

CITY OF NAPLES FIREFIGHTERS' RETIREMENT SYSTEM
ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2008

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2010

November 4, 2008

Board of Trustees
City of Naples Firefighters'
Retirement System
Naples, Florida

Dear Trustees:

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.

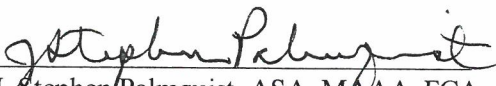
The benefits valued are outlined at the end of the Report. Actuarial assumptions and the actuarial cost method are also described herein. Any changes in benefits, assumptions or methods are described in the first section.

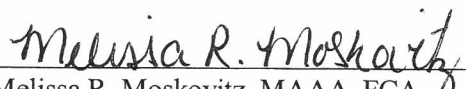
As indicated below, the undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinion herein.

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

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

By 
Melissa R. Moskovitz, MAAA, FCA
Enrolled Actuary No. 08-6467

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 Paluszak
Signature

11-4-08
Date

08-1560
Enrollment Number

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SECTION A
DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

A comparison of the required employer contribution developed in this valuation and the previous valuation is as follows:

	For FYE 9/30/10 Based on 10/1/2008 Valuation	For FYE 9/30/09 Based on 10/1/2007 Valuation	Increase (Decrease)
Total Required Contribution	\$ 2,960,437	\$ 2,264,605	\$ 695,832
As % of Covered Payroll	75.85 %	60.14 %	15.71 %
Estimated Employee Contribution	195,159	188,281	6,878
As % of Covered Payroll	5.00	5.00	0.00
Required Employer/State Contribution	2,765,278	2,076,324	688,954
As % of Covered Payroll	70.85	55.14	15.71
Estimated State Contribution	775,809	775,809	0
As % of Covered Payroll	19.88	20.60	(0.72)
City Incentive Contribution	57,135	57,135	0
As % of Covered Payroll	1.46	1.52	(0.06)
Required Employer Contribution	1,932,334	1,243,380	688,954
As % of Covered Payroll	49.51	33.02	16.49

The contribution developed in this valuation has been calculated as though payment would be made evenly throughout the year. Further, the required Employer contribution has been computed under the assumption that the amount to be received from the State in 2010 will be equal to the adjusted base year revenue of \$775,809. If the actual payment from the State falls below this amount, then the employer and/or employee contributions must increase by the difference.

The actual Employer and State contributions for the year ending September 30, 2008 were \$888,198 and \$1,223,271, respectively. Adding the Employer contribution and baseline Chapter 175 revenue of \$775,809, the total is \$1,664,007. The total minimum required payment was \$1,628,489.

Revisions in Benefits

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

Revisions in Actuarial Assumptions or Methods

There have been no changes in assumptions or methods since the last valuation. This valuation reflects an adjustment due to the three-year phase-in of the cost increase associated with the assumption and method changes adopted effective October 1, 2007. This adjustment has increased the required employer contribution by 9.40% of covered payroll. There will be another increase of 9.40% of payroll in the October 1, 2009 valuation. That will conclude the three year phase-in of the effect of the new assumptions.

Actuarial Experience

During the past year, there was a net actuarial loss of \$1,514,538 which means that actual experience was less favorable than expected. The loss is due in part to recognized investment return below the assumed rate of 7.5%. The investment return was -13.8% based on market value of assets and 3.2% based on actuarial value of assets. Larger than expected salary increases and other demographic changes also contributed to the loss. The net loss has increased the required employer contribution by 1.96% of covered payroll.

Funded Ratio

The funded ratio this year is 56.7% compared to 59.2% last year. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

Analysis of Change in Employer Contribution

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

Contribution Rate Last Year	33.02 %
Actuarial Experience	1.96
Adjustment for Phase-In of Assumption/Method Changes	9.40
Amortization Payment on UAAL	1.72
Change in Normal Cost Rate	0.11
Change in Administrative Expense	2.52
Change in Incentive Contribution	0.06
Change in State Revenue	<u>0.72</u>
Contribution Rate This Year	49.51

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 \$3,906,163 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 5% of covered payroll over the same period.

Another potential area of variability has to do with the annual payment on the unfunded accrued liability (UAL). This payment is computed as a level percent of covered payroll under the assumption that covered payroll will rise by 5% per year. (According to the Florida Administrative Code, this payroll growth assumption may not exceed the average growth over the last ten years.) If the actual payroll growth in the future is less than the assumption, the payment on the UAL will increase. For example, if the payroll growth assumption is lowered to 0%, the UAL payment will go from \$901,375 next year to \$1,472,277.

Relationship to Market Value

If Market Value had been the basis for the valuation, the City contribution rate would have been 54.56% and the funded ratio would have been 47.3%. In the absence of other gains and losses, the City contribution rate should increase to this value over the next several years.

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, 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	\$ 775,809
2. Amount Received for Previous Plan Year	1,223,271
3. Benefit Improvements Made in Previous Plan Year	0
4. Excess Funds for Previous Plan Year: (2) - (1) - (3)	447,462
5. Accumulated Excess at Beginning of Previous Year	252,914
6. Prior Excess Used in Previous Plan Year	0
7. Accumulated Excess as of Valuation Date (Available for Benefit Improvements): (4) + (5) - (6)	700,376
8. Base Amount This Plan Year: (1) + (3)	775,809

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, 2008	October 1, 2007
ACTIVE MEMBERS		
Number	53	55
Covered Annual Payroll	\$ 3,682,251	\$ 3,552,476
Average Annual Payroll	\$ 69,476	\$ 64,590
Average Age	38.6	38.1
Average Past Service	12.1	11.2
Average Age at Hire	26.5	26.9
RETIREES & BENEFICIARIES		
Number	20	19
Annual Benefits	\$ 797,057	\$ 693,877
Average Annual Benefit	\$ 39,853	\$ 36,520
Average Age	59.3	58.7
DISABILITY RETIREES		
Number	1	1
Annual Benefits	\$ 38,341	\$ 38,341
Average Annual Benefit	\$ 38,341	\$ 38,341
Average Age	48.7	47.7
TERMINATED VESTED MEMBERS		
Number	7	6
Annual Benefits	\$ 98,331	\$ 75,912
Average Annual Benefit	\$ 14,047	\$ 12,652
Average Age	45.1	43.7

ANNUAL REQUIRED CONTRIBUTION (ARC)		
A. Valuation Date	October 1, 2008	October 1, 2007
B. ARC to Be Paid During Fiscal Year Ending	9/30/2010	9/30/2009
C. Assumed Date of Employer Contrib.	Evenly	Evenly
D. Annual Payment to Amortize Unfunded Actuarial Liability	\$ 901,375	\$ 743,461
E. Employer Normal Cost	1,941,057	1,782,945
F. ARC if Paid on the Valuation Date: D + E	2,842,432	2,526,406
G. ARC Adjusted for Frequency of Payments	2,949,023	2,621,146
H. ARC as % of Covered Payroll	80.09 %	73.78 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	6.00 %	6.00 %
J. Covered Payroll for Contribution Year	3,903,186	3,765,624
K. ARC for Contribution Year: H x J	3,126,062	2,778,277
L. Estimate of State Revenue in Contribution Year	775,809	775,809
M. Incentive Contribution in Contribution Year	57,135	57,135
N. Preliminary Required Employer Contribution (REC) in Contribution Year	2,293,118	1,945,333
O. Preliminary REC as % of Covered Payroll in Contribution Year: N ÷ J	58.75 %	51.66 %
P. Adjustment for Phase-In of Assumption/ Method Changes over 3 Years	(360,784)	(701,953)
Q. Required Employer Contribution (REC) in Contribution Year: N + P	1,932,334	1,243,380
R. REC as % of Covered Payroll in Contribution Year: Q ÷ J	49.51 %	33.02 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS		
A. Valuation Date	October 1, 2008	October 1, 2007
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	\$ 46,365,252	\$ 43,325,930
b. Vesting Benefits	150,770	141,428
c. Disability Benefits	1,421,802	1,388,863
d. Preretirement Death Benefits	326,373	319,369
e. Return of Member Contributions	6,681	7,595
f. Total	<u>48,270,878</u>	<u>45,183,185</u>
2. Inactive Members		
a. Service Retirees & Beneficiaries	12,264,986	10,695,632
b. Disability Retirees	451,968	456,819
c. Terminated Vested Members	552,433	370,273
d. Total	<u>13,269,387</u>	<u>11,522,724</u>
3. Total for All Members	61,540,265	56,705,909
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	41,532,653	37,118,012
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	32,145,896	27,869,392
E. Plan Assets		
1. Market Value	19,636,710	21,991,743
2. Actuarial Value	23,542,873	21,991,743
F. Unfunded Actuarial Accrued Liability = C - E2	17,989,780	15,126,269
G. Actuarial Present Value of Projected Covered Payroll	37,176,572	36,457,130
H. Actuarial Present Value of Projected Member Contributions	1,858,828	1,822,856

CALCULATION OF EMPLOYER NORMAL COST		
A. Valuation Date	October 1, 2008	October 1, 2007
B. Normal Cost for		
1. Service Retirement Benefits	\$ 1,854,959	\$ 1,784,955
2. Vesting Benefits	16,427	15,008
3. Disability Benefits	89,214	87,551
4. Preretirement Death Benefits	14,826	14,626
5. Return of Member Contributions	<u>3,696</u>	<u>3,611</u>
6. Total for Future Benefits	1,979,122	1,905,751
7. Assumed Amount for Administrative Expenses	146,048	54,818
8. Total Normal Cost	2,125,170	1,960,569
9. Total as % of Covered Payroll	57.71%	55.19%
C. Expected Member Contribution	184,113	177,624
D. Employer Normal Cost: B8-C	1,941,057	1,782,945
E. Employer Normal Cost as a % of Covered Payroll	52.71%	50.19%

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

A. UAAL Amortization Period and Payments					
Original UAAL			Current UAAL		
Date	Source	Amount	Years Remaining	Amount	Payment
10/1/1997	Exp. Gain	\$ N/A	19	\$ (38,040)	\$ (2,454)
10/1/1999	Exp. Loss	N/A	21	584,412	34,857
10/1/2001	Exp. Loss	N/A	23	737,995	41,064
10/1/2002	Exp. Loss	N/A	24	2,090,495	112,671
10/1/2003	Exp. Loss	N/A	25	2,456,154	128,443
10/1/2004	Exp. Loss	N/A	26	2,318,602	117,829
10/1/2005	Exp. Gain	(271,877)	27	(325,805)	(16,113)
10/1/2005	Assump. Change	1,526,763	27	1,829,605	90,484
10/1/2006	Exp. Loss	844,948	28	963,117	46,415
10/1/2006	Assump. Change	1,878,277	28	2,140,959	103,179
10/1/2006	Plan Change	471,143	28	537,034	25,881
10/1/2007	Exp. Loss	619,570	29	677,111	31,838
10/1/2007	Method/Assump. Changes	2,290,850	29	2,503,603	117,720
10/1/2008	Exp. Loss	1,514,538	30	1,514,538	69,561
		8,874,212		17,989,780	901,375

B. Amortization Schedule

The UFAAL is being amortized as a level percent of payroll over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

Amortization Schedule	
Year	Expected UAAL
2008	\$ 17,989,780
2009	18,369,991
2010	18,730,314
2011	19,066,789
2012	19,375,085
2013	19,650,417
2018	20,328,170
2023	19,123,371
2028	14,607,572
2033	5,718,889
2038	-

ACTUARIAL GAINS AND LOSSES

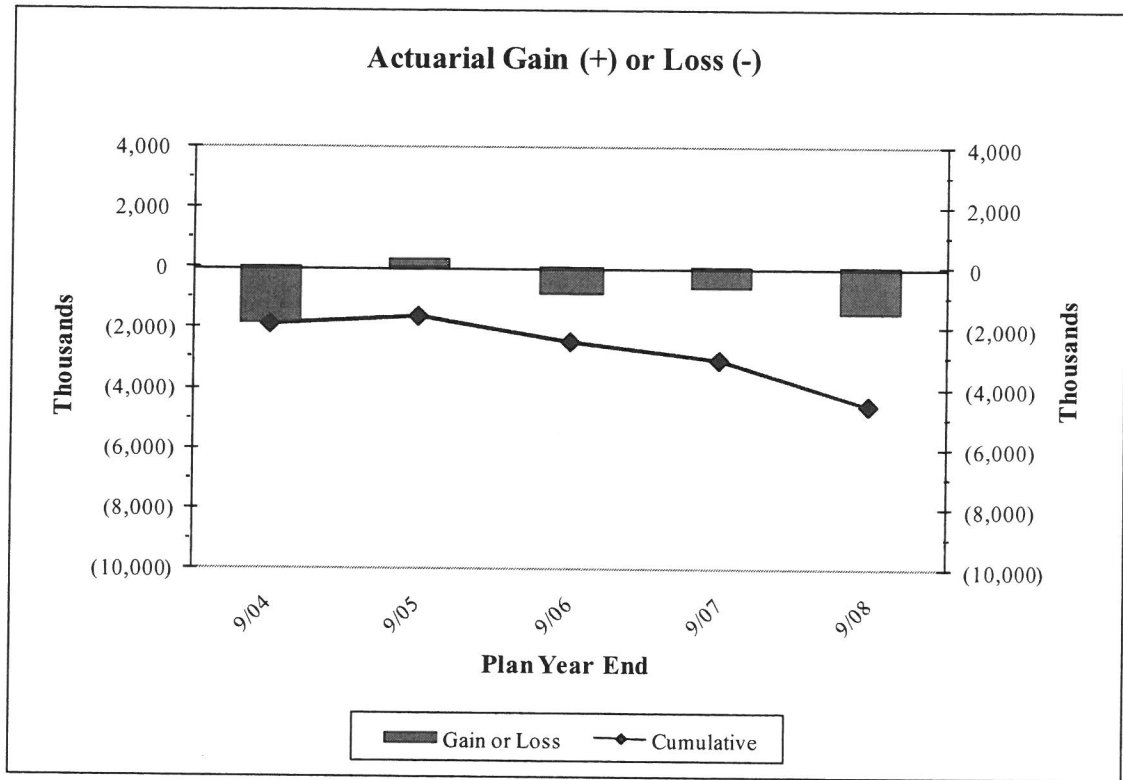
The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. 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	\$ 15,126,269
2. Last Year's Employer Normal Cost	1,782,945
3. Last Year's Contributions	
a. Employer	888,198
b. State	775,809 *
c. a + b	<u>1,664,007</u>
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	1,268,191
b. 3 from dates paid	38,156
c. a - b	<u>1,230,035</u>
5. This Year's Expected UAAL 1 + 2 - 3c + 4c	16,475,242
6. This Year's Actual UAAL	17,989,780
7. Net Actuarial Gain (Loss): 5 - 6	(1,514,538)
8. Gain (Loss) Due to Investments	(976,541)
9. Gain (Loss) from Other Sources	(537,997)

* Frozen amount.

Net actuarial gains in previous years have been as follows:

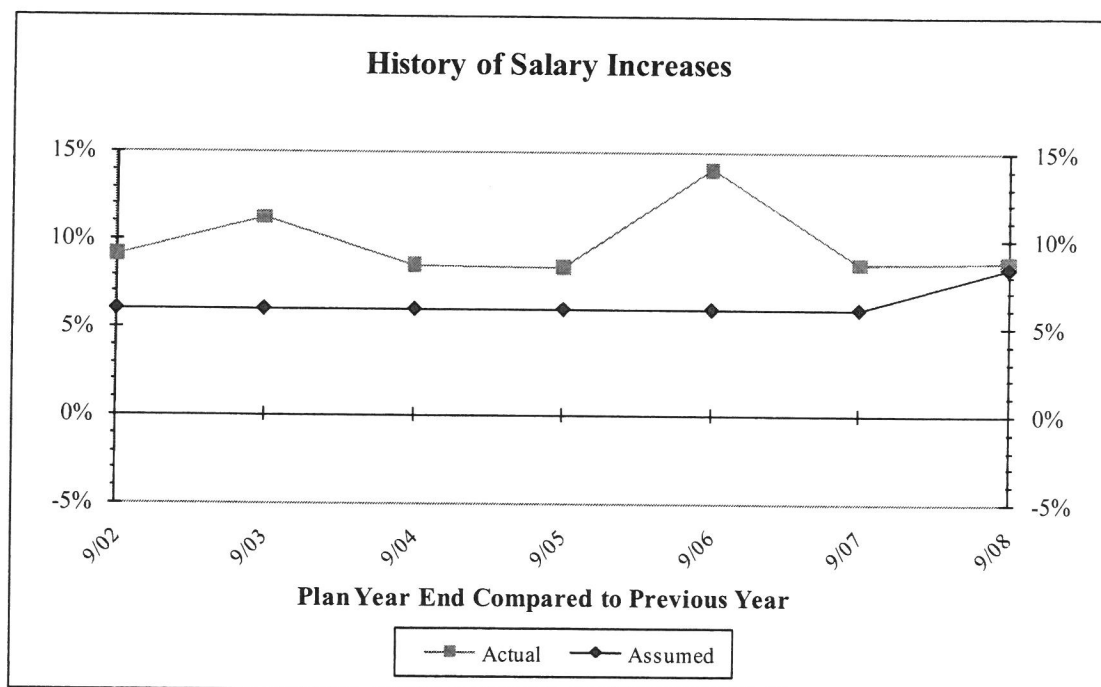
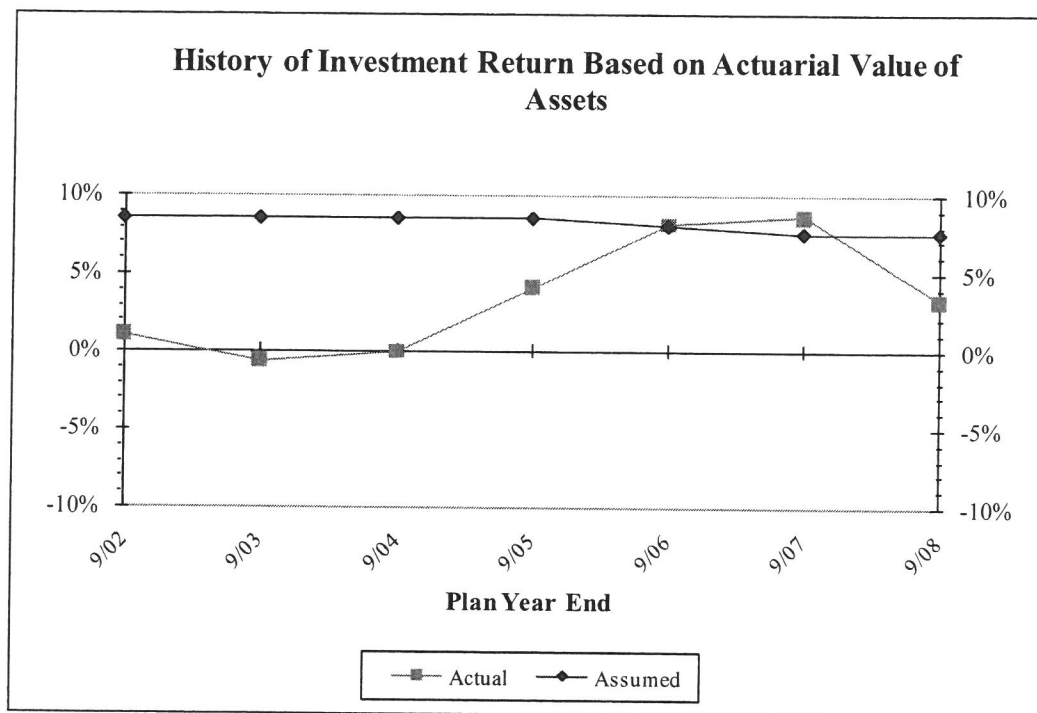
Year Ended	Gain (Loss)
9/30/2004	\$ (1,858,499)
9/30/2005	271,877
9/30/2006	(844,948)
9/30/2007	(619,570)
9/30/2008	(1,514,538)



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
9/30/2002	1.0 %	8.5 %	9.1 %	6.0 %
9/30/2003	(0.7)	8.5	11.2	6.0
9/30/2004	(0.1)	8.5	8.5	6.0
9/30/2005	4.1	8.5	8.4	6.0
9/30/2006	8.2	8.0	14.0	6.0
9/30/2007	8.7	7.5	8.6	6.0
9/30/2008	3.2	7.5	8.7	8.3
Averages	3.4 %	---	9.8 %	---

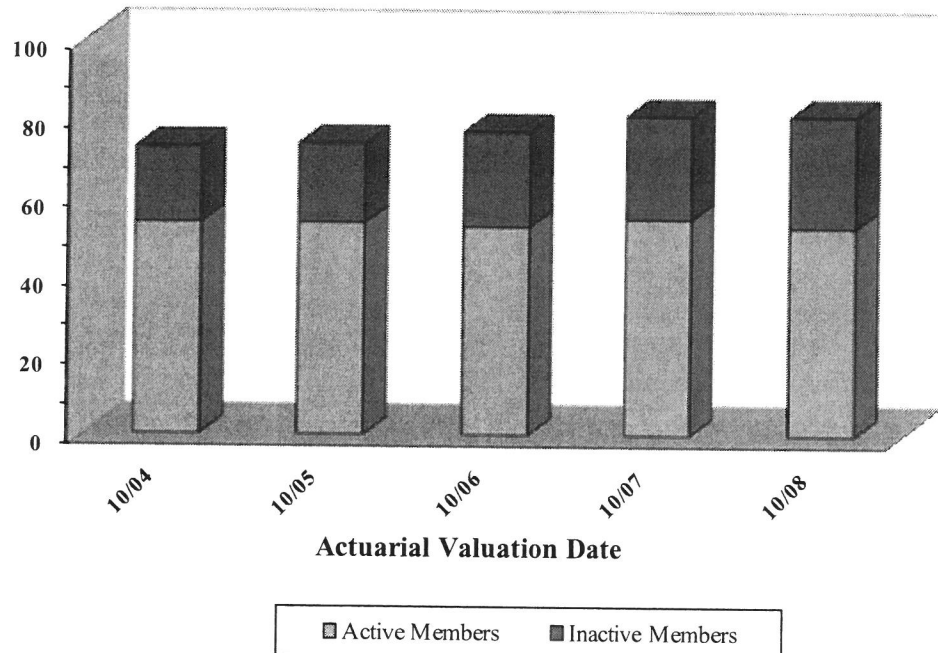
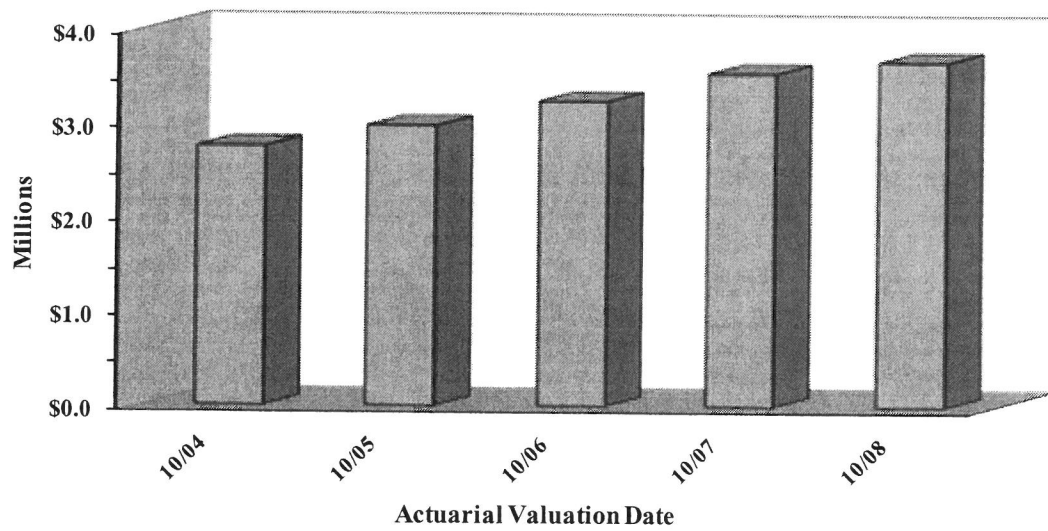
The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.



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	A	A	E	
9/30/2006	5	6	2	0	0	0	0	0	1	3	4	2	53
9/30/2007	6	4	3	0	0	0	0	0	1	0	1	2	55
9/30/2008	0	2	1	0	0	0	0	0	1	0	1	2	53
9/30/2009				0		0		0				1	
3 Yr Totals *	11	12	6	0	0	0	0	0	3	3	6	6	

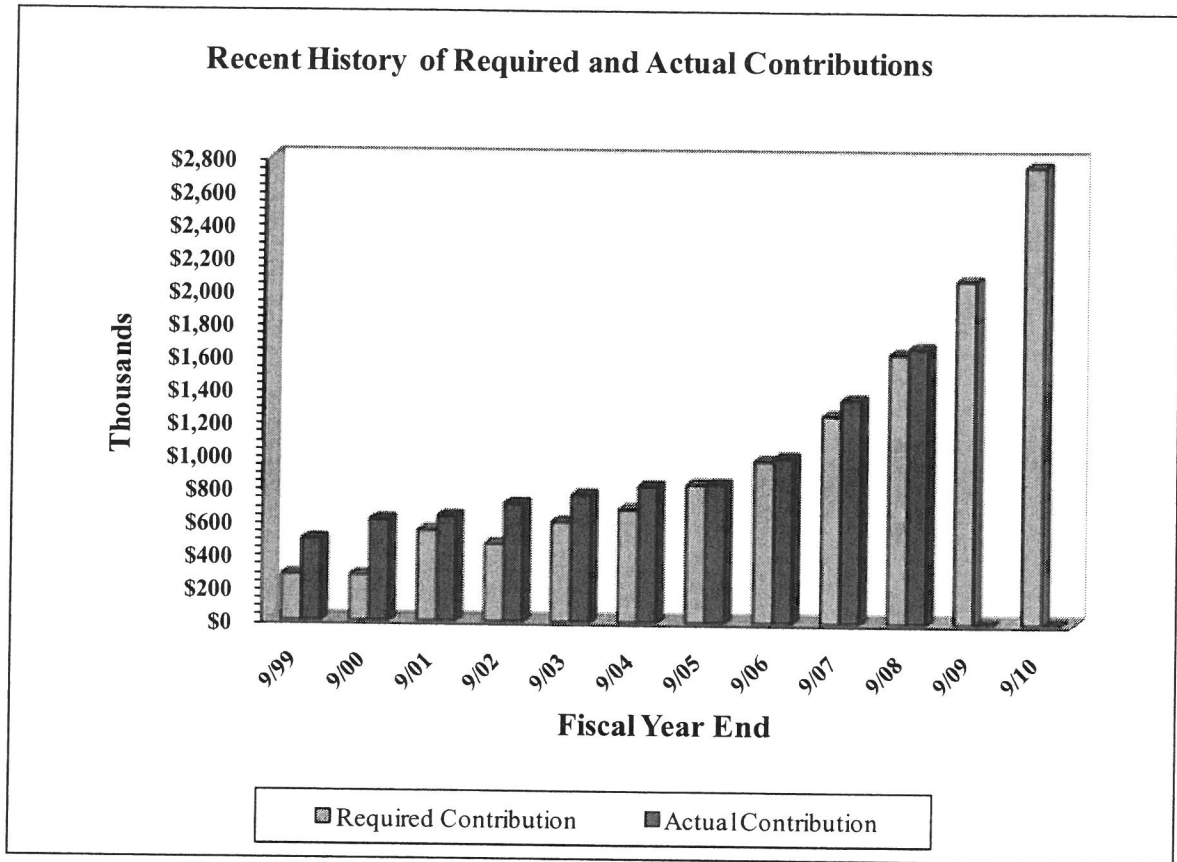
* Totals are through current Plan Year only.

RECENT HISTORY OF VALUATION RESULTS							
Valuation Date	Number of		Covered Annual Payroll	Actuarial Value of Assets	UFAAL	Employer Normal Cost	
	Active Members	Inactive Members				Amount	% of Payroll
10/1/2004	54	19	\$ 2,760,475	\$ 15,025,368	\$ 6,579,690	\$ 590,188	20.2 %
10/1/2005	54	20	2,982,022	16,019,471	8,121,941	721,517	24.2
10/1/2006	53	24	3,249,388	18,677,072	11,732,050	910,421	28.0
10/1/2007	55	26	3,552,476	21,991,743	15,126,269	1,782,945	50.2
10/1/2008	53	28	3,682,251	23,542,873	17,989,780	1,941,057	52.7

Recent History of Number of Members**Recent History of Covered Annual Payroll**

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					
		Amount	% of Payroll	Amount	% of Payroll	Amount	% of Payroll	Employer	State	Total	
10/1/1997	9/30/1999	\$ 279,451	N/A	N/A	N/A	N/A	N/A	\$ 57,135	\$ 436,036	\$ 493,171	
10/1/1998	9/30/2000	276,777	N/A	N/A	N/A	N/A	N/A	57,135	554,631	611,766	
10/1/1999	9/30/2001	547,961	N/A	N/A	N/A	N/A	N/A	57,135	575,860	632,995	
10/1/2000	9/30/2002	467,954	N/A	N/A	N/A	N/A	N/A	57,135	655,066	712,201	
10/1/2001	9/30/2003	603,516	N/A	N/A	N/A	N/A	N/A	57,135	708,644	765,779	
10/1/2002	9/30/2004	681,991	N/A	N/A	N/A	N/A	N/A	110,901	708,644	819,545	
10/1/2003	9/30/2005	831,293	29.96 %	\$ 708,644	25.54 %	\$ 122,649	4.42 %	126,254	708,644	834,898	
10/1/2004	9/30/2006	976,355	33.37	708,644	24.22	267,711	9.15	288,351	708,644	996,995	
10/1/2005	9/30/2007	1,252,682	39.63	708,644	22.42	544,038	17.21	572,674	775,809	1,348,483	
10/1/2006	9/30/2008	1,628,489	47.28	775,809	22.52	852,680	24.76	888,198	775,809	1,664,007	
10/1/2007	9/30/2009	2,076,324	55.14	775,809	20.60	1,300,515	34.54	---	---	---	
10/1/2008	9/30/2010	2,765,278	70.85	775,809	19.88	1,989,469	50.97	---	---	---	



ACTUARIAL ASSUMPTIONS AND METHODS

Valuation Methods

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) percent-of-payroll contributions over a reasonable period of future years.

Actuarial Value of Assets - The Actuarial Value of Assets phase in the difference between the expected actuarial value and actual market value of assets at the rate of 20% per year. 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. Both the economic and decrement assumptions were established following the Experience Study Report as of October 1, 2006.

Economic Assumptions

The investment return rate assumed in the valuations is 7.50% per year, compounded annually (net after investment expenses).

The **Wage Inflation Rate** assumed in this valuation was 3.00% 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 7.50% investment return rate translates to an assumed real rate of return over wage inflation of 4.50%.

The active member population is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll is assumed to grow at 5.00% per year. The most recent ten year average is 8.47%. This is the assumed payroll growth increase over the long term. In the short term, payroll growth is expected to increase more rapidly. The short term payroll growth assumption is 6.00%.

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 3.00% 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	10.0%	3.0%	13.0%
2 - 9	6.0%	3.0%	9.0%
10 - 14	5.5%	3.0%	8.5%
15 - 19	5.0%	3.0%	8.0%
20 and Higher	4.5%	3.0%	7.5%

Demographic Assumptions

The mortality table was the RP -2000 Generational Mortality Table for males and females.

Sample Attained Ages (in 2008)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.18 %	0.15 %	33.71	35.32
55	0.31	0.25	28.61	30.37
60	0.59	0.49	23.71	25.61
65	1.14	0.93	19.14	21.13
70	1.97	1.61	15.01	17.03
75	3.38	2.64	11.32	13.34
80	5.94	4.34	8.21	10.08

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.

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	50 %
1	25 %
2	25 %
3	25 %
4	100 %

The rate of retirement for members who have attained 25 years of service or age 55 is 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	Years of Service	% of Active Members Separating Within Next Year
ALL	0	20.0 %
	1	12.0
	2	8.0
	3	4.0
	4	2.0
20	5 & Over	9.6
25		5.6
30		2.8
35		1.4
40		0.4
45 & Over		0.0

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

Sample Ages	% Becoming Disabled within Next Year
20	0.14 %
25	0.15
30	0.18
35	0.23
40	0.30
45	0.51
50	1.00

Miscellaneous and Technical Assumptions

<i>Administrative & Investment Expenses</i>	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 expenses over the previous 2 years. Assumed administrative expenses are added to the Normal Cost.
<i>Benefit Service</i>	Exact fractional service is used to determine the amount of benefit payable.
<i>COLA</i>	For future cost-of-living adjustments, benefits after retirement are assumed to increase 3% per year starting at age 50 for members who are eligible for the COLA.
<i>Decrement Operation</i>	Disability and mortality decrements operate during retirement eligibility.
<i>Decrement Timing</i>	Decrements of all types are assumed to occur at the beginning of the year.
<i>Eligibility Testing</i>	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.
<i>Forfeitures</i>	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.
<i>Incidence of Contributions</i>	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.
<i>Marriage Assumption</i>	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.
<i>Normal Form of Benefit</i>	A ten-year certain and life benefit is the normal form of benefit.
<i>Pay Increase Timing</i>	Middle of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
<i>Service Credit Accruals</i>	It is assumed that members accrue one year of service credit per year.

GLOSSARY

<i>Actuarial Accrued Liability (AAL)</i>	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
<i>Actuarial Assumptions</i>	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.
<i>Actuarial Cost Method</i>	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.
<i>Actuarial Equivalent</i>	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
<i>Actuarial Present Value (APV)</i>	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.
<i>Actuarial Present Value of Future Benefits (APVFB)</i>	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.
<i>Actuarial Valuation</i>	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).
<i>Actuarial Value of Assets</i>	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).

<i>Amortization Method</i>	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
<i>Amortization Payment</i>	That portion of the plan contribution or ARC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
<i>Amortization Period</i>	The period used in calculating the Amortization Payment.
<i>Annual Required Contribution (ARC)</i>	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.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
<i>Valuation Date</i>	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	\$ 1	\$ 81,617
Money Market Funds	1,327,699	1,048,312
U.S. Government Bonds & Notes	4,459,671	4,291,552
Corporate Bonds	3,291,423	2,934,014
Common Stocks	11,258,292	13,798,569
Pooled Equity Funds	-	-
Pooled Bond Funds	-	-
Other Securities	-	-
Total	<u>20,337,086</u>	<u>22,154,064</u>
Receivables and Accruals		
Member Contribution	-	-
Employer Contribution	-	-
State Contribution	-	-
Interest and Dividends	-	-
Trades Receivable	-	100,859
Total	<u>-</u>	<u>100,859</u>
Payables and Reserves		
Reserve for Excess State Funds	700,376	252,914
Benefits	-	-
Refunds	-	-
Expenses	-	-
Due to Other Funds	-	44
Trades Payable	-	10,222
Total	<u>700,376</u>	<u>263,180</u>
Net Assets - Market Value	19,636,710	21,991,743

PENSION FUND INCOME AND DISBURSEMENTS		
	Year Ending 9/30/2008	Year Ending 9/30/2007
Market Value at Beginning of Period	\$ 22,244,657	\$ 18,850,504
Income		
Contributions		
Member Contributions	179,884	170,724
State Contributions	1,223,271	1,028,722
Employer Contributions	888,198	572,674
Member Buyback	3,377	89,561
Total Contributions	2,294,730	1,861,681
Investment Earnings		
Dividends and Interest	719,122	619,867
Realized Gain (Loss)	(65,088)	886,885
Unrealized Gain (Loss)	(3,702,421)	916,953
Total Investment Earnings	(3,048,387)	2,423,705
Other Income	3,028	10,723
Total Income	(750,629)	4,296,109
Disbursements		
Monthly Benefit Payments	802,803	728,042
Lump Sum Distributions	-	-
Refund of Contributions	-	1,325
Investment Related Expenses	118,735	115,897
Other Administrative Expenses	235,404	56,692
Other Expenses	-	-
Total Disbursements	1,156,942	901,956
Net Increase During Period	(1,907,571)	3,394,153
Market Value at End of Period	20,337,086	22,244,657
Less: State Contribution Reserve	700,376	252,914
Final Market Value	19,636,710	21,991,743

ACTUARIAL VALUE OF ASSETS

The Actuarial Value of Assets for funding purposes is developed by recognizing 20% of the difference between market value of assets and expected actuarial asset value. Details of the derivation are set forth as follows:

	Year Ending 9/30/2008
A. Beginning of Year Assets *	
1. Market Value	\$ 22,244,657
2. Actuarial Value	22,244,657
B. End of Year Market Value of Assets *	20,337,086
C. Net of Contributions Less Disbursements	1,259,551
D. Actual Net Investment Earnings	(3,167,122)
E. Expected Investment Earnings	1,715,582
F. Expected Actuarial Value End of Year	25,219,790
G. End of Year Market Value Less Expected Actuarial Value	(4,882,704)
H. 20% of Difference	(976,541)
I. End of Year Assets	
1. Actuarial Value: F + H	24,243,249
2. Final Actuarial Value Within 80% to 120% of Market Value	24,243,249
J. State Contribution Reserve	700,376
K. Final Actuarial Value of Assets	23,542,873
L. Recognized Investment Earnings: E + H	739,041
M. Recognized Rate of Return	3.23%

* Before offset of State Contribution Reserve.

INVESTMENT RATE OF RETURN

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

- 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 Ending	Investment Rate of Return	
	Basis 1	Basis 2
9/30/2001	(8.5) %	N/A
9/30/2002	(8.0)	1.0 %
9/30/2003	10.0	(0.7)
9/30/2004	7.6	(0.1)
9/30/2005	7.9	4.1
9/30/2006	7.3	8.2
9/30/2007	11.9	8.7
9/30/2008	(13.8)	3.2
Average Compounded Rate of Return for Number of Years Shown	1.3 %	3.4 %
Average Compounded Rate of Return for Last 5 Years	3.7 %	4.8 %

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	\$ 12,716,954	\$ 11,152,451
b. Terminated Vested Members	552,433	370,273
c. Other Members	18,678,656	16,170,372
d. Total	<u>31,948,043</u>	<u>27,693,096</u>
2. Non-Vested Benefits	197,853	176,296
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	32,145,896	27,869,392
4. Accumulated Contributions of Active Members	1,815,569	1,623,019
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	27,869,392	23,156,381
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	(51,610)
b. Change in Actuarial Assumptions	0	1,601,054
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	5,079,307	3,892,934
d. Benefits Paid	<u>(802,803)</u>	<u>(729,367)</u>
e. Net Increase	<u>4,276,504</u>	<u>4,713,011</u>
3. Total Value at End of Period	32,145,896	27,869,392
D. Market Value of Assets	19,636,710	21,991,743
E. 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
10/1/1999	\$ 10,374,432	\$ 10,705,345	\$ 330,913	96.9 %	\$ 1,720,839	19.2 %
10/1/2000	12,098,388	13,298,106	1,199,718	91.0	2,114,548	56.7
10/1/2001	13,078,556	14,206,636	1,128,080	92.1	2,176,201	51.8
10/1/2002	13,359,665	16,253,031	2,893,366	82.2	2,366,747	122.3
10/1/2003	14,328,347	19,056,831	4,728,484	75.2	2,617,574	180.6
10/1/2004	15,025,368	21,605,058	6,579,690	69.5	2,760,475	238.4
10/1/2005	16,019,471	24,141,412	8,121,941	66.4	2,982,022	272.4
10/1/2006	18,677,072	30,409,122	11,732,050	61.4	3,249,388	361.1
10/1/2007 (b)	21,176,898	34,012,317	12,835,419	62.3	3,518,563	364.8
10/1/2007 (a)	21,991,743	37,118,012	15,126,269	59.2	3,552,476	425.8
10/1/2008	23,542,873	41,532,653	17,989,780	56.7	3,682,251	488.6

(a) = After changes
(b) = Before changes

Note: Figures prior to 10/1/2005 taken from 10/1/2004 Report prepared by Foster & Foster, Inc.

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

Year Ended	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
9/30/1999	\$ 279,451	\$ 57,135	\$ 436,036 *	176.5 %
9/30/2000	276,777	57,135	554,631	221.0
9/30/2001	547,961	57,135	575,860	115.5
9/30/2002	467,954	57,135	655,066	152.2
9/30/2003	603,516	57,135	708,644 *	126.9
9/30/2004	681,991	110,901	708,644 *	120.2
9/30/2005	831,293	126,254	708,644 *	100.4
9/30/2006	976,355	288,351	708,644 *	102.1
9/30/2007	1,252,682	572,674	775,809 *	107.6
9/30/2008	1,628,489	888,198	775,809 *	102.2

* Baseline amount per Chapter 185, F.S.

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

Employer FYE September 30	2009	2008	2007
Annual Required Contribution (ARC) *	\$ 2,076,324	\$ 1,628,489	\$ 1,252,682
Interest on Net Pension Obligation (NPO)	(33,698)	(33,328)	(28,092)
Adjustment to ARC	(43,782)	(63,908)	(54,087)
Annual Pension Cost (APC)	2,086,408	1,659,069	1,278,677
Contributions made	**	1,664,007	1,348,483
Increase (decrease) in NPO	**	(4,938)	(69,806)
NPO at beginning of year	(449,309)	(444,371)	(374,565)
NPO at end of year	**	(449,309)	(444,371)
* 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
9/30/2006	\$ 1,004,049	\$ 996,995	99.3 %	\$ (374,565)
9/30/2007	1,278,677	1,348,483	105.5	(444,371)
9/30/2008	1,659,069	1,664,007	100.3	(449,309)

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 dates indicated. Additional information as of the latest actuarial valuation:

Valuation Date	October 1, 2008
Contribution Rates	
Employer (and State)	70.85%
Plan Members	5.00%
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level percent, closed
Remaining Amortization Period	30 years
Asset Valuation Method	Recognize 20% of difference between market value of assets and expected actuarial asset value.
Actuarial Assumptions	
Investment rate of return	7.50%
Projected salary increases	7.50% to 13% based on service
Includes inflation and other general increases at	3.00%
Cost of Living adjustments	3.00% per year beginning at age 50 for retirements after June 30, 2005

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	55	53
2. New Members Included in Current Valuation	0	6
3. Non-Vested Employment Terminations	0	0
4. Vested Employment Terminations	(1)	(1)
5. Service Retirements	(1)	(3)
6. Disability Retirements	0	0
7. Deaths	0	0
8. Other - Transfers	0	0
9. Number Included in This Valuation	<u>53</u>	<u>55</u>
B. Terminated Vested Members		
1. Number Included in Last Valuation	6	6
2. Additions from Active Members	1	1
3. Lump Sum Payments/Refund of Contributions	0	0
4. Payments Commenced	0	0
5. Deaths	0	0
6. Other - Data Correction/Rehires	0	(1)
7. Number Included in This Valuation	<u>7</u>	<u>6</u>
C. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	20	18
2. Additions from Active Members	1	3
3. Additions from Terminated Vested Members	0	0
4. Deaths Resulting in No Further Payments	(1)	(1)
5. Deaths Resulting in New Survivor Benefits	0	0
6. End of Certain Period/No Further Payments	0	0
7. Other - Data Corrections	<u>1</u>	<u>0</u>
8. Number Included in This Valuation	<u>21</u>	<u>20</u>

ACTIVE PARTICIPANT SCATTER

Age Group	Years of Service to Valuation Date												Totals
	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	2	2	0	0	0	0	0	0	0	0	0	4
TOT PAY	0	82,571	89,917	0	0	0	0	0	0	0	0	0	172,488
AVG PAY	0	41,286	44,959	0	0	0	0	0	0	0	0	0	43,122
25-29 NO.	0	2	2	0	0	2	0	0	0	0	0	0	6
TOT PAY	0	83,487	97,709	0	0	96,437	0	0	0	0	0	0	277,633
AVG PAY	0	41,744	48,855	0	0	48,219	0	0	0	0	0	0	46,272
30-34 NO.	0	1	1	0	0	4	0	0	0	0	0	0	6
TOT PAY	0	41,499	44,507	0	0	248,108	0	0	0	0	0	0	334,114
AVG PAY	0	41,499	44,507	0	0	62,027	0	0	0	0	0	0	55,686
35-39 NO.	0	0	0	0	1	3	5	1	0	0	0	0	10
TOT PAY	0	0	0	0	48,347	179,571	357,019	67,680	0	0	0	0	652,617
AVG PAY	0	0	0	0	48,347	59,857	71,404	67,680	0	0	0	0	65,262
40-44 NO.	0	0	0	0	0	4	1	6	1	0	0	0	12
TOT PAY	0	0	0	0	0	227,566	63,112	501,261	82,262	0	0	0	874,201
AVG PAY	0	0	0	0	0	56,892	63,112	83,544	82,262	0	0	0	72,850
45-49 NO.	0	0	0	0	0	0	1	4	5	0	0	0	10
TOT PAY	0	0	0	0	0	0	73,639	299,171	456,550	0	0	0	829,360
AVG PAY	0	0	0	0	0	0	73,639	74,793	91,310	0	0	0	82,936
50-54 NO.	0	0	0	0	0	0	0	3	0	0	0	0	3
TOT PAY	0	0	0	0	0	0	0	221,383	0	0	0	0	221,383
AVG PAY	0	0	0	0	0	0	0	73,794	0	0	0	0	73,794
55-59 NO.	0	0	0	0	0	0	1	0	1	0	0	0	2
TOT PAY	0	0	0	0	0	0	65,735	0	110,053	0	0	0	175,788
AVG PAY	0	0	0	0	0	0	65,735	0	110,053	0	0	0	87,894
60-64 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
TOT NO.	0	5	5	0	1	13	8	14	7	0	0	0	53
TOT AMT	0	207,557	232,133	0	48,347	751,682	559,505	1,089,495	648,865	0	0	0	3,537,584
AVG AMT	0	41,511	46,427	0	48,347	57,822	69,938	77,821	92,695	0	0	0	66,747

INACTIVE PARTICIPANT SCATTER

Age Group	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	2	19,859	-	-	-	-	-	-
40-44	2	41,687	-	-	1	57,123	-	-
45-49	2	29,563	1	38,341	2	109,722	-	-
50-54	1	7,222	-	-	6	332,600	-	-
55-59	-	-	-	-	2	77,664	-	-
60-64	-	-	-	-	4	103,814	-	-
65-69	-	-	-	-	3	92,539	-	-
70-74	-	-	-	-	-	-	-	-
75-79	-	-	-	-	1	7,859	-	-
80-84	-	-	-	-	-	-	-	-
85-89	-	-	-	-	1	15,736	-	-
90-94	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-
Total	7	98,331	1	38,341	20	797,057	-	-
Average Age		45		49		59		N/A

SECTION F
SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

A. Ordinances

Plan established under the Code of Ordinances for the City of Naples, Florida, Chapter 29, Article IV, and was most recently amended under Ordinance No. 07-11738 passed and adopted on its second reading on August 15, 2007. The Plan is also governed by certain provisions of Chapter 175, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

B. Effective Date

Not provided

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 regular full-time Firefighters.

F. Credited Service

Service is measured as the total number of years and completed months of continuous employment for which the firefighter has received Compensation from the City. No service is credited for any periods of employment for which the member received a refund of employee contributions.

G. Compensation

Base compensation paid to a firefighter for services rendered excluding overtime pay, holiday pay and fringe benefits.

H. Final Average Compensation (FAC)

The average of Compensation over the highest 3 consecutive years of Credited Service; lump sum payment for unused vacation pay and sick leave is not included.

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,
- (2) age 50 with 20 years of Credited Service, or
- (3) 25 years of Credited Service regardless of age.

Benefit: 4.0% of FAC multiplied by years of Credited Service up to a maximum of 100% of FAC.

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

COLA: Each service retiree and surviving beneficiary who retires after June 30, 2005 will receive a 3.0% increase in benefits on October 1st of each year starting at age 50.

J. Early Retirement

Eligibility: A member may elect to retire earlier than the Normal Retirement Eligibility upon attainment of age 50.

Benefit: The Normal Retirement Benefit is reduced by 0.25% for each month by which the Early Retirement date precedes the Normal Retirement date. For the purpose of calculating the actuarial reduction, the Normal Retirement date would be the earlier of: the date the member would have attained age 55 or the date the member would have attained age 50 and completed 20 years of Credited Service.

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

COLA: Each service retiree and surviving beneficiary who retires after June 30, 2005 will receive a 3.0% increase in benefits on October 1st of each year starting at age 50.

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 as a result of an act occurring in the performance of service for the City 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 with a minimum benefit of 42% of FAC. There will be no actuarial reduction for the period of time that the date of disability precedes the Normal Retirement date. Disability benefits, when combined with Social Security, Worker's Compensation or any other local, state or federal government benefits, cannot exceed and will be limited to the salary paid to the firefighter on the date of disability.

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

COLA: None

M. Non-Service Connected Disability

Eligibility: Any member who becomes totally and permanently disabled 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 with a minimum benefit of 25% of FAC. There will be no actuarial reduction for the period of time that the date of disability precedes the Normal Retirement date. Disability benefits, when combined with Social Security, Worker's Compensation or any other local, state or federal government benefits, cannot exceed and will be limited to the salary paid to the firefighter on the date of disability.

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

COLA: None

N. Death in the Line of Duty

- Eligibility:** Members are eligible for survivor benefits after the completion of 5 or more years of Credited Service.
- Benefit:** The survivor benefit payable to the designated beneficiary is the member's accrued Normal Retirement Benefit as of the date of death actuarially reduced for early payment.
- Normal Form of Benefit:** The benefit will be calculated as though the member had retired on the date of death and elected the 100% Joint and Survivor option. If the recipient of the death benefit should die before receiving payments for 10 years, payments will continue to the recipient's designated beneficiary for the remainder of the 10 year period.
- COLA:** Each service retiree and surviving beneficiary who retires after June 30, 2005 will receive a 3.0% increase in benefits on October 1st of each year starting at the member's age 50.

The beneficiary of a plan member with less than 5 years 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:** Members are eligible for survivor benefits after the completion of 5 or more years of Credited Service.
- Benefit:** The survivor benefit payable to the designated beneficiary is the member's accrued Normal Retirement Benefit as of the date of death actuarially reduced for early payment.
- Normal Form of Benefit:** The benefit will be calculated as though the member had retired on the date of death and elected the 100% Joint and Survivor option. If the recipient of the death benefit should die before receiving payments for 10 years, payments will continue to the recipient's designated beneficiary for the remainder of the 10 year period.
- COLA:** Each service retiree and surviving beneficiary who retires after June 30, 2005 will receive a 3.0% increase in benefits on October 1st of each year starting at the member's age 50.

The beneficiary of a plan member with less than 5 years 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 a Single Life Annuity or the 50%, 66 2/3%, 75% and 100% Joint and Survivor options. The Board may choose to pay a single lump sum for monthly accrued benefits that are less than \$250.00 or for benefits whose single lump sum value is less than \$5,000.

R. Vested Termination

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 5 years of Credited Service.

Benefit: The benefit is the member's accrued Normal Retirement Benefit as of the date of termination. The benefit is payable at the member's Normal Retirement date based on the years of Credited Service completed upon termination, or at the member's Early Retirement date actuarially reduced for early payment.

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

COLA: None

Members terminating employment with less than 5 years of Credited Service will receive a refund of their own accumulated contributions with interest, but decreased by one-half of any disability payments that have been made to the member.

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 5.5%.

T. Member Contributions

5% of Compensation

U. State Contributions

Chapter 175 Premium Tax Refunds

V. Employer Contributions

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

W. Cost of Living Increases

Each service retiree and surviving beneficiary who retires after June 30, 2005 will receive a 3.0% increase in benefits on October 1st of each year starting at age 50.

X. Other Ancillary Benefits

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

Y. Changes from Previous Valuation

There are no changes from the previous valuation.