GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

CITY OF MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
ACTUARIAL VALUATION REPORT AS OF OCTOBER 1, 2011

ANNUAL EMPLOYER CONTRIBUTION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013

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May 29, 2012

Board of Trustees
City of Miami Beach Employees'
Retirement Plan
Miami Beach, Florida

Dear Board Members:

The results of the October 1, 2011 Actuarial Valuation of the City of Miami Beach Employees' Retirement Plan are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement Plan and those designated or approved by the Board. This report may be provided to parties other than the Retirement Plan only in its entirety and only with the permission of the Board.

The purpose of the valuation is to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal years ending September 30, 2013 and to determine the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 25 and No. 27.

This report should not be relied on for any purpose other than the purpose described above.

The findings in this report are based on data or other information through September 30, 2011. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation was based upon information furnished by the City concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. We are not responsible for the accuracy or completeness of the information provided by the City.

This report was prepared using certain assumptions prescribed by the Board as described in Section B.

The undersigned actuaries are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

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.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By J Stephen Palmquist
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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 and the last actuarial valuation is shown below. The required contribution dollar amounts shown below are estimates only. According to current rules of the Division of Retirement, the actual employer contribution may not be less than the indicated percentages multiplied by the actual pensionable payroll for the year.

	Required City Contribution				
	Amount	% of Non-DROP Payroll	% of Total Payroll	Non-DROP Covered Payroll	Total Covered Payroll
For FYE 9/30/13 Based on 10/1/11 Valuation	$ 21,222,051	31.99 %	29.84 %	$ 66,346,904	$ 71,127,701
For FYE 9/30/12 Based on 10/1/10 Valuation	17,583,191 *	25.54 %	24.28 %	$ 68,844,264	$ 72,430,076
Increase (Decrease)	3,638,860	6.45	5.56	(2,497,360)	(1,302,375)

* This amount is to be reduced by $466,878, which represents an overpayment by the City for the fiscal year ending September 30, 2011. This amount represents a prepaid contribution for fiscal year ending September 30, 2012.

The contribution has been adjusted for interest on the basis that the employer contribution is made in a single payment on the first day of the fiscal year. The actual employer contribution for the year ending September 30, 2011 was $14,474,678 compared to the minimum required payment of $14,474,678.

Revisions in Benefits

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

Revisions in Actuarial Assumptions and Methods

The investment return assumption was reduced from 8.25% last year to 8.15% this year. The investment return assumption will be 8.00% for the October 1, 2012 Valuation. The salary scale assumption was also reduced by 1.0%.

The Actuarial Standard of Practice (ASOP) with regard to the mortality assumption has recently been revised. ASOP No. 35 Disclosure Section 4.1.1 now states *"The disclosure of the mortality assumption should contain sufficient detail to permit another qualified actuary to understand the provision* *made for future mortality improvement. If the actuary assumes zero mortality improvement after the measurement date, the actuary should state that no provision was made for future mortality improvement."* The mortality table used was the RP-2000 Combined Healthy Participant Mortality Tables for males and females projected to the year 2010 using Scale AA. There is no provision for future mortality improvements after 2010. We recommend that the mortality assumption be revised to include a margin for mortality improvements after 2010. Detail on this assumption can be found in the Actuarial Assumptions and Cost Method section.

Actuarial Experience

There was a net actuarial loss of $22,163,141 for the year which means actual experience was less favorable than expected. The actuarial loss was primarily due to lower than expected return on investments, and was partially offset by gains due to lower salary increases than expected. The actuarial loss translates into an increase in the employer contribution equal to 3.03% of non-DROP payroll.

Funded Ratio

The funded ratio this year is 70.7% compared to 74.4% last year. This year's ratio was 70.9% before the changes in assumptions described above.

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 required employer contribution as a percent of non-DROP payroll are as follows:

Contribution rate last year	25.54	%
Change in assumptions/methods	(0.98)	
Payment on unfunded liability	3.73	
Change in employer normal cost rate	0.63	
Experience gain/loss	3.03	
Change in administrative expense	0.04	
Contribution rate this year	31.99	%

Asset Values

It is important to keep in mind that under the asset smoothing method, the difference between actual and expected return is recognized over five years. As of September 30, 2011 the actuarial value of assets exceeded the market value by $63,016,130. Once all the losses through September 30, 2011 are fully recognized in the actuarial asset values, the contribution rate will increase by roughly 8.6% of non-DROP payroll unless there are offsetting gains.

If we were not using an asset smoothing method, the City contribution rate would have been 40.54% and the funded ratio would have been 60.2%.

Projections of Required Contributions and Funded Ratio

The following three pages show the estimated City contributions and funded ratios over the next ten years, and a projection of the unfunded accrued liability and amortization payments over the next thirty years. The projections are based on these assumptions:

- An 8.15% return on market value of assets for 2012 and 8.0% for each year after. The assumed investment rate of return is 8.15% each year.
- Cash flow remains constant
- No future gains or losses other than from investments
- 3% payroll growth

The projections reflect the expiration of amortization bases. For example, for the 2012 valuation, there will be an increase in the amortization payments on the unfunded accrued liability in the amount of $1,497,354. In 2013, there will be an increase in the amortization payments in the amount of $1,119,931. In 2014, the amortization payments will increase by $1,171,144.

Conclusion

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

10-Year Projection of Annual Required Contribution (ARC)

Total ARC
Current Assumptions

Fiscal Year Ending 9/30	Dollar Amount (thousands)	% of Payroll
2013	$ 21,222	31.99 %
2014	26,539	38.83
2015	29,148	41.41
2016	31,177	43.00
2017	32,569	43.62
2018	31,340	40.75
2019	31,381	39.61
2020	31,365	38.44
2021	31,324	37.27
2022	31,231	36.08
2023	31,114	34.89

Assumptions

8.15% Interest Assumption

8.15% Return on Market Value of Assets for 2012 and 8% for each year after

No Gains or Losses other than from Investments

Constant cash flow

3.0% payroll growth

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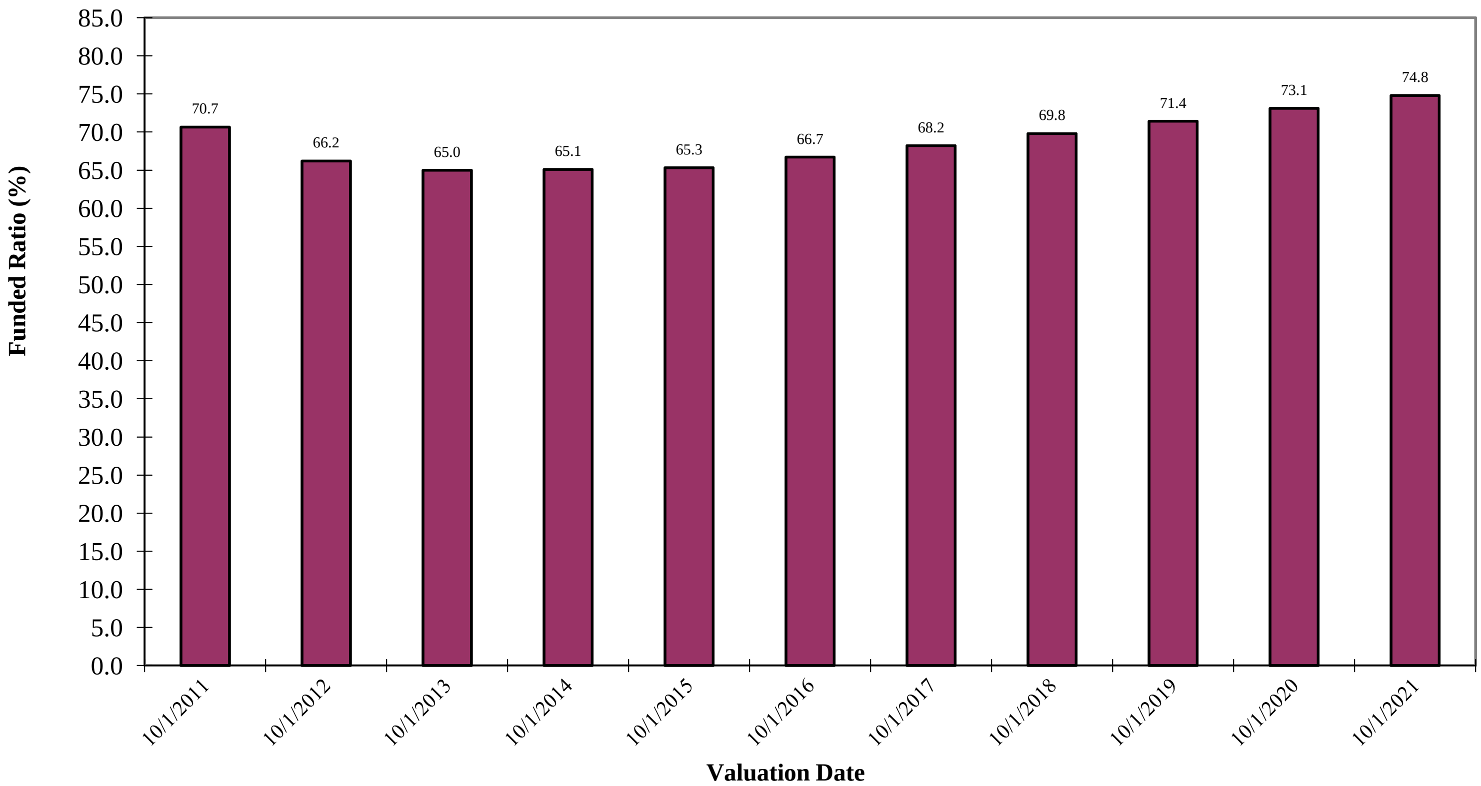
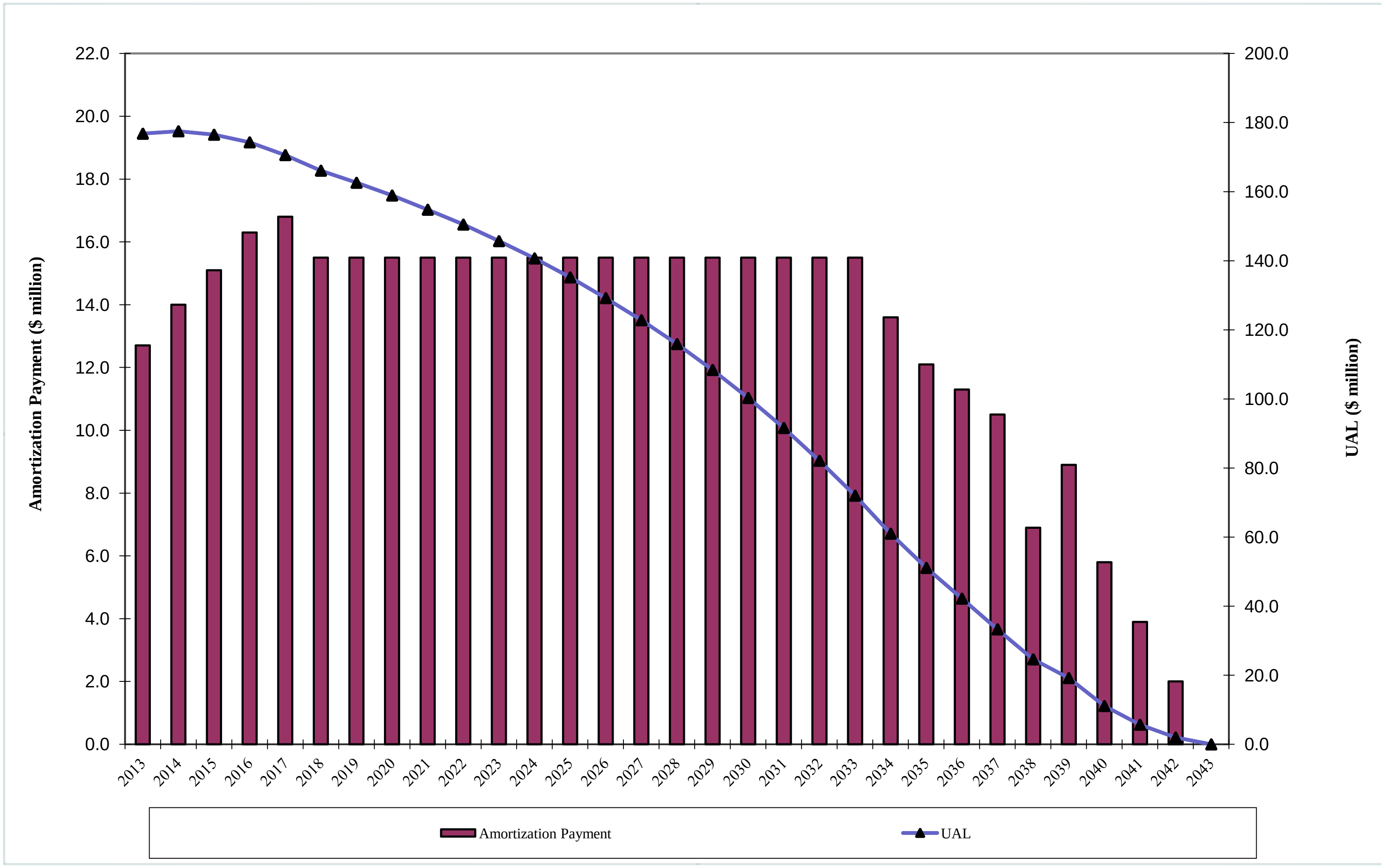
City of Miami Beach Employees' Retirement Plan
10-Year Projection of Funded Ratio



30- Year Projection of Unfunded Actuarial Accrued Liability (UAL) and Amortization Payments



SECTION B

VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2011	**October 1, 2010**
ACTIVE MEMBERS		
Number (Non-DROP)	1,072	1,117
Covered Annual Non-DROP Payroll	$ 66,346,904	$ 68,844,264
Average Annual Non-DROP Pay	$ 61,891	$ 61,633
Total Covered Annual Payroll	$ 71,127,701	$ 72,430,076
Average Annual Pay	$ 62,834	$ 62,118
Average Age	44.8	44.1
Average Past Service	9.6	8.8
Average Age at Hire	35.2	35.3
DROP PARTICIPANTS		
Number	60	49
Annual Benefits	$ 3,038,978	2,505,713
Average Annual Benefit	$ 50,650	51,137
Average Age	59.1	58.6
RETIREES & BENEFICIARIES		
Number	972	981
Annual Benefits	$ 30,321,221	$ 29,224,108
Average Annual Benefit	$ 31,195	$ 29,790
Average Age	71.3	71.3
DISABILITY RETIREES		
Number	43	40
Annual Benefits	$ 1,038,368	$ 947,329
Average Annual Benefit	$ 24,148	$ 23,683
Average Age	66.3	66.7
TERMINATED VESTED MEMBERS		
Number	68	75
Annual Benefits	$ 1,296,576	$ 1,423,585
Average Annual Benefit	$ 19,067	$ 18,981
Average Age	46.5	46.9

ANNUAL REQUIRED CONTRIBUTION (ARC)			
A. Valuation Date	October 1, 2011 *After Assumption Changes*	October 1, 2011 *Before Assumption Changes*	October 1, 2010
B. ARC to Be Paid During Fiscal Year Ending	9/30/2013	9/30/2013	9/30/2012
C. Assumed Date of Employer Contrib.	10/1/2012	10/1/2012	10/1/2011
D. Annual Payment to Amortize Unfunded Actuarial Liability	$ 12,706,745	$ 12,687,916	$ 8,809,653
E. Employer Normal Cost	6,916,048	7,738,449	7,433,480
F. ARC if Paid on the Valuation Date: D+E	19,622,793	20,426,365	16,243,133
G. ARC Adjusted for Frequency of Payments	21,222,051	22,111,540	17,583,191
H. ARC as % of Covered Payroll			
- Non-DROP Payroll	31.99 %	33.17 %	25.54 %
- Total Payroll	29.84 %	30.95 %	24.28 %
I. Covered Payroll for Contribution Year			
- Non-DROP Payroll	66,346,904	66,669,459	68,844,264
- Total Payroll	71,127,701	71,450,383	72,430,076

ACTUARIAL VALUE OF BENEFITS AND ASSETS

A. Valuation Date	October 1, 2011 *After Assumption Changes*	October 1, 2011 *Before Assumption Changes*	October 1, 2010
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	$ 269,719,201	$ 283,793,707	$ 285,877,010
b. Vesting Benefits	31,827,213	32,438,819	33,977,830
c. Disability Benefits	6,968,416	7,203,845	7,463,234
d. Preretirement Death Benefits	3,901,096	4,036,903	4,177,887
e. Return of Member Contributions	618,849	624,078	742,727
f. Total	313,034,775	328,097,352	332,238,688
2. Inactive Members			
a. Service Retirees & Beneficiaries	372,407,944	369,202,412	350,896,082
b. Disability Retirees	11,255,203	11,157,105	10,177,301
c. Terminated Vested Members	12,545,886	12,367,785	13,770,243
d. Total	396,209,033	392,727,302	374,843,626
3. Total for All Members	709,243,808	720,824,654	707,082,314
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	602,577,503	600,918,835	580,246,165
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35			
1. Based on Plan's Interest Rate	563,637,296	557,698,211	534,033,829
2. Based on FRS Interest Rate	588,546,798	588,546,798	N/A
E. Plan Assets			
1. Market Value	362,764,920	362,764,920	379,911,671
2. Actuarial Value	425,781,050	425,781,050	431,479,305
F. Unfunded Actuarial Accrued Liability: C-E2	176,796,453	175,137,785	148,766,860
G. Actuarial Present Value of Projected Covered Payroll	548,806,758	581,171,811	614,906,302
H. Actuarial Present Value of Projected Member Contributions	52,578,408	55,471,948	59,120,682

CALCULATION OF EMPLOYER NORMAL COST

	October 1, 2011 *After Assumption Changes*	October 1, 2011 *Before Assumption Changes*	October 1, 2010
A. Valuation Date			
B. Normal Cost for			
1. Service Retirement Benefits	$ 9,815,719	$ 10,657,792	$ 10,718,607
2. Vesting Benefits	2,015,078	2,029,961	2,051,157
3. Disability Benefits	515,569	520,203	524,204
4. Preretirement Death Benefits	262,722	267,668	267,300
5. Return of Member Contributions	226,604	214,621	177,450
6. Total for Future Benefits	12,835,692	13,690,245	13,738,718
7. Assumed Amount for Administrative Expenses	693,694	693,694	690,536
8. Total Normal Cost	13,529,386	14,383,939	14,429,254
% of Covered Payroll			
- Non-DROP Payroll	20.39 %	21.68 %	20.96 %
- Total Payroll	19.02 %	20.22 %	19.92 %
C. Expected Member Contribution	6,613,338	6,645,490	6,995,774
% of Covered Payroll			
- Non-DROP Payroll	9.97 %	10.02 %	10.16 %
- Total Payroll	9.30 %	9.34 %	9.66 %
D. Employer Normal Cost: B8-C	6,916,048	7,738,449	7,433,480
% of Covered Payroll			
- Non-DROP Payroll	10.42 %	11.66 %	10.80 %
- Total Payroll	9.72 %	10.88 %	10.26 %

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

A. Derivation of the Current UAAL

1. Last Year's UAAL	$ 148,766,860
2. Employer Normal Cost for Contribution Year	7,023,886
3. Last Year's Contributions	14,474,678
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	12,852,737
b. 3 from dates paid	1,194,161
c. a - b	11,658,576
5. This Year's Expected UAAL Prior to Revision: 1 + 2 - 3 + 4c	152,974,644
6. This Year's Actual UAAL Prior to Revisions	175,137,785
7. This Year's Gain (Loss): 5 - 6	(22,163,141)
8. Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	1,658,668
9. This Year's Revised UAAL: 6 + 8	176,796,453
10. Gain (Loss) Due to Investments	(27,325,630)
11. Gain (Loss) Due to Other Causes	5,162,489

B. UAAL Amortization Period and Payments

Original UAAL				Current UAAL		
Date Established	**Source**	**Amortization Period (Years)**	**Amount**	**Years Remaining**	**Amount**	**Payment**
10/1/97	(Gain) Loss	15	$ (11,502,918)	1	$ (1,497,354)	$ (1,497,354)
10/1/98	(Gain) Loss	15	(9,492,383)	2	(2,155,466)	(1,119,931)
10/1/99	(Gain) Loss	15	(11,197,306)	3	(3,492,694)	(1,256,544)
10/1/99	Plan Chg.	15	761,013	3	237,378	85,400
10/1/00	(Gain) Loss	15	(1,184,364)	4	(455,218)	(127,507)
10/1/01	(Gain) Loss	15	4,182,294	5	1,845,889	429,167
10/1/01	Plan Chg.	15	8,482,719	5	3,743,912	870,455
10/1/02	(Gain) Loss	30	24,017,296	21	20,751,394	1,937,660
10/1/03	(Gain) Loss	30	16,972,622	22	16,303,494	1,495,395
10/1/04	(Gain) Loss	30	9,682,048	23	9,094,413	820,731
10/1/05	(Gain) Loss and Assum. Chg.*	30	9,377,578	24	8,560,858	761,247
10/1/06	(Gain) Loss	30	11,796,972	25	10,784,452	946,140
10/1/06	(Gain) Loss	30	34,747,408	25	31,765,084	2,786,809
10/1/07	(Gain) Loss	30	(14,036,710)	26	(12,975,392)	(1,124,442)
10/1/07	Assum. and Method Chg.**	30	(12,143,754)	26	(11,225,562)	(972,802)
10/1/08	(Gain) Loss	30	29,844,325	27	29,198,138	2,502,022
10/1/08	Assum. Chg	30	8,228,994	27	8,050,820	689,884
10/1/09	(Gain) Loss	30	28,291,986	28	27,551,476	2,336,772
10/1/09	Assum. Chg	30	8,975,372	28	8,740,452	741,319
10/1/09	Assum. Chg	30	(7,968,884)	28	(7,760,307)	(658,189)
10/1/09	Plan Chg.	30	(6,161,412)	28	(6,000,145)	(508,901)
10/1/09	***	6	(1,126,404)	4	(1,304,117)	(365,285)
10/1/10	(Gain) Loss	30	15,123,488	29	15,141,579	1,272,199
10/1/10	Assum. Chg	30	8,061,915	29	8,071,560	678,174
10/1/11	(Gain) Loss	30	22,163,141	30	22,163,141	1,846,161
10/1/11	Assum. Chg	30	1,658,668	30	1,658,668	138,165
			167,553,704		176,796,453	12,706,745

* Loss of 7,060,041 plus assumption change of 2,317,537.
**Assumption change of 5,311,398 plus method change of (17,455,152).
***Credit Base established to reflect receivables from Excess Plan.

C. Amortization Schedule

The UAAL is being liquidated as a level dollar amount over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

Amortization Schedule	
Year	**Expected UAAL**
2011	$ 176,796,453
2012	177,463,014
2013	176,564,516
2014	174,381,586
2015	170,754,155
2016	166,298,133
2021	146,211,647
2026	116,492,483
2031	72,521,194
2036	24,855,739
2041	-

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.

Net actuarial gains in previous years are as follows:

Year Ended	Gain (Loss)
9/30/1990	$ (9,106,524)
9/30/1991	2,727,904
9/30/1992	4,954,823
9/30/1993	5,370,894
9/30/1994	(1,696,061)
9/30/1995	6,661,918
9/30/1996	7,568,621
9/30/1997	13,539,264
9/30/1998	6,894,790
9/30/1999	16,168,137
9/30/2000	6,540,306
9/30/2001	(6,572,791)
9/30/2002	(32,586,068)
9/30/2003	(18,414,901)
9/30/2004	(9,682,048)
9/30/2005	(7,060,041)
9/30/2006	(11,796,971)
9/30/2007	14,036,710
9/30/2008	(29,844,325)
9/30/2009	(28,291,986)
9/30/2010	(15,123,488)
9/30/2011	(22,163,141)

HISTORY OF INVESTMENT RETURNS AND SALARY INCREASES

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

	General Plan				Unclassified Plan			
	Investment Return		Salary Increases		Investment Return		Salary Increases	
Year Ending	Actual	Assumed	Actual	Assumed	Actual	Assumed	Actual	Assumed
9/30/1989	11.6 %	8.0 %	1.9 %	6.0 %	14.6 %	8.0 %	3.2 %	6.0 %
9/30/1990	7.3	8.5	7.5	6.0	(2.3)	8.0	12.3	6.0
9/30/1991	8.1	8.5	3.0	6.0	21.6	8.5	3.4	6.0
9/30/1992	13.7	8.5	2.0 *	6.0	5.8	9.0	2.4	6.0
9/30/1993	11.4	8.5	3.1	6.0	14.1	9.0	6.3	6.0
9/30/1994	6.8	8.5	3.9	6.0	4.8	9.0	6.0	6.0
9/30/1995	11.4	8.5	8.8	6.0	24.1	9.0	7.6	6.0
9/30/1996	15.3	8.5	4.2	6.0	13.9	9.0	8.6	6.0
9/30/1997	13.8	8.5	6.0	6.0	19.1	9.0	7.4	6.0
9/30/1998	12.5	8.5	5.0	6.0	4.3	9.0	4.1	6.0
9/30/1999	14.4	8.5	7.3	6.0	18.8	9.0	7.1	6.0
9/30/2000	10.7	8.5	6.7	6.0	16.5	9.0	6.7	6.0
9/30/2001	7.2	8.5	9.3	6.0	9.7	9.0	7.0	6.0
9/30/2002	0.3	8.5	8.9	6.0	1.7	9.0	9.2	6.0
9/30/2003	4.3	8.5	8.1	6.0	4.6	9.0	7.5	6.0
9/30/2004	4.1	8.5	3.1	6.0	9.7	9.0	5.7	6.0
9/30/2005	4.4	8.5	4.7	6.0	10.7	9.0	6.8	6.0
9/30/2006	7.7	8.5	11.9	6.0	10.2	8.75	7.9	6.0
9/30/2007 **	12.0	8.75	(3.6)	6.0	NA	NA	NA	NA
9/30/2008 **	5.2	8.65	11.3	6.0	NA	NA	NA	NA
9/30/2009 **	1.1	8.50	4.8	6.0	NA	NA	NA	NA
9/30/2010 **	5.0	8.35	2.5	6.0	NA	NA	NA	NA
9/30/2011 **	1.1	8.25	0.8	6.8	NA	NA	NA	NA
Averages	8.1 %	---	5.2 %	---	11.0 %	---	6.6 %	---

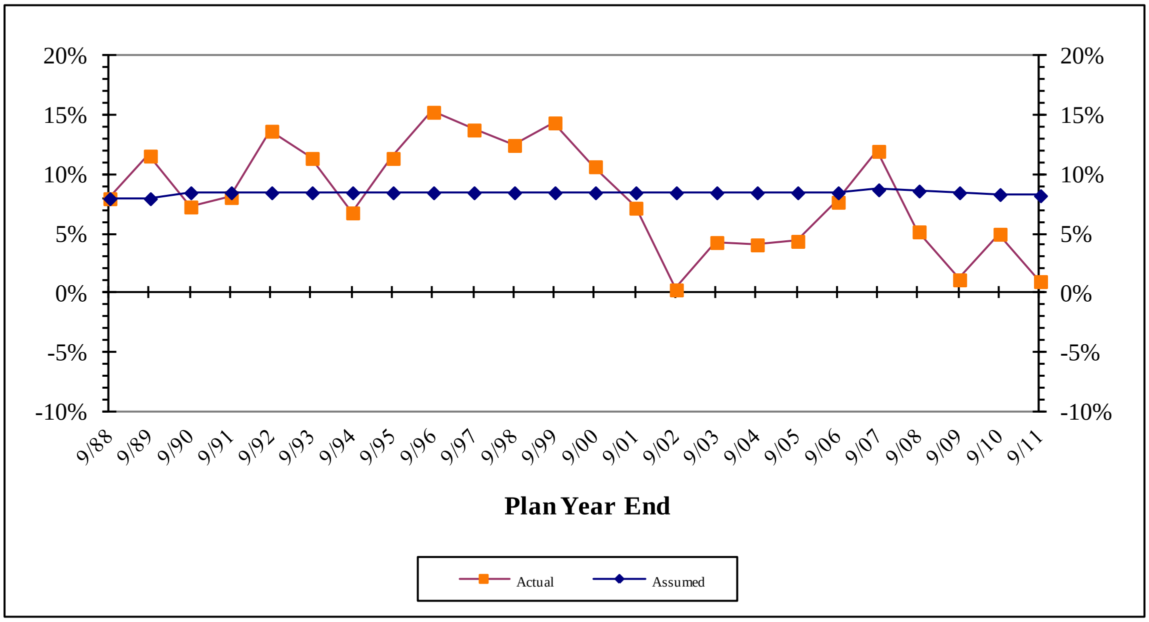
* Approximate rate
** Represents salary increases and investment return for the total group
Note: Figures before 1992 were taken from Reports of Buck Consultants.

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 valuation both at the beginning and the end of each period. The exhibits that follow illustrate the table above in graphic form.

History of Investment Return Based

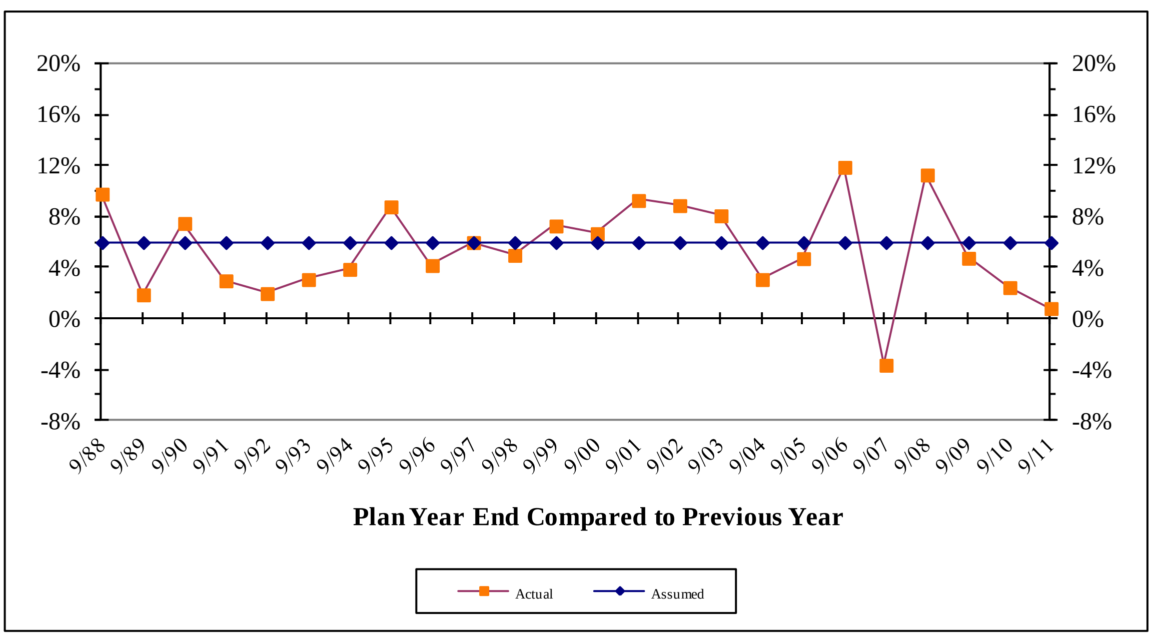
on Actuarial Value of Assets – General Plan

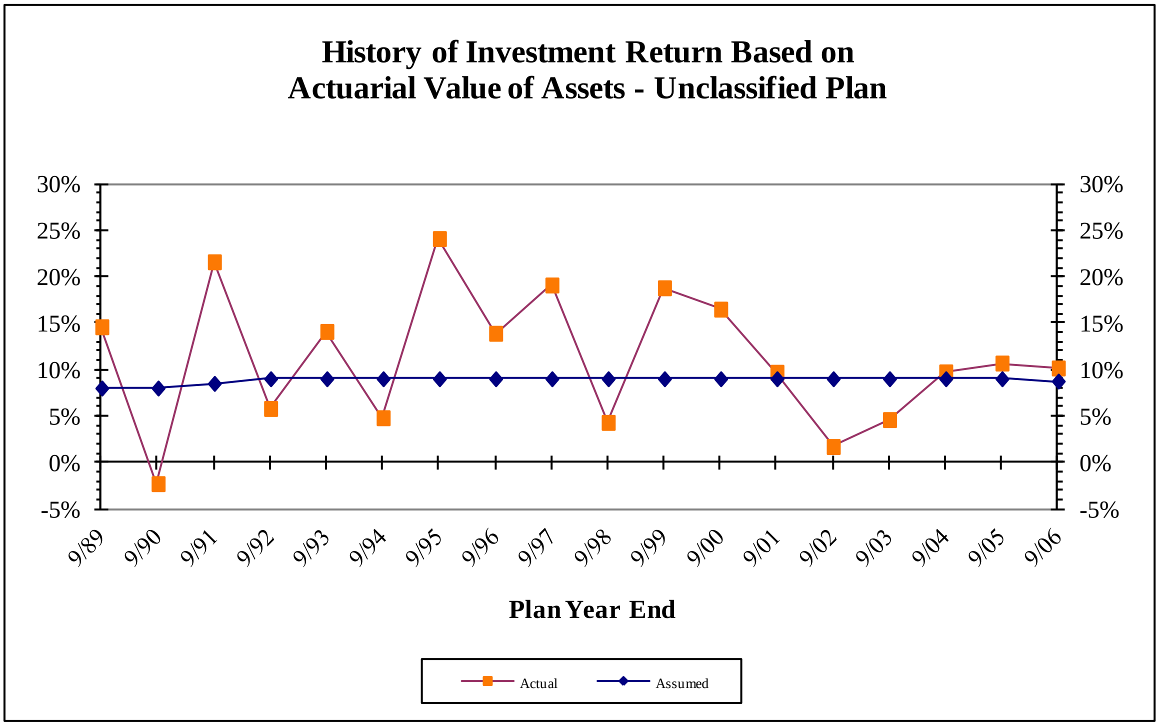
and Combined Plan after 2006

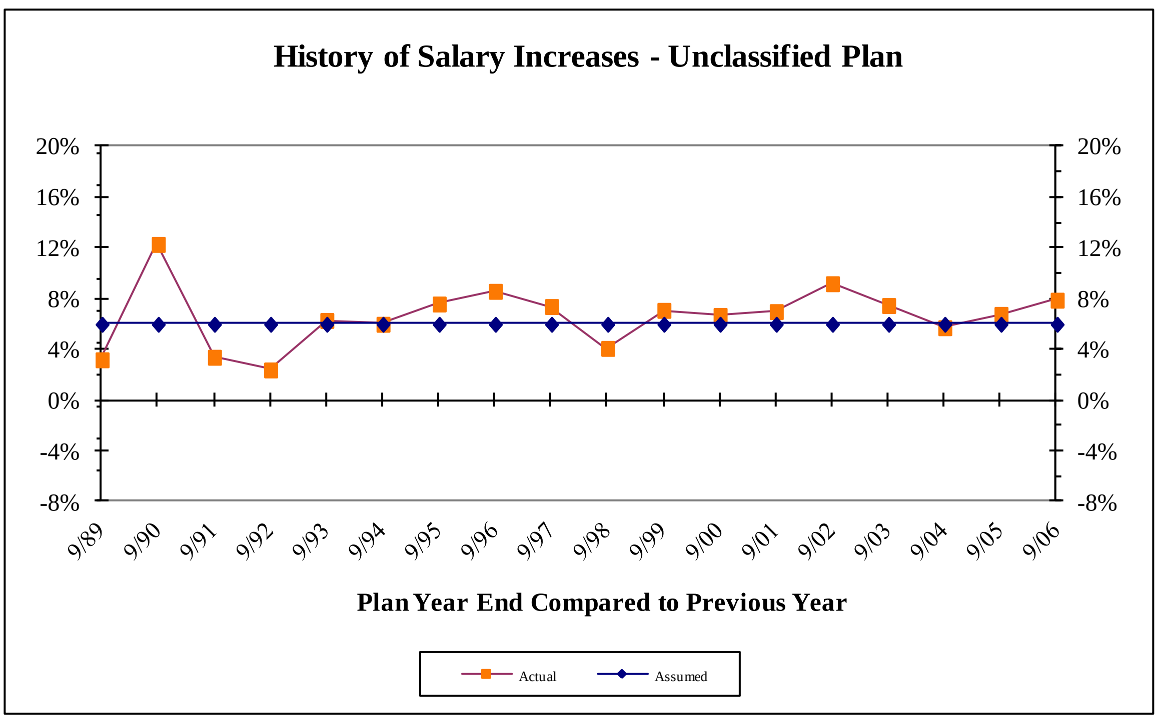


History of Salary Increases – General Plan

and Combined Plan after 2006




History of Investment Return Based on
Actuarial Value of Assets - Unclassified Plan
30%
25%
20%
15%
10%
5%
0%
-5%
9/89
9/90
9/91
9/92
9/93
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
Plan Year End
Actual
Assumed


History of Salary Increases - Unclassified Plan
20%
16%
12%
8%
4%
0%
-4%
-8%
9/89
9/90
9/91
9/92
9/93
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
Plan Year End Compared to Previous Year
Actual
Assumed

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

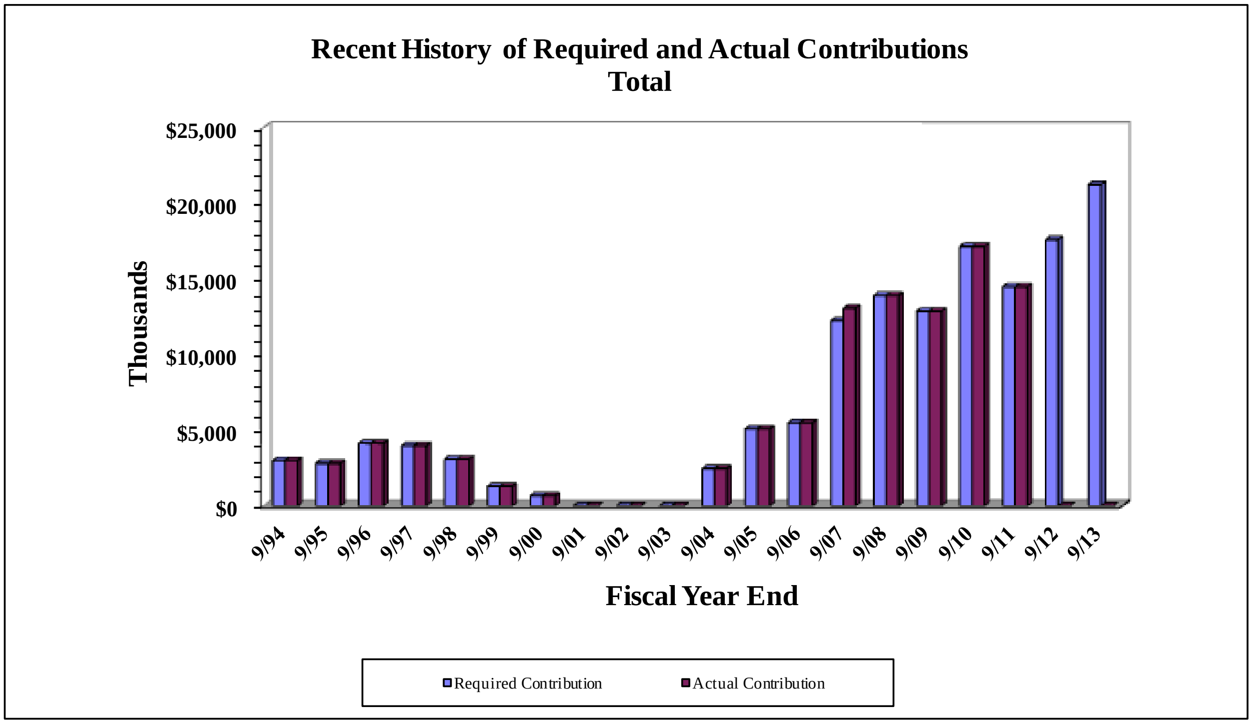
Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
									Vested	Other	Totals		
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2003	109	46	20	40	0	3	2	1	15	9	24	33	**714**
9/30/2004	65	54	24	37	2	3	1	1	18	9	27	35	**725**
9/30/2005	73	62	16	43	2	3	2	1	23	19	42	37	**736**
9/30/2006 *	357	75	40	40	0	3	1	1	21	13	34	37	**1018**
9/30/2007	149	106	40	86	2	3	1	2	17	46	63	49	**1061**
9/30/2008	182	85	29	92	1	3	1	2	24	30	54	61	**1158**
9/30/2009	78	29	55	123	2	3	1	2	12	12	24	64	**1154**
9/30/2010	35	72	31	114	0	3	1	2	10	30	40	69	**1117**
9/30/2011	37	82	27	38	3	1	3	2	9	40	49	43	**1072**
9/30/2012				46		1		2				39	
9 Yr Totals **	1085	611	282	613	12	25	13	14	149	208	357	428	

* Includes 401a transfers

** Totals are through current Plan Year only

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS						
Valuation Date	End of Year To Which Valuation Applies	Required Employer Contribution		Actual Employer Contribution	Expected Employee Contribution	
		Amount	% of Payroll (1)		Amount	% of Payroll
10/1/92	9/30/94	$ 3,004,556	13.59 %	$ 3,004,556	2,210,760	10.00 %
10/1/93	9/30/95	2,809,509	13.32	2,809,509	2,109,411	10.00
10/1/94	9/30/96	4,151,807	18.92	4,151,807	2,194,453	10.00
10/1/95	9/30/97	3,982,477	16.97	3,982,477	2,346,131	10.00
10/1/96	9/30/98	3,091,359	12.29	3,091,359	2,514,836	10.00
10/1/97	9/30/99	1,293,920	4.99	1,293,920	2,593,998	10.00
10/1/98	9/30/00	666,897	2.66	666,897	2,507,033	10.00
10/1/99	9/30/01	-	-	-	2,541,861	10.00
10/1/00	9/30/02	-	-	-	2,588,940	10.00
10/1/01	9/30/03	-	-	-	2,766,409	10.00
10/1/02	9/30/04	2,476,702	8.16	2,476,702	3,035,064	10.00
10/1/03	9/30/05	5,082,595	14.74	5,082,595	3,448,863	10.00
10/1/04	9/30/06	5,500,329	15.89	5,500,329	3,461,920	10.00
10/1/05	9/30/07	12,234,519 *	23.11	13,053,231	4,550,013 *	8.59
10/1/06	9/30/08	13,911,545	24.24	13,911,545	4,901,855	8.54
10/1/07	9/30/09	12,863,823	21.57	12,863,823	4,987,739	8.36
10/1/08	9/30/10	17,137,394	25.20	17,137,394	5,627,519	8.27
10/1/09	9/30/11	14,474,678	20.65	14,474,678	7,146,837	10.20
10/1/10	9/30/12	17,583,191	25.54	NA	6,995,774	10.16
10/1/11	9/30/13	21,222,051	31.99	NA	6,613,338	9.97
Average % of Payroll			14.69 %			9.70 %

* From February 28, 2006 Actuarial Impact Statement.


Recent History of Required and Actual Contributions
Total
$25,000
$20,000
$15,000
$10,000
$5,000
$0
Thousands
9/94
9/95
9/96
9/97
9/98
9/99
9/00
9/01
9/02
9/03
9/04
9/05
9/06
9/07
9/08
9/09
9/10
9/11
9/12
9/13
Fiscal Year End
Required Contribution
Actual Contribution

ACTUARIAL ASSUMPTIONS AND COST METHOD

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) dollar 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.

Economic Assumptions

The investment return rate assumed in the valuations is 8.15% per year, compounded annually (net after investment expenses). The assumption rate for the next valuation will be 8.00%.

The **Wage Inflation Rate** assumed in this valuation was 4.00% 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 8.15% investment return rate translates to an assumed real rate of return over wage inflation of 4.15%.

Rates of salary increases used 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	3.0%	4.0%	7.0%
2	2.9%	4.0%	6.9%
3	2.8%	4.0%	6.8%
4	2.7%	4.0%	6.7%
5	2.6%	4.0%	6.6%
6	2.5%	4.0%	6.5%
7	2.0%	4.0%	6.0%
8	1.9%	4.0%	5.9%
9	1.8%	4.0%	5.8%
10	1.7%	4.0%	5.7%
11	1.6%	4.0%	5.6%
12	1.5%	4.0%	5.5%
13	1.4%	4.0%	5.4%
14	1.3%	4.0%	5.3%
15	1.2%	4.0%	5.2%
16	1.1%	4.0%	5.1%
17	1.0%	4.0%	5.0%
18	0.9%	4.0%	4.9%
19	0.8%	4.0%	4.8%
20	0.7%	4.0%	4.7%
21+	0.5%	4.0%	4.5%

Demographic Assumptions

The mortality table was the RP-2000 Combined Healthy Participant Mortality Tables for males and females projected to the year 2010 using Scale AA. There is no provision for future mortality improvements after 2010. As noted in the Discussion of Valuation Results, we recommend that the mortality assumption be revised to include a margin for mortality improvements after 2010. Sample values of the current life expectancies are shown below.

This assumption is used to measure the probabilities of each benefit 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 (25% of deaths are assumed to be service-connected).

Current Mortality Assumption

Sample Attained Ages	Probability of Dying Next Year: Men	Probability of Dying Next Year: Women	Future Life Expectancy (years): Men	Future Life Expectancy (years): Women
50	0.18 %	0.14 %	31.85	34.16
55	0.30	0.25	27.17	29.44
60	0.57	0.48	22.66	24.89
65	1.11	0.92	18.44	20.61
70	1.91	1.59	14.60	16.69
75	3.29	2.59	11.12	13.15
80	5.82	4.28	8.13	10.00

The rates of retirement used to measure the probability of eligible members retiring during the next year are shown in the table below.

Normal Retirement Rates

Years of Service	Age	Assumed Rate of Retirement
5-9	50-54	5.0 %
	55-59	5.0
	60-64	10.0
	65-69	20.0
	70+	100.0
10-14	50-54	5.0
	55-59	5.0
	60-64	10.0
	65-69	10.0
	70+	100.0
15-19	50-54	15.0
	55-59	15.0
	60-64	20.0
	65-69	25.0
	70+	100.0
20-24	50-54	25.0
	55-59	25.0
	60-64	35.0
	65-69	50.0
	70+	100.0
25-29	50-54	70.0
	55-59	40.0
	60-64	50.0
	65-69	50.0
	70+	100.0
30+	50-54	100.0
	55-59	100.0
	60-64	100.0
	65-69	100.0
	70+	100.0

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	9.80 %
	1	7.70
	2	6.20
	3	5.00
	4	4.00
20	5 & Over	7.00
25		6.64
30		6.16
35		5.28
40		4.20
45		3.44
50		2.84
55		2.60

Rates of disability among active members are shown in the table below (50% of disabilities are assumed to be service connected).

Sample Ages	% Becoming Disabled Within Next Year
25	0.03 %
30	0.03
35	0.05
40	0.07
45	0.11
50	0.17
55	0.23
60	0.37
65	0.56

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 the average of non-investment related expenses averaged over the last 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	Employer contributions are assumed to be made in full on the first day of the fiscal year. Member 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	85% of males and 85% 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	50% joint and survivor annuity; life annuity for members hired after September 30, 2010.
Pay Increase Timing	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.
Cost of Living Increase	2.5% per year; 1.5% for members hired after September 30, 2010.
Maximum Benefits	Benefits calculated for valuation purposes are limited to the maximum allowable benefits under Section 415 of the Internal Revenue Code.

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).

Amortization Method	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.
Amortization Payment	That portion of the plan contribution or ARC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Amortization Period	The period used in calculating the Amortization Payment.
Annual Required Contribution (ARC)	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB No. 25. The ARC consists of the Employer Normal Cost and Amortization Payment.
Closed Amortization Period	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
Employer Normal Cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Equivalent Single Amortization Period	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
Experience Gain/Loss	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

Funded Ratio	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
GASB	Governmental Accounting Standards Board.
GASB No. 25 and GASB No. 27	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 27 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 25 sets the rules for the systems themselves.
Normal Cost	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
Open Amortization Period	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
Unfunded Actuarial Accrued Liability	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
Valuation Date	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C

PENSION FUND INFORMATION

STATEMENT OF PLAN ASSETS AT MARKET VALUE

	Item	September 30 2011	September 30 2010
A.	Cash and Cash Equivalents (Operating Cash)	$ -	$ -
B.	Receivables:		
	1. Member Contributions	$ -	$ 242,998
	2. Employer Contributions	-	-
	3. Investment Income and Other Receivables	6,690,355	621,312
	4. Total Receivables	$ 6,690,355	$ 864,310
C.	Investments		
	1. Short Term Investments	$ 11,420,963	$ 5,978,247
	2. Domestic Equities	184,999,731	197,624,036
	3. International Equities	63,176,401	63,879,257
	4. Domestic Fixed Income	106,295,271	111,422,560
	5. International Fixed Income	250,000	250,000
	6. Real Estate	-	-
	7. Private Equity	-	-
	8. ICMA Account (for DROP)*	5,522,157	2,562,537
	9. Total Investments	$ 371,664,523	$ 381,716,637
D.	Liabilities		
	1. Benefits	$ -	$ -
	2. Prepaid Employer Contribution	-	-
	3. Expenses	(144,286)	(178,165)
	4. Other	(10,700,944)	(1,017,080)
	5. Total Liabilities	$ (10,845,230)	$ (1,195,245)
E.	Total Market Value of Assets Available for Benefits	$ 367,509,648	$ 381,385,702
F.	Reserves		
	1. DROP Accounts*	$ (5,522,157)	$ (2,562,537)
	2. Total Reserves	$ (5,522,157)	$ (2,562,537)
G.	Adjustments		
	1. Receivables from Excess Benefit Plan	$ 1,244,307	$ 1,555,384
	2. Prepaid for FY 10/1/2011 - 9/30/2012**	(466,878)	(466,878)
	3. Total Adjustments	$ 777,429	$ 1,088,506
H.	Market Value Net of Reserves and Adjustments	$ 362,764,920	$ 379,911,671
I.	Allocation of Investments		
	1. Short Term Investments	3.07%	1.57%
	2. Domestic Equities	49.77%	51.77%
	3. International Equities	17.00%	16.73%
	4. Domestic Fixed Income	28.60%	29.19%
	5. International Fixed Income	0.07%	0.07%
	6. Real Estate	0.00%	0.00%
	7. Private Equity	0.00%	0.00%
	8. ICMA Account (for DROP)	1.49%	0.67%
	9. Total Investments	100.00%	100.00%

* Includes outstanding loan balances.

** This amount represents an overpayment by the city for fiscal year ending 9/30/2011.

RECONCILIATION OF PLAN ASSETS

Item	September 30 2011	September 30 2010
A. Market Value of Assets at Beginning of Year	$ 381,385,702	$ 349,888,271
B. Revenues and Expenditures		
1. Contributions		
a. Employee Contributions	$ 7,278,327	$ 6,846,512
b. Employer Contributions	14,474,678	17,137,394
c. Other	-	-
d. Total	$ 21,753,005	$ 23,983,906
2. Investment Income		
a. Interest, Dividends, and Other Income	$ 4,738,296	$ 3,989,041
b. Net Realized and Unrealized Gains/(Losses)*	(7,308,679)	35,791,125
c. Investment Expenses	(913,759)	(791,421)
d. Net Investment Income	$ (3,484,142)	$ 38,988,745
3. Benefits and Refunds		
a. Refunds	$ (722,830)	$ (579,709)
b. Regular Monthly Benefits	(30,566,434)	(29,735,266)
c. DROP Disbursements	(173,747)	(46,599)
d. Other Payments (Transfers to Police & Fire Plan)	-	(408,164)
e. Total	$ (31,463,011)	$ (30,769,738)
4. Administrative and Miscellaneous Expenses	$ (681,906)	$ (705,482)
5. Transfers	$ -	$ -
C. Market Value of Assets at End of Year	$ 367,509,648	$ 381,385,702
D. Reserves		
1. DROP Accounts**	$ (5,522,157)	$ (2,562,537)
2. Total Reserves	$ (5,522,157)	$ (2,562,537)
E. Adjustments		
1. Receivables from Excess Benefit Plan	$ 1,244,307	$ 1,555,384
2. Prepaid for FY 10/1/2011 - 9/30/2012***	(466,878)	(466,878)
3. Total Adjustments	$ 777,429	$ 1,088,506
F. Market Value Net of Reserves and Adjustments	$ 362,764,920	$ 379,911,671

* We were not provided with the breakdown of this amount between realized gains/(losses) and unrealized gains/(losses).

** Includes outstanding loan balances.

*** This amount represents an overpayment by the City for fiscal year ending 9/30/2011.

Reconciliation of DROP Accounts

Value at Beginning of Year	$	2,562,537
Payments Credited to Accounts		3,054,429
Investment Earnings Credited to Accounts		78,938
Withdrawals from Accounts		(173,747)
Value at End of Year		5,522,157

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

Valuation Date – September 30	2010	2011	2012	2013	2014
A. Actuarial Value of Assets Beginning of Year	$ 428,196,370	$ 432,953,336	$ -	$ -	$ -
B. Market Value End of Year	381,385,702	367,509,648	-	-	-
C. Market Value Beginning of Year	349,888,271	381,385,702	-	-	-
D. Non-Investment/Administrative Net Cash Flow	(7,491,314)	(10,391,912)	-	-	-
E. Investment Income			-	-	-
E1. Actual Market Total: B-C-D	38,988,745	(3,484,142)	-	-	-
E2. Assumed Rate of Return	8.35%	8.25%	8.15%	8.00%	8.00%
E3. Assumed Amount of Return	35,441,635	35,289,984	-	-	-
E4. Amount Subject to Phase-In: E1–E3	3,547,110	(38,774,126)	-	-	-
F. Phase-In Recognition of Investment Income			-	-	-
F1. Current Year: 0.20 x E4	709,422	(7,754,825)	-	-	-
F2. First Prior Year	(7,750,361)	709,422	(7,754,825)	-	-
F3. Second Prior Year	(18,624,374)	(7,750,361)	709,422	(7,754,825)	-
F4. Third Prior Year	2,685,676	(18,624,374)	(7,750,361)	709,422	(7,754,825)
F5. Fourth Prior Year	(213,718)	2,685,676	(18,624,374)	(7,750,361)	709,422
F6. ASOP No. 44 Compliance Adjustment*	-	3,408,832	-	-	-
F7. Total Phase-Ins	(23,193,355)	(27,325,630)	(33,420,138)	(14,795,764)	(7,045,403)
G. Actuarial Value of Assets End of Year					
G1. Preliminary Actuarial Value of Assets:	$ 432,953,336	$ 430,525,778	$ -	$ -	$ -
G2. Upper Corridor Limit: 120%*B	457,662,842	441,011,578	-	-	-
G3. Lower Corridor Limit: 80%*B	305,108,562	294,007,718	-	-	-
G4. Funding Value End of Year	432,953,336	430,525,778	-	-	-
G5. Less: DROP Account Balances	2,562,537	5,522,157	-	-	-
G6. Plus: Adjustments	1,555,384	1,244,307			
G7. Less: Prepaid Contribution	466,878	466,878			
G8. Final Funding Value End of Year	431,479,305	425,781,050	-	-	-
H. Difference between Market & Actuarial Value	$ (51,567,634)	$ (63,016,130)	$ -	$ -	$ -
I. Actuarial Rate of Return	4.95%	1.06% **	0.00%	0.00%	0.00%
J. Market Value Rate of Return	11.26%	-0.93%	0.00%	0.00%	0.00%
K. Ratio of Actuarial Value to Market Value	113.52%	117.15%	0.00%	0.00%	0.00%

* Per ASOP No. 44, a one-time adjustment of $3,408,832 is required.
** Before adjustment for ASOP No. 44.

INVESTMENT RATE OF RETURN

Year Ended	General Plan **		Unclassified Plan	
	Market Value	Actuarial Value	Market Value	Actuarial Value
9/30/89	NA %	11.6 %	14.6 %	14.6 %
9/30/90	NA	7.3	(2.3)	(2.3)
9/30/91	NA	8.1	21.6	21.6
9/30/92	12.2	13.7	5.8	5.8
9/30/93	14.6	11.4	14.6	14.1
9/30/94	1.4	6.8	5.3	4.8
9/30/95	20.0	11.4	25.9	24.1
9/30/96	9.8	15.3	22.7	13.9
9/30/97	23.0	13.8	35.2	19.1
9/30/98	8.4	12.5	(0.3)	4.3
9/30/99	13.1	14.4	19.1	18.8
9/30/00	10.8	10.7	11.5	16.5
9/30/01	(7.4)	7.2	(8.1)	9.7
9/30/02	(5.9)	0.3	(9.8)	1.7
9/30/03	17.4	4.3	16.9	4.6
9/30/04	11.4	4.1	13.0	9.7
9/30/05	12.8	4.4	13.8	10.7
9/30/06	7.4 *	7.7	7.5 *	10.2 *
9/30/07	15.3	12.0	NA	NA
9/30/08	(13.6)	5.2	NA	NA
9/30/09	(0.8)	1.1	NA	NA
9/30/10	11.3	5.0	NA	NA
9/30/11	(0.9)	1.1	NA	NA
Average Compounded Rate of Return for Number of Years Shown	7.6 %	8.1 %	10.9 %	11.0 %
Average Compounded Rate of Return for Last 5 Years	1.7 %	4.8 %	NA	NA

* Note: Effective 10/1/06, the former General and Unclassified Plans were merged and assets were combined. Investment returns after this date are for the total group.

** Combined Plan after 2006

SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION

	October 1, 2011	October 1, 2010
A. Valuation Date	October 1, 2011	October 1, 2010
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	$ 383,663,147	$ 361,073,383
b. Terminated Vested Members	12,545,886	13,770,243
c. Other Members	161,655,997	152,837,413
d. Total	557,865,030	527,681,039
2. Non-Vested Benefits	5,772,266	6,352,790
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	563,637,296	534,033,829
4. Accumulated Contributions of Active Members	60,662,311	57,037,036
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	534,033,829	504,604,698
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	0	(4,632,457)
b. Change in Actuarial Assumptions	5,939,085	(69,549)
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	55,127,393	64,492,711
d. Benefits Paid	(31,463,011)	(30,361,574)
e. Net Increase	29,603,467	29,429,131
3. Total Value at End of Period	563,637,296	534,033,829
D. Actuarial Present Value of Accumulated Plan Benefits Using FRS Interest Rate		
a. Vested	581,914,369	N/A
b. Non-Vested	6,632,429	N/A
c. Total	588,546,798	N/A
E. Market Value of Assets	362,764,920	379,911,671
F. Funded Ratio Using FRS Interest Rate	61.6 %	N/A
G. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SCHEDULE OF FUNDING PROGRESS
(GASB Statement No. 25)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c
10/1/1993	$ 185,721,855	$ 187,130,465	$ 1,408,610	99.2 %	$ 21,094,111	6.7 %
10/1/1994	188,997,087	202,078,377	13,081,290	93.5	21,944,531	59.6
10/1/1995	208,877,297	213,844,465	4,967,168	97.7	23,461,309	21.2
10/1/1996	226,633,680	222,221,064	(4,412,616)	102.0	25,148,361	(17.5)
10/1/1997	251,171,973	232,871,332	(18,300,641)	107.9	25,939,981	(70.5)
10/1/1998	266,716,007	240,760,472	(25,955,535)	110.8	25,070,334	(103.5)
10/1/1999	305,344,213	263,462,059	(41,882,154)	115.9	25,418,614	(164.8)
10/1/2000	326,816,322	277,933,325	(48,882,997)	117.6	25,889,403	(188.8)
10/1/2001	336,024,366	292,748,088	(43,276,278)	114.8	27,664,085	(156.4)
10/1/2002	322,181,146	319,831,292	(2,349,854)	100.7	30,350,644	(7.7)
10/1/2003	320,053,468	338,904,200	18,850,732	94.4	34,488,630	54.7
10/1/2004	320,735,755	352,105,058	31,369,303	91.1	34,619,199	90.6
10/1/2005	325,727,087	368,096,409	42,369,322	88.5	36,680,110	115.5
10/1/2006	(b) 338,504,669	394,231,589	55,726,920	85.9	40,113,847	138.9
10/1/2006	(a) 358,458,949	448,933,278	90,474,329	79.8	57,390,894	157.6
10/1/2007	(b) 395,369,083	472,756,431	77,387,348	83.6	59,632,425	129.8
10/1/2007	(a) 412,824,235	478,067,829	65,243,594	86.4	59,632,425	109.4
10/1/2008	(b) 425,714,565	518,252,592	92,538,027	82.1	68,009,550	136.1
10/1/2008	(a) 425,714,565	526,481,586	100,767,021	80.9	68,009,550	148.2
10/1/2009	(b) 419,393,718	550,691,889	131,298,171	76.2	70,097,549	187.3
10/1/2009	(a) 420,520,122	545,536,965	125,016,843	77.1	70,097,549	178.3
10/1/2010	(b) 431,479,305	572,184,250	140,704,945	75.4	68,586,818	205.1
10/1/2010	(a) 431,479,305	580,246,165	148,766,860	74.4	68,844,264	216.1
10/1/2011	(b) 425,781,050	600,918,835	175,137,785	70.9	66,669,459	262.7
10/1/2011	(a) 425,781,050	602,577,503	176,796,453	70.7	66,346,904	266.5

(a) After Changes
(b) Before Changes

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(GASB Statement No. 25)

Year Ended September 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
1994	$ 3,004,556	$ 3,004,556	100.0 %
1995	2,809,509	2,809,509	100.0
1996	4,151,807	4,151,807	100.0
1997	3,982,477	3,982,477	100.0
1998	3,091,359	3,091,359	100.0
1999	1,293,920	1,293,920	100.0
2000	666,897	666,897	100.0
2001	0	0	NA
2002	0	0	NA
2003	0	0	NA
2004	2,476,702	2,476,702	100.0
2005	5,082,595	5,082,595	100.0
2006	5,500,329	5,500,329	100.0
2007	12,234,519	13,053,231	106.7
2008	13,911,545	13,911,545	100.0
2009	12,863,823	12,863,823	100.0
2010	17,137,394	17,137,394	100.0
2011	14,474,678	14,474,678	100.0

SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA	From 10/1/10 To 10/1/11	From 10/1/09 To 10/1/10
A. Active Members		
1. Number Included in Last Valuation	1,117	1,154
2. New Members Included in Current Valuation	37	35
3. Employment Terminations	(49)	(40)
4. Service Retirements	(12)	(13)
5. DROP Retirements	(15)	(18)
6. Disability Retirements	(3)	0
7. Deaths	(3)	(1)
8. Other - Transfers Out and Data Adjustments	0	0
9. Number Included in This Valuation	1,072	1,117
B. Terminated Vested Members		
1. Number Included in Last Valuation	75	79
2. Additions from Active Members	8	10
3. Lump Sum Payments/Refund of Contributions	(5)	(6)
4. Payments Commenced	(9)	(8)
5. Deaths	0	0
6. Other - Data Adjustments	(1)	0
7. Number Included in This Valuation	68	75
C. DROP Plan Members		
1. Number Included in Last Valuation	49	35
2. Additions from Active Members	15	18
3. Retirements	(4)	(4)
4. Deaths	0	0
5. Other	0	0
6. Number Included in This Valuation	60	49
D. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	1,021	1,013
2. Additions from Active Members	17	14
3. Additions from Terminated Vested Members	9	8
4. Additions from DROP Plan	4	4
5. Deaths Resulting in No Further Payments	(37)	(19)
6. Deaths Resulting in New Survivor Benefits	0	0
7. End of Certain Period - No Further Payments	0	0
8. Other	1	1
9. Number Included in This Valuation	1,015	1,021

MIAMI BEACH EMPLOYEES' RETIREMENT PLAN - ACTIVE MEMBERS ON OCTOBER 1, 2011

Age Group	Years of Service 0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Totals
20-24	9							9
Total Pay	356,657							356,657
Avg Pay	39,629							39,629
25-29	61	21						82
Total Pay	2,492,870	856,186						3,349,056
Avg Pay	40,867	40,771						40,842
30-34	64	45	9					118
Total Pay	3,162,505	2,081,147	510,427					5,754,079
Avg Pay	49,414	46,248	56,714					48,763
35-39	48	56	30	6				140
Total Pay	2,320,881	2,970,095	1,848,262	348,064				7,487,302
Avg Pay	48,352	53,037	61,609	58,011				53,481
40-44	40	53	28	24	3			148
Total Pay	2,140,897	3,128,918	2,044,139	1,730,756	261,923			9,306,633
Avg Pay	53,522	59,036	73,005	72,115	87,308			62,883
45-49	31	51	53	49	16	15	1	216
Total Pay	1,680,286	3,047,092	3,891,543	3,355,263	1,187,473	1,193,674	68,972	14,424,303
Avg Pay	54,203	59,747	73,425	68,475	74,217	79,578	68,972	66,779
50-54	36	45	40	20	17	10	1	169
Total Pay	1,866,653	2,628,546	2,933,364	1,363,780	1,501,365	775,849	97,901	11,167,458
Avg Pay	51,851	58,412	73,334	68,189	88,316	77,585	97,901	66,080
55-59	14	19	29	23	4	1		90
Total Pay	725,305	1,144,693	1,770,318	1,595,214	289,275	83,440		5,608,245
Avg Pay	51,808	60,247	61,045	69,357	72,319	83,440		62,314
60-64	12	23	8	15	3	1		62
Total Pay	645,121	1,723,921	641,048	1,297,389	326,189	62,257		4,695,925
Avg Pay	53,760	74,953	80,131	86,493	108,730	62,257		75,741
65-99	6	7	7	14	3	1		38
Total Pay	372,397	328,792	404,362	954,260	251,274	50,336		2,361,421
Avg Pay	62,066	46,970	57,766	68,161	83,758	50,336		62,143
Total No.	321	320	204	151	46	28	2	1,072
Total Pay	15,763,572	17,909,390	14,043,463	10,644,726	3,817,499	2,165,556	166,873	64,511,079
Avg Pay	49,108	55,967	68,841	70,495	82,989	77,341	83,437	60,178

INACTIVE MEMBERS ON OCTOBER 1, 2011

	Terminated Vested		Disabled		Retirees, Beneficiaries & DROP		Grand Total	
Age	**No.**	**Annual Benefits**	**No.**	**Annual Benefits**	**No.**	**Annual Benefits**	**No.**	**Annual Benefits**
Under 45	22	$ 346,634	1	$ 15,460	5	77,871	28	$ 439,965
45-49	31	613,019	4	90,164	5	171,092	40	874,275
50-54	13	327,833	7	226,192	82	3,911,876	102	4,465,901
55-59	2	9,090	5	120,240	122	5,334,898	129	5,464,228
60-64	0	-	4	112,898	167	6,878,962	171	6,991,860
65-69	0	-	7	226,203	138	4,995,399	145	5,221,602
70-74	0	-	1	42,174	131	3,704,471	132	3,746,645
75-79	0	-	4	42,982	127	3,240,980	131	3,283,962
80-84	0	-	4	67,682	122	2,728,584	126	2,796,266
85-89	0	-	4	71,422	77	1,483,505	81	1,554,927
90 & Up	0	-	2	22,951	56	832,561	58	855,512
Total	**68**	**$ 1,296,576**	**43**	**$ 1,038,368**	**1032**	**$ 33,360,199**	**1,143**	**$ 35,695,143**

SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

Effective Date

September 30, 2010 under Ordinance No. 2010-3693 and Ordinance No. 2010-3706

Eligibility

Each general employee who works more than 30 hours per week is eligible for membership on his date of employment

Creditable Service

Service credited under the predecessor system plus service after such date with respect to which member contributions are made.

Earnings

For each person who becomes a member after the Second Tier Date, base pay including longevity, but excluding overtime, shift differential or extra compensation allowances. For each person who became a member before the Second Tier Date, actual salary or wages received. Earnings do not include lump sum payments of unused sick or vacation time. Overtime pay for Tier A members is limited to 10% of regular pay.

Second Tier Date

April 30, 1993 for members of AFSCME; August 1, 1993 for those classified as "Other"; and February 21, 1994 for members of MBEBA; October 18, 1992 for Unclassified members.

Final Average Monthly Earnings (FAME)

One-twelfth of average annual Earnings during the two highest paid years of Creditable Service, not less than the average monthly earnings for the 12 months as of March 8, 2006 for Unclassified Tier A members

Effective September 30, 2010 averaging period is five years except for members who are less than five years away from normal retirement eligibility. Members who are eligible for normal retirement within in two years or less as of September 30, 2010 will have average earnings of two years. Members who are eligible for normal retirement in within three years as of September 30, 2010 will have average earnings of three years. Members who are eligible for normal retirement within four years as of September 30, 2010 will have average earnings of four years.

Normal Retirement

Eligibility Age 50 and five years of Creditable Service for those in Tier A.

Age 55 and five years of Creditable Service for those in Tier B.

Age 55 with 30 years of service or age 62 with 5 years of service for employees hired after September 30, 2010.

Benefit

3% of FAME multiplied years of Creditable Service with the total not to exceed 80% of FAME. There is a 90% cap for certain Tier A members.

2.5% of FAME multiplied years of Creditable Service with the total not to exceed 80% of FAME for members hired after September 30, 2010.

Form of Benefit

50% joint and survivor annuity payable only to the spouse or, if no spouse, to the surviving children until age 21; other options are also available. Spouse's benefits cease upon remarriage.

Life annuity for members hired after September 30, 2010.

Early Retirement

Eligibility

Tier B members of the General Plan whose total of age plus service is 75, not earlier than age 50.

Members hired after September 30, 2010 whose total of age plus service is 75, not earlier than age 55.

Benefit

Accrued pension actuarially reduced for number of years by which Early Retirement Date precedes Normal Retirement Date.

Delayed Retirement

Eligibility

Any time after the Normal Retirement Date.

Benefit

Calculated in the same manner as the Normal Retirement Benefit but using the FAME and Creditable Service as of the actual retirement date.

Disability Benefits

Eligibility

A total and permanent disability which renders a member incapacitated, mentally or physically, for the further performance of duty. Five years of Creditable Service is also required unless the disability is service-connected.

Benefit

Ordinary Disability: Accrued retirement benefit, without reduction, with a minimum of 35% of FAME.

Service-Connected Disability: Accrued retirement benefit without reduction, with a minimum of 65% of FAME; 75% of FAME minimum for General Tier A members.

Such amounts are reduced by workers' compensation benefits and, in certain cases, earned income will be considered in offsetting the benefit. The period of disability shall be included in Creditable Service for purposes of computing normal retirement benefits when a disability retiree reaches normal retirement age.

Preretirement Death Benefits

For a member who has at least three years of Creditable Service but who dies before commencement of retirement benefits, a monthly benefit is payable to the spouse or, if no spouse, to the children until age 21. The benefit is equal to 50% of the accrued normal retirement benefit without reduction with the result being a minimum of 30% of FAME and a maximum of 40% of FAME for General members.

Termination Benefits

Any member who terminates employment and does not request a refund of his own contributions and has completed at least five years of Creditable Service will be eligible to receive his accrued benefit upon reaching his normal retirement age.

Post Retirement Adjustments

Retirees receive a 2.5% increase each year. Employees hired after September 30, 2010 who retire will receive a 1.5% increase each year.

Contributions

Tier A Members 12% of Earnings.

Tier B Members and Members Hired after 9/30/2010 10% of Earnings.

Employees who have reached the applicable benefit accrual cap (90% for General Tier A employees and 80% for all others) but have not yet reached retirement age will continue to contribute to the pension Plan, but only on the amount by which pay increases after reaching the cap

From the City The amount necessary to fund the Plan properly according to the Plan's actuary.

Changes Since Last Valuation

The have been no changes since the last valuation.