

PENSION BOARD CONSULTANTS, INC.
CONSULTING, ACTUARIAL & ADMINISTRATIVE SERVICES

ARMON WELCH, /
PRESIDENT

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December 18, 2009

Mr. John Keane, Executive Director
Jacksonville Police & Fire Pension Fund
P. O. Box 150
Jacksonville, FL 32201-0150

October 1, 2009 Actuarial Valuation Results

Dear John:

We have completed our annual actuarial valuation for the Jacksonville Police & Fire Pension Fund as of October 1, 2009. Our results are shown on the enclosed attachment.

The October 1, 2009 cost for the Plan under the current assumptions is 67.61%. The 4.53% cost increase is primarily due to asset losses and salary increases greater than expected.

However, as discussed we have changed the mortality assumption effective October 1, 2009; reducing costs 2.16%. Total costs for the Plan are now 65.45% (63.09% being paid).

Please call if you wish to discuss this further. Best regards.

Cordially yours,



Jarmon Welch, A.S.A.
President

Attachment

cc: Mr. Richard Cohee, Deputy Executive Director
Ms. Kelly Shelton

**PRESENTED AT POLICE AND FIRE
PENSION TRUSTEES MEETING
ON 11/19/2010 AS ITEM # 2010-01-D
FROM ADMINISTRATIVE REPORT
 APPROVED
 DENIED
 REC'D AS INFORMATION
*Rec'd & Defer'd***

JACKSONVILLE POLICE AND FIRE PENSION FUND

	A	B	C
	10/1/2008 REPORT	10/1/2009 New Data No Changes	10/1/2009 New Data with RP-2000
1. Present Value of Future Benefits			
a. Active Participants			
(i) Retirement	\$943,617,820	\$981,512,135	\$964,739,233
(ii) Death	\$15,916,135	\$16,841,208	\$15,475,626
(ii) Disability	\$25,031,217	\$26,488,264	\$25,743,135
(iv) Withdrawal	\$4,284,636	\$4,607,283	\$4,603,510
(v) Return of Contributions	<u>\$786,166</u>	<u>\$820,171</u>	<u>\$808,536</u>
(vi) Total	\$989,635,974	\$1,030,269,061	\$1,011,370,040
b. Inactive Participants			
(i) Retirees and Beneficiaries:	\$886,292,046	\$931,188,020	\$898,214,249
(ii) Disableds	\$20,916,131	\$20,735,924	\$19,858,658
(iii) Terminated Vested	\$5,255,417	\$6,420,790	\$6,279,177
(iv) DROP Participants	<u>\$194,178,120</u>	<u>\$240,454,650</u>	<u>\$236,378,851</u>
(v) Total	\$1,106,641,714	\$1,198,799,384	\$1,160,730,935
c. Total (a. + b.)	\$2,096,277,688	\$2,229,068,445	\$2,172,100,975
2. Actuarial Value of Assets			
a. Gross Actuarial Value	\$907,626,818	\$869,044,915	\$869,044,915
b. Reserve Accounts	<u>\$12,723,482</u>	<u>\$13,048,401</u>	<u>\$13,048,401</u>
c. Net Actuarial Value (a. - b.)	\$894,903,336	\$855,996,514	\$855,996,514
3. Unfunded Actuarial Accrued Liability	\$798,071,347	\$946,320,505	\$897,949,150
4. Present Value of Future Normal Costs	\$403,303,005	\$426,751,426	\$418,155,311
5. Ratio of Present Value of Future Salaries to Current Salaries			
a. 1% of PV of Future Salaries	\$15,550,179	\$16,451,821	\$16,454,969
b. Covered Payroll (no DROP)	\$148,276,743	\$155,557,729	\$155,557,729
c. Ratio (a. / b.)	10.487268	10.576023	10.578047
d. DROP Payroll	\$18,722,023	\$23,918,518	\$23,918,518
6. Normal Actuarial Cost			
a. Dollar Amount (Individual EA)	\$38,461,797	\$40,341,900	\$39,537,438
b. As % of Covered Payroll	25.94%	25.93%	25.42%
c. Normal Cost with Expense Load	\$40,661,797	\$42,541,900	\$41,737,438
d. As % of Covered Payroll	27.42%	27.35%	26.83%
7. Total Cost for the Year			
a. UAAL Amortization Payment	\$49,146,128	\$58,420,479	\$55,999,255
b. Total Cost BOY (6.c. + 7 a.)	\$89,807,925	\$100,962,379	\$97,736,693
c. Total Cost MOY (7.b. x 1.085 ⁵)	\$93,546,928	\$105,165,779	\$101,805,797
c. As % of Covered Payroll	63.09%	67.61%	65.45%