

DALLAS POLICE AND FIRE PENSION SYSTEM
ACTUARIAL VALUATION
AS OF JANUARY 1, 2008



May 16, 2008

Mr. Richard L. Tettamant
Administrator
Dallas Police and Fire Pension System
2301 N. Akard Street, Suite 200
Dallas, TX 75201

Re: Dallas Police and Fire Pension System Actuarial Valuation as of January 1, 2008

Dear Mr. Tettamant:

We certify that the information contained in this report is accurate and fairly presents the actuarial position of the Dallas Police and Fire Pension System (the System) as of January 1, 2008.

Actuarial Valuation

The primary purpose of the valuation report is to determine the adequacy of the current City's contribution rate, to describe the current financial condition of the System, and to analyze changes in the System's condition. In addition, the report provides information required by the City of Dallas in connection with Governmental Accounting Standards Board Statements Number 25 and Number 27.

Basis for Funding

The member and City contribution rates are established by statute. The City's and the members' contributions are intended to be sufficient to pay the normal cost and to amortize the System's unfunded actuarial accrued liability.

Funding Progress

As of January 1, 2008, the employer contribution rate for GASB 27 purposes needed in order to pay the normal cost and fund the Unfunded Actuarial Accrued Liability over 30 years is 24.81%. This amount is less than the 25.85% employer contribution rate calculated as of January 1, 2007. After reflecting the elimination of the Automatic Adjustment for Members hired after December 31, 2006, the current contribution rate covers the normal cost and the amortization of the Unfunded Actuarial Accrued Liability (UAAL) over 14 years.

Benefit Provisions

The actuarial valuation reflects the benefit and contribution provisions set forth in the System's statutes. There are no significant benefits which were not taken into account in this valuation. The valuation is based on the same benefit provisions as the previous valuation.

Assumptions and Methods

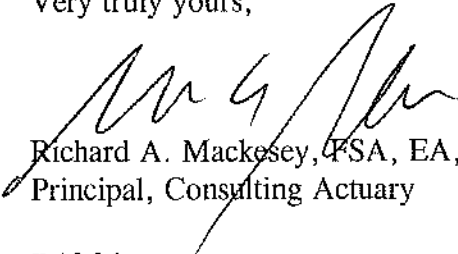
The actuarial assumptions and methods used in the valuation are presented in Schedule C. The mortality assumption was changed to the 1994 Group Annuity Mortality Table for males and females, set back one year for males and females. All other assumptions are consistent with the last actuarial valuation.

The assumptions used are individually reasonable and reasonable in the aggregate.

Data

Asset information and member data for retired, active, and inactive members was supplied as of January 1, 2008 by the Administrator. We have not subjected this data to any auditing procedures, but have examined the data for reasonableness and consistency with the prior year's data.

Very truly yours,


Richard A. Mackesey, FSA, EA, MAAA
Principal, Consulting Actuary

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Summary of Principal Results

	January 1, 2008	January 1, 2007
Membership		
Active	4,909	4,739
Terminated with deferred benefits	182	158
Retired members and beneficiaries	3,294	3,198
Compensation		
Total	\$ 321,491,941	\$ 305,610,668
Average	\$ 65,490	\$ 64,488
Assets		
Market value	\$ 3,390,974,909	\$ 3,131,265,222
Actuarial value	\$ 3,258,627,218	\$ 2,962,488,333
Valuation Results		
Unfunded actuarial accrued liability	\$ 385,091,924	\$ 408,079,026
Funding period	14	15
GASB No. 25		
Actuarial accrued liability (AAL)	\$ 3,643,719,142	\$ 3,370,567,359
Assets (actuarial)	\$ 3,258,627,218	\$ 2,962,488,333
GASB ratio	89.4%	87.9%
Unfunded AAL	\$ 385,091,924	\$ 408,079,026

Comments on the Valuation

Overview

The current contribution rates are sufficient to keep the System actuarially sound, based on the current membership data, the current financial data, the current benefit provisions and the actuarial assumptions and methods used to determine liabilities and costs.

The overall funding of the Plan remains sound. The funding period decreased to 14 years from 15 years. This decrease was primarily due to a gain on the actuarial value of assets partially offset by a change in mortality assumption.

Section 3 shows in more detail the changes to the 30-year funding cost and the funding period based on the current contribution rates.

Funding status

There are two significant measures of the funding status of the System. The first is the 30-year funding cost. This is the City contribution rate required by GASB 27 to pay the normal cost and to amortize the UAAL over a 30-year period. This rate is currently 24.81% compared with the City's actual contribution rate of 27.50% and with the 30-year funding cost in 2007 of 25.85%. Section 3 shows a reconciliation of the changes between the 2007 and 2008 figures.

The other measure is the funding period. This is the length of time in years that will be required to amortize the current UAAL based on the current contribution rate. After reflecting the elimination of the Automatic Adjustment for Members hired after December 31, 2007, the current contribution rate is sufficient to pay the normal cost and amortize the UAAL over 14 years.

The UAAL is the excess of the liability assigned to prior years (the actuarial accrued liability) over the value of assets. Section 3 shows a reconciliation of this amount between 2007 and 2008.

GASB Statements

Section 4 provides the information required for reporting under GASB No. 25.

Benefit Provisions

Schedule B summarizes all the benefit provisions of the System. There are no significant benefits which were not taken into account in this valuation. The valuation is based on the same benefit provisions as the previous valuation.

Actuarial Assumptions and Methods

The actuarial assumptions and methods used in the valuation are presented in Schedule C. The mortality assumption was changed to the 1994 Group Annuity Mortality Table for males and females, set back one year for males and females. All other assumptions are consistent with the last actuarial valuation.

The assumptions used are individually reasonable and reasonable in the aggregate.

Schedule D compares the assumptions to the recent experience of the system and describes the adequacy of the assumptions.

GASB Statement No. 27

Initially, under GASB Statement No. 27, employers were required to determine a pension expense based on a 40-year amortization of the UAAL for fiscal years beginning after June 15, 1996. After the 10-year transition period, the required amortization period is now 30 years. The amortization can assume payroll growth due to inflation, but no membership growth. If the actual contribution rate is less than the rate required by GASB No. 27, the excess must be expensed. This will result in the employer showing an accrued but unpaid liability for pension benefits on its financial statements.

A City Contribution rate of 24.81% will be required for the City to avoid showing an accrued pension liability on its financial statements for the fiscal year beginning in 2008. At the current rate of contribution, and assuming no other changes, the City will not be required to show an accrued but unpaid pension liability for the System on its financial statement in the future.

Financial Data

The financial data used in this report was supplied by the System.

Section 5 reconciles the System's assets between 2007 and 2008 and shows the development of the actuarial value of assets (AVA). Rather than using the market value for cost calculations, an adjusted market value, which phases in gains and losses (compared to the assumed investment return rate) over five years, is used. For the 2005 valuation, the actuarial value of

assets was reset to the market value of assets and a five-year phase in of gains and losses will begin with the asset gains and losses that occur after December 31, 2005. For the 2008 valuation, 20% of the asset gain for 2007, 40% of the asset gain for 2006, and 60% asset gain for 2005 is reflected in the actuarial value of assets. The estimated rate of return for 2007 is 8.85% for the market value of assets, and 10.58% for the actuarial value of assets.

Membership Statistics

Data on active members and on retired members was supplied by the Administrator. Active membership and total payroll for active members both grew during the last year. The active membership increased from 4,739 members as of January 1, 2007 to 4,909 members as of January 1, 2008. The total active payroll increased from \$305,610,668 to \$321,491,941 over the same period, a 5.2% increase. Schedule A shows a summary of the membership data.

Experience

Schedule D compares the actual experience of the system with the actuarial expectations.

Actuarial Cost, Margin and Funding Period

	<u>January 1, 2008</u>	<u>January 1, 2007</u>
1. Covered Payroll		
a. Active members excluding DROP	215,828,664	213,880,363
b. DROP members	<u>105,663,277</u>	<u>91,730,305</u>
c. Total	321,491,941	305,610,668
2. Actuarial value of future pay		
a. Active members excluding DROP	1,805,865,500	1,635,073,500
b. DROP members	<u>1,309,538,600</u>	<u>1,194,116,000</u>
c. Total	3,115,404,100	2,829,189,500
3. Current contribution rates		
a. City	27.50%	27.50%
b. Member	<u>8.50%</u>	<u>8.50%</u>
c. Total	36.00%	36.00%
4. Actuarial present value of future benefits	4,460,198,126	4,128,898,566
5. Actuarial present value of future normal costs		
a. Total	816,478,984	758,331,207
b. Member (3b x 2a)	153,498,571	138,981,250
c. City (5a - 5b)	662,980,413	619,349,957
6. Actuarial accrued liability (4 - 5a)	3,643,719,142	3,370,567,359
7. Actuarial value of assets	3,258,627,218	2,962,488,333
8. Unfunded actuarial accrued liability (UAAL) (6 - 7)	385,091,924	408,079,026
9. Normal cost		
a. Normal cost percentage (5a ÷ 2c)	26.21%	26.80%
b. Total normal cost (1c x 9a)	84,263,038	81,903,659
c. Member normal cost (1a x 3b)	18,345,436	18,179,831
d. City normal cost (9b - 9c)	65,917,602	63,723,828
e. City normal rate (9d ÷ [1c x 1.11])	18.47%	18.78%

Actuarial Cost, Margin and Funding Period

	<u>January 1, 2008</u>	<u>January 1, 2007</u>
10. 30-year funding cost*		
a. City normal cost rate**	18.47%	18.78%
b. Amortization rate	6.34%	7.07%
c. Total	24.81%	25.85%
11. Margin over/(under) 30-year cost* (3a - 10c)	2.69%	1.65%
12. Funding period to amortize UAAL	14	15

* 30-year funding cost is necessary for accounting purposes only. The actual funding period is calculated each year based on level contributions and reflects the elimination of the Automatic Adjustment for Members hired after December 31, 2006. On this basis, the period is 14 years.

** The city normal cost rate shown is for current active employees only. This rate will decrease over time as more active members become subject to the plan amendment that eliminates the Automatic Adjustment.

Analysis of Change in UAAL

1. UAAL as of January 1, 2007	\$ 408,079,026
2. Changes due to:	
a. Expected increase (negative amortization)	\$ 3,224,381
b. Actual contributions greater than expected	(3,995,680)
c. Liability experience	(4,603,053)
d. Asset experience	(61,561,042)
e. Assumption Change	<u>43,948,292</u>
f. Total changes	\$ (22,987,102)
3. UAAL as of January 1, 2008	\$ 385,091,924

Analysis of Change in Funding Cost

1. 30-year funding cost* as of January 1, 2007	25.85%
2. Changes due to:	
a. Resetting of amortization from prior year	(0.22)
b. Actual contributions greater than expected	(0.06)
c. Liability experience	(0.64)
d. Asset experience	(1.01)
e. Assumption Change	<u>0.89</u>
f. Total	(1.04)
3. 30-year funding cost* as of January 1, 2008	24.81%

* 30-year funding cost is necessary for accounting purposes only. The actual funding period is calculated each year based on level contributions and reflects the elimination of the Automatic Adjustment for Members hired after December 31, 2006. On this basis, the period is 14 years.

Analysis of Change in Funding Period

1. Funding period as of January 1, 2007	15
2. Changes due to:	
a. Passage of time	(1)
b. Actual contributions greater than expected	0
c. Liability experience	0
d. Assumption Change	2
e. Asset experience	<u>(2)</u>
f. Total	(1)
3. Funding period as of January 1, 2008	14

Historical Trend Information

(As required by GASB #25 - Amounts are in millions of dollars)

	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2003	1,992	2,738	746	72.8%	270	276.3%
January 1, 2004	2,286	2,889	603	79.1%	265	227.5%
January 1, 2005	2,485	3,074	589	80.8%	282	208.9%
January 1, 2006	2,700	3,282	582	82.3%	295	197.3%
January 1, 2007	2,962	3,371	409	87.9%	306	133.7%
January 1, 2008	3,259	3,644	385	89.4%	321	119.9%

**GASB #25 Schedule of Employer Contributions
 for Year Ending December 31, 2007**

<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
27.50% of Pay	100.0%

**Summary of Accumulated Benefits
(FASB #35)**

Accumulated Benefits at January 1, 2008

Vested benefits of participants and beneficiaries currently receiving payments		\$ 1,690,978,483
Other vested benefits		1,738,614,733
Nonvested benefits		<u>144,415,828</u>
Total benefits		\$ 3,574,009,044

FASB #35 Reconciliation

Accumulated benefits at January 1, 2007		\$ 3,285,109,191
Benefits accumulated	\$ 102,278,536	
Interest	273,745,702	
Benefits paid	(131,831,368)	
Assumption change	44,706,983	
Plan amendments	<u>0</u>	
Total Change		<u>288,899,853</u>
Accumulated benefits at January 1, 2008		\$ 3,574,009,044

Reconciliation of Fund Assets

	<u>Year Ending December 31, 2007</u>
1. Value of fund at beginning of year	\$ 3,131,265,222
2. Contributions	
a. City	97,440,007
b. Member	<u>17,860,267</u>
c. Total	\$ 115,300,274
3. Benefit payments	(130,995,067)
4. Refunds	(836,301)
5. Earnings	282,273,573
6. Expenses	(6,032,792)
7. Value of assets at end of year	\$ 3,390,974,909
8. Estimated rate of return	8.85%

Determination of Excess Earnings To Be Deferred

	Year Ending December 31, 2007
1. Market value at beginning of year	\$ 3,131,265,222
2. Net new investments	
a. Contributions	\$ 115,300,274
b. Benefit payments	(130,995,067)
c. Refunds	<u>(836,301)</u>
d. Total	\$ (16,531,094)
3. Market value at end of year	\$ 3,390,974,909
4. Yield (3 - 1 - 2d)	\$ 276,240,781
5. Average balance [1 + ½ x (2d)]	3,122,999,675
6. Assumed investment return rate	8.50%
7. Expected net return (5 x 6)	\$ 265,454,972
8. Gains/(losses) subject to deferral (4 - 7)	\$ 10,785,809

Calculation of Actuarial Value of Assets

1.	Market value of assets as of January 1, 2008			\$3,390,974,909	
2.	Deferral amounts*				
		<u>Year</u>	<u>Total Gain/(Loss)</u>	<u>Percent Deferred</u>	<u>Deferral Amount</u>
a.		2007	\$ 10,785,809	80%	\$ 8,628,647
b.		2006	168,016,769	60%	100,810,061
c.		2005	57,272,457	40%	22,908,983
d.		N/A	N/A	20%	N/A
e.		Total			\$ 132,347,691
3.	Preliminary actuarial value of assets (1 - 2e)			3,258,627,218	
4.	80% of Market value			2,712,779,927	
5.	120% of Market value			4,069,169,891	
6.	Actuarial value of assets (3, not less than 4 or more than 5)			3,258,627,218	
7.	Rate of return on actuarial value of assets			10.58%	

* This method is being phased in effective January 1, 2005.

Membership Data

	<u>January 1, 2008</u>	<u>January 1, 2007</u>
1. Active members (excluding DROP)		
a. Police and Fire		
1. Number	3,725	3,658
2. Covered payroll	\$215,828,664	\$213,880,363
3. Average annual pay	\$ 57,941	\$ 58,469
4. Average age	37.63	38.28
5. Average service (years)	11.14	11.89
b. Police		
1. Number	2,593	2,499
2. Covered payroll	\$149,560,273	\$145,442,908
3. Average annual pay	\$ 57,678	\$ 58,200
4. Average age	37.42	38.06
5. Average service (years)	10.92	11.68
c. Fire		
1. Number	1,132	1,159
2. Covered payroll	\$ 66,268,391	\$ 68,437,455
3. Average annual pay	\$ 58,541	\$ 59,049
4. Average age	38.11	38.76
5. Average service (years)	11.64	12.35

Membership Data
 (continued)

	<u>January 1, 2008</u>	<u>January 1, 2007</u>
2. Active members (DROP only)		
a. Police and Fire		
1. Number	1,184	1,081
2. Covered payroll	\$105,663,277	\$ 91,730,305
3. Average annual pay	\$ 89,243	\$ 84,857
4. Average age	54.26	54.48
5. Average total service (years)	28.53	28.95
6. Average time in DROP (years)	4.38	4.48
7. DROP account balance	\$296,459,343	\$264,694,334
b. Police		
1. Number	625	557
2. Covered payroll	\$ 56,602,051	\$ 47,794,446
3. Average annual pay	\$ 90,563	\$ 85,807
4. Average age	54.15	54.37
5. Average total service (years)	28.12	28.53
6. Average time in DROP (years)	4.15	4.26
7. DROP account balance	\$145,084,578	\$124,668,697
c. Fire		
1. Number	559	524
2. Covered payroll	\$ 49,061,226	\$ 43,935,859
3. Average annual pay	\$ 87,766	\$ 83,847
4. Average age	54.38	54.59
5. Average service (years)	28.98	29.40
6. Average time in DROP (years)	4.63	4.71
7. DROP account balance	\$151,374,765	\$140,025,637

Membership Data
 (continued)

	<u>January 1, 2008</u>	<u>January 1, 2007</u>
3. Active members (including DROP)		
a. Police and Fire		
1. Number	4,909	4,739
2. Covered payroll	\$321,491,941	\$305,610,668
3. Average annual pay	\$ 65,490	\$ 64,488
4. Average age	41.64	41.98
5. Average service (years)	15.33	15.78
6. DROP account balance	\$296,459,343	\$264,694,334
b. Police		
1. Number	3,218	3,056
2. Covered payroll	\$206,162,324	\$193,237,354
3. Average annual pay	\$ 64,065	\$ 63,232
4. Average age	40.67	41.03
5. Average service (years)	14.26	14.75
6. DROP account balance	\$145,084,578	\$124,668,697
c. Fire		
1. Number	1,691	1,683
2. Covered payroll	\$115,329,617	\$112,373,314
3. Average annual pay	\$ 68,202	\$ 66,770
4. Average age	43.49	43.69
5. Average service (years)	17.37	17.66
6. DROP account balance	\$151,374,765	\$140,025,637

Membership Data
(continued)

	<u>January 1, 2008</u>	<u>January 1, 2007</u>
4. Inactive members		
a. Retired members	2,458	2,380
b. Beneficiaries	836	818
c. Number entitled to deferred benefits	<u>182</u>	<u>158</u>
d. Total number of inactive members	3,476	3,356
e. Total annual benefit	\$121,360,391	\$113,184,975
f. Average annual benefit	\$ 34,914	\$ 33,726

**Summary of Benefit Provisions
As of January 1, 2008
For Actuarial Calculations**

Group A

Definitions

Base Pay: The annualized maximum monthly civil service pay established by the City for a police officer or fire fighter exclusive of any and all other forms of compensation.

City Service Incentive Pay: Additional annualized salary granted to Member under the authority of the City Charter.

Longevity Pay (Service Pay): Additional annualized salary granted to Member under provisions of Section 141.032, Local Government Code, for each year of service completed by such Member.

Pension Service: Time in years (prorated for fractional years) that Member made contributions under the terms of the Combined Pension Plan or under any Pension Plan within the Pension System.

Pension System: The Dallas Police and Fire Pension System

Qualified Surviving Spouse: The Member's legal spouse at time of death providing the marriage occurred prior to the Member's termination of employment (entering DROP is not considered termination of employment) and continued until the member's death.

Qualified Surviving Children: All surviving unmarried children under 19 years of age (23 for a disabled child) provided they were born or adopted before Member terminated his employment.

Contribution Rates

The Member contribution rate is 6.5%. Members contribute for a maximum of 32 years.

The City's contribution rate is a function of the highest Member contribution rate of any pension plan within the Pension System (currently Group B) as follows:

<u>City</u>	<u>Member</u>
28.5%	9.0%
27.5	8.5
26.0	8.0
24.5	7.5
23.0	7.0
21.5	6.5

Service Retirement Benefits

Annual Normal Retirement Pension

Greater of I or II:

I. Condition for Retirement: Age 50 with 20 years of Pension Service.

Amount of Pension Benefit: 50% of Base Pay, plus 50% of Longevity Pay, plus 50% City Service Incentive Pay. Pension is increased annually to reflect changes in the rate of

Longevity Pay and City Service Incentive Pay based on Member's Pension Service and status at date of retirement.

Member may retire as early as age 45 with 20 years of Pension Service. Pension benefit will be reduced by 2/3 of 1% per month of retirement prior to age 50.

II. Condition for Retirement: Age 55 with 20 years of Pension Service.

Amount of Pension Benefit: 3% of Base Pay for each year of Pension Service (maximum of 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Pension is increased annually by 4% of the original pension benefit.

Member may retire as early as age 50 with 20 years of Pension Service. Pension benefit will be reduced by 2/3 of 1% for each month of retirement prior to age 55.

Disability Retirement Benefits

Condition for Retirement: Disability preventing Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Annual Amount of Pension

Greater of I or II:

I. Same as Normal Retirement Pension (I).

II. Depending on Source of Disability

- a. Service Related Disability: 3% of Base Pay for each year of Pension Service (minimum of 20 years, maximum of 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Benefit is increased annually by 4% of the original amount, or
- b. Non-Service Related Disability: 3% of Base Pay for each year of Pension Service (maximum 32 years), plus 50% of Longevity Pay, plus 50% of City Service Incentive Pay. Benefit is increased annually by 4% of the original amount.

Survivor Benefits

Survivor Benefits for Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service.

Survivor Benefits when no Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service. The benefit will be paid as a lump sum equal to the value of the lesser of a 10-year benefit or the remainder of the 10-year period if Qualified Surviving Children receive benefit.

Survivor Benefits After Retirement: The Qualifying Surviving Spouse shall receive 50% of any benefits paid to the Member. The percentage is increased if the Qualified Surviving Spouse has attained age 55, there are no Qualified Surviving Children who are eligible for death benefits, the member retired after age 55 with 20 years of Pension Service or the Member's age plus Pension Service at retirement was at least 78 and the Member was receiving a benefit based on the former Plan A formulas.

Survivor Benefits After Retirement or Termination for a Non-Qualifying Surviving Spouse: The Surviving Spouse shall receive 50% of any benefits paid to the Member. However, the Member's benefit will be reduced for this coverage.

Survivor Benefits for Qualified Surviving Children: An amount equal to the amount paid to the Qualified Surviving Spouse divided among the Qualified Surviving Children. Amount paid as long as one or more children continue to qualify.

Survivor Benefits After December 17, 2001: For Members leaving active service after December 17, 2001, a Member may elect to receive an actuarially reduced benefit in order to provide a greater survivor percentage to the qualified spouse. Minimum benefits do not apply.

Minimum Benefits

The minimum benefit is \$2,200 monthly for 20 years of Pension Service at retirement, and \$1,200 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,100 monthly for Qualified Surviving Children and Qualified Surviving Spouses if Qualified Surviving Children are receiving benefits. This minimum does not affect the base benefit. The benefit will not increase until the base retirement benefit with annual increases exceeds the minimum.

Benefit Supplement

If a Member retires with 20 years of Pension Service or if a Member is receiving a service related disability the Member or the Member's Qualified Surviving Spouse is entitled to receive the greater of \$75 or 3% of the monthly benefit payable to the member when the Member or the Qualified Surviving Spouse attains age 55. This supplement is also available for both the

Member or the Member's Non-Qualifying Surviving Spouse for a member who has elected a reduced benefit to obtain coverage for a Non-Qualifying Surviving Spouse.

Group B

Definitions

Computation Pay: The annualized monthly rate of pay for the highest civil service rank held by a Member plus Educational Incentive Pay plus Longevity Pay plus City Service Incentive Pay.

Average Computation Pay: Computation Pay averaged over 36 months.

City Service Incentive Pay: Additional annualized salary granted to Member under the authority of the City Charter.

Longevity Pay: Additional annualized salary granted to Members under a provision of Section 141.032, Local Government Code, for each year of service completed by such Member.

Pension Service: The period, in years, months, and days, during which the Member made contributions under the terms of the Combined Plan or any Pension Plan within the Pension System.

Qualified Surviving Spouse: The Member's legal spouse at the time of death providing the marriage occurred prior to the Member's termination of employment (entering DROP is not considered termination of employment).

Pension System: The Dallas Police and Fire Pension System.

Qualified Surviving Children: All surviving unmarried children under 19 years of age (23 for a disabled child) provided they were born or adopted before the Member terminated his employment.

Educational Incentive Pay: Additional annualized salary granted to reward completion of college credits.

Contribution Rates

The City's contribution percentage is a function of the Member's contribution percentage as shown below:

<u>City</u>	<u>Member</u>
28.5%	9.0%
27.5	8.5
26.0	8.0
24.5	7.5
23.0	7.0
21.5	6.5

The Member contribution rate is currently 8.50%. Members contribute for a maximum of 32 years.

Service Retirement Benefits

Annual Normal Retirement Pension

Condition for Retirement: Attainment of age 50 and five years of Pension Service.

Amount for Allowance: 3% of Average Computation Pay for each year of Pension Service to a maximum of 32 such years.

Early Retirement Pension

Condition for Retirement:

- a. Attainment of age 45 and five years of Pension Service.

Amount of Pension: 3% of Average Computation Pay for each year of Pension Service reduced 2/3 of 1% for each month by which retirement precedes age 50.

- b. 20 years of Pension Service

Amount of Pension: 20 & Out multiplier of Average Compensation Pay for each year of Pension Service.

<u>Age</u>	<u>20 & Out Multiplier</u>
50 & above	3.00%
49	3.00% reduced by 2/3 of 1% for each month prior to age 50
48	2.75%
47	2.50
46	2.25
45 & below	2.00

Special Rule for Members of former Old Plan or Plan A

Group B Members who formerly were Members of either the former Old Plan or Plan A may elect to receive Group A benefits and receive a reimbursement of the additional contributions paid under Group B provisions in excess of the contributions that would have been made under Group A.

Disability Retirement Benefits

Service-Related Disability

Condition for Retirement: Disability preventing the Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Amount of Pension: 60% plus 3% for each year of Pension Service (maximum of 32 years) over 20, of Average Computation Pay.

Non-Service Related Disability

Condition for Retirement: Disability preventing the Member from performing his or her duties with his or her department and lasting for a period of not less than 90 days.

Amount of Pension: 3% of Average Computation Pay for each year of Pension Service (maximum 32 years).

Survivor Benefits

Survivor Benefits for Qualified Surviving Spouse: Death in Active Service: 1.50% of the Member's Average Computation Pay for each year of Pension Service with a minimum of 20 such years and a maximum of 32 such years.

Survivor benefits for Qualified Surviving Spouse: Death in Active Service: 50% of Service Retirement Pension calculated with a minimum of 20 years of Pension Service. The benefit will be paid as a lump sum equal to the value of the lesser of a 10-year benefit or the remainder of the 10-year period if Qualifying Surviving Children receive benefit.

Survivor Benefits After Retirement: The Qualified Surviving Spouse shall receive 50% of any benefits paid to the Member. The percentage is increased if the Qualified Surviving Spouse has attained age 55, there are no Qualified Surviving Children who are eligible for death benefits and the Member retired after age 55 with 20 years of Pension Service or if the Member's age plus Pension Service at retirement was at least 78.

Survivor Benefits After Retirement or Termination for a Non-Qualifying Surviving Spouse: The Surviving Spouse shall receive 50% of any benefits paid to the Member. However, the Member's benefit will be reduced for this coverage.

Survivor Benefits for Qualified Surviving Children: An amount equal to the amount paid to a Qualified Surviving Spouse is divided among the Qualified Surviving Children and continues to be paid as long as one or more of the children continue to qualify.

Survivor Benefits After December 17, 2001: For Members leaving active service after December 17, 2001, a Member may elect to receive an actuarially reduced benefit in order to provide a greater survivor percentage to the qualified spouse. Minimum benefits do not apply.

Post-Retirement Adjustments

Annually, on the first day of October, benefits in pay status will be increased by an amount equal to 4% of the original pension amount. New Members hired after December 31, 2007 will not be eligible for an automatic increase.

Minimum Benefits

The minimum benefit for normal retirement is \$2,200 monthly (prorated if less than 20 years at retirement) and \$1,200 monthly for Qualified Surviving Spouses, if there are no Qualified Surviving Children receiving benefits. The minimum benefit is \$1,100 monthly for Qualified

Surviving Children and Qualified Surviving Spouses if Qualified Surviving Children are receiving benefits. This benefit does not affect the base benefit. The benefit will not increase until the base retirement benefit with annual increases exceeds the minimum.

Benefit Supplement

If a Member retires with 20 years of Pension Service or if a Member is receiving a service related disability the Member or the Member's Qualified Surviving Spouse is entitled to receive the greater of \$75 or 3% of the monthly benefit payable to the Member when the Member or the Qualified Surviving Spouse attains age 55. This supplement is also available for both the Member or the Member's Non-Qualifying Surviving Spouse for a member who has elected a reduced benefit to obtain coverage for a Non-Qualifying Surviving Spouse.

Deferred Retirement Option Plan

As of January 1, 1993, at normal retirement age, a member may elect to enter the Deferred Retirement Option Plan (DROP). As of January 1, 1999, a member may also elect to enter DROP after 20 years of Pension Service. Retirement benefits will be calculated as if the Member retired on that date. Employee contributions made under the Combined Pension Plan will cease as will accruals under the Combined Pension Plan. Each month, the retirement benefit will be accumulated in an account earning interest based on a ten-year weighted average of the System's actual market return. Upon termination of employment, the Member will have the balance in account in addition to the monthly benefit payable as though the Member retired at the date the Member entered DROP.

**Statement of Actuarial Methods and Assumptions
 (Effective as of January 1, 2008)**

Investment Return: 8.50% per annum, compounded annually, net all expenses including administrative expenses. This rate reflects an underlying inflation rate of 4.00% and a real rate of return of 4.50%.

DROP balances are assumed to earn 9.00% per annum.

Separations Before Normal Retirement: Representative values of the assumed annual rates of withdrawal, death, and disability are as follows:

Age	Annual Rate per 1,000 Members							
	Withdrawal		Mortality - Disableds		Mortality - Other		Disability	
	Police	Fire	Male	Female	Male	Female	Police	Fire
20	47.0	23.0	48.30	26.30	.48	.28	.35	.70
25	47.0	23.0	48.30	26.30	.62	.29	.37	.75
30	35.0	18.0	36.20	23.70	.78	.33	.42	.84
35	25.0	18.0	27.80	21.40	.85	.45	.48	.96
40	25.0	18.0	28.20	20.90	1.00	.65	.57	1.15
45	25.0	18.0	32.20	22.40	1.46	.92	.79	1.58
50	NA	NA	38.30	25.70	2.33	1.31	NA	NA
60	NA	NA	60.30	33.10	7.09	3.86	NA	NA
70	NA	NA	73.90	41.10	21.73	12.71	NA	NA
75	NA	NA	84.20	49.20	34.05	20.38	NA	NA

Salary Increases: Representative values of the assumed annual rates of future salary increase attributable to seniority and promotion are as follows:

Years of Service	Annual Rate of Salary Increase
0	9.64%
5	9.19
10	7.72
15	5.82
20	4.56
25	4.08
30	4.00

Total payroll is assumed to increase 4.00% per year. New hires are assumed to replace terminations.

Overtime and other non-computation pay are assumed to be 11% of base pay. The city contributes on total pay including non-computation pay. This assumption is based on the revised compensation package adopted by the city council in 2007.

Retirement Rates: The percentage of population assumed to retire at various ages is as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
38	2%	48	2%	58	20%
39	2	49	2	59	20
40	2	50	4	60	20
41	2	51	3	61	20
42	2	52	3	62	20
43	2	53	3	63	20
44	2	54	3	64	20
45	2	55	25	65	100
46	2	56	20		
47	2	57	20		

Rates are applied when a member is eligible to retire. That is, age 50 with five years or 20 years for Plan B, age 55 with 20 years for Plan A, and age 50 with 20 years for Old Plan.

Postretirement Mortality: According to the 1994 Group Annuity Mortality Table for males and females, set back one year for males and females.

DROP Election: Members are assumed to elect DROP at age 50 with five years for Plan B, age 55 with 20 years for Plan A, and age 50 with 20 years for Old Plan. Any active members who satisfy this criteria and have not entered DROP are assumed to never join DROP.

Spouses: 80% of active members are assumed to be married with the male three years older than the female. The age of the youngest child is assumed to be one year.

Assumption as to Choice of Plan Provisions: Those Members eligible to elect between Plan B and the Old Plan are assumed to elect in a manner which maximizes the benefit they receive.

Assumed Postretirement Cost of Living:

Plan A and Plan B: 4% of original pension annually for eligible Members

Old Plan: 4% compounded annually

Future Expenses: All expenses, investment and administration, are paid from the Fund. The 8.50% assumed rate of return is net of these expenses.

Valuation Method: The method used to determine Normal Cost and Accrued Actuarial Liability is the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, an annual Normal Cost is determined for each covered active Member which is the contribution required to provide all the projected pension benefits assuming this contribution is payable over a period ending on the date of retirement (separation from active service) and expressed as a level percentage of compensation. The Actuarial Accrued Liability is determined as the excess of the total present value of all pension benefits over the total present value of future Normal Costs. The Unfunded Actuarial Accrued Liability as of the valuation date is determined as the excess of the Actuarial Accrued Liability over the assets of the Fund.

The Normal Cost and Accrued Actuarial Liability are derived by making certain assumptions as to the rates of interest, mortality, turnover, etc., which are assumed to reflect experience for many years into the future. Since actual experience will differ from the assumptions, the costs determined must be regarded as estimates of the true costs of the Plan. The effects of any actuarial gains or losses are immediately reflected in the Unfunded Actuarial Accrued Liability and the Normal Cost.

Actuarial Value of Assets: The actuarial value of assets is calculated based on the following formula.

The actuarial value of assets is calculated based on the following formula:

$$MV - (4/5) \times G/(L)_1 - (3/5) \times G/(L)_2 \\ - (2/5) \times G/(L)_3 - (1/5) \times G/(L)_4$$

where:

MV = the market value of assets as of the valuation date

$G/(L)_i$ = the asset gain or (loss) (i.e., actual return on assets less expected return on assets) for the i-th year preceding the valuation date.

This method is being phased in effective January 1, 2005. Asset gains or losses prior to January 1, 2005, are fully reflected in the calculation of the Actuarial Value of Assets. In no event is the actuarial value of assets less than 80% nor more than 120% of the market value of assets.

Comparison of Actual Experience and Actuarial Expectations

Demographic Assumptions

The demographic assumptions used to value the liabilities of the System are used to estimate the timing and duration of the member contributions and benefit payments of the System. The main demographic assumptions used to value the liabilities of the System consist of termination prior to retirement, disability, retirement, death and DROP age. A comparison of the actual experience of the System to each of these assumptions follows.

Terminations Prior to Retirement			
This assumption was last changed as of January 1, 2005 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual terminations prior to retirement to the expected terminations prior to retirement for the period January 1, 2004 through December 31, 2007 shows that during this period there have been about 24% more terminations than expected.			
January 1, 2004 through December 31, 2007			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Termination Prior to Retirement	375	302	124%

Disability			
This assumption was last changed as of January 1, 1999 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual disability retirements to the expected disability retirements for the period January 1, 2003 through December 31, 2007 shows that during this period there have been about 45% more of disability retirements as expected. Since the actual number of disablements is so small, we do not feel that any change in this assumption is necessary at this time.			
January 1, 2003 through December 31, 2007			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Disability Retirements	16	11	145%

Retirement (Leaving Active Service)			
<p>This assumption was changed as of January 1, 2005 to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual retirements to the expected retirements using the new retirement rates for the period January 1, 2004 through December 31, 2007 shows that during this period there have been about 16% less retirements than expected.</p>			
January 1, 2004 through December 31, 2007			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Retirement	463	554	84%

Death			
<p>This assumption has been updated for the current valuation to better reflect the actual experience of the System and to better anticipate future expectations. The ratio of actual deaths to the expected deaths for the period January 1, 2007 through December 31, 2007 shows that during this period there have been 8% more deaths than expected. It is generally desirable to have some margin in this assumption for mortality improvement.</p>			
January 1, 2007 through December 31, 2007			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Death	98	91	108%

Age at DROP			
<p>This assumption has not changed since the implementation of DROP in 1993. The actual age at DROP is the same as the assumed age of 50. We do not feel any change in assumption is necessary at this time since there is no difference in the assumed age at DROP and the actual age at DROP.</p>			
January 1, 1996 through December 31, 2007			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Age at DROP	50.0	50.0	100%

Economic Assumptions

The economic assumptions used to value the liabilities of the System are used to estimate the amount and cost of the benefit payments of the System. Economic assumptions are generally based on a building block approach with the inflation rate used as the initial basis. For example, in setting the long-term rate of return, the expected inflation rate is added to the expected real-rate of return to determine the nominal rate of return. This nominal rate of return is then used to determine the present value of future benefit payment amounts. The main economic assumptions used to value the liabilities of the System consist of inflation, long-term rate of return and salary increase rate. A discussion of these assumptions follows.

Inflation			
The inflation assumption used to value the liabilities of the System is 4%. This assumption was last changed as of January 1, 1999 to better anticipate future expectations. The average annual inflation rate (as measured by CPI-U) over the 60 years ending December 31, 2007 has been 3.71%. We feel that given the history of inflation rates and reasonable expectations of the future that the 4% inflation rate assumption is reasonable.			
January 1, 1947 through December 31, 2007			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Inflation	3.71%	4.00%	93%

Salary Increases			
The salary increase assumption used to value the liabilities of the System varies by the service of the Member. This assumption was last changed as of January 1, 2007 to reflect the expected change in future pay increases. Based on our expectations of future promotional and merit salary increases and the assumed rate of inflation, we feel that the current salary increase rates are reasonable. A summary of the actual valuation earnings to the expected valuation earnings over the period January 1, 2006 through December 31, 2007 follows.			
January 1, 2006 through December 31, 2007			
	<u>Actual</u>	<u>Expected</u>	<u>Actual/Expected</u>
Valuation Compensation	\$597,360,017	\$597,400,740	100%

Long-Term Rate of Return on Plan Assets

The long-term rate of return on plan assets used to value the liabilities of the System is 8.5%. This assumption was last changed as of January 1, 1999 to better anticipate future expectations and to reflect the change in the inflation rate. Based on the asset allocation policy, expectations of future real rates of return and the expected administrative expenses of the System, we feel that an 8.5% long-term rate of return is reasonable. A summary of the nominal rates of return over the period October 1, 1988 through December 31, 2007 follows.

Period			Annualized Rate of Return
10/1/1988	through	9/30/1989	25.40%
10/1/1989	through	9/30/1990	(6.53)
10/1/1990	through	12/31/1991	20.73
1/1/1992	through	12/31/1992	2.94
1/1/1993	through	12/31/1993	14.06
1/1/1994	through	12/31/1994	2.78
1/1/1995	through	12/31/1995	24.33
1/1/1996	through	12/31/1996	16.69
1/1/1997	through	12/31/1997	13.84
1/1/1998	through	12/31/1998	13.68
1/1/1999	through	12/31/1999	24.39
1/1/2000	through	12/31/2000	(1.52)
1/1/2001	through	12/31/2001	(7.76)
1/1/2002	through	12/31/2002	(12.26)
1/1/2003	through	12/31/2003	31.65
1/1/2004	through	12/31/2004	13.96
1/1/2005	through	12/31/2005	10.81
1/1/2006	through	12/31/2006	14.64
1/1/2007	through	12/31/2007	8.85
10/1/1988	through	12/31/2007	10.79%

TABLE 1

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
(excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2008

POLICE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	104	45,167	61	43,711	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	117	41,408	223	44,755	73	50,686	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	47	41,411	102	47,482	222	52,438	48	57,644	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	21	41,292	59	44,903	148	52,760	167	60,164	115	67,053	0	0	0	0	0	0	0	0	0	0
40 to 44	7	41,089	17	48,725	39	52,194	84	60,552	315	68,355	93	72,845	0	0	0	0	0	0	0	0
45 to 49	5	41,108	11	46,198	20	54,029	30	61,719	146	68,372	171	73,967	104	74,378	0	0	0	0	0	0
50 to 54	1	42,682	1	43,980	3	49,729	2	64,918	11	69,646	2	75,261	9	69,473	1	64,018	0	0	0	0
55 to 59	2	41,486	3	62,626	1	53,511	0	0	3	67,561	0	0	2	70,471	0	0	0	0	0	0
60 to 64	0	0	1	76,998	1	49,572	0	0	1	68,319	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 1

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
(excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2008

FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	22	41,323	10	43,318	1	39,606	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	39	41,448	63	44,861	25	50,991	2	44,991	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	17	41,476	71	45,163	140	52,787	22	57,451	1	50,944	0	0	0	0	0	0	0	0	0	0
35 to 39	7	41,639	25	45,515	90	53,113	96	62,330	17	68,049	0	0	0	0	0	0	0	0	0	0
40 to 44	1	39,606	9	47,296	27	52,083	42	61,303	74	69,016	77	73,866	0	0	0	0	0	0	0	0
45 to 49	0	0	8	44,313	2	49,571	16	61,591	41	68,755	133	72,902	39	74,996	1	70,785	0	0	0	0
50 to 54	1	43,437	0	0	0	0	1	61,343	4	68,155	3	66,841	2	81,766	0	0	0	0	0	0
55 to 59	1	39,606	0	0	0	0	0	0	1	68,535	0	0	0	0	1	72,015	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 1

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
(excluding DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2008

POLICE AND FIRE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	126	44,495	71	43,656	1	39,606	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	156	41,418	286	44,778	98	50,764	2	44,991	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	64	41,428	173	46,530	362	52,573	70	57,583	1	50,944	0	0	0	0	0	0	0	0	0	0
35 to 39	28	41,379	84	45,085	238	52,893	263	60,954	132	67,182	0	0	0	0	0	0	0	0	0	0
40 to 44	8	40,903	26	48,230	66	52,149	126	60,802	389	68,481	170	73,307	0	0	0	0	0	0	0	0
45 to 49	5	41,108	19	45,404	22	53,624	46	61,674	187	68,456	304	73,501	143	74,546	1	70,785	0	0	0	0
50 to 54	2	43,060	1	43,980	3	49,729	3	63,726	15	69,249	5	70,209	11	71,708	1	64,018	0	0	0	0
55 to 59	3	40,859	3	62,626	1	53,511	0	0	4	67,804	0	0	2	70,471	1	72,015	0	0	0	0
60 to 64	0	0	1	76,998	1	49,572	0	0	1	68,319	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 2

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
(including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2008

POLICE

ATTAINED AGE	YEARS OF SERVICE																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp
Under 25	104	45,167	61	43,711	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	117	41,408	223	44,755	73	50,686	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	47	41,411	102	47,482	222	52,438	48	57,644	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	21	41,292	59	44,903	148	52,760	167	60,164	115	67,053	0	0	0	0	0	0	0	0	0	0
40 to 44	7	41,089	17	48,725	39	52,194	84	60,552	315	68,355	96	73,310	0	0	0	0	0	0	0	0
45 to 49	5	41,108	11	46,198	20	54,029	31	62,542	148	68,489	207	76,073	135	77,975	1	84,694	0	0	0	0
50 to 54	1	42,682	1	43,980	4	51,206	6	65,100	38	79,164	66	89,217	135	89,876	70	98,941	10	91,272	0	0
55 to 59	2	41,486	3	62,626	1	53,511	0	0	15	82,316	24	94,794	42	83,571	72	97,191	48	86,080	0	0
60 to 64	0	0	1	76,998	1	49,572	0	0	4	74,833	3	87,141	10	88,183	12	87,195	21	89,409	2	88,318
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	110,223	0	0	2	76,498
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 2

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
(including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2008

FIRE

ATTAINED AGE	YEARS OF SERVICE																				
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	
Under 25	22	41,323	10	43,318	1	39,606	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	39	41,448	63	44,861	25	50,991	2	44,991	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	17	41,476	71	45,163	140	52,787	22	57,451	1	50,944	0	0	0	0	0	0	0	0	0	0	0
35 to 39	7	41,639	25	45,515	90	53,113	96	62,330	17	68,049	0	0	0	0	0	0	0	0	0	0	0
40 to 44	1	39,606	9	47,296	27	52,083	42	61,303	74	69,016	83	74,973	0	0	0	0	0	0	0	0	0
45 to 49	0	0	8	44,313	2	49,571	17	60,297	43	68,011	161	73,549	60	77,859	1	70,785	0	0	0	0	0
50 to 54	1	43,437	0	0	0	0	2	63,478	16	78,267	74	87,810	122	89,478	46	88,152	5	92,026	0	0	0
55 to 59	1	39,606	0	0	1	64,726	1	109,275	5	69,893	8	82,497	46	84,135	86	90,043	54	88,547	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0	4	93,254	14	87,429	20	89,209	6	118,209	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	114,445	0	0	1	130,711	0
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	104,271	0

TABLE 2

THE NUMBER AND ANNUAL AVERAGE COMPENSATION OF ACTIVE
(including DROP) MEMBERS DISTRIBUTED BY FIFTH AGE AND SERVICE
AS OF JANUARY 1, 2008

POLICE AND FIRE

ATTAINED AGE	YEARS OF SERVICE																				
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		
	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	#	Avg Comp	
Under 25	126	44,495	71	43,656	1	39,606	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25 to 29	156	41,418	286	44,778	98	50,764	2	44,991	0	0	0	0	0	0	0	0	0	0	0	0	
30 to 34	64	41,428	173	46,530	362	52,573	70	57,583	1	50,944	0	0	0	0	0	0	0	0	0	0	
35 to 39	28	41,379	84	45,085	238	52,893	263	60,954	132	67,182	0	0	0	0	0	0	0	0	0	0	
40 to 44	8	40,903	26	48,230	66	52,149	126	60,802	389	68,481	179	74,081	0	0	0	0	0	0	0	0	
45 to 49	5	41,108	19	45,404	22	53,624	48	61,747	191	68,381	368	74,969	195	77,940	2	77,740	0	0	0	0	
50 to 54	2	43,060	1	43,980	4	51,206	8	64,694	54	78,898	140	88,473	257	89,687	116	94,663	15	91,523	0	0	
55 to 59	3	40,859	3	62,626	2	59,119	1	109,275	20	79,210	32	91,720	88	83,865	158	93,301	102	87,386	0	0	
60 to 64	0	0	1	76,998	1	49,572	0	0	4	74,833	3	87,141	14	89,632	26	87,321	41	89,311	8	110,737	
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	2	112,334	0	0	3	94,569	0	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	104,271	0

TABLE 3

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS
BY AGE AS OF JANUARY 1, 2008

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
44	1	\$ 28,984	\$ 28,984
45	6	122,208	20,368
46	4	104,351	26,088
47	5	140,438	28,088
48	15	430,565	28,704
49	9	343,152	38,128
50	13	446,607	34,354
51	18	489,334	27,185
52	20	761,232	38,062
53	24	1,063,507	44,313
54	23	857,106	37,265
55	37	1,920,791	51,913
56	63	3,149,585	49,993
57	57	2,747,662	48,205
58	97	4,908,487	50,603
59	105	4,704,592	44,806
60	135	6,028,920	44,659
61	131	5,957,875	45,480
62	95	4,183,251	44,034
63	82	3,504,197	42,734
64	88	4,058,149	46,115
65	111	4,848,794	43,683
66	69	3,228,068	46,784
67	97	4,203,442	43,334
68	78	3,628,069	46,514
69	88	4,055,038	46,080
70	71	3,325,126	46,833
71	62	2,605,489	42,024
72	59	2,505,886	42,473
73	65	2,558,829	39,367
74	62	2,342,796	37,787
75	60	2,521,244	42,021
76	61	2,183,113	35,789
77	54	1,921,761	35,588

TABLE 3

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS
BY AGE AS OF JANUARY 1, 2008
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
78	52	\$ 1,824,054	\$ 35,078
79	47	1,710,503	36,394
80	38	1,441,477	37,934
81	24	884,378	36,849
82	22	743,207	33,782
83	30	1,073,790	35,793
84	22	789,946	35,907
85	9	323,495	35,944
86	11	359,958	32,723
87	16	576,595	36,037
88	13	432,332	33,256
89	3	111,681	37,227
90	7	230,648	32,950
91	3	108,725	36,242
92	1	33,842	33,842
94	1	30,514	30,514
TOTAL	2,264	\$ 96,553,793	\$ 42,647
POLICE	1,329	\$ 54,321,106	\$ 40,874
FIRE	935	\$ 42,232,687	\$ 45,169

TABLE 4

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF DISABLED MEMBERS
BY AGE AS OF JANUARY 1, 2008

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
31	1	\$ 27,523	\$ 27,523
35	2	62,089	31,045
36	1	33,924	33,924
37	1	25,668	25,668
39	1	28,405	28,405
40	3	96,622	32,207
41	1	29,664	29,664
42	1	35,277	35,277
43	2	60,179	30,090
44	3	86,915	28,972
45	3	92,747	30,916
46	2	50,365	25,183
47	3	84,095	28,032
48	2	72,796	36,398
50	2	62,259	31,130
51	4	117,514	29,379
52	3	87,243	29,081
53	5	154,228	30,846
54	2	60,887	30,444
55	1	32,557	32,557
56	6	226,599	37,767
57	6	211,222	35,204
58	6	271,344	45,224
59	6	196,970	32,828
60	7	263,640	37,663
61	4	107,127	26,782
62	2	43,478	21,739
63	6	202,742	33,790
64	2	76,211	38,106
65	4	161,708	40,427
66	3	96,286	32,095
67	7	284,776	40,682
68	12	537,025	44,752
69	6	246,672	41,112

TABLE 4

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF DISABLED MEMBERS
BY AGE AS OF JANUARY 1, 2008
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
70	5	\$ 186,068	\$ 37,214
71	6	189,329	31,555
72	5	204,467	40,893
73	5	199,170	39,834
74	4	133,964	33,491
75	4	141,890	35,473
76	3	96,985	32,328
77	5	222,167	44,433
78	5	173,499	34,700
79	3	110,124	36,708
80	3	101,377	33,792
81	6	202,433	33,739
82	3	101,525	33,842
83	5	178,888	35,778
84	3	95,058	31,686
85	4	121,752	30,438
86	2	61,167	30,584
87	2	67,584	33,792
90	1	33,372	33,372
TOTAL	194	\$ 6,847,576	\$ 35,297
POLICE	71	\$ 2,203,888	\$ 31,041
FIRE	123	\$ 4,643,688	\$ 37,754

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF BENEFICIARIES
BY AGE AS OF JANUARY 1, 2008

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
4	1	\$ 4,916	\$ 4,916
5	1	4,400	4,400
7	2	21,728	10,864
8	3	22,383	7,461
9	4	34,581	8,645
10	5	28,437	5,687
11	7	42,040	6,006
13	4	35,747	8,937
14	2	32,131	16,066
15	4	38,238	9,560
16	8	114,458	14,307
17	3	68,006	22,669
18	7	133,289	19,041
19	4	66,255	16,564
24	1	13,200	13,200
33	1	14,400	14,400
34	2	30,417	15,209
36	3	50,043	16,681
37	1	15,389	15,389
38	3	36,132	12,044
39	1	15,451	15,451
40	3	47,487	15,829
41	2	27,600	13,800
42	1	14,400	14,400
43	3	47,868	15,956
45	2	72,396	36,198
46	4	67,186	16,797
47	7	139,860	19,980
48	7	126,300	18,043
49	5	97,433	19,487
50	5	97,158	19,432
51	3	47,849	15,950
52	7	111,987	15,998
53	11	206,413	18,765

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF BENEFICIARIES
BY AGE AS OF JANUARY 1, 2008
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
54	9	\$ 189,842	\$ 21,094
55	6	101,001	16,834
56	12	230,652	19,221
57	12	290,166	24,181
58	14	247,653	17,690
59	19	369,925	19,470
60	15	334,172	22,278
61	24	478,854	19,952
62	18	339,351	18,853
63	12	226,901	18,908
64	20	455,573	22,779
65	16	339,828	21,239
66	19	387,316	20,385
67	20	349,221	17,461
68	30	659,544	21,985
69	21	485,610	23,124
70	21	570,246	27,155
71	16	366,655	22,916
72	24	494,936	20,622
73	23	454,041	19,741
74	20	342,783	17,139
75	26	458,592	17,638
76	19	409,767	21,567
77	23	403,016	17,522
78	20	352,278	17,614
79	31	584,737	18,862
80	24	420,189	17,508
81	30	554,258	18,475
82	17	316,676	18,628
83	27	462,484	17,129
84	22	435,851	19,811
85	15	290,184	19,346
86	17	313,236	18,426
87	9	154,800	17,200

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF BENEFICIARIES
BY AGE AS OF JANUARY 1, 2008
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
88	12	\$ 203,173	\$ 16,931
89	13	218,965	16,843
90	8	132,756	16,595
91	7	117,384	16,769
92	6	145,422	24,237
93	5	84,431	16,886
94	1	16,911	16,911
95	2	32,604	16,302
96	2	34,680	17,340
97	1	17,352	17,352
98	1	17,364	17,364
TOTAL	836	\$ 15,816,958	\$ 18,920
POLICE	471	\$ 8,650,189	\$ 18,366
FIRE	365	\$ 7,166,769	\$ 19,635

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2008

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
4	1	\$ 4,916	\$ 4,916
5	1	4,400	4,400
7	2	21,728	10,864
8	3	22,383	7,461
9	4	34,581	8,645
10	5	28,437	5,687
11	7	42,040	6,006
13	4	35,747	8,937
14	2	32,131	16,066
15	4	38,238	9,560
16	8	114,458	14,307
17	3	68,006	22,669
18	7	133,289	19,041
19	4	66,255	16,564
24	1	13,200	13,200
31	1	27,523	27,523
33	1	14,400	14,400
34	2	30,417	15,209
35	2	62,089	31,045
36	4	83,967	20,992
37	2	41,057	20,529
38	3	36,132	12,044
39	2	43,856	21,928
40	6	144,109	24,018
41	3	57,264	19,088
42	2	49,677	24,839
43	5	108,047	21,609
44	4	115,899	28,975
45	11	287,351	26,123
46	10	221,902	22,190
47	15	364,393	24,293
48	24	629,661	26,236
49	14	440,585	31,470
50	20	606,024	30,301

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2008
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
51	25	\$ 654,697	\$ 26,188
52	30	960,462	32,015
53	40	1,424,148	35,604
54	34	1,107,835	32,583
55	44	2,054,349	46,690
56	81	3,606,836	44,529
57	75	3,249,050	43,321
58	117	5,427,484	46,389
59	130	5,271,487	40,550
60	157	6,626,732	42,208
61	159	6,543,856	41,156
62	115	4,566,080	39,705
63	100	3,933,840	39,338
64	110	4,589,933	41,727
65	131	5,350,330	40,842
66	91	3,711,670	40,788
67	124	4,837,439	39,012
68	120	4,824,638	40,205
69	115	4,787,320	41,629
70	97	4,081,440	42,077
71	84	3,161,473	37,637
72	88	3,205,289	36,424
73	93	3,212,040	34,538
74	86	2,819,543	32,785
75	90	3,121,726	34,686
76	83	2,689,865	32,408
77	82	2,546,944	31,060
78	77	2,349,831	30,517
79	81	2,405,364	29,696
80	65	1,963,043	30,201
81	60	1,641,069	27,351
82	42	1,161,408	27,653
83	62	1,715,162	27,664
84	47	1,320,855	28,103

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
ALLOWANCE OF RETIRED MEMBERS,
DISABLED MEMBERS AND BENEFICIARIES
BY AGE AS OF JANUARY 1, 2008
CONTINUED

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
85	28	\$ 735,431	\$ 26,265
86	30	734,361	24,479
87	27	798,979	29,592
88	25	635,505	25,420
89	16	330,646	20,665
90	16	396,776	24,799
91	10	226,109	22,611
92	7	179,264	25,609
93	5	84,431	16,886
94	2	47,425	23,713
95	2	32,604	16,302
96	2	34,680	17,340
97	1	17,352	17,352
98	1	17,364	17,364
TOTAL	3,294	\$ 119,218,327	\$ 36,193
POLICE	1,871	\$ 65,175,183	\$ 34,834
FIRE	1,423	\$ 54,043,144	\$ 37,978

TABLE 7

THE NUMBER AND FUTURE ANNUAL
ALLOWANCE OF TERMINATED MEMBERS
ENTITLED TO A FUTURE BENEFIT
BY AGE AS OF JANUARY 1, 2008

POLICE AND FIRE

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT
25	4	\$ 2,472	\$ 618
26	2	811	406
27	3	2,239	746
28	3	9,721	3,240
29	2	184	92
30	6	32,231	5,372
31	6	33,622	5,604
32	2	12,301	6,151
33	4	33,868	8,467
34	4	40,224	10,056
35	6	44,218	7,370
36	6	37,543	6,257
37	8	84,563	10,570
38	13	144,986	11,153
39	9	113,540	12,616
40	9	150,509	16,723
41	7	60,546	8,649
42	15	197,506	13,167
43	11	195,228	17,748
44	10	142,787	14,279
45	14	258,074	18,434
46	9	84,432	9,381
47	10	178,361	17,836
48	6	112,479	18,747
49	5	72,699	14,540
50	4	40,743	10,186
52	1	11,095	11,095
53	1	18,825	18,825
54	1	21,260	21,260
58	1	4,997	4,997
TOTAL	182	\$ 2,142,064	\$ 11,770
POLICE	150	\$ 1,791,592	\$ 11,944
FIRE	32	\$ 350,472	\$ 10,952

TABLE 8

THE NUMBER, ANNUAL RETIREMENT
ALLOWANCE AND ACCOUNT BALANCE
OF DROP MEMBERS
BY AGE AS OF JANUARY 1, 2008

POLICE AND FIRE
DROP

AGE	NUMBER	BENEFIT	AVERAGE BENEFIT	ACCOUNT BALANCE	AVERAGE ACCOUNT BALANCE
42	2	\$ 56,299	\$ 28,150	\$ 18,809	\$ 9,405
43	3	93,289	31,096	146,174	48,725
44	3	82,713	27,571	94,148	31,383
45	2	55,712	27,856	97,838	48,919
46	4	123,880	30,970	130,994	32,749
47	6	110,276	18,379	317,645	52,941
48	31	1,239,997	40,000	905,676	29,215
49	62	2,826,031	45,581	2,476,402	39,942
50	86	3,938,179	45,793	3,423,308	39,806
51	126	6,305,438	50,043	8,973,441	71,218
52	97	4,956,238	51,095	11,541,438	118,984
53	117	6,027,343	51,516	20,888,007	178,530
54	107	5,442,438	50,864	23,834,857	222,756
55	101	5,446,239	53,923	30,132,228	298,339
56	111	5,789,356	52,156	38,247,181	344,569
57	91	4,255,054	46,759	32,377,112	355,792
58	67	3,122,969	46,611	28,655,356	427,692
59	46	1,998,292	43,441	20,838,096	453,002
60	45	1,953,256	43,406	24,288,045	539,734
61	32	1,281,677	40,052	16,958,823	529,963
62	16	740,437	46,277	10,639,004	664,938
63	11	505,650	45,968	7,589,637	689,967
64	10	418,465	41,847	6,968,144	696,814
65	5	248,274	49,655	4,034,751	806,950
67	1	56,547	56,547	1,361,720	1,361,720
68	1	32,614	32,614	698,084	698,084
72	1	90,030	90,030	822,425	822,425
TOTAL	1,184	\$ 57,196,693	\$ 48,308	\$ 296,459,343	\$ 250,388
POLICE	625	\$ 30,156,028	\$ 48,250	\$ 145,084,578	\$ 232,135
FIRE	559	\$ 27,040,665	\$ 48,373	\$ 151,374,765	\$ 270,796