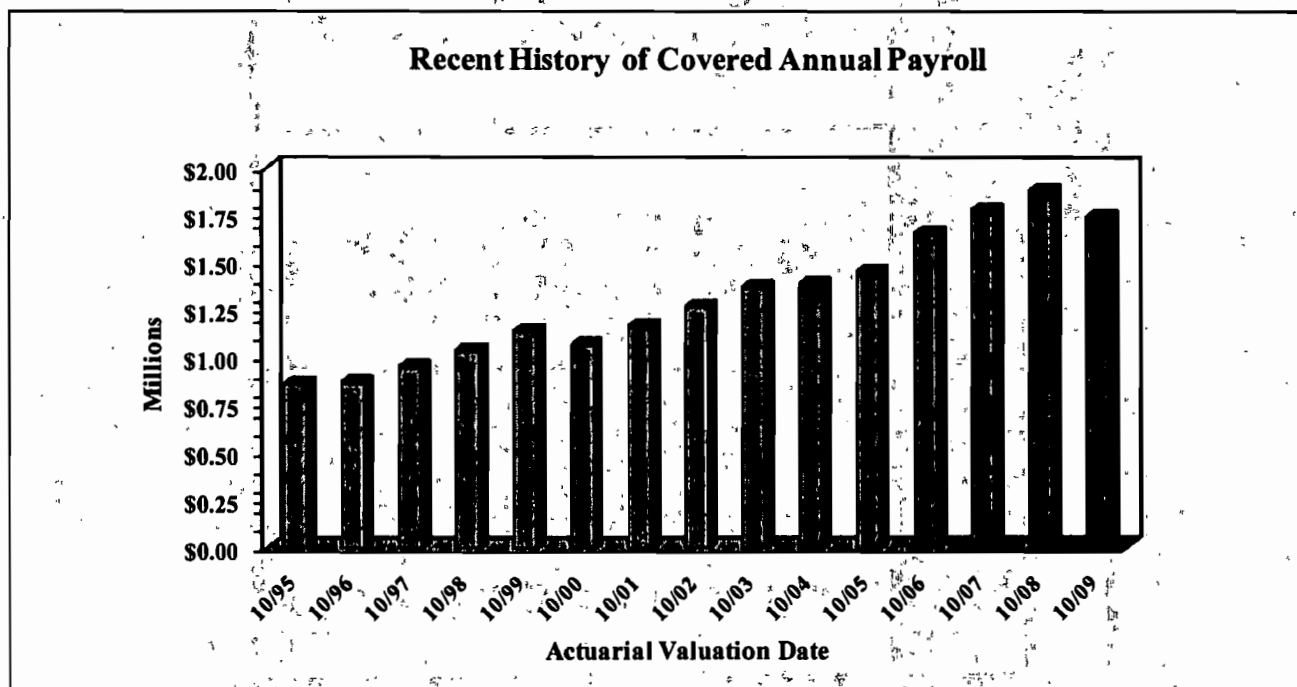
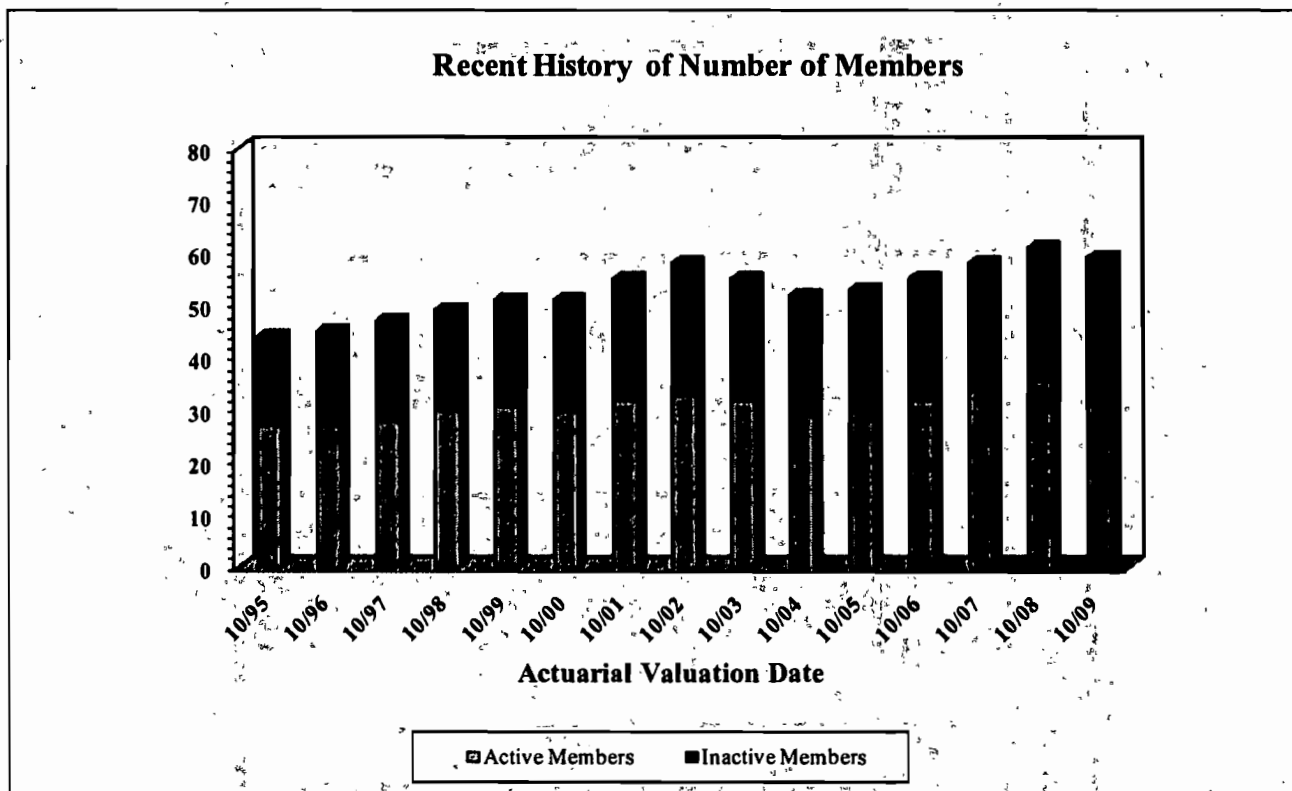
**Actual (A) Compared to Expected (E) Decrements
Among Active Employees.**

Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
	A	E	A	E	A	E	A	E	Vested	Other	Totals		
											A	E	
9/30/2002	10	9	0	0	0	0	0	0	3	6	9	1	33
9/30/2003	1	2	0	1	0	0	0	0	1	1	2	1	32
9/30/2004	0	3	0	0	0	0	0	0	0	3	3	1	29
9/30/2007	4	3	0	1	0	0	0	0	1	2	3	1	30
9/30/2006	3	1	0	1	0	0	0	0	0	1	1	1	32
9/30/2007	4	2	0	1	0	0	0	0	0	2	2	1	34
9/30/2008	4	2	2	2	0	0	0	0	0	0	0	1	36
9/30/2009	0	2	1	1	0	0	0	0	0	1	1	1	34
9/30/2010				0		0		0				1	
8 Yr Totals *	26	24	3	7	0	0	0	0	5	16	21	9	

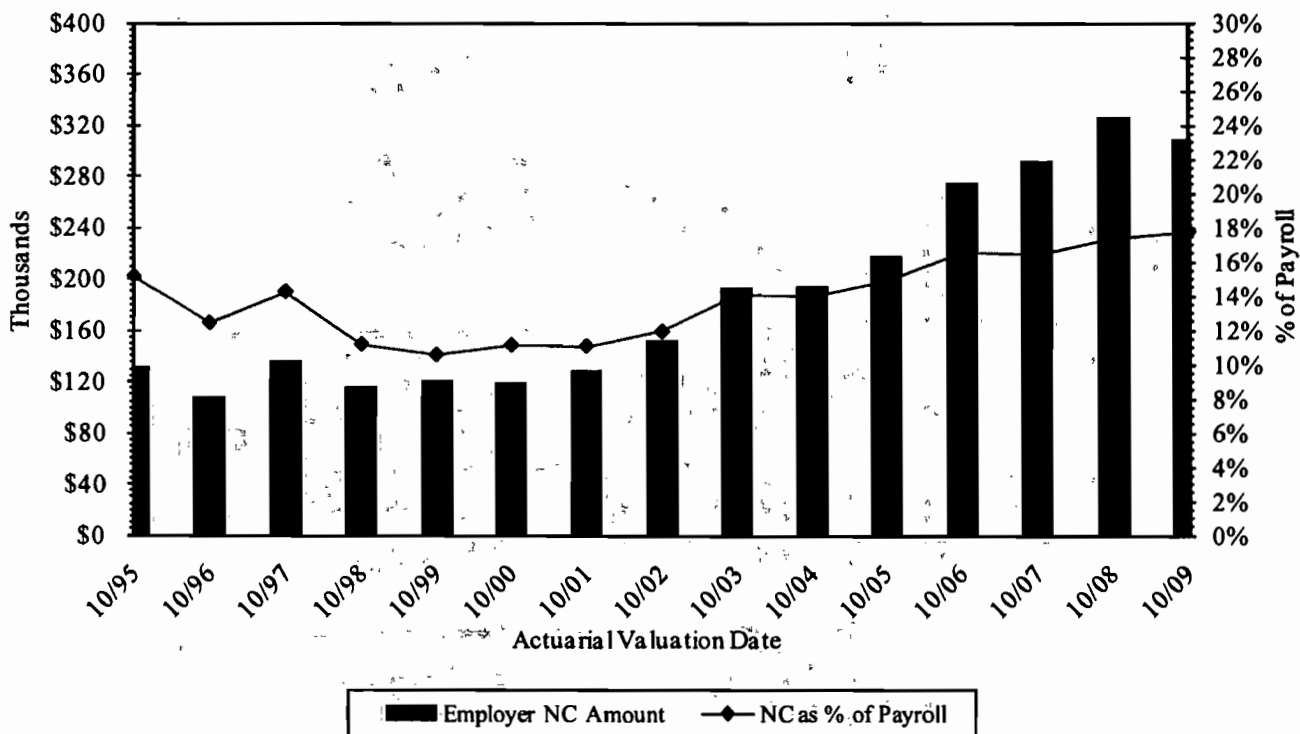
* Totals are through current Plan Year only

RECENT HISTORY OF VALUATION RESULTS

Valuation Date	Number of		Covered Annual Payroll	Actuarial Value of Assets	UFAAL	Normal Cost (NC)	NC as % of Payroll
	Active Members	Inactive Members					
10/1/95	27	17	\$ 861,506	\$ 3,595,515	\$ 69,314	\$ 130,351	15.13 %
10/1/96	27	18	868,710	3,844,663	(109,252)	107,675	12.39
10/1/97	28	19	950,956	4,302,132	(253,723)	135,232	14.22
10/1/98	30	19	1,036,028	4,626,383	(154,466)	115,417	11.14
10/1/99	31	20	1,135,968	5,138,102	(297,760)	119,506	10.52
10/1/00	30	21	1,067,018	5,578,200	(542,149)	118,302	11.09
10/1/01	32	23	1,163,233	5,837,708	(554,574)	128,384	11.04
10/1/02	33	25	1,267,483	5,629,650	(33,977)	150,699	11.89
10/1/03	32	23	1,370,283	5,976,733	(143,370)	192,679	14.06
10/1/04	29	23	1,388,563	6,354,625	(80,181)	194,164	13.98
10/1/05	30	23	1,451,838	6,787,412	(154,976)	216,474	14.91
10/1/06	32	23	1,653,654	7,485,240	131,344	273,311	16.53
10/1/07	34	22	1,777,974	7,982,635	(14,105)	291,042	16.37
10/1/08	36	24	1,880,450	7,979,244	1,080,066	325,274	17.30
10/1/09	34	25	1,740,014	8,159,830	1,409,787	308,969	17.76



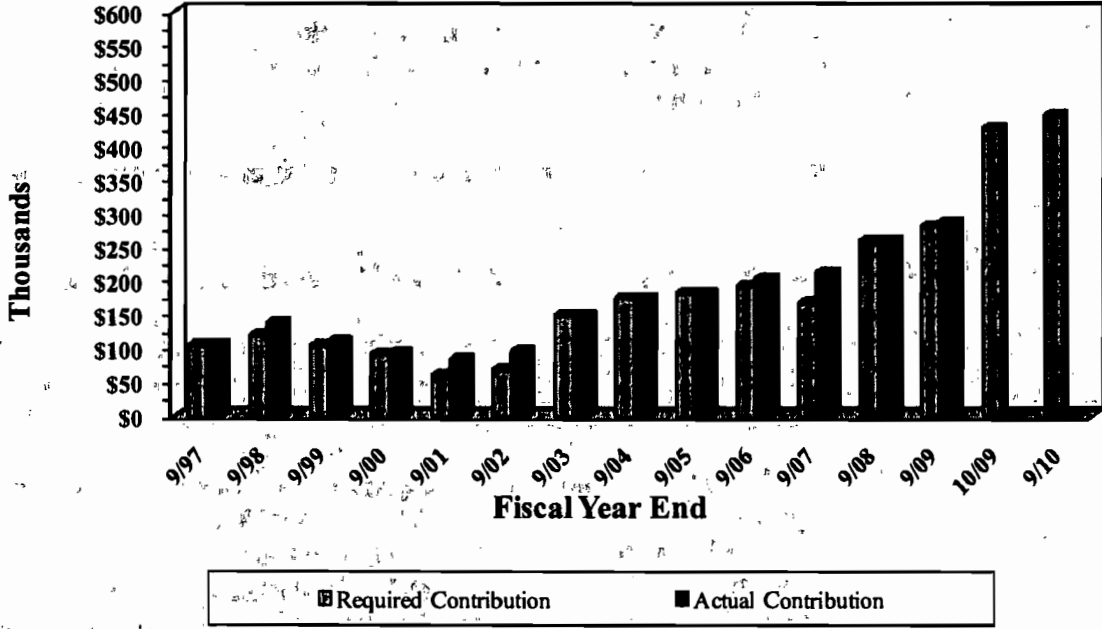
Recent History of Employer Normal Cost



RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS

Valuation	End of Year To Which Valuation Applies	Required Contributions						Actual Contributions		
		Employer & State		Estimated State		Net Employer		Employer	State	Total
		Amount	% of Payroll	Amount	% of Payroll	Amount	% of Payroll			
10/1/96	9/30/97	\$ 104,691	12.05 %	\$ 55,425	6.38 %	\$ 49,266	5.67 %	\$ 49,266	55,425	\$ 104,691
10/1/97	9/30/98	119,321	12.55	55,425	5.83	63,896	6.72	78,686	59,560	138,246
10/1/98	9/30/99	104,237	10.06	59,560	5.75	44,677	4.31	53,374	57,050	110,424
10/1/99	9/30/00	91,603	8.06	57,050	5.02	34,553	3.04	33,524	59,560	93,084
10/1/00	9/30/01	61,098	5.73	59,560	5.58	1,538	0.15	24,620	59,560	84,180
10/1/01	9/30/02	69,200	5.95	59,560	5.12	9,640	0.83	36,996	59,560	96,556
10/1/02	9/30/03	149,294	11.78	59,560	4.70	89,734	7.08	89,734	59,560	149,294
10/1/03	9/30/04	175,309	12.79	59,560	4.34	115,749	8.45	115,767	59,560	175,327
10/1/03	9/30/05	182,270	12.79	59,560	4.18	122,710	8.61	122,710	59,560	182,270
10/1/04	9/30/06	192,788	13.35	59,560	4.12	133,228	9.23	143,827	59,560	203,387
10/1/05	9/30/07	167,449	11.09	59,560	3.94	107,889	7.15	111,600	101,867	213,467
10/1/06	9/30/08	260,206	15.13	101,867	5.92	158,339	9.21	158,984	101,867	260,851
10/1/07	9/30/09	281,987	15.25	101,867	5.51	180,120	9.74	186,422	101,867	288,289
10/1/08	9/30/10	427,509	21.86	101,867	5.21	325,642	16.65	N/A	N/A	N/A
10/1/09	9/30/11	446,432	24.67	101,867	5.63	344,565	19.04	N/A	N/A	N/A

Recent History of Required and Actual Contributions



ACTUARIAL ASSUMPTIONS AND COST METHOD

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is 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 member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over a reasonable period of future years.

Actuarial Value of Assets - The Actuarial Value of Assets phases in the difference between the actual and expected investment earnings over a period of 5 years. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section.

Economic Assumptions

The investment return rate assumed in the valuation is 8% per year, compounded annually (net after investment expenses).

The **Wage Inflation Rate** assumed in this valuation was 4% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macro economic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

The assumed **real rate of return** over wage inflation is defined to be the portion of total investment return that is more than the assumed wage inflation rate. Considering other economic assumptions, the 8% investment return rate translates to an assumed real rate of return over wage inflation of 4%.

The active member population is assumed to remain constant.

Pay increase assumptions for individual active members are shown below. Part of the assumption for each age is for merit and/or seniority increase, and the other 4% recognizes wage inflation, including price inflation, productivity increases, and other macro economic forces.

The rates of salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

Years Of Service	% Increase in Salary		
	Merit and Seniority	Base (Economic)	Total Increase
1-10	5.4%	4.0%	9.4%
11-15	2.0%	4.0%	6.0%
16-20	2.5%	4.0%	6.5%
21+	0.0%	4.0%	4.0%

Demographic Assumptions

The mortality table was the 1983 Group Annuity Mortality (GAM) table for males and females.

Sample Attained Ages	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
	50	0.39 %	0.16 %	29.23
55	0.61 %	0.25 %	24.87	30.28
60	0.92 %	0.42 %	20.68	25.71
65	1.56 %	0.71 %	16.73	21.33
70	2.75 %	1.24 %	13.22	17.17
75	4.46 %	2.40 %	10.20	13.42
80	7.41 %	4.30 %	7.68	10.24

This assumption is used to measure the probabilities of each benefit payment being made after retirement. For active members, the probabilities of dying before retirement were based upon the same mortality table as members dying after retirement (75% of deaths are assumed to be service-connected).

For disabled retirees, the regular mortality tables are set forward 5 years in ages to reflect impaired longevity.

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

Number of Years After First Eligibility for Normal Retirement	Probability of Normal Retirement
0	80 %
1	40 %
2	40 %
3	40 %
4	40 %
5	100 %

The rate of retirement is 5% for each year of eligibility for early retirement.

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

Sample Ages	% of Active Members Separating Within Next Year
25	5.7%
30	5.0%
35	3.8%
40	2.6%
45	1.6%
50	0.8%

Rates of disability among active members (75% of disabilities are assumed to be service-connected).

Sample Ages	% Becoming Disabled within Next Year
25	0.15 %
30	0.18 %
35	0.23 %
40	0.30 %
45	0.51 %
50	1.00 %

Miscellaneous and Technical Assumptions

Administrative & Investment Expenses	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the prior two years. Assumed administrative expenses are added to the Normal Cost.
Benefit Service	Exact fractional service is used to determine the amount of benefit payable.
Decrement Operation	Disability and mortality decrements operate during retirement eligibility.
Decrement Timing	Decrements of all types are assumed to occur at the beginning of the year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Forfeitures	For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
Incidence of Contributions	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
Marriage Assumption	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Normal Form of Benefit	The 10-year certain and life annuity is the normal form of benefit.
Pay Increase Timing	Beginning of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Service Credit Accruals	It is assumed that members accrue one year of service credit per year.

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.

<i>Closed Amortization Period</i>	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.
<i>Employer Normal Cost</i>	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
<i>Equivalent Single Amortization Period</i>	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.
<i>Experience Gain/Loss</i>	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.
<i>Funded Ratio</i>	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
<i>GASB</i>	Governmental Accounting Standards Board.
<i>GASB No. 25 and GASB No. 27</i>	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.
<i>Normal Cost</i>	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
<i>Open Amortization Period</i>	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

Item	September 30	
	2009	2008
A. Cash and Cash Equivalents (Operating Cash)	\$ 27,653	\$ 19,875
B. Receivables:		
1. Member Contributions	\$ -	\$ -
2. Employer Contributions	-	-
3. Investment Income and Other Receivables	27,226	30,466
4. Prepaid Expenses	-	-
5. Total Receivables	\$ 27,226	\$ 30,466
C. Investments		
1. Short Term Investments	\$ 205,993	\$ 196,034
2. Domestic Equities	4,027,536	3,567,666
3. International Equities	-	-
4. Domestic Fixed Income	2,579,074	2,846,771
5. International Fixed Income	-	-
6. Real Estate	-	-
7. Private Equity	-	-
8. Total Investments	\$ 6,812,603	\$ 6,610,471
D. Liabilities		
1. Benefits Payable	\$ -	\$ -
2. Accrued Expenses and Other Payables	-	-
3. Accounts Payable	-	-
4. Due to Brokers	-	-
5. Total Liabilities	\$ -	\$ -
E. Total Market Value of Assets Available for Benefits	\$ 6,867,482	\$ 6,660,812
F. Reserves		
1. State Contribution Reserve	(14,829)	(13,730)
2. DROP Accounts	(66,319)	-
3. Total Reserves	\$ (81,148)	\$ (13,730)
G. Market Value Net of Reserves	\$ 6,786,334	\$ 6,647,082
F. Allocation of Investments		
1. Short Term Investments	3.0%	3.0%
2. Domestic Equities	59.1%	53.9%
3. International Equities	0.0%	0.0%
4. Domestic Fixed Income	37.9%	43.1%
5. International Fixed Income	0.0%	0.0%
6. Real Estate	0.0%	0.0%
7. Private Equity	0.0%	0.0%
8. Total Investments	100.0%	100.0%

RECONCILIATION OF PLAN ASSETS

Item	September 30	
	2009	2008
A. Market Value of Assets at Beginning of Year	\$ 6,660,812	\$ 7,651,037
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	\$ 89,027	\$ 88,123
b. Employer Contributions	186,422	158,984
c. State Contributions	102,966	108,732
d. Other Income	-	-
e. Total	\$ 378,415	\$ 355,839
2. Investment Income		
a. Interest, Dividends, and Other Income	\$ 181,784	\$ 194,091
b. Realized Gains/(Losses)	(24,462)	(108,339)
c. Unrealized Gains/(Losses)	158,073	(91,056)
d. Investment Expenses	(29,151)	(33,905)
e. Net Investment Income	\$ 286,244	\$ (939,209)
3. Benefits and Refunds		
a. Refunds	\$ (14,619)	\$ (443)
b. Regular Monthly Benefits	(391,988)	(362,195)
c. DROP Distribution	-	(14,722)
d. Total	\$ (406,607)	\$ (377,360)
4. Administrative and Miscellaneous Expenses	\$ (51,382)	\$ (29,495)
5. Transfers	\$ -	\$ -
C. Market Value of Assets at End of Year	\$ 6,867,482	\$ 6,660,812
D. Reserves		
1. State Contribution Reserve	\$ (14,829)	\$ (13,730)
2. DROP Accounts	\$ (66,319)	\$ -
3. Total Reserves	\$ (81,148)	\$ (13,730)
E. Market Value Net of Reserves	\$ 6,786,334	\$ 6,647,082

ACTUARIAL VALUE OF ASSETS

	Year Ending September 30	
	2009	2008
A. Last Year's Actuarial Value of Assets	\$ 7,992,974	\$ 7,989,500
B. Contributions	378,415	355,839
C. Disbursements *	457,989	406,855
D. Time Weighted Cash Flow: 1/2(B-C)	(39,787)	(25,508)
E. Expected Investment Return: 0.08*(A+D)	636,255	657,029
F. Expected Actuarial Value of Assets: A+B-C+E	8,549,655	8,595,513
G. Market Value	6,867,482	6,660,812
H. Percentage: F/G	124.5 %	129.0 %
I. Actuarial Value (Between 80% and 120% of G)	8,240,978	7,992,974
J. Less: DROP Account Balance	66,319	0
K. Less: State Contribution Reserve	14,829	13,730
L. Final Actuarial Value of Assets	8,159,830	7,979,244

* Net of investment related expenses

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

	\$ 8,240,978	Actuarial Value this year
-	7,992,974	Actuarial Value last year
-	378,415	Contributions during year
+	487,140	Expenses during year
	<u>\$ 356,729</u>	Gross Return recognized
-	29,151	Investment related expenses
	<u>\$ 327,578</u>	Net Return recognized

RECONCILIATION OF DROP ACCOUNTS

Value at beginning of year	\$	0
Payments credited to accounts	+	64,084
Investment Earnings credited	+	2,235
Withdrawals from accounts	-	0
Value at end of year		<u>66,319</u>

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	10.0 %	---
9/30/87	7.7	---
9/30/88	8.7	---
9/30/89	11.8	---
9/30/90	3.9	---
9/30/91	14.4	---
9/30/92	11.8	---
9/30/93	8.9	---
9/30/94	(1.1)	---
9/30/95	17.6	---
9/30/96	9.6	---
9/30/97	20.0	14.5 %
9/30/98	8.9	9.1
9/30/99	13.4	13.0
9/30/00	12.0	11.7
9/30/01	(8.4)	7.9
9/30/02	(3.1)	(0.7)
9/30/03	10.7	8.5
9/30/04	8.2	8.5
9/30/05	10.9	8.5
9/30/06	6.9	8.25
9/30/07	12.6	8.25
9/30/08	(12.3)	(7.7)
9/30/09	4.3	4.1
Average Compounded Rate of Return for Number of Years Shown	7.5 %	7.1 %
Average Compounded Rate of Return for Last 5 Years	4.1 %	4.1 %

SECTION D
FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION

A. Valuation Date	October 1, 2009	October 1, 2008
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	\$ 5,022,213	\$ 4,708,252
b. Terminated Vested Members	465,889	430,367
c. Other Members	2,487,399	2,375,972
d. Total	<u>7,975,501</u>	<u>7,514,591</u>
2. Non-Vested Benefits	622,920	606,858
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	8,598,421	8,121,449
4. Accumulated Contributions of Active Members	553,330	513,835
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	8,121,449	7,142,802
2. Increase (Decrease) During the Period Attributable to:		
a. Change in Actuarial Assumptions	0	209,638
b. Plan Amendment	0	0
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	883,579	1,146,369
d. Benefits Paid	<u>(406,607)</u>	<u>(377,360)</u>
e. Net Increase	476,972	978,647
3. Total Value at End of Period	8,598,421	8,121,449
D. Market Value of Assets	6,786,334	6,647,082
E. Assets as % of C3	78.9 %	81.8 %
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
10/1/1990	\$ 1,864,428	\$ 2,385,990	\$ 521,564	78.1 %	\$ 905,473	57.6 %
10/1/1991	2,323,518	2,821,426	497,908	82.4	841,160	59.2
10/1/1992	2,654,798	2,984,068	329,270	89.0	897,387	36.7
10/1/1993	2,944,954	3,325,396	380,442	88.6	980,338	38.8
10/1/1994	3,319,778	3,227,597	(92,181)	102.9	938,523	(9.8)
10/1/1995	3,595,515	3,664,829	69,314	98.1	861,506	8.0
10/1/1996	3,844,663	3,735,411	(109,252)	102.9	868,710	(12.6)
10/1/1997	4,302,132	4,048,409	(253,723)	106.3	950,956	(26.7)
10/1/1998	4,626,383	4,471,917	(154,466)	103.5	1,036,028	(14.9)
10/1/1999	5,138,102	4,840,342	(297,760)	106.2	1,135,968	(26.2)
10/1/2000	5,578,200	5,036,051	(542,149)	110.8	1,067,018	(50.8)
10/1/2001	5,837,708	5,283,134	(554,574)	110.5	1,163,233	(47.7)
10/1/2002	5,629,650	5,595,673	(33,977)	100.6	1,267,483	(2.7)
10/1/2003	5,976,733	5,833,363	(143,370)	102.5	1,370,283	(10.5)
10/1/2004	6,354,625	6,274,444	(80,181)	101.3	1,388,563	(5.8)
10/1/2005	6,787,412	6,632,436	(154,976)	102.3	1,451,838	(10.7)
10/1/2006	7,485,240	7,616,584	131,344	98.3	1,653,654	7.9
10/1/2007	7,982,635	7,968,530	(14,105)	100.2	1,777,974	(0.8)
10/1/2008 (b)	7,313,163	8,825,614	1,512,451	82.9	1,880,450	80.4
10/1/2008 (a)	7,979,244	9,059,310	1,080,066	88.1	1,880,450	57.4
10/1/2009	8,159,830	9,569,617	1,409,787	85.3	1,740,014	81.0

(a) = after changes

(b) = before changes

SCHEDULE OF EMPLOYER AND STATE CONTRIBUTIONS
(GASB Statement No. 25)

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
1991	\$ 255,631	\$ 265,894	104.0 %
1992	238,703	241,037	101.0
1993	223,037	227,847	102.2
1994	267,393	269,182	100.7
1995	181,713	194,152	106.8
1996	148,533	159,939	107.7
1997	104,691	104,691	100.0
1998	119,321	138,246	115.9
1999	104,237	110,424	105.9
2000	91,603	93,084	101.6
2001	61,098	84,180	137.8
2002	69,200	96,556	139.5
2003	149,294	149,294	100.0
2004	175,309	175,327	100.0
2005	182,270	182,270	100.0
2006	192,788	203,387	105.5
2007	167,449	213,467	127.5
2008	260,206	260,851	100.2
2009	281,987	288,289	102.2

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

Employer FYE September 30	2010	2009	2008
Annual Required Contribution (ARC)*	\$ 427,509	\$ 281,987	\$ 260,206
Interest on Net Pension Obligation (NPO)	(15,110)	(15,374)	(15,742)
Adjustment to ARC	(19,406)	(19,146)	(20,853)
Annual Pension Cost (APC)	431,805	285,759	265,317
Contributions made	**	288,289	260,851
Increase (decrease) in NPO	**	(2,530)	4,466
NPO at beginning of year	(188,880)	(186,350)	(190,816)
NPO at end of year	**	(188,880)	(186,350)
* Includes expected State contribution			
** To be determined			

THREE YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2007	\$ 171,153	\$ 213,467	124.7 %	\$ (190,816)
9/30/2008	265,317	260,851	98.3	(186,350)
9/30/2009	285,759	288,289	100.9	(188,880)

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, 2009
Contribution Rates	
Employer (and State)	24.67%
Plan members	5.00%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	29 years
Asset Valuation Method	See Assumptions page
Actuarial Assumptions	
Investment rate of return	8.00%
Projected salary increases	4.0 - 9.4% depending on years of service
Includes inflation and other general increases at Cost of Living adjustments	4.0% N/A

SECTION E
MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/1/08 To 10/1/09	From 10/1/07 To 10/1/08
A. Active Members		
1. Number Included in Last Valuation	36	34
2. New Members Included in Current Valuation	0	4
3. Non-Vested Employment Terminations	(1)	0
4. Vested Employment Terminations	0	0
5. DROP Retirement	0	(2)
6. Service Retirements	(1)	0
7. Disability Retirements	0	0
8. Deaths	0	0
9. Other - Rehire	0	0
10. Number Included in This Valuation	<u>34</u>	<u>36</u>
B. Terminated Vested Members		
1. Number Included in Last Valuation	4	4
2. Additions from Active Members	0	0
3. Lump Sum Payments/Refund of Contributions	0	0
4. Payments Commenced	0	0
5. Deaths	0	0
6. Other--Return to Active	0	0
7. Number Included in This Valuation	<u>4</u>	<u>4</u>
C. DROP Plan Members		
1. Number Included in Last Valuation	1	0
2. Additions from Active Members	0	2
3. Retirements	0	(1)
4. Deaths Resulting in No Further Payments	0	0
5. Other	0	0
6. Number Included in This Valuation	<u>1</u>	<u>1</u>
D. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	19	18
2. Additions from Active Members	1	0
3. Additions from Terminated Vested Members	0	0
4. Additions from DROP Plan	0	1
5. Deaths Resulting in No Further Payments	0	0
6. Deaths Resulting in New Survivor Benefits	0	0
7. End of Certain Period - No Further Payments	0	0
8. Other	0	0
9. Number Included in This Valuation	<u>20</u>	<u>19</u>

Palmetto Police

Age Group	Years of Service to Valuation Date											Total	
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34		35 & Up
20-24 NO.	0	0	1	0	1	0	0	0	0	0	0	0	2
TOT PAY	0	38421	0	0	40929	0	0	0	0	0	0	0	79350
AVG PAY	0	38421	0	0	40929	0	0	0	0	0	0	0	39675
25-29 NO.	0	0	2	2	1	0	0	0	0	0	0	0	5
TOT PAY	0	76046	78869	39435	41469	0	0	0	0	0	0	0	196384
AVG PAY	0	38023	39435	41469	41469	0	0	0	0	0	0	0	39277
30-34 NO.	0	1	0	1	0	4	0	0	0	0	0	0	6
TOT PAY	0	37955	0	40628	0	179441	0	0	0	0	0	0	258024
AVG PAY	0	37955	0	40628	0	44860	0	0	0	0	0	0	43004
35-39 NO.	0	0	0	0	0	3	1	0	0	0	0	0	4
TOT PAY	0	0	0	0	0	133648	49478	0	0	0	0	0	183126
AVG PAY	0	0	0	0	0	44549	49478	0	0	0	0	0	45782
40-44 NO.	0	1	1	0	0	3	1	1	1	0	0	0	8
TOT PAY	0	38734	36713	0	0	136979	57833	52763	72919	0	0	0	395941
AVG PAY	0	38734	36713	0	0	45660	57833	52763	72919	0	0	0	49493
45-49 NO.	0	0	0	0	0	0	2	1	1	0	0	0	4
TOT PAY	0	0	0	0	0	0	114841	62767	63939	0	0	0	241547
AVG PAY	0	0	0	0	0	0	57421	62767	63939	0	0	0	60387
50-54 NO.	0	1	0	0	1	0	0	0	2	0	0	0	4
TOT PAY	0	39932	0	0	42648	0	0	0	123418	0	0	0	205998
AVG PAY	0	39932	0	0	42648	0	0	0	61709	0	0	0	51500
55-59 NO.	0	0	0	0	0	1	0	0	0	0	0	0	1
TOT PAY	0	0	0	0	0	52950	0	0	0	0	0	0	52950
AVG PAY	0	0	0	0	0	52950	0	0	0	0	0	0	52950
TOT NO.	0	3	4	3	3	11	4	2	4	0	0	0	34
TOT AMT	0	116621	151180	119497	125046	503018	222152	115530	260276	0	0	0	1613320
AVG AMT	0	38874	37795	39832	41682	45729	55538	57765	65069	0	0	0	47451

Palmetto Police Inactives - 10/1/09

SCHEDULE OF NON-ACTIVE PARTICIPANTS DATA

Age	---Terminated Vested---		-----Disabled-----		-----Age & Service-----		-----Other-----		-----Total-----	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	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	1	16594.	0	0.	0	0.	0	0.	1	16594.
45 - 49	2	31041.	0	0.	1	64084.	0	0.	3	95125.
50 - 54	1	16506.	0	0.	2	20718.	0	0.	3	37224.
55 - 59	0	0.	0	0.	6	130274.	0	0.	6	130274.
60 - 64	0	0.	2	25376.	5	127186.	0	0.	7	152562.
65 - 69	0	0.	0	0.	1	33788.	0	0.	1	33788.
70 - 74	0	0.	0	0.	1	26869.	0	0.	1	26869.
75 - 79	0	0.	0	0.	2	28143.	0	0.	2	28143.
80 - 84	0	0.	0	0.	1	7265.	0	0.	1	7265.
85 - 89	0	0.	0	0.	0	0.	0	0.	0	0.
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	4	64141.	2	25376.	19	438327.	0	0.	25	527844.
Ave. Age		47		63		62		0		60
Liability		465889.		232014.		4790199.		0.		5488102.

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 V, and was most recently amended under Ordinance No. 06-901 passed and adopted on October 2, 2006. The Plan is also governed by certain provisions of Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

September 28, 1989; Restated Plan adopted June 29, 2000.

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 police officers of the City become members on their date of hire as a condition of employment.

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 interest as determined by the Board, within 90 days of reemployment. Up to 4 years of pre-employment military service may be included in Credited Service after a member has completed 10 years.

G. Compensation/Salary

The total compensation for services rendered to the City as a police officer reportable on the member's W-2 form including overtime, bonuses, 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 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 55 with 10 years of Credited Service, or
- (2) 23 years of Credited Service regardless of age.

Benefit: 3.0% of AFC multiplied by years of Credited Service. For members hired after June 7, 1982, benefits can not exceed 75% of AFC. For members with more than 37.5 years of Credited Service, benefit is guaranteed to be no less than 2.0% of AFC multiplied by years of Credited Service.

Normal Form of Benefit: 10 Years Certain and Life; 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 50 with 10 years of Credited Service.

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: 10 Years Certain and Life; 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 who becomes totally and permanently disabled from an act occurring in the performance of duty as a police officer for the City is eligible for a disability benefit.

Benefit: 3.0% of AFC multiplied by years of Credited Service on the date of disability, actuarially reduced for payment prior to the Normal Retirement date. Actuarially reduced benefit may not be less than 62% of the members' AFC.

Normal Form
of Benefit: 10 Year Certain and Life; other options 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 who becomes totally and permanently disabled from an act not directly caused by the performance of duty as a police officer for the City is eligible for a disability benefit.

Benefit: 3.0% of AFC multiplied by years of Credited Service on the date of disability, actuarially reduced for payment prior to the Normal Retirement date. For members with at least 10 years of Credited Service, actuarially reduced benefit may not be less than 25% of the members' AFC. For members with at least 5 years of Credited Service, actuarially reduced benefit may not be less than 20% of the members' AFC.

In no event shall disability benefits paid to members hired after June 7, 1982, exceed 75% of AFC. For members with more than 37.5 years of Credited Service, disability benefit is guaranteed to be no less than 2.0% of AFC multiplied by years of Credited Service.

Normal Form
of Benefit: 10 Year Certain and Life; other options 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 with 10 or more years of Credited Service who dies while employed by the City 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.

Normal Form
of Benefit: Payable for life of the beneficiary.

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 10 years of Credited Service at the time of death will receive a refund of the member's accumulated contributions.

O. Other Pre-Retirement Death

Eligibility: Any member with 10 or more years of Credited Service who dies while employed by the City 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.

Normal Form of Benefit: Payable for life of the beneficiary.

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 10 years of Credited Service at the time of death will receive a refund of the member's accumulated contributions.

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 a Single Life Annuity 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.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 10 years of Credited Service (See vesting table below).

Vesting is determined in accordance with the following table.

YEARS OF CREDITED SERVICE	% OF NORMAL RETIREMENT BENEFITS
Less Than 10	0%
10 or more	100%

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 50.

Normal Form of Benefit: 10 Years Certain and Life thereafter; 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).

Plan members with less than 10 years of Credited Service will receive a refund of their own accumulated contributions.

S. Refunds

Eligibility: All members terminating employment with less than 10 years of Credited Service are eligible. Optionally, vested members (those with 10 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 without interest.

T. Member Contributions

5.0% of Compensation

U. Employer Contributions

Chapter 185 Premium Tax Refunds and any additional amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

Retired participants received an Ad Hoc COLA of 2% per year of retirement (maximum 10%) effective October 1, 2005.

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 55 with 10 years of Credited Service, or
- (2) 23 years of Credited Service regardless of age.

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 Police Officers' Retirement Plan liability if continued beyond the availability of funding by the current funding source.

Z. Changes from Previous Valuation

There were no changes from the previous valuation.

GRS