

January 27, 2011

The Board of Trustees
City of Grosse Pointe Woods Employees Retirement System
Grosse Pointe Woods, Michigan

Dear Board Members:

The purpose of the annual actuarial valuation of the City of Grosse Pointe Woods Employees Retirement System as of June 30, 2010 is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members of the Retirement System,
- Compare accrued assets with accrued liabilities to assess the funded condition of the Retirement System, and
- Compute the City's recommended contribution rate for the Fiscal Year beginning July 1, 2011.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. Data concerning active members, retirees, beneficiaries and assets was provided by the City. This data has been reviewed for reasonableness, but no attempt has been made to audit such information. The valuation was based on the provisions of the Retirement System as amended through June 30, 2010. The actuarial assumptions used in this valuation represent reasonable expectations of future experience under the System. This report was prepared under the direction of a member of the American Academy of Actuaries who meets the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Denise M. Jones

Senior Consultant



Sandra W. Rodwan

Member, American Academy of Actuaries

***City of Grosse Pointe Woods
Employees Retirement System***

Actuarial Valuation as of June 30, 2010

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Section One:

Valuation Summary



Purpose of Valuation

The purpose of the annual actuarial valuation of the City of Grosse Pointe Woods Employees Retirement System as of June 30, 2010 is to:

- ❖ Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members of the Retirement System,
- ❖ Compare accrued assets with accrued liabilities to assess the funded condition of the Retirement System, and
- ❖ Compute the City's recommended contribution rate for the Fiscal Year beginning July 1, 2011.

This valuation is exclusive of post-retirement health benefits.

Liabilities and Funded Condition of Retirement System

Total accrued pension liabilities of the Retirement System as of June 30, 2010, were computed to be \$41,541,369. The funding value of accrued assets allocated to pensions was \$36,073,560. The ratio of the funding value of accrued assets allocated to pensions to accrued pensions liabilities was 86.8%.

Funding Value of Assets

A funding value of assets was used for the June 30, 2010 valuation. The funding value spreads the difference between the actual and assumed investment return over 4 years.

Computed City Contribution Rate

The City's normal cost contribution rate for pensions was computed to be 6.86% for General members and 8.50% for Public Safety members. Amortizing the excess of accrued assets allocated for pension benefits over accrued liabilities over 25 years resulted in an amortization payment of 5.78% of member payroll.

Retirement System Experience

The net overall experience of the Retirement System during the year ended June 30, 2010 was less favorable than expected based on the long-term assumptions. The unfavorable experience was primarily due to recognized investment income on the funding value of assets which was less than assumed.

Benefit Provision Changes

There were no changes in benefit provisions.

Assumption and Method Changes

The across the board salary increase assumption was changed from 4.5% to 4.0% pursuant to the Board Resolution adopted August 5, 2010.

Participant Data

	06/30/2010		06/30/2009	
	Number	Payroll	Number	Payroll*
Active Members				
General	58	\$3,085,293	61	\$3,281,161
Public Safety	<u>32</u>	<u>2,460,275</u>	<u>38</u>	<u>2,933,332</u>
Total Active Members	90	5,545,568	99	6,214,493
Retirees and Beneficiaries				
General	47	800,717	43	692,868
Public Safety	<u>47</u>	<u>1,664,504</u>	<u>42</u>	<u>1,390,265</u>
Total Retirees and Beneficiaries	94	2,465,221	85	\$2,083,133

*The reported 6/30/2009 payroll for General was \$3,407,360 and \$3,046,153 for Public Safety. The reported payrolls were adjusted to the above amounts for valuation purposes to reflect 26 pay periods rather than 27.

Financial Data

	06/30/2010	06/30/2009
Funding Value of Assets	\$36,073,560	\$37,149,462
Market Value of Assets	30,547,392	28,483,129



Section Two:

***Actuarial Calculations –
Funding***



Computed Contribution Rates for The Year Beginning July 1, 2011

The contribution rates shown below are expressed as percents of active member payroll.

The normal cost can be viewed as the long-term on-going cost of the Retirement System.

The unfunded actuarial accrued liability was amortized as a level percent of payroll over 25 years. The 25 year period is the same as the period used last year to amortize the excess of accrued assets over accrued liabilities.

<u>FOR PENSIONS</u>	<u>Percents of Payroll</u>	
	<u>General</u>	<u>Public Safety</u>
Normal Cost		
Regular Retirement	8.64%	9.18%
Pre-retirement Death	0.56	0.67
Disability	1.17	3.34
Withdrawal	<u>1.64</u>	<u>1.31</u>
Total Normal Cost	12.01	14.50
Member Portion	5.15	6.00
City’s Computed Normal Cost	6.86	8.50
Total Unfunded Accrued Liability	5.78	5.78
City’s Contribution Rate for Pensions	12.64%	14.28%
City’s Dollar Contribution*	\$413,612	\$372,616

*Based on valuation payroll of \$3,085,293 and \$2,460,275 for General and Public Safety respectively, projected to mid-way through the contribution fiscal year.

Unfunded Actuarial Accrued Liability

	<u>6/30/2010</u>	<u>6/30/2009</u>
Actuarial Accrued Liability	\$41,541,369	\$40,417,640
Assets Allocated to Funding	<u>36,073,560</u>	<u>37,149,462</u>
Unfunded Actuarial Accrued Liability	\$5,467,809	\$3,268,178

**Computed City Contributions –
(Excluding Supplemental Annuities)**

Fiscal Year Beginning July 1	Valuation Date June 30	Computed Dollar Contributions	Actual Dollar Contributions	Computed Percent of Payroll	
				General	Public Safety
1993	1992	\$435,792	465,578	4.07%	6.80%
1994	1993	421,658	421,600	5.15	5.59
1995	1994 (a)	645,217	643,100	4.49	12.46
1996	1995	677,496	672,500	8.37	11.91
1997	1996	565,742	506,785	5.24	8.83
1998	1997	590,720	586,900	2.72	5.80
1999	1998	389,980	401,475	0.00	3.30
2000	1999 (a)	234,977	312,475	0.00	0.00
2001	2000	44,773	306,070	0.00	0.00
2002	2001	266,451	306,000	0.00	0.00
2003	2002	534,143	534,143	0.00	0.00
2004	2003	1,019,328	1,106,564	1.40	5.74
2005	2004 (a)	1,349,607	1,220,333	8.12	12.64
2006	2005 (a)	841,374	1,306,228	12.54	15.50
2007	2006 (a)	1,016,356	1,016,356	15.21	18.59
2008	2007	1,037,161	1,115,843	14.65	17.98
2009	2008 (a)*	452,284	955,635	6.22	7.98
2010	2009	754,106#		10.56	12.26
2011	2010 (a)	786,228		12.64	14.28

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

* Reflects amortization of the credit for accrued assets in excess of accrued liabilities for all valuations except 2005, 2006 and 2007, 2009 and 2010.

Prior to the fiscal year beginning July 1, 2006, contribution amounts included health insurance.

Based on valuation payroll.

Note: Results prior to 2008 are based on reports provided by previous actuarial firm.

History of Assets and Accrued Liabilities

Valuation Date June 30	Valuation Assets	Actuarial Accrued Liabilities	Funded Ratio	Unfunded Actuarial Accrued Liabilities
1990	\$16,860	\$13,914	121.2%	\$(2,946)
1991	18,148	14,778	122.8	(3,370)
1992	19,364	15,501	125.0	(3,863)
1993	21,016	16,659	126.2	(4,357)
1994 (a)	21,716	17,923	121.2	(3,793)
1995	22,757	20,442	111.3	(2,135)
1996	24,251	20,354	119.1	(3,897)
1997	26,876	20,533	130.9	(6,343)
1998	30,018	22,403	134.0	(7,615)
1999 (a)	33,785	26,108	129.4	(7,677)
2000	36,943	27,097	136.3	(9,846)
2001	38,298	29,108	131.6	(9,190)
2002	37,739	30,427	124.0	(7,312)
2003	35,745	32,137	111.2	(3,608)
2004 (a)	34,404	33,804	101.8	(600)
2005 (a)	33,329	36,141	92.2	2,812
2006 (a)	33,549	36,846	91.1	3,297
2007	35,801	38,744	92.4	2,943
2008 (a)	37,728	36,310	103.9	(1,418)
2009	37,149	40,417	91.9	3,268
2010 (a)	36,074	41,541	86.8	5,467

(a) After changes in actuarial assumptions.

Results shown throughout this report for years prior to 2008 were prepared by the previous actuarial firm.

Comments and Conclusion

Comment 1: The across the board portion of the salary scale was changed from 4.5% to 4.0% pursuant to the Board resolution adopted August 5, 2010. The City's dollar contribution decreased from \$846,928 to \$786,228 as a result of this change.

Comment 2: The funded condition of the Retirement System was less than the funded condition as of June 30, 2010. The funded ratio decreased from 91.9% to 86.3%. Unfunded actuarial accrued liabilities were amortized over a period of 25 years producing an amortization payment of 5.78% of payroll which was added to the City's normal cost contribution rate.

Comment 3: The decrease in the funded ratio and the increase in the City's computed contribution rate as a percent of payroll reflect the recognized rate of return on the funding value of assets during the year. The funding value spreads the difference between the assumed return and the actual return for the year over 4 years. Although the return on the market value of assets exceeded the 8% assumption, the recognized rate of return on the funding value of assets was less than assumed (0.20% versus 8% assumed) due to the carry forwards of negative experience from the 2 prior years. The funding value used for the valuation as of June 30, 2010 was \$36,073,560. The funding value as of June 30, 2009 was \$37,149,462. The market value was \$30,547,392 as of June 30, 2010 and \$28,483,129 as of June 30, 2009.

Conclusion: The accrued funding condition of the Retirement System is good. Maintenance of this condition is dependent upon continued receipt of future contributions as recommended. Contribution rates are likely to increase in the future as carry forwards of negative experience from prior years are recognized in the funding value of assets.

Section Three:

***Retirement System
Benefit Provisions***



Benefit Provision Summary

Regular Retirement ***(No reduction factor for age)***

Eligibility:

General, Dispatchers/Paramedics and Public Safety members:

Age 50 with 25 years of service, age 55 with 20 years of service, or age 60 with 10 or more years of service.

Annual Benefit:

General members:

Final Average Compensation (FAC) times the sum of 2.0% times the first 25 years of service plus 1.0% times years of service in excess of 25 years.

Dispatchers/Paramedics:

2.125% of Final Average Compensation (FAC) times service.

Public Safety Officers and Command:

2.5% of Final Average Compensation (FAC) times service to a maximum of 75% of FAC.

Type of Final Average Compensation:

General members: Highest 4 years of compensation.

Dispatchers/Paramedics: Highest 3 years of compensation.

Public Safety: Highest 3 calendar years of compensation out of the last eight calendar years prior to retirement.

Deferred Retirement ***(Vested benefit)***

Eligibility:

General members: 10 years of service.

Dispatchers/Paramedics and Public Safety members: 25 or more years of credited service or age 50 with 15 or more years of service.

Annual Benefit:

Computed as regular retirement but based on service and final average compensation at time of termination. Benefits begin at age 60.

Duty Disability Retirement

Eligibility:

No age or service requirements.

Annual Benefit:

Computed as regular retirement with additional service credit granted to the earlier of the date the member would attain age 55 years or the date the member would have satisfied regular retirement eligibility conditions had the member continued in City employment.

General and Dispatchers/Paramedic members have worker's compensation offsets.

Public Safety members, depending upon whether or not they are eligible for a service retirement at the time of injury, may elect to choose between worker's compensation benefits or a disability pension.

Non-Duty Disability

Eligibility:

10 or more years of credited service.

Annual Benefit:

Computed as a regular retirement.

Duty Death in Service Survivor's Pension

Eligibility:

No age or service requirements. Must be in receipt of worker's compensation.

Annual Benefit:

Upon termination of worker's compensation a benefit equal to the worker's compensation amount shall be paid to the widow, unmarried children under 18 and dependent parents. Maximum benefit to the widow: 50% of final average compensation, to the children: 20% of final average compensation, and to the parents: 16-2/3% of final average compensation.

Non-Duty Death in Service Survivor's Pension

Eligibility:

10 years of service.

Annual Benefit:

Computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election.

Post-Retirement Cost-of-Living

Annual adjustments based upon changes in the Consumer Price Index subject to a maximum increase or decrease of 2.5% of the adjusted retirement allowance. The cost-of-living adjustment shall be paid on both the base pensions and, for retirements on or after 7/1/90, supplemental annuity distributions.

Member Contributions

General Members: 5.0% of annual compensation.

Public Safety and Dispatchers/Paramedics Members: 6.0% of annual compensation

Annuity Withdrawal

A member may withdraw accumulated member contributions in a lump sum at retirement. The retirement allowance is reduced by the actuarial equivalent of the annuity withdrawn, based on actuarial assumptions concerning interest and mortality used in the annual actuarial valuation.

Pop-Up Provision

Upon the death of the beneficiary, a retiree who had previously selected either Option II or Option III will have the retirement allowance recomputed as a straight life allowance.



Section Four:

***Actuarial Assumptions
And Methods***



Actuarial Assumptions

Economic Assumptions

- (i) **Interest Rate** 8.0% (net of expenses)
- (ii) **Salary Increases**
 - Wage Inflation 4.0%
 - Merit and Longevity Age-related rates

Sample Annual Rates of Salary Increase

Sample Ages	Inflation	Merit and Longevity	
		General	Public Safety
20	4.0%	3.8%	3.0%
25	4.0	3.1	3.0
30	4.0	2.7	2.6
35	4.0	2.4	1.1
40	4.0	2.1	0.2
45	4.0	1.7	0.2
50	4.0	1.1	0.2
55	4.0	0.7	0.1
60	4.0	0.2	0.0

Demographic Assumptions

(i) Mortality

1994 Group Annuity Mortality Table

Sample Ages	Value of \$1 Monthly for Life		Future Life Expectancy (Years)	
	Men	Women	Men	Women
50	\$134.63	\$140,32	30.7	34.9
55	127.16	134.40	26.2	30.2
60	117.78	126.60	21.8	25.6
65	106.80	117.13	17.8	21.3
70	94.73	106.11	14.3	17.3
75	81.36	92.79	11.1	13.6
80	67.17	77.98	8.4	10.3

(ii) Disability

Sample Ages	Percent Becoming Disabled Within Next Year	
	General	Public Safety
20	0.08%	0.11%
25	0.08	0.18
30	0.08	0.37
35	0.08	0.61
40	0.20	0.85
45	0.26	1.09
50	0.49	1.33
55	0.89	1.58
60	1.41	1.83

(iii) Termination of Employment

Service related rates for first 5 years of employment. Age related rates for after first 5 years of employment

Sample Ages	Years of Service	% Separating Within One Year	
		General Members	Public Safety
ALL	0	20.00%	15.00%
	1	15.00	10.00
	2	12.00	9.00
	3	10.00	8.00
	4	7.00	7.00
25	5 & Over	6.00	4.50
30		5.50	3.90
35		4.40	2.30
40		1.85	0.90
45		1.25	0.50
50		1.25	0.50
55		1.25	0.50
60		1.25	0.50

(iv) Retirement Rates

Age-related rates

**Active Members Retiring within Year
Following Attainment of Indicated Retirement Age**

Age Retiring	% Retiring Within One Year	
	General	Public Safety
50	15%	20%
51	10	10
52	10	10
53	10	10
54	10	10
55	10	20
56	10	10
57	10	10
58	10	10
59	10	10
60	15	25
61	15	15
62	30	30
63	15	15
64	15	15
65	60	60
66	30	30
67	40	40
68	50	50
69	90	90
70	100	100

Members were assumed to be eligible for retirement after attaining age 50 with 25 years of service or age 55 with 20 years of service, or age 60 with 10 or more years of service.

Actuarial Method Used for the Valuation

Normal Cost. Normal cost and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry-age actuarial cost method having the following characteristics:

- ❖ The annual normal costs for each individual active member, payable from date of hire to date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- ❖ Each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Financing of Unfunded Actuarial Accrued Liability. Unfunded actuarial accrued liabilities were amortized as a level percent of payroll over the same 25 year period used in the prior year's valuation to amortize the excess of accrued assets over accrued liabilities.

Active member payroll was assumed to increase 4.0% a year.



Section Five:
Valuation Data



Asset Summary

As of June 30, 2010, the market value of assets was reported to be \$30,547,392. The funding value of assets as of June 30, 2010 was \$36,073,560.

Derivation of Funding Value of Assets

A. Funding Value 6/30/2009	\$37,149,462
B. Market Value 06/30/2010	30,547,392
C. Market Value 6/30/2009	28,483,129
D. Non-Investment Net Cash Flow	(1,147,666)
E. Investment Income	
E1. Market Total B-C-D	3,211,929
E2. Amount for Immediate Recognition (8%)	2,926,050
E3. Amount for Phased-In Recognition E1-E2	285,879
F. Phased-In Recognition of Investment Income	
F1. Current Year 0.25 x E3	71,470
F2. First Prior Year	(2,332,373)
F3. Second Prior Year	(1,075,830)
F4. Third Prior Year	<u>482,447</u>
F5. Total Phased-In Amount	(2,854,286)
G. Funding Value 06/30/2009 A+D+E2+F5	36,073,560
H. Difference Between Market and Funding Value	(5,526,168)
I. Rate of Return Based on Funding Value	0.20%

Participant Summary

Retirees and Beneficiaries Included in the Valuation

There were 94 retirees and beneficiaries included in the valuation, with annual pensions totaling \$2,465,221. There were 13 new retirees or beneficiaries added - 4 from General, 3 from Fire Specialist and 6 from Public Safety. There were 3 General retirees and 1 Public Safety retiree removed during the year ended June 30, 2010.

There were also 4 vested inactive members included in the valuation, with deferred pensions totaling \$46,968.

Pensions Being Paid Historical Schedule

Valuation Date June 30	No.	Annual Pensions	Average Pension	Discounted Value of Pensions	
				Total	Average
1980	31	\$182,610	\$5,891	\$2,379,944	\$74,373
1985	45	372,747	8,283	4,633,062	102,957
1990	53	528,200	9,966	6,226,086	117,473
1991	57	592,850	10,400	6,924,895	121,489
1992	59	646,905	10,965	7,363,414	124,804
1993	62	696,142	11,228	7,872,897	126,982
1994	61	713,997	11,705	8,184,772	134,177
1995	64	779,106	12,174	9,080,522	141,883
1996	64	866,743	13,543	10,233,510	159,899
1997	64	907,159	14,174	10,536,216	164,628
1998	67	1,002,671	14,965	11,563,000	172,582
1999	72	1,219,342	16,935	15,108,776	209,844
2000	73	1,301,569	17,830	16,145,352	221,169
2001	76	1,428,339	18,794	17,730,248	233,293
2002	76	1,475,277	19,412	18,207,960	239,578
2003	81	1,649,089	20,359	20,247,071	249,964
2004	81	1,679,714	20,737	20,285,831	250,442
2005	83	1,756,466	21,162	21,204,118	255,471
2006	83	1,838,834	22,155	22,199,981	267,470
2007	85	1,934,698	22,761	23,067,937	271,387
2008	83	1,919,668	23,129	21,966,186	264,653
2009	85	2,083,133	24,507	24,748,740	291,162
2010	94	2,465,221	26,226	28,869,449	307,122

Retirees and Beneficiaries - June 30, 2010

Attained Age	General		Public Safety		Fire Specialist		Totals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
30-34		\$ -	1	\$32,507		\$ -	1	\$32,507
35-39			1	40,494			1	40,494
40-44					1	25,314	1	25,314
45-49			1	40,891			1	40,891
50-54	2	48,916	6	299,009			8	347,925
55-59	3	67,857	3	145,354	2	54,149	8	267,360
60-64	6	90,351	12	356,829			18	447,180
65-69	5	104,808	7	232,261			12	337,069
70-74	8	131,260	6	247,020			14	378,280
75-79	5	61,805	5	112,986			10	174,791
80-84	6	113,570	1	56,279			7	169,849
85-89	5	64,370	3	79,271			8	143,641
90-94	3	35,657	1	21,604			4	57,261
95-99	1	2,659					1	2,659
Totals	44	\$721,253	47	\$1,664,505	3	\$79,463	94	\$2,465,221

Active Member Summary**General Active Members - June 30, 2010
Age and Service Distribution**

Attained Age	Service						Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	No.	Payroll
25-29	5						5	\$231,656
30-34	1	3	2				6	296,854
35-39	2		6				8	430,061
40-44	2	6	3	1			12	687,140
45-49		2	3	2	2	1	10	523,626
50-54		2		2	1	1	6	346,042
55-59		1	1	1	1	1	5	294,208
60-64		3	2				5	219,956
65-69				1			1	55,750
Total	10	17	17	7	4	3	58	\$3,085,293

Group Averages:

Age: 44.8 years
Service: 11.4 years
Annual Pay: \$53,195

Public Safety Active Members - June 30, 2010
Age and Service Distribution

Attained Age	Service							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30	No.	Payroll
25-29	1	5						6	\$435,024
30-34		4	1					5	369,463
35-39	1	5						6	436,194
40-44			2	2				4	321,269
45-49			2	1	2	1		6	493,550
50-54	1				2			3	229,902
55-59						1	1	2	174,873
Total	3	14	5	3	4	2	1	32	\$2,460,275

Group Averages:

Age: 40.3 years
Service: 12.7 years
Annual Pay: \$76,884

Active Members – Comparative Summary

	June 30, 2010		June 30, 2009	
	General	Public Safety	General	Public Safety
Active Members	58	32	61	38
Valuation Payroll	\$3,085,293	\$2,460,275	\$3,407,360	\$3,046,153
Average Compensation	\$53,195	\$76,884	\$55,858#	\$80,162#
Average Age (yrs.)	44.8	40.3	45.2	41.0
Average Service (yrs.)	11.4	12.7	11.6	13.9

#Based on reported pay. The average pay is \$53,790 for General and \$77,193 for Public Safety based on valuation pay adjusted to 26 pay periods.



Section Six:
Supplemental Annuities



Computed Contributions for Supplemental Annuities Beginning July 1, 2011

<u>CONTRIBUTIONS FOR</u>	City Contributions Expressed As Dollars Per Active Member	
	<u>General</u>	<u>Public Safety</u>
Normal Cost	\$651	\$0
Unfunded Actuarial Accrued Liability	<u>3,678</u>	<u>887</u>
Total Per Member	\$4,329	\$887

Actuarial accrued liability, \$2,975,121 was reduced by accrued assets, \$989,173, and the resulting unfunded actuarial accrued liability, \$1,985,948, was amortized as level dollar payments over a period of 13 years, a decrease of 1 year from the period used for the June 30, 2009 valuation.

Contributions for Public Safety are shown per active member for historical reasons; there are no active Public Safety members currently eligible. The dollar amount of the Public Safety contribution is \$28,386.

Supplemental Annuities

Eligibility:

Age 50 with 25 years of service, age 55 with 20 years of service, or age 60 with 20 years of service. General members who qualify for a disability retirement are also eligible. Public Safety members with retirements effective after December 31, 1994 are not eligible.

Amount:

Years of Service	Per Month
10-14	\$250.00
15-19	300.00
20-24	350.00
25 & Over	400.00

Post-Retirement Adjustments

Eligibility:

Retirements effective on or after July 1, 1990.

Benefit:

The amounts in the above table are increased 2.5% compounded each year following retirement.

Post-Retirement Survivor Benefits:

50% of the benefit is payable to the spouse of a deceased member.

Asset Summary for Supplemental Annuities

Reserves	June 30,	
	2010	2009
Cash/Savings Accounts	\$119,097	\$116,665
Bonds	<u>870,076</u>	<u>788,255</u>
Total	\$989,173	\$904,920

Supplemental Annuities Summary

	<u>No.</u>	<u>Annual Annuities</u>	<u>Average</u>	<u>Discounted Value of Annual Annuities</u>
General	43	\$189,117	\$4,398	\$1,943,776
Public Safety	11	38,228	3,475	349,377
Total	54	\$227,345	\$4,210	\$2,293,153

Historical Comparison

Valuation Date June 30	General		Public Safety		Computed Contribution Per Active Member	
		Annual Supp.		Annual Supp.	General	Public Safety
	No.	Annuities	No.	Annuities		
1988	16	\$65,069	10	\$37,661	\$1,759	\$1,759
1989	18	72,269	11	42,461	1,831	1,831
1990	20	81,269	11	42,461	2,125	2,125
1991	24	99,299	11	40,060	1,443	2,443
1992	27	112,469	11	38,501	2,664	2,664
1993	30	126,929	11	38,501	2,833	2,833
1994	29	123,765	12	40,901	2,997	2,612
1994#	29	123,765	12	40,901	2,997	399
1995	29	122,738	12	43,301	2,830	731
1996	27	117,995	13	48,341	2,652	803
1997	27	118,755	13	48,463	2,443	778
1998	29	126,684	13	47,145	2,190	726
1999	31	134,630	13	45,303	2,527	800
2000	32	139,275	12	44,008	2,537	843
2001	33	143,957	12	44,280	2,810	801
2002	34	150,600	12	44,558	3,008	810
2003	36	158,745	12	44,843	3,282	892
2004	35	157,881	12	45,136	3,620	875
2005	35	156,979	12	43,035	3,488	850
2006	35	158,696	12	40,943	3,460	791
2007	35	161,173	12	41,257	3,563	737
2008	37	167,435	12	45,189	3,508	998
2009	38	169,675	12	43,527	3,865	946
2010	43	189,117	11	38,228	4,329	887

#Supplemental annuities discontinued for Public Safety retiring 1/1/95 and later.

A post-retirement increase provision is applicable for retirements effective on or after July 1, 1990.



Section Seven:
Accounting Disclosures



GASB Statements No. 25 Supplementary Information – Excluding Supplemental Annuities

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

Valuation Date:	June 30, 2010
Actuarial Cost Method:	Individual Entry Age
Amortization method:	Level percent of payroll, open
Remaining amortization period:	25 years
Asset valuation method:	4 Year Smoothed Market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases*	4.0%-9.3%
* Includes inflation at	4.00%
Cost-of-living adjustments	2.5% - compound

Membership data as of June 30, 2010 is indicated in Section Five of this report.

**Analysis of Funding Progress
Including Post-Retirement Health Insurance
Through December 31, 2004 Valuation**

Valuation Date 06/30	(1) Funding Value of Assets	(2) Actuarial Accrued Liability*	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2)-(1)	(5) Annual Covered Payroll	(6) UAAL As a % Of Covered Payroll
1990	\$16,860	\$13,914	121.2%	\$(2,946)	\$3,007	-
1991	18,148	14,778	122.8	(3,370)	3,048	-
1992	19,364	15,501	125.0	(3,863)	3,171	-
1993	21,016	16,659	126.2	(4,357)	3,213	-
1994	21,716	17,923	121.2	(3,793)	3,460	-
1995	22,757	20,442	111.3	(2,315)	3,649	-
1996	24,251	20,354	119.1	(3,897)	3,588	-
1997	26,876	20,533	130.9	(6,343)	3,882	-
1998	30,018	22,403	134.0	(7,615)	4,305	-
1999	33,785	26,108	129.4	(7,677)	4,426	-
2000	36,943	27,097	136.3	(9,846)	4,553	-
2001	38,298	29,108	131.6	(9,190)	5,853	-
2002	37,739	30,427	124.0	(7,312)	5,058	-
2003	35,745	32,137	111.2	(3,608)	4,970	-
2004	34,404	33,804	101.8	(600)	5,050	-
2005	33,329	36,141	92.2	2,812	5,436	51.7%
2006	33,549	36,846	91.1	3,297	5,452	60.5
2007	35,810	38,744	92.4	2,943	5,740	51.3
2008 (a)	37,728	36,310	103.9	(1,418)	5,739	-
2009	37,149	40,417	91.9	3,268	6,214**	52.6
2010 (a)	36,074	41,541	86.8	5,467	5,546	98.6

(a) After changes in actuarial assumptions.

*Prior to 1999 Actuarial Accrued Liability was based on the Attained Age actuarial cost method.

**Adjusted for 27 pay periods.

GASB Statements No. 25 Supplementary Information – Supplemental Annuities

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

Valuation Date:	June 30, 2010
Actuarial Cost Method:	Entry Age, level dollar
Amortization method:	Level dollar, closed
Remaining amortization period:	13 years
Asset valuation method:	Market Value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases*	4.0%-9.3%
* Includes inflation at	4.5%
Cost-of-living adjustments	2.5% - compound for retirements effective on or after July 1, 1990

Membership data as of June 30, 2010 is indicated in Section Five of this report.

**Analysis of Funding Progress
Supplemental Annuities**

Valuation Date 06/30	(1) Funding Value of Assets	(2) Actuarial Accrued Liability*	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2)-(1)	(5) Annual Covered Payroll	(6) UAAL As a % Of Covered Payroll
1998	\$690	\$2,163	31.9%	\$1,473	\$4,305	34.2%
1999	760	2,359	32.2	1,599	4,426	36.1
2000	739	2,406	30.7	1,667	4,553	36.6
2001	712	2,463	28.9	1,751	4,853	36.1
2002	642	2,575	24.9	1,933	5,058	38.2
2003	581	2,639	22.0	2,058	4,970	41.4
2004	591	2,662	20.2	2,071	5,050	41.0
2005	619	2,687	23.0	2,068	5,436	38.0
2006	718	2,728	26.3	2,010	5,452	36.9
2007	788	2,733	28.8	1,945	5,740	33.9
2008	869	2,836	30.6	1,967	5,739	34.3
2009	905	2,882	31.4	1,977	6,214**	31.8
2010	989	2,975	33.2	1,986	5,545	35.8

*Prior to 1999 Actuarial Accrued Liability was based on the Attained Age actuarial cost method.

**Adjusted for 27 pay periods.