

2002 VAL

CITY OF JACKSONVILLE
 ADMINISTRATION AND FINANCE DEPARTMENT
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***City of Jacksonville
General Employees' Retirement Fund***

**Actuarial Valuation Report
as of
October 1, 2002**

	<u>Page Number</u>
Discussion	1
<u>Liabilities</u>	
Table I Summary of Valuation Results.....	4
Table II Gain and Loss Analysis.....	5
Table III Accounting Disclosures (GASB 25/27).....	6
Table IV Present Value of Accrued Benefits.....	8
Table V Information Req. by Florida Statutes Chapter 112.....	9
Table Va Unfunded Liability Bases.....	12
<u>Assets</u>	
Table VI Assets.....	13
Table VIa Asset Reconciliation.....	14
Table VII Actuarial Value of Assets.....	15
Table VIII Past Excess Contributions.....	16
Table IX Historical Asset Information.....	17
Table IXa Revenues by Source and Expenses by Type.....	18
Table X Contributions vs. Fund Payouts.....	19
<u>Data</u>	
Table XI Summary of Member Data.....	20
Table XIa Active Data	21
Table XIb Retiree Data.....	22
Table XIc Data Reconciliation.....	23
Table XI d Age-Service-Salary Table (All Active Employees).....	24
Table XII Historical Contribution Rate.....	25
<u>Assumptions</u>	
Table XIII Actuarial Assumptions.....	26
Table XIIIa Assumption Changes.....	29
<u>Plan Provisions</u>	
Table XIV Plan Provisions.....	30
Table XIVa Plan Amendments.....	33

March 5, 2003

Board of Trustees of the City of Jacksonville General Employees' Pension Fund

Ladies and Gentlemen:

This report presents the results of the actuarial valuation of the City of Jacksonville General Employees' Retirement Fund as of October 1, 2002. The purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2002 and to determine the minimum required contribution amount for the 2003/2004 fiscal year under Chapter 112 of the Florida Statutes. In addition, this report provides a record of any plan amendments or other plan changes affecting the financial status of the Fund. This report is the first prepared by Buck Consultants as actuary.

Plan Amendments and Other Changes Affecting the Financial Status of the Fund

This actuarial valuation reflects all provisions of the plan as amended through October 1, 2002. Since the previous valuation there have been no new plan amendments adopted or changes in actuarial assumptions and methods.

Summary of Valuation Results

Currently, the fund receives contributions from the City of Jacksonville and from the active membership. The amount of the City contribution varies from year to year, while the member contributions are equal to 8.00% of payroll. After taking into account expected member contributions, the total required contribution from the City for the 2003/2004 fiscal year is \$26,775,657.1. The required City contribution for the 2002/2003 fiscal year is 19,006,682.1. The increase in annual cost is primarily due to less than expected investment return on the fund. Currently the assumed rate of return is 8.4%. The Fund market value earned an actual rate of return of (4.93%).

The contributions received by the fund are used to pay for the normal cost of the plan plus provide a payment toward the unfunded actuarial accrued liability. Currently, the fund has \$1,528,741,528 in accrued liability, \$1,425,708,351 in assets at actuarial value, and \$103,033,177 in unfunded accrued liability. When the total normal cost of \$40,091,699 (including expenses) is added to the unfunded liability payment of \$5,938,348, the total required contribution for the 2003/2004 fiscal year is \$46,030,047. Of this amount \$20,254,734 is offset by expected employee contributions for the coming year. This leaves \$25,775,313 to be paid by

the City. The City contribution of \$26,775,657 is payable in monthly installments with the first payment on October 1, 2003. As of October 1, 2001 the total required contribution by the city was \$19,006,682. The city may choose to meet its contribution requirement by deducting it from the Past Excess Contribution (PEC) account. As of October 1, 2002 the balance in the PEC account is \$51,338,114.

The increase in the City contribution reflects a lower than expected return on the actuarial value of assets as of October 1, 2002. The unfunded accrued liability as of October 1, 2002 is \$48,762,586 greater than expected. The increase in the unfunded liability was primarily due to the lesser than expected return on assets of the trust. The return on the actuarial value of assets was approximately 1.91% compared to an assumed return of 8.4%. The market value yield for the year ending September 30, 2002 was (4.93%).

In preparing the actuarial valuation as of October 1, 2002 we have used the same assumptions as were used by the prior actuary to complete the valuation as of October 1, 2001. As mentioned above, since the October 1, 2001 valuation there have been no adoptions of plan amendments or changes in the actuarial assumptions or methods. A complete record of the assumptions and plan provisions used to value the plan is presented in Tables XIII and XIV, respectively.

GASB 25/27 Information

Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27) require the disclosure of certain information. GASB 25 requires disclosure of funding progress and GASB 27 requires the calculation of the net pension obligation and annual pension cost. In preparing the GASB information we have used the information prepared by the previous actuary as the starting point. We have not verified information prepared by the previous actuary prior to the October 1, 2002 actuarial valuation. Results for the 2001/2002 and 2002/2003 fiscal years are shown in Table IV.

Contents of the Report

A summary of the results of the valuation is presented in Table I. Information for the auditors can be found in Tables III and V. The disclosure information required by Chapter 112, Florida Statutes, is presented in Table V. Tables VI through X provide information about the fund's assets. In particular, Table VI provides a breakdown of the fund assets by investment type, Table VIa provides an asset reconciliation between October 1, 2001 and October 1, 2002, and Tables I, IX, IXa, and X provide a historical record of the growth, expenditures, and annual yields of the fund. Tables VII and VIII provides the development of the actuarial value of assets and the PEC account. Tables XI through XII provide a variety of useful information concerning the participant population, including in Table XII historical record of the employee and City contribution percentages.

Certification

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate and, in our opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. 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,

Jose I. Fernandez, A.S.A.
Principal, Consulting Actuary
Enrolled Actuary No. 02-4461

Zanese B. Duncan, A.S.A.
Associate Principal, Consulting Actuary
Enrolled Actuary No. 02-4264

SUMMARY OF VALUATION RESULTS**TABLE I**

	<u>As of October 1, 2001</u>	<u>As of October 1, 2002</u>
1. Number of Members		
a. Active Members:	5,496	5,652
b. Deferred Vested Members	66	53
c. Retired Members:		
i. Non-disabled	3,971	2,951
ii. Disabled	124	122
iii. Beneficiaries	0 *	1,027
iv. Sub-total	<u>4,095</u>	<u>4,100</u>
d. Total Members	<u>9,657</u>	<u>9,805</u>
2. Total Annual Compensation	\$234,683,900	\$243,446,326
3. Total Projected Payroll	\$244,071,256	\$253,184,179
4. Total Retired Member Benefits	\$70,862,208	\$76,631,709
5. Annual Cost		
a. Entry Age Normal Accrued Liability	\$1,511,829,230	\$1,528,741,528
b. Actuarial Value of Assets	(\$1,461,581,049)	(\$1,425,708,351)
c. Unfunded Accrued Liability(UAAL)	<u>\$50,248,181</u>	<u>\$103,033,177</u>
d. Entry Age Normal Cost	\$34,469,951	\$40,091,699
<i>Employer Portion</i>	<i>\$14,944,251</i>	<i>\$19,836,965</i>
<i>Employee Portion</i>	<i>\$19,525,700</i>	<i>\$20,254,734</i>
e. Unfunded Liability Payment	<u>\$3,364,462</u>	<u>\$5,938,348</u>
f. Total Annual Cost	<u>\$37,834,413</u>	<u>\$46,030,047</u>
6. Annual Cost (as a % of Payroll)		
a. Entry Age Normal Cost (EE & ER)	14.12%	15.83%
b. Unfunded Liability Payment	1.38%	2.35%
c. Total Annual Cost (EE & ER)	<u>15.50%</u>	<u>18.18%</u>

	<u>For the 2002/2003 Fiscal Year</u>	<u>For the 2003/2004 Fiscal Year</u>
7. Minimum Required City Contribution		
a. Total Annual Cost	\$18,308,713	\$25,775,313
b. Adjustment for Delayed Contribution	\$697,969	\$1,000,344
c. Minimum Required City Contribution	<u>\$19,006,682</u>	<u>\$26,775,657</u>

* Not separately identified

City of Jacksonville

General Employees' Pension Fund

1. Actual Unfunded Accrued Liability as of October 1, 2001	\$50,248,181
2. Expected Change in Unfunded Liability During the 2001/2002 Plan Year	
a. Due to Normal Cost for Benefits	\$12,047,863
b. Due to Interest on the Normal Cost and Unfunded Liability	\$5,232,868
c. Due to City Contributions	(\$12,723,916)
d. Due to Interest on Contributions	(\$534,404)
f. Total Expected Change	\$4,022,411
3. Expected Unfunded Accrued Liability as of October 1, 2002	<u>\$54,270,592</u>
4. Change in Unfunded Liability During the 2001/2002 Plan Year Due to:	
a. Method changes	\$0
b. Assumption changes	\$0
c. Plan amendments	\$0
d. Experience	<u>\$48,762,585</u>
e. Total change	\$48,762,585
5. Actual Unfunded Accrued Liability as of October 1, 2002	<u>\$103,033,177</u>
6. Items Affecting Calculation of Accrued Liability	
a. Plan provisions reflected in the accrued liability (see Table XIV on page 30)	
b. Plan amendments reflected in item 4.c. above (see Table XIVa on page 33)	
c. Actuarial assumptions and methods used to determine accrued liability (see Table XIII on page 26)	
d. Changes in actuarial assumptions and methods reflected in items 4.a. and 4.b. above (see Table XIIIa on page 29)	

ACCOUNTING DISCLOSURES (GASB 25/27)**TABLE III**

	<u>For the Plan Year 2001/2002</u>	<u>For the Plan Year 2002/2003</u>
A. Number of Plan Participants as of October 1		
a. Retirees and beneficiaries receiving benefits	4,095	4,100
b. Terminated plan participants entitled to but not yet receiving benefits	66	53
c. Active plan participants	5,496	5,652
d. Total	<u>9,657</u>	<u>9,805</u>
B. Development of Annual Required Contribution (ARC)		
a. Employer normal cost:		
i. Total normal cost (EOY)	N/A	\$34,469,951
ii. Expected employee contribution	N/A	(\$19,525,700)
iii. Employer normal cost	N/A	<u>\$14,944,251</u>
b. 40-year amortization of UAAL:		
i. PV of future benefits	N/A	\$1,829,319,658
ii. PV of future employer normal costs	N/A	(\$128,706,513)
iii. PV of future employee contributions	N/A	(\$188,783,915)
iv. Actuarial accrued liability (AAL)	N/A	\$1,511,829,230
v. Actuarial value of assets	N/A	(\$1,461,581,049)
vi. Unfunded AAL (UAAL)	N/A	\$50,248,181
vii. Amort. of UAAL	N/A	\$3,364,462
c. ARC Adjustment	N/A	\$0
d. ARC	<u>\$12,723,916</u>	<u>\$18,308,713</u>
(Item B.a.iii. plus item B.b.vii. plus item B.c.)		
C. Annual Pension Cost and Net Pension Obligation (NPO)		
a. ARC	\$12,723,916	\$18,308,713
b. Interest on NPO	\$0	\$0
c. Adjustment to ARC	\$0	\$0
d. Annual Pension Cost	<u>\$12,723,916</u>	<u>\$18,308,713</u>
e. Contributions made	(\$12,723,916)	
f. Increase(decrease) in NPO	\$0	
g. NPO (beginning of year)	\$0	
h. NPO (end of year)	<u>\$0</u>	

D. Schedule of Employer Contributions

Year Ended September 30	Annual Required Contribution	Contribution Made	Percentage Contributed
2000	\$12,428,660	\$12,428,660	100%
2001	\$12,234,534	\$12,234,534	100%
2002	\$12,723,916	\$12,723,916	100%

E. Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) ÷ (2)	(5) Covered Payroll	(6) UAAL as % of Covered Payroll (3) ÷ (5)
10/1/1996	\$980,204,924	\$1,093,221,578	\$113,016,654	89.7%	\$193,417,542	58.4%
10/1/1997	\$1,137,301,153	\$1,153,550,959	\$16,249,806	98.6%	\$196,510,130	8.3%
10/1/1998	\$1,261,362,806	\$1,217,640,478	(\$43,722,328)	103.6%	\$192,858,664	(22.7%)
10/1/1999	\$1,324,735,618	\$1,321,083,282	(\$3,652,336)	100.3%	\$197,780,985	(1.8%)
10/1/2000	\$1,426,926,058	\$1,426,744,528	(\$181,530)	100.0%	\$202,320,996	(0.1%)
10/1/2001	\$1,461,866,425	\$1,511,829,230	\$49,962,805	96.7%	\$234,683,900	21.3%
10/1/2002	\$1,425,708,351	\$1,528,741,528	\$103,033,177	93.3%	\$243,446,326	42.3%

F. Additional Information

Valuation date	<u>October 1, 2001</u>	<u>October 1, 2002</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	28 to 30 Years	27 to 30 Years
Asset valuation method	Market Related Value	Market Related Value
Actuarial assumptions:		
Investment rate of return	8.40%	8.40%
Projected salary increases	4.5% to 8.0%	4.5% to 8.0%
Includes inflation at:	4.00%	4.00%
Cost-of-living adjustments	3% ann. def. 5 years	3% ann. def. 5 years

PRESENT VALUE OF ACCRUED BENEFITS**TABLE IV****1. Actuarial Present Value of Accrued Benefits**

	<u>As of October 1, 2001</u>	<u>As of October 1, 2002</u>
a. Vested Accrued Benefits:		
i. Inactive members and beneficiaries	\$888,470,852	\$830,238,394
ii. Active members	\$326,835,903	\$357,647,483
iii. Sub-total	\$1,215,306,755	\$1,187,885,877
b. Non-vested Accrued Benefits	\$33,839,294	\$68,747,601
c. Total Benefits	<u>\$1,249,146,049</u>	<u>\$1,256,633,478</u>

2. Statement of Changes in Total Actuarial Present Value of All Accrued Benefits

a. Actuarial Present Value as of October 1, 2001	\$1,249,146,049
b. Increase (Decrease) During 2001/2002 Plan Year Attributable to:	
i. Interest	\$104,928,268
ii. Benefits accumulated	(\$19,815,588)
iii. Benefits paid	(\$77,625,251)
iv. Plan amendments	\$0
v. Changes in actuarial assumptions or methods	\$0
vi. Net increase (decrease)	<u>\$7,487,429</u>
c. Actuarial Present Value as of October 1, 2002	<u>\$1,256,633,478</u>

3. Items Affecting Calculation of Actuarial Present Value of Accrued Benefits

- a. Plan provisions reflected in the accrued benefits (see Table XIV on page 30)
- b. Plan amendments reflected in item 2.b.iv. above (see Table XIVa on page 33)
- c. Actuarial assumptions and methods used to determine present values (see Table XIII on page 26)
- d. Changes in actuarial assumptions and methods reflected in item 2.b.v. above **NONE**
(see Table XIIIa on page 29)

Actuarial valuation prepared as of:

October 1, 2001 October 1, 2002**1. Participant Data**

a. Active members:			
i. Number		5,496	5,652
ii. Total annual payroll		\$234,683,900	\$243,446,326
b. Retired members and beneficiaries (other than disabled, <u>including DROP</u>):			
i. Number		3,971	3,978
ii. Total annualized benefit		\$69,652,548	→ <u>\$75,305,351</u> ↑
c. Disabled members receiving benefits:			
i. Number		124	122
ii. Total annualized benefit		<u>\$1,209,660</u>	<u>\$1,326,358</u>
d. Terminated vested members:			
i. Number		66	53
ii. Total annualized benefit		<u>\$648,216</u>	↓ <u>\$558,403</u> }

2. Assets

a. Actuarial value of assets	\$1,461,581,049	\$1,425,708,351
b. Market value of assets	\$1,426,880,520	\$1,294,973,229

3. Liabilities

a. Present value of all future expected benefit payments:			
i. Active members:			
Retirement benefits	\$879,222,708	\$1,001,435,456	
Vesting benefits	\$11,795,105	\$13,421,732	
Disability benefits	\$20,534,559	\$23,821,641	
<u>Death benefits</u> Δ242	24,518,468	30,180,449	←
Sub-total	<u>\$936,070,840</u>	<u>\$1,068,859,278</u>	
ii. Terminated vested members	\$4,182,795	\$4,181,335	
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	<u>\$870,730,934</u>	<u>\$811,023,284</u>	*
Disabled members	13,557,123	15,033,775	
Sub-total	<u>\$884,288,057</u>	<u>\$826,057,059</u>	
iv. Member contributions (annuities & refunds)	\$4,777,966	\$3,409,936	
v. Total present value of all future expected ben. pmts.	<u>\$1,829,319,658</u>	<u>\$1,902,507,608</u>	

	Actuarial valuation prepared as of:	
	<u>October 1, 2001</u>	<u>October 1, 2002</u>
b. Liabilities due and unpaid EANC	\$0	373,766,000 \$0
c. Actuarial accrued liability	\$1,511,829,230	\$1,528,741,528
d. Unfunded actuarial accrued liability (please reference Table Va for details concerning the unfunded liability bases and amortization periods)	\$50,248,181	\$103,033,177
4. Actuarial Present Value of Accrued Benefits (please reference Table IV for details concerning the present value of accrued benefits)	\$1,249,146,049	\$1,256,633,478
5. Pension Cost (as a % of payroll)		
a. Normal cost:		
i. Due to benefits and return of contributions	13.69%	15.15%
ii. Due to administrative expenses	0.43%	0.68%
iii. Total normal cost	14.12%	15.83%
b. Payment to amortize unfunded liability	1.38%	2.35%
Dollar amount:	\$3,364,462	\$5,938,348
c. Amount to be contributed by members	8.00%	8.00%
Dollar amount:	\$19,525,700	\$20,254,734
d. Expected City Contribution (not less than 0%)	7.50%	10.18%
Dollar amount (not less than \$0): *	\$19,006,682	\$26,775,657
	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>2000/2001</u>	<u>2001/2002</u>
6. Past Contributions		
a. Required City contribution		
b. Actual contribution made by:		
i. Employer	\$125,407	(\$284,332)
ii. Members	\$15,393,272	\$16,407,276

* Adjusted to take into account monthly timing of payments

	<u>Actuarial valuation prepared as of:</u>	
	<u>October 1, 2001</u>	<u>October 1, 2002</u>
7. Net actuarial (gain) / loss	\$48,298,786	\$48,762,585
8. Other disclosures		
a. Present value of active members':		
i. Future salaries:		
at attained age	\$2,359,798,941	\$2,427,744,200
at entry age	N/A	N/A
ii. Future contributions:		
at attained age	\$188,783,915	\$194,219,532
at entry age	N/A	N/A
b. Present value of future normal contributions from City	\$128,706,513	\$179,546,548
c. Present value of future expected benefit payments for active members at entry age	N/A	N/A
d. Amount of active members' accumulated contributions	\$123,999,631	\$143,192,749

UNFUNDED LIABILITY BASES**TABLE Va**

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance as of October 1, 2001</u>	<u>2001/2002 Amortization Payment</u>	<u>Outstanding Balance as of October 1, 2002</u>	<u>2002/2003 Amortization Payment</u>	<u>Years Remaining ***</u>
10/01/1999 Frsh Start	N/A	\$2,860,265	\$183,060	\$2,902,090	\$174,947	27 years
10/01/2001 Experience Loss	\$48,298,786	\$48,298,786	\$0	\$52,355,885	\$3,038,915	29 years
10/01/2002 Experience Loss	\$48,762,585			\$48,762,585	\$2,781,797	30 years
10/01/2001 Assum. Change	(\$910,870)	(\$910,870)	\$0	(\$987,383)	(\$57,311)	29 years
Total		\$50,248,181	\$183,060	\$103,033,177	\$5,938,348	

*** Years remaining as of October 1, 2002

<u>Date</u>	<u>Projected Unfunded Liability</u>
October 1, 2002	\$103,033,177
October 1, 2003	\$105,250,795
October 1, 2004	\$107,365,020
October 1, 2005	\$109,354,132
October 1, 2032	\$0

ASSETS**TABLE VI**

	<u>As of October 1, 2001</u>	<u>As of October 1, 2002</u>
1. Market Value of Assets*		
a. Cash and cash equivalents (5%)	\$66,790,904	\$84,775,441
b. U.S. government bonds & notes (22%)	\$318,888,573	\$286,110,103
c. Municipal bonds (0%)	\$4,423,371	\$1,114,382
d. Domestic Corporate Bonds (19%)	\$264,262,292	\$231,633,658
e. Domestic Stocks (43%)	\$614,889,672	\$560,602,939
f. Internation Stocks (11%)	\$150,611,118	\$127,657,416
g. Mortgages/loans (0%)	\$0	\$0
h. Other assets (0%)	\$44,626	\$47,421
i. Accrued income receivable (1%)	\$7,598,703	\$5,671,535
j. Contributions receivable (0%)	\$0	\$0
k. Other receivables (0%)	\$0	\$0
l. Benefits payable (0%)	\$0	\$0
m. Other payables (0%)	(\$628,739)	(\$2,639,666)
n. Market value of assets	\$1,426,880,520	\$1,294,973,229
2. Actuarial Value of Assets		
	\$1,461,581,049	\$1,425,708,351

ASSET RECONCILIATION**TABLE VIa**

1. Market Value of Assets as of October 1, 2001	\$1,426,880,520
2. Increases Due to:	
a. Contributions:	
i. Employer	(\$284,332)
ii. Members	\$16,407,276
iv. Total	<u>\$16,122,944</u>
b. Investment Income	(\$64,955,011)
c. Total increases	<u>(\$48,832,067)</u>
3. Decreases Due to:	
a. Benefit payments	\$75,693,265
b. Refund of member contributions	\$1,931,986
c. Investment expenses	\$3,780,331
d. Administrative expenses	\$1,667,297
e. Miscellaneous	\$2,345
f. Total decreases	<u>\$83,075,224</u>
4. Market Value of Assets as of October 1, 2002	\$1,294,973,229

ACTUARIAL VALUE OF ASSETS**TABLE VII****1. Calculation of Weighted Indices**

Plan Year <u>Ending</u>	Annual Market-to- Market Yield	Cumulative Index Market-to- Market Yield	Val. Rate Update Factor	Index Updated at Val. Rate to Val. Date	Weighted Factor	2002 Weighted Index
1998	3.14%	103.14	1.3808	142.42	1/15	9.50
1999	12.97%	116.52	1.2738	148.42	2/15	19.78
2000	9.34%	127.40	1.1751	149.71	3/15	29.94
2001	-2.86%	123.79	1.0840	134.19	4/15	35.79
2002	-4.93%	117.69	1.0000	117.69	5/15	39.23
						134.24

2. Adjustment Factor (134.24 / 117.69)

1.1406

3. Market Value of Assets (End of Year)

\$1,294,973,229

4. Actuarial Value of Assets

\$1,477,046,465

5. Past Excess Contribution Account (PEC)

\$51,338,114

6. Actuarial Value of Assets net of PEC

\$1,425,708,351

PAST EXCESS CONTRIBUTION (PEC)**TABLE VIII****1. PEC for Year Ending 09/30/2000**

a. PEC Beginning of year	\$66,192,515
b. 1. Contribution Required by City	\$12,900,191
2. Contribution Required by Members	\$18,354,679
3. Total Contribution Requirements b(1) + b(2)	\$31,254,870
c. 1. Actual City Contributions Paid	\$12,153,539
2. Actual Member Contributions Paid	\$18,118,865
3. Total Contributions Paid c(1) + c(2)	\$30,272,404
d. PEC End of Year (a)(1.084) - b(1) + c(1)	\$71,006,034

2. PEC for Year Ending 09/30/2001

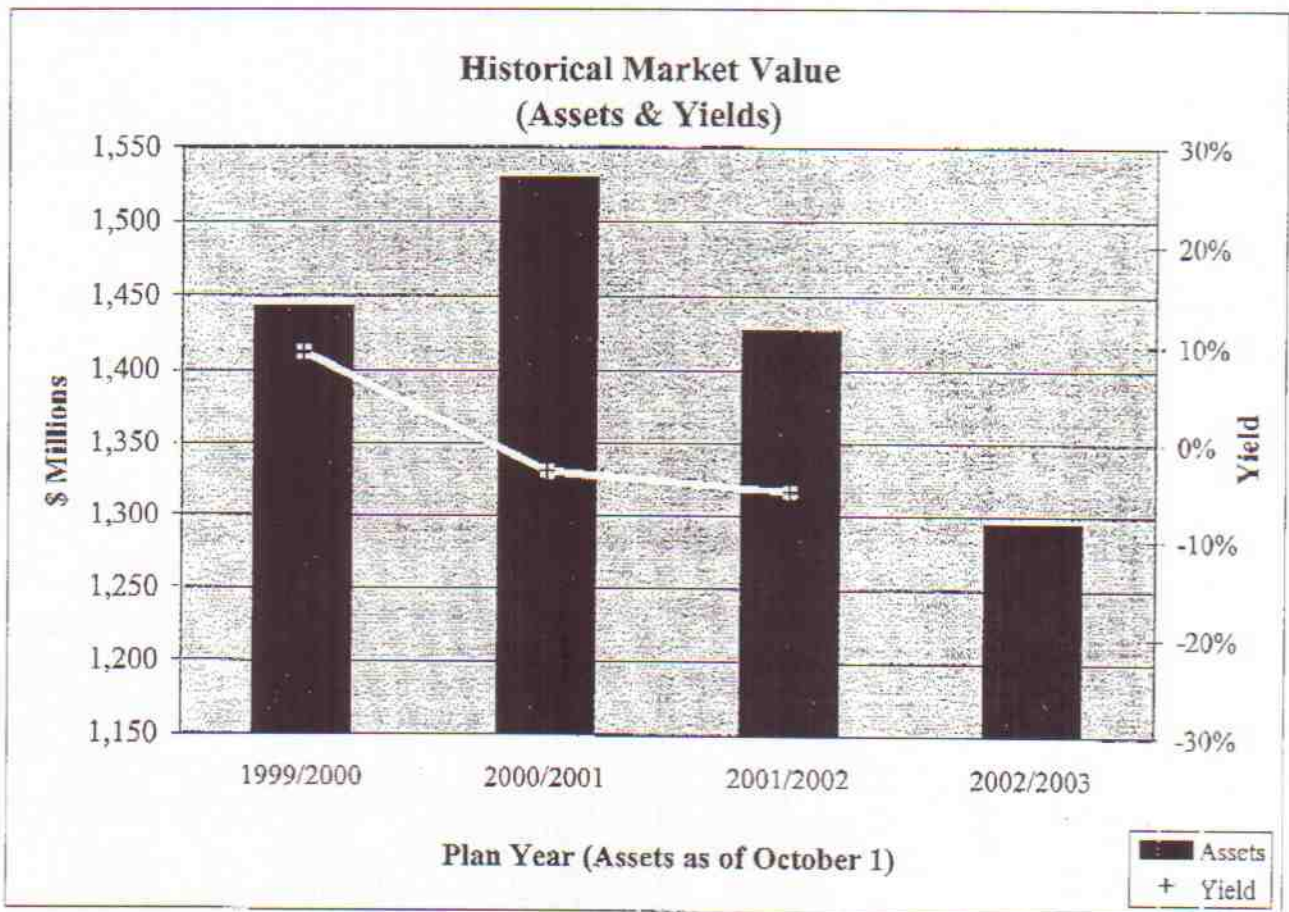
a. PEC Beginning of year	\$71,006,034
b. 1. Contribution Required by City	\$12,698,700
2. Contribution Required by Members	\$17,742,020
3. Total Contribution Requirements b(1) + b(2)	\$30,440,720
c. 1. Actual City Contributions Paid	\$130,568
2. Actual Member Contributions Paid	\$15,977,283
3. Total Contributions Paid c(1) + c(2)	\$16,107,851
d. Contribution from PEC - 1% Employee Contributions	\$2,217,753
e. PEC End of Year (a)(1.084) - b(1) + c(1)	\$62,184,656

3. PEC for Year Ending 09/30/2002

a. PEC Beginning of year	\$62,184,656
b. 1. Contribution Required by City	(13,206,649)
2. Contribution Required by Members	\$13,232,873
3. Total Contribution Requirements b(1) + b(2)	X \$20,329,245 " 4% to pay"
c. 1. Actual City Contributions Paid	\$33,562,118
2. Actual Member Contributions Paid	(\$296,024)
3. Total Contributions Paid c(1) + c(2)	\$15,977,283
d. Contribution from PEC - 1% Employee Contributions	\$15,681,259
e. PEC End of Year (a)(1.084) - b(1) + c(1) - d	\$2,541,156
	\$51,338,114

HISTORICAL ASSET INFORMATION

TABLE IX



Plan Year	Market Value as of October 1	Actuarial Value as of October 1	Benefit Payments*	Administrative Expenses	City and Member Contributions	Market Value Yield	Actuarial Value Yield
2000/2001	\$1,442,871,507	\$1,324,735,618	\$73,393,539	\$1,402,198	\$29,094,503	9.34%	11.36%
2000/2001	\$1,529,750,911	\$1,426,926,058	\$74,900,656	\$1,001,716	\$15,518,679	-2.83%	6.80%
2001/2002	\$1,426,880,520	\$1,461,581,049	\$77,625,251	\$1,667,297	\$16,122,944	-4.93%	1.91%
2002/2003	\$1,294,973,229	\$1,425,708,351					

REVENUES BY SOURCE AND EXPENSES BY TYPE**TABLE IXa****REVENUES**

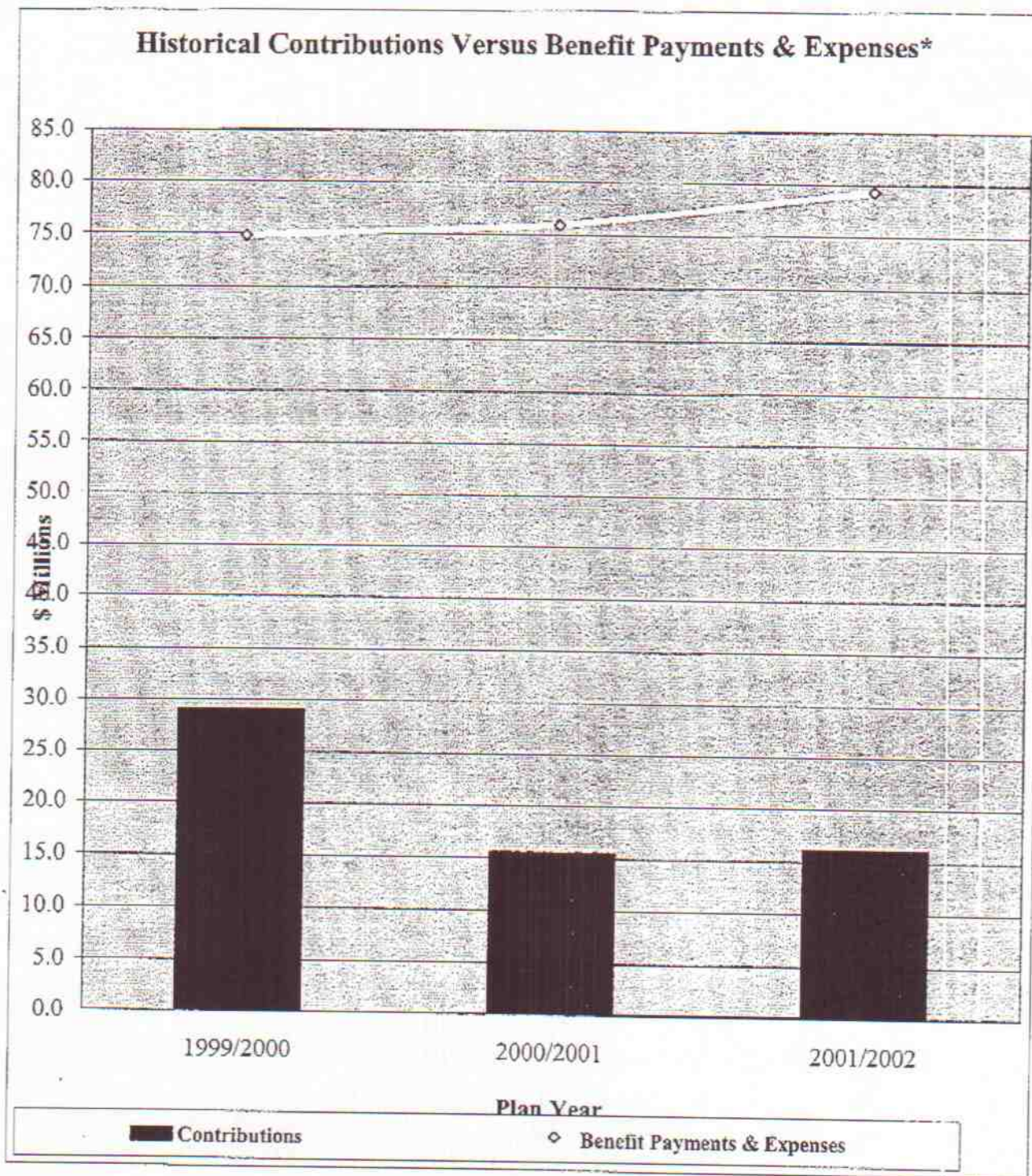
Fiscal Year	City Contrib.	Member Contrib.	Net Invest. Income	Total
1999/2000	\$11,680,644	\$17,413,859	\$136,851,790	\$165,946,293
2000/2001	\$125,407	\$15,393,272	(\$38,382,024)	(\$22,863,345)
2001/2002	(\$284,322)	\$16,407,276	(\$64,955,011)	(\$48,832,057)

EXPENSES

Fiscal Year	Benefits Paid	Member Refunds	Administrative Expenses	Total
1999/2000	\$70,074,194	\$3,313,570	\$1,402,198	\$74,789,962
2000/2001	\$72,549,509	\$2,351,147	\$1,001,716	\$75,902,372
2001/2002	\$75,693,265	\$1,931,986	\$1,667,297	\$79,292,548

CONTRIBUTIONS VS. FUND PAYOUTS

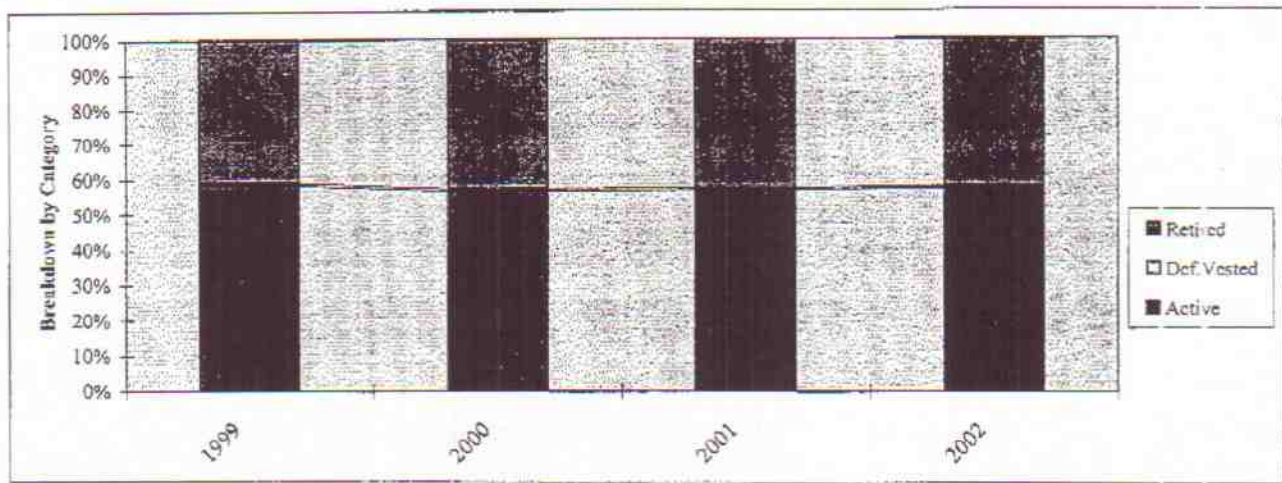
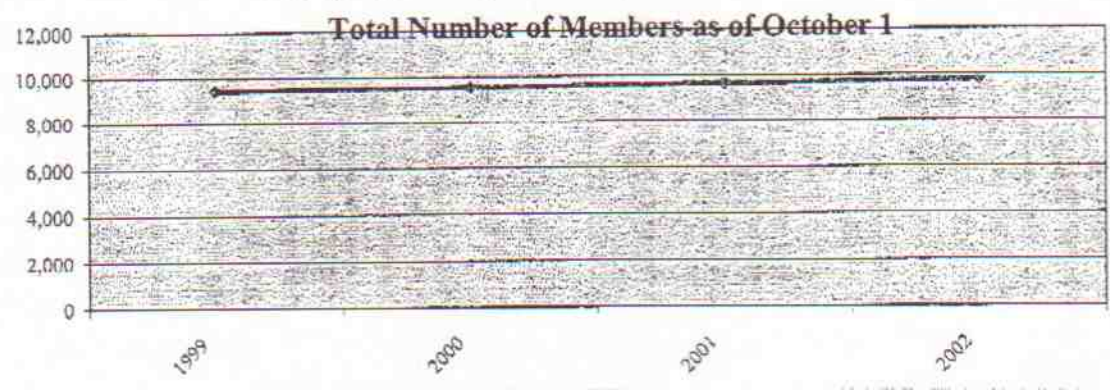
TABLE X



* Please reference Table IX on page Page 17 for the historical benefit payments, expenses, and contributions.

SUMMARY OF MEMBER DATA

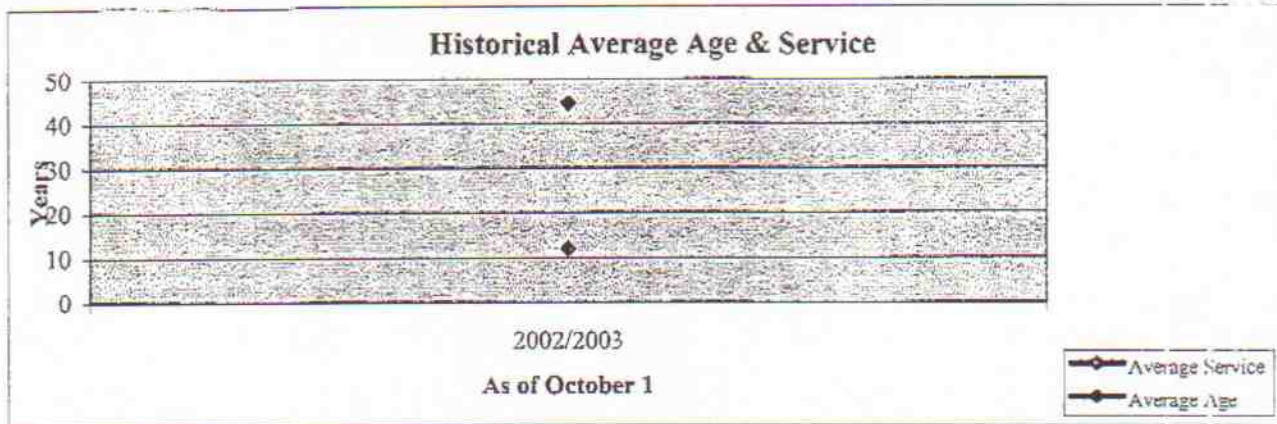
TABLE A1



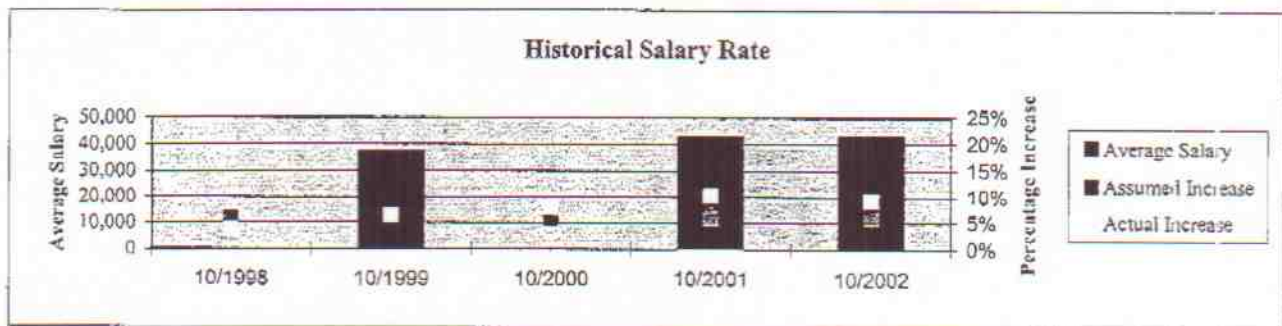
	<u>As of October 1, 2001</u>	<u>As of October 1, 2002</u>
1. Active Members		
a. Vested	5,496	3,079
b. Non-vested	0	2,573
c. Sub-total	<u>5,496</u>	<u>5,652</u>
2. Non-active, Non-retired Members		
a. Fully or partially vested	66	53
3. Retired Members		
a. Non-disabled	3,971	2,951
b. Disabled	124	122
c. Beneficiaries	0	1,027
d. Sub-total	<u>4,095</u>	<u>4,100</u>
4. Total Members	<u><u>9,657</u></u>	<u><u>9,805</u></u>

ACTIVE DATA

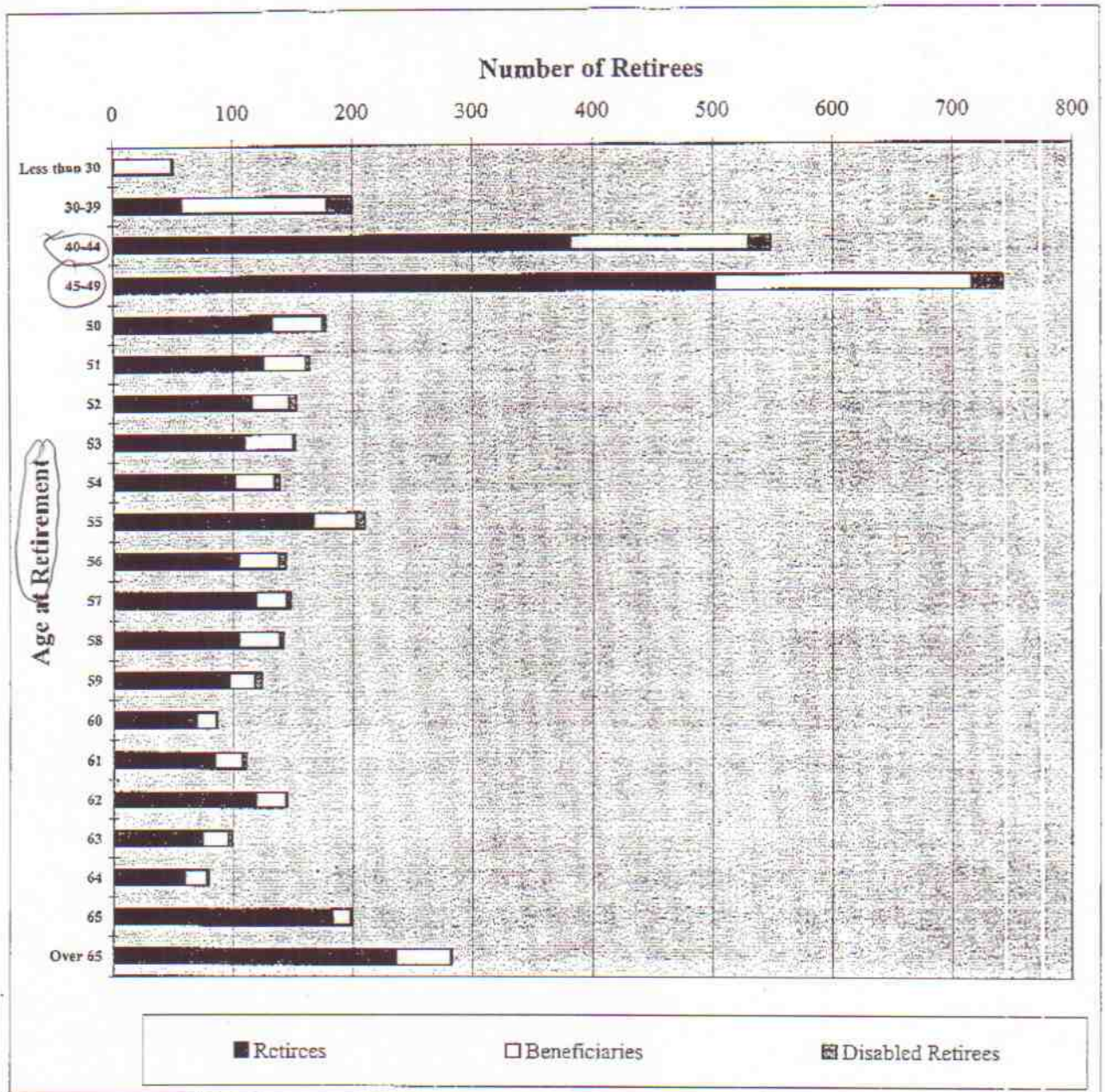
TABLE A1a



Plan Year	Average Service Earned	Average Attained Age	Plan Year	Average Service Earned	Average Attained Age
2002/2003	12.0	44.5			



Date	Average Salary	Actual Salary Increase	Date	Average Salary	Actual Salary Increase
10/1998	N/A	3.70%	10/2001	\$42,701	10.18%
10/1999	\$37,267	6.50%	10/2002	\$43,073	9.27%
10/2000	N/A	7.85%			



Average benefit being paid to non-disabled retirees is \$1,821.25 per month.
 Average benefit being paid to disabled retirees is \$107.58 per month.
 Average benefit being paid to beneficiaries is \$877.17 per month.

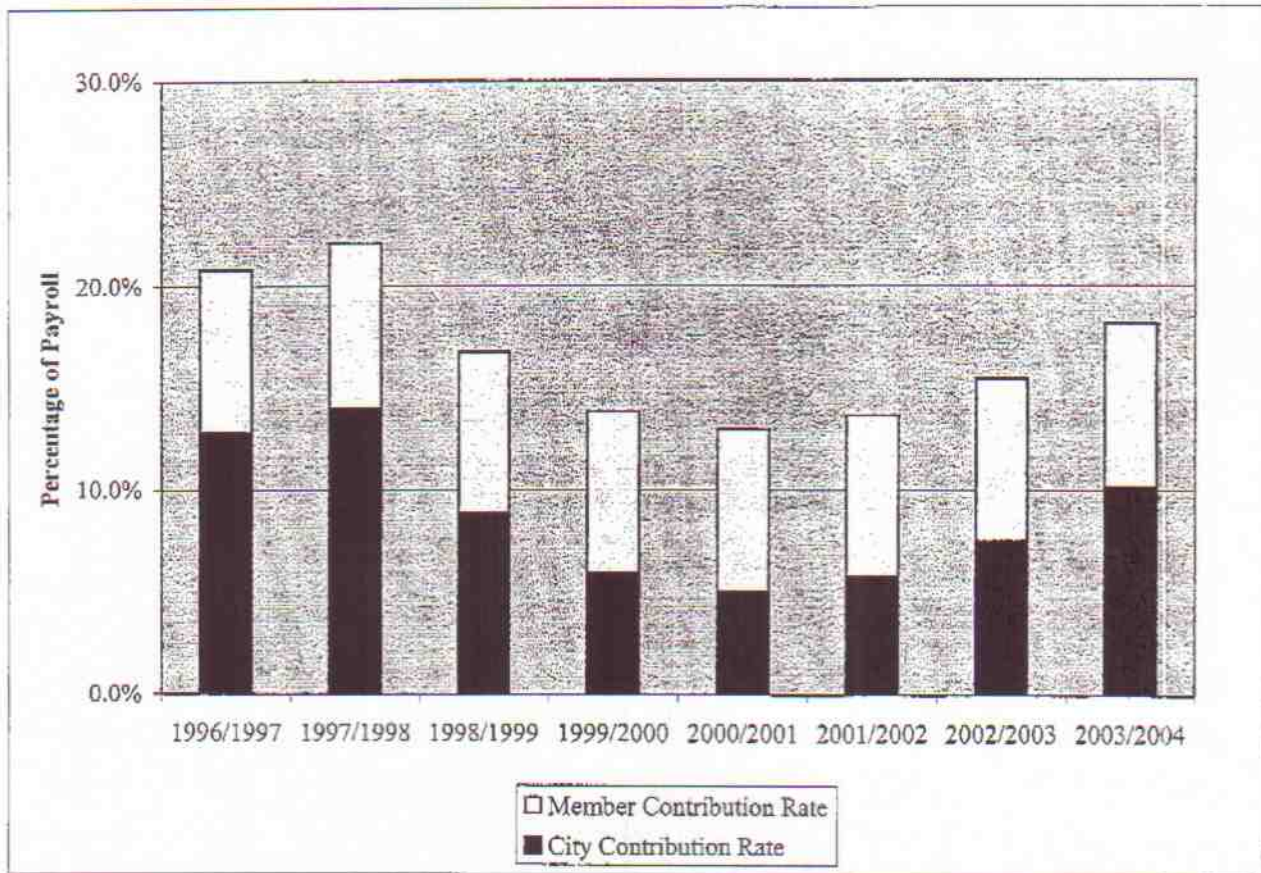
	<u>Active</u>	<u>Non-active, Non-retired</u>	<u>Retired</u>	<u>Total</u>
1. Number of members as of October 1, 2001	5,496	66	4,095	9,657
2. Change in status during the plan year:				
a. Actives who became inactive				
b. Actives who retired	(79)		79	
c. Inactives who became active				
d. Inactives who retired				
e. Retirees who became active				
3. No longer members due to:				
a. Death			(139)	(139)
b. Permanent break-in-service	(209)			(209)
c. Receipt of lump sum payment				
d. Expiration of certain period				
e. Included in error last year				
4. New member due to:				
a. <u>Initial membership</u>	(7) 447		49	(7) 447
b. Death of another member				
c. Omitted in error last year				
d. Correction	(3)	(13)	16	
5. Number of members as of October 1, 2002	5,652	53	4,100	9,805

AGE-SERVICE-SALARY TABLE**TABLE A10****(All Active Members)**

Attained Age	Completed Years of Service										Total	
	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		
Under 25	26	129	0	0	0	0	0	0	0	0	0	155
Avg.Pay	20,653	26,240	0	0	0	0	0	0	0	0	0	25,303
25 to 29	19	239	52	1	0	0	0	0	0	0	0	311
Avg.Pay	28,225	30,634	36,275	31,497	0	0	0	0	0	0	0	31,433
30 to 34	17	283	165	75	5	0	0	0	0	0	0	545
Avg.Pay	27,691	33,370	37,498	42,136	48,457	0	0	0	0	0	0	35,787
35 to 39	10	219	145	192	140	7	0	0	0	0	0	713
Avg.Pay	31,060	36,956	40,024	45,534	43,966	40,356	0	0	0	0	0	41,217
40 to 44	21	248	143	221	230	131	6	0	0	0	0	1,000
Avg.Pay	35,231	37,626	40,497	45,387	47,944	52,251	66,823	0	0	0	0	44,166
45 to 49	11	213	108	178	194	152	190	16	0	0	0	1,062
Avg.Pay	43,101	38,984	41,447	44,839	50,245	51,915	55,379	48,316	0	0	0	47,240
50 to 54	16	147	120	140	101	109	170	95	0	0	0	898
Avg.Pay	30,590	37,636	43,277	45,122	50,600	50,852	57,185	53,668	0	0	0	47,890
55 to 59	7	92	61	122	81	75	66	74	12	0	0	590
Avg.Pay	36,134	37,335	40,612	45,776	47,246	50,260	51,205	56,733	64,369	0	0	46,943
60 to 64	1	45	36	51	52	24	24	12	13	2	0	260
Avg.Pay	19,901	34,044	44,751	37,065	43,003	47,530	45,697	45,275	47,617	55,787	0	41,541
65 & up	0	4	7	18	19	13	10	9	1	5	0	86
Avg.Pay	0	25,648	35,874	37,607	45,068	36,490	43,978	69,231	27,040	49,160	0	42,988
70 & up	0	2	4	6	6	4	4	1	1	4	0	32
Avg.Pay	0	21,554	54,709	47,988	35,122	50,880	34,578	29,251	29,409	40,446	0	41,340
Total	128	1,621	841	1,004	828	515	470	207	27	11	0	5,652
Avg.Pay	29,928	34,869	40,304	44,525	47,600	50,776	54,678	54,422	53,626	47,196	0	43,073

HISTORICAL CONTRIBUTION RATE

TABLE XII



<u>Fiscal Year</u>	<u>Member Contribution Percentage</u>	<u>Expected City Contribution Percentage</u>	<u>Fiscal Year</u>	<u>Member Contribution Percentage</u>	<u>Expected City Contribution Percentage</u>
1996/1997	8.00%	12.80%	2000/2001	8.00%	5.01%
1997/1998	8.00%	14.08%	2001/2002	8.00%	5.73%
1998/1999	8.00%	8.81%	2002/2003	8.00%	7.50%
1999/2000	8.00%	5.91%	2003/2004	8.00%	10.18%

ACTUARIAL ASSUMPTIONS AND METHODS**TABLE XIII****1. Actuarial Cost Method**

The Entry Age Actuarial Cost Method was used. Under this method, the cost of each member's projected retirement benefit is funded through a series of annual payments, determined as a level percentage of each year's earnings from age at hire to assume exit age. This level percentage, known as normal cost, is thus computed as though the Plan had always been in effect. The accrued value of normal cost payments due prior to the valuation date is termed the actuarial accrued liability (AAL). This amount minus the actuarial value of assets is known as the unfunded liability (UAAL). The annual cost of the plan consists of two components: normal cost and an amortization payment (that could be a contribution credit) toward discharging the UAAL.

2. Decrements

Pre and Post Retirement Healthy Mortality

RP-2000 Mortality Table

Pre and Post-Retirement Disabled Mortality

RP-2000 Mortality Table

Disability

Representative values of the assumed annual rates of disability among Members in active service are set forth in the following table.

Male

Age	Rate	Age	Rate	Age	Rate	Age	Rate
25	.02%	30	.03%	35	.04%	40	.06%
45	.09%	50	.16%	55	.24%	60	.41%

Female

Age	Rate	Age	Rate	Age	Rate	Age	Rate
25	.01%	30	.02%	35	.04%	40	.06%
45	.09%	50	.14%	55	.22%	60	.28%

Permanent Withdrawal from Active Status

Representative values of the assumed annual rates of withdrawal in active service for causes other than retirement, death or disability are set forth in the following table.

ACTUARIAL ASSUMPTIONS AND METHODS

TABLE XIII

(continued)

Age	Rate	Age	Rate	Age	Rate	Age	Rate
25	5.30%	30	3.90%	35	2.80%	40	1.80%
45	1.20%	50	0.80%	55	0.50%	60	0.50%

An additional 15% of employees are assumed to terminate in the first year of employment and an additional 10% are assumed to terminate in the second year of employment

□ Retirement from Active Status

Age	Rate	Age	Rate	Age	Rate	Age	Rate
45	5%	46	5%	47	5%	48	5%
49	5%	50	5%	51	5%	52	5%
53	5%	54	5%	55	25%	56	10%
57	10%	58	10%	59	10%	60	10%
61	10%	62	50%	63	10%	64	10%
65	100%						

3. Interest and Investment Return Rate

8.4% per annum, compounded annually, including inflation, and net of investment expenses.

4. Salary Increases

Service	Rate	Service	Rate	Service	Rate	Service	Rate
0	8.0%	1	8.0%	2	8.0%	3	8.0%
4	8.0%	5	8.0%	6	6.5%	7	6.5%
8	6.5%	9	6.5%	10	6.5%	11	5.5%
12	5.5%	13	5.5%	14	5.5%	15	5.5%
16	4.5%	17	4.5%	18	4.5%	19	4.5%

Assumed salary increases are 4.5% for each year of service greater than 16

5. Inflation

4.0% per annum.

6. Spouses

100% of active Members assumed to be married with the husband three years older than his wife. No remarriages are assumed.

ACTUARIAL ASSUMPTIONS AND METHODS**TABLE XIII**

(continued)

7. Expenses

Previous year's actual expenses.

8. Assets

The actuarial value of assets is determined by multiplying the market value of assets by the adjustment factor. This adjustment factor is used to smooth out short term changes in market value. The actuarial adjustment factor is developed as shown in Table VII

9. GASB Nos. 25 and 27

The determination of the GASB Nos. 25 and 27 accounting information has been made on the basis of the same assumptions and methods based in the regular actuarial valuation.

10. Increase in Total Active Member Payroll

4.0% per annum.

ASSUMPTION CHANGES

TABLE XIIIa

- There have been no changes since the previous valuation

PLAN AMENDMENTS**TABLE XIVa****1. Plan Eligibility**

All Permanent City General Employees are eligible for membership in the Plan upon date of hire.

2. Creditable Service

The number of full years and months worked from date of participation to date of termination or retirement.

3. Earnings

Base earnings plus service raises received by a Member as compensation for services to the City, excluding overtime pay, bonuses and other extra pay.

4. Final Average Earnings

The average of a Member's annual Earnings for the highest 78 consecutive pay periods in which compensation was paid, within the last 10 years preceding termination of employment.

5. Accrued Benefit

Regular Benefit - 2.5% of Final Average Earnings times Creditable Service. Maximum benefit is 80% of Final Average Earnings. In addition there is a minimum benefit of 32.91 per year of credited service not to exceed 30. The Minimum benefit is increased 4% per year each October 1st.

Health Insurance - a supplement equal to \$3 a month times the number of years of Creditable Service at retirement, but not greater than 30 years; minimum benefit \$30 per month, maximum benefit \$90 per month.

6. Normal Retirement

Eligibility - The earlier of (i) age 55 and 20 years of Creditable Service and (ii) age 65 and five years of Creditable Service.

Benefit - Accrued Benefit payable as of the Normal Retirement Date.

*Normal
Form*

75% JFS ?

PLAN AMENDMENTS**TABLE XIVa****7. Early Retirement**

Eligibility - The earlier of (i) age 50 and 20 years of Creditable Service and (ii) 25 years of Creditable Service

Benefit - (i) at age 50 with 20 years of Creditable Service, Accrued Benefit with ½%-per month early payment reduction from age 55; (ii) with 25 year of Creditable Service, 2% formula unreduced for early payment commencement; (iii) with 30 years of Creditable Service, the Accrued Benefit unreduced for early payment commencement.

8. Delayed Retirement

Eligibility - After normal retirement date

Benefit - Accrued Benefit at Delayed Retirement Date

9. Disability Benefit**Non Service Related**

Eligibility - Upon becoming a member of the Plan

Benefit - A benefit equal to 25% of Final Average Earnings, increased by 2.5% per year of service in excess of five years, up to a maximum of 50% of Final Average Earnings, determined as of the date of disability payable as of the Disability Retirement Date.

Service Related

Eligibility - Upon becoming a member of the Plan

Benefit - A benefit equal to 50% of Final Average Earnings, payable as of the Disability Retirement Date.

10. Pre retirement Death Benefit

If a member should die with an Eligible Spouse or orphaned child(ren), 75% of the Accrued Benefit (determined at a 2% accrual rate if Member is not eligible for Normal Retirement or Early Retirement) of the Member, unreduced, calculated as if the Member had worked until Normal Retirement Date at current salary, is payable to the Eligible Spouse (assumed temporarily to increase to 100% until children attain age 18) or to the orphaned child(ren) at the Member's earliest retirement date. Minimum of 75% of the minimum benefit applicable to the Member.

PLAN AMENDMENTS**TABLE XIV α** **11. Death Benefit after Retirement**

75% continuation to Eligible Spouse or orphaned child(ren) (if any), subject to the terms of the optional benefit form (if any) elected. Minimum of 75% of the minimum benefit applicable to the Member.

12. Vested Withdrawal

Eligibility – Completion of ten years of Creditable Service

Benefit - Accrued Benefit payable at age 65. In addition, certain “grandfathered” provisions apply for Member who had completed 10 or more years of Creditable Service at December 31, 1989.

13. Non Vested Withdrawal

Eligibility – Completion of less than ten years of Creditable Service

Benefit – Return of 100% Member Contributions without interest.

14. Temporary Retiree Supplement

Monthly benefit of \$0.10 times service times years retired payable to members or survivors of members who retired on or before October 1, 1995, payable effective October 1, 2000, payable for 36 months or until retirement benefits cease, if earlier. Final supplement payable for year beginning October 1, 2002

15. Employee Contributions

Members contribute 8% of Earnings.

16. Cost of Living Subsidy

On April 1st nearest the fifth anniversary and each April 1st there after, the benefit is increased by the 3% or the CPI – U, the lesser of the two for the prior calendar year. However, only the portion of the cost-of-living amount in excess of the health insurance supplement is payable.

PLAN AMENDMENTS

TABLE XIVa

- There have been no changes since the previous valuation