

March 20, 2013

Mr. James F. Fisher
Secretary to the Board of Trustees
City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida
Hampton Professional Center
1951 NW 150th Avenue – Suite 104
Pembroke Pines, Florida 33028

Re: October 1, 2012 Projection Actuarial Valuation Report

Dear Jim:

As requested, we are pleased to enclose fifteen (15) bound copies and one (1) unbound copy of the October 1, 2012 Projection Actuarial Valuation Report for the City Pension Fund for Firefighters and Police Officers in the City of Pembroke Pines, Florida.

As you are aware, the Board should file a copy of this Report with the following State Department Heads upon approval:

Mr. Douglas E. Beckendorf, A.S.A.
Bureau of Local Retirement Services
Division of Retirement
Building 8
Post Office Box 9000
Tallahassee, Florida 32315-9000

Ms. Patricia Shoemaker
Office of Municipal Police Officers'
& Firefighters' Pension Fund
Building 8
Post Office Box 3010
Tallahassee, Florida 32315-3010

We appreciate the opportunity to have performed this important assignment on behalf of the Board and look forward to presenting the key results the upcoming Board Meeting on March 21st.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,



Lawrence F. Wilson, A.S.A.
Senior Consultant and Actuary

Enclosures



**CITY PENSION FUND FOR FIREFIGHTERS AND POLICE OFFICERS
IN THE CITY OF PEMBROKE PINES, FLORIDA**

ACTUARIAL VALUATION AS OF OCTOBER 1, 2012

This Valuation Determines the Annual Contribution for the Fund Year October 1, 2013 through September 30, 2014 to be paid in Fiscal Year October 1, 2013 to September 30, 2014

March 20, 2013

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

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March 20, 2013

Board of Trustees
c/o Mr. James F. Fisher
Plan Administrator
City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida
Hampton Professional Center
1951 NW 150th Avenue – Suite 104
Pembroke Pines, Florida 33028

Dear Board Members:

October 1, 2012 Actuarial Valuation

We are pleased to present our October 1, 2012 Projection Actuarial Valuation for the City Pension Fund for Firefighters and Police Officers in the City of Pembroke Pines, Florida. The purpose of this report is to indicate appropriate contribution levels, comment on the actuarial stability of the Fund and to satisfy State requirements. The Board of Trustees has retained Gabriel, Roeder, Smith and Company (GRS) to prepare an annual actuarial valuation under Section 34.60 of the Fund Ordinance.

This report consists of this commentary, detailed Tables I through XVII and the State Required Exhibit on Table XVIII. The Tables contain basic Fund cost figures plus significant details on the benefits, liabilities and experience of the Fund. We suggest that you thoroughly review the report at your convenience and contact us with any questions that may arise.

Retirement Fund Costs

Our Projection Actuarial Valuation develops the required minimum Retirement Fund payment under the Florida Protection of Public Employee Retirement Benefits Act and for Fire and Police Retirement Chapters 175 and 185. The minimum payment consists of payment of annual normal costs including amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The **minimum payment for fiscal year ending September 30, 2014 is \$29,057,262 (84.2% / 106.3%)**. The figures in parentheses are the Fund cost expressed as a percentage of projected covered annual payroll including DROP payroll (\$34,491,060) and projected covered annual payroll excluding DROP payroll (\$27,335,148), respectively as of October 1, 2013.

This total cost is to be met by member, City and State contributions. We anticipate that member contributions will be **\$2,842,855 (8.2% / 10.4%)**, the State will contribute **\$2,342,079 (6.8% / 8.6%)** and the resulting minimum required City contribution will be **\$23,872,328 (69.2% /**

87.3%). The City contribution includes an interest adjustment and must be increased if State contributions are less than \$2,342,079.

Changes in Actuarial Assumptions, Methods and Fund Benefits

Fund provisions affecting the valuation remain unchanged from the October 1, 2011 Actuarial Valuation. Fund benefits are summarized on Table X.

The actuarial assumptions are unchanged from the October 1, 2011 Actuarial Valuation Report. The actuarial assumptions and methods are outlined on Table XI.

Comparison of October 1, 2011 and October 1, 2012 Valuation Results

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated for October 1, 2011. The right columns indicate the costs as calculated for October 1, 2012.

Comparing the left and right columns of Table II shows the effect of Fund experience during the year. The number of active participants decreased by approximately 1%. Covered payroll including DROP payroll decreased by approximately 3%. Covered payroll net of DROP payroll increased by approximately 1%. Total Fund membership increased by approximately 1%. Total normal cost decreased slightly both as a dollar amount and as a percentage of covered payroll excluding DROP payroll (but increased as a percentage of covered payroll including DROP payroll). The unfunded actuarial accrued liability increased both as a dollar amount and as a percentage of payrolls (both including and excluding DROP payroll). The net City minimum funding requirement increased both as a dollar amount and as a percentage of payroll (both including and excluding DROP payroll).

The value of vested accrued benefits exceeds Fund assets, resulting in a Vested Benefit Security Ratio (VBSR) of 62.3% which is an increase from 52.8% as of the October 1, 2011 Actuarial Valuation Report. The VBSR is measured on a market value of assets basis.

Fund Experience

The Fund experienced an actuarial loss in the amount of \$4,435,113 this year. This indicates net Fund experience was less favorable than expected based upon the actuarial assumptions.

Table XVI (salary, turnover and investment yield) provides figures on recent Fund experience.

Salary experience indicates actual salary increases (excluding DROP payroll) averaged approximately 3.8% for Fund Year ended September 30, 2012. The average salary increase assumption was 4.6%. Salary increase experience was generally an offsetting source of actuarial gain. Three, five and ten year average annual salary increases are 3.0%, 4.3% and 5.8%, respectively.

Employee turnover this year was approximately 110% of the assumed and was generally an additional offsetting source of actuarial gain. Three and five year average annual turnover is 40% and 60% of assumed, respectively.

This year's actuarial value investment return of 6.4% was less than the investment return assumption of 8.0%. Investment return was a substantial source of actuarial loss during the year. Three, five and ten year average annual investment returns are 4.9%, 4.5% and 6.0%, respectively on an actuarial value basis. Average annual market value returns for the one, three, five and ten year periods have been 19.0%, 8.7%, 1.9% and 6.7%, respectively.

Table VIII provides figures on recent Fund payroll growth experience. Recent Fund covered payroll growth experience, excluding DROP payroll, indicates actual payroll growth averaged approximately 1.2% annually for the ten fiscal years ended September 30, 2012. The payroll growth assumption is 5.3%, not in excess of the ten (10) year average annual payroll growth assumption. The cap on payroll growth assumption is provided under Florida Statute. The reduction in payroll growth assumption from 1.6% to 1.2% increased the current year amortization payment amounts.

Member Census and Financial Data

The City submitted the Member census data as of October 1, 2012 used for this actuarial valuation to us. This information contains name, Social Security number, date of birth, date of hire, October 1, 2012 rate of pay, actual salary paid and member contributions for the previous year. Dates of termination and retirement are provided where applicable. The Board updated information on inactive participants including retirees, beneficiaries and vested terminees.

We received financial information as of September 30, 2012 concerning Fund assets from the Fund Auditors. We do not audit the Member census data and asset information that is provided to us. However, we perform certain reasonableness checks and on this basis we believe that the information that we received is reliable.

Summary

In our opinion the benefits provided for under the current Fund will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the Fund through our actuarial reports. These reports will also continue to monitor the future experience of the Fund.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Fund experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in Fund provisions or

applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

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

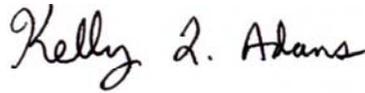
The signing actuaries are independent of the Fund sponsor.

The undersigned are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are available to respond to any questions with regards to matters covered in this report.

Very truly yours,



Lawrence F. Wilson, A.S.A.
Senior Consultant and Actuary



Kelly L. Adams, A.S.A.
Consultant and Actuary

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Summary of Retirement Plan Costs as of October 1, 2012

	Hired after April 30, 2010			Hired before May 1, 2010			Total		
	<u>Cost Data</u>	<u>% of Base Payroll</u>	<u>% of Total Payroll</u>	<u>Cost Data</u>	<u>% of Base Payroll</u>	<u>% of Total Payroll</u>	<u>Cost Data</u>	<u>% of Base Payroll</u>	<u>% of Total Payroll</u>
A. Participant Data Summary (Table III)									
1. Active Employees	38	N/A	N/A	318	N/A	N/A	356	N/A	N/A
2. Terminated Vested	0	N/A	N/A	4	N/A	N/A	4	N/A	N/A
3. Receiving Benefits (including DROPs)	0	N/A	N/A	296	N/A	N/A	296	N/A	N/A
4. Total Annual Payroll of Active Employees Excluding DROPs	\$ 1,977,612	100.0%	N/A	\$ 25,033,404	100.0%	N/A	\$ 27,011,016	100.0%	79.3%
5. Total Annual Payroll of Active Employees Including DROPs	N/A	N/A	N/A	N/A	N/A	N/A	\$ 34,082,075	126.2%	100.0%
B. Total Normal Costs									
1. Age Retirement Benefits	\$ 435,729	N/A	N/A	\$ 8,859,885	N/A	N/A	\$ 9,295,614	34.4%	27.3%
2. Termination Benefits	14,626	N/A	N/A	129,719	N/A	N/A	144,345	0.5%	0.4%
3. Death Benefits	7,806	N/A	N/A	84,459	N/A	N/A	92,265	0.3%	0.3%
4. Disability Benefits	50,658	N/A	N/A	564,120	N/A	N/A	614,778	2.3%	1.8%
5. Subtotal	\$ 508,819	25.7%	N/A	\$ 9,638,183	38.5%	N/A	\$ 10,147,002	37.6%	29.8%
6. Estimated Expenses	N/A			N/A			480,977	1.8%	1.4%
7. Total Annual Normal Costs	N/A			N/A			\$ 10,627,979	39.3%	31.2%

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Summary of Retirement Plan Costs as of October 1, 2012

	Total		
	<u>Cost Data</u>	<u>% of Base Payroll</u>	<u>% of Total Payroll</u>
C. Total Actuarial Accrued Liability			
1. Age Retirement Benefits Active Employees	\$ 152,946,057	566.2%	448.8%
2. Termination Benefits Active Employees	853,632	3.2%	2.5%
3. Death Benefits Active Employees	439,869	1.6%	1.3%
4. Disability Benefits Active Employees	2,641,488	9.8%	7.8%
5. Retired or Terminated Vested Participants Receiving Benefits (including DROPs)	342,887,406	1269.4%	1006.1%
6. Terminated Vested Participants Entitled to Future Benefits	621,672	2.3%	1.8%
7. Deceased Participants Whose Beneficiaries are Receiving Benefits	3,965,927	14.7%	11.6%
8. Disabled Participants Receiving Benefits	11,540,137	42.7%	33.9%
9. Miscellaneous Liability (Refunds in Process)	38,832	0.1%	0.1%
10. Total Actuarial Accrued Liability	<u>\$ 515,935,020</u>	1910.1%	1513.8%
D. Net Assets (Table V)			
1. Actuarial Value of Assets	\$ 316,002,633	1169.9%	927.2%
2. Market Value of Assets	\$ 292,723,464	1083.7%	858.9%
E. Unfunded Actuarial Accrued Liability (C. - D.1.)	\$ 199,932,387	740.2%	586.6%
F. Preliminary Minimum Required Contribution			
1. Total Normal Cost (including expenses)	\$ 10,627,979	39.3%	31.2%
2. Amortization of Unfunded Liability	16,757,161	62.0%	49.2%
3. Interest Adjustment	1,324,841	4.9%	3.9%
4. Total Preliminary Minimum Required Contribution	<u>\$ 28,709,981</u>	106.3%	84.2%

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Summary of Retirement Plan Costs as of October 1, 2012

	<u>Cost Data</u>	<u>% of Base Payroll</u>	<u>% of Total Payroll</u>
G. Expected Payroll of Active Employees for 2013-2014 Plan Year			
Excluding DROPs: \$27,011,016 x 1.012	\$ 27,335,148	100.0%	79.3%
Including DROPs: \$34,082,075 x 1.012	\$ 34,491,060	126.2%	100.0%
H. Contribution Sources for Fiscal Year Ending September 30, 2014			
1. City	\$ 23,872,328	87.3%	69.2%
2. State	\$ 2,342,079	8.6%	6.8%
3. Member	\$ 2,842,855	10.4%	8.2%
I. Actuarial Gains (Losses)	\$ (4,435,113)	(16.4%)	(13.0%)
J. Actuarial Present Value of Vested Accrued Benefits			
1. Retired, Terminated Vested, Beneficiaries and Disabled Receiving Benefits (including DROPs)	\$ 358,393,470	1326.8%	1051.6%
2. Terminated Vested Participants Entitled to Future Benefits and Miscellaneous	660,504	2.4%	1.9%
3. Active Participants Entitled to Future Benefits	<u>110,949,418</u>	410.8%	325.5%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 470,003,392	1740.0%	1379.0%
K. Unfunded Actuarial Present Value of Vested Accrued Benefits (J. - D.2., not less than zero)	\$ 177,279,928	656.3%	520.2%
L. Vested Benefit Security Ratio (D.2. ÷ J.)	62.3%	N/A	N/A

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Comparison of Cost Data of October 1, 2011 and October 1, 2012 Valuations

	October 1, 2011			October 1, 2012		
	Cost Data	% of Base Annual Compensation ¹	% of Total Annual Compensation ²	Cost Data	% of Base Annual Compensation ¹	% of Total Annual Compensation ²
A. Participants						
1. Active Employees	361	N/A	N/A	356	N/A	N/A
2. Terminated Vested	6	N/A	N/A	4	N/A	N/A
3. Receiving Benefits (including DROPs)	281	N/A	N/A	296	N/A	N/A
4. Annual Payroll of Active Employees excluding DROPs	\$ 26,857,833	100.0%	76.1%	\$ 27,011,016	100.0%	79.3%
5. Annual Payroll of Active Employees including DROPs	\$ 35,275,837	131.3%	100.0%	\$ 34,082,075	126.2%	100.0%
B. Total Normal Costs	\$ 10,731,669	40.0%	30.4%	\$ 10,627,979	39.3%	31.2%
C. Actuarial Accrued Liability (EAN)	\$ 490,104,162	1824.8%	1389.3%	\$ 515,935,020	1910.1%	1513.8%
D. Present Value of Future Benefits	\$ 571,760,929	2128.8%	1620.8%	\$ 595,245,856	2203.7%	1746.5%
E. Actuarial Value of Assets	\$ 294,227,027	1095.5%	834.1%	\$ 316,002,633	1169.9%	927.2%
F. Unfunded Actuarial Accrued Liability (EAN)	\$ 195,877,135	729.3%	555.3%	\$ 199,932,387	740.2%	586.6%
G. City Minimum Funding Payment						
For Fiscal Year Ending September 30, 2013	\$ 22,944,594	84.9% ³	67.3% ³	N/A	N/A	N/A
For Fiscal Year Ending September 30, 2014	N/A	N/A	N/A	\$ 23,872,328	87.3% ⁴	69.2% ⁴
H. Vested Benefit Security Ratio	52.8%	N/A	N/A	62.3%	N/A	N/A

¹ Excludes DROP payroll

² Includes DROP payroll

³ Percent of expected 2012-2013 covered payroll (\$27,011,016 / \$34,082,075)

⁴ Percent of expected 2013-2014 covered payroll (\$27,335,148 / \$34,491,060)

Table III

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

**Characteristics of Participants in
Actuarial Valuation as of October 1, 2012**

A. Active Plan Participants Summary

1. Active participants fully vested	185
2. Active participants partially vested	0
3. Active participants non-vested	171
4. Total active participants	<u>356</u>
5. Annual rate of pay of active participants excluding DROPs	\$ 27,011,016
6. Annual rate of pay of active participants including DROPs	\$ 34,082,075

B. Retired and Terminated Vested Participant Summary

1. Retired or terminated vested participants receiving benefits (including DROPs)	265
2. Terminated vested participants entitled to future benefits	4
3. Deceased participants whose beneficiaries are receiving benefits	13
4. Disabled participants receiving benefits	18

C. Projected Annual Retirement Benefits

1. Retired or terminated vested receiving benefits (including DROPs)	\$ 22,190,046
2. Terminated vested entitled to future benefits	\$ 91,247
3. Beneficiaries of deceased participants	\$ 327,748
4. Disabled participants	\$ 784,992

Table IV

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Statement of Assets as of October 1, 2012

<u>Assets</u>	<u>Market Value</u>
A. <u>Cash and Cash Equivalents</u>	\$ 16,350,974
B. <u>General Investments</u>	
1. U.S. Government Securities	\$ 20,254,456
2. Corporate Bonds	79,699,331
3. Common Stocks	185,832,274
4. International Stocks	1,959,438
5. Mutual Funds	63,784,705
6. Foreign Bonds	5,700,656
7. Property and Equipment, net	405,868
8. DROP Participant Loans	1,697,388
C. <u>Receivables</u>	
1. Accrued Interest	\$ 1,113,750
2. Contributions Receivable	230,915
3. Accounts Receivable	199,125
D. <u>Payables</u>	
1. Accounts Payable	\$ 298,570
2. Due to Broker	249,462
E. <u>Total Base Fund</u> (A. + B. + C. - D.)	\$ 376,680,848
F. <u>DROP Accounts</u>	83,957,384
G. <u>Reserve for Excess State Funds</u>	0
H. <u>Plan Assets</u> (E. - F. - G.)	\$ 292,723,464

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Reconciliation of Plan Assets

A. <u>Total Market Value of Assets as of October 1, 2011</u>		\$ 308,419,102
B. <u>Receipts During Period</u>		
1. Contributions		
a. Member	\$ 2,945,195	
b. City	21,540,037	
c. State	2,342,079	
d. Total	\$ 26,827,311	
2. Investment Income		
a. Interest and dividends	\$ 6,651,615	
b. DROP loan interest	59,195	
c. Net realized and unrealized gains	54,737,841	
d. Investment expenses	(1,912,322)	
e. Net investment income	\$ 59,536,329	
3. Total receipts during period		\$ 86,363,640
C. <u>Disbursements During Period</u>		
1. Pension payments	\$ 14,458,725	
2. DROP distributions	3,082,647	
3. Contribution refunds	119,580	
4. Administrative expenses	423,570	
5. Depreciation expense	17,372	
6. Total disbursements during period		\$ 18,101,894
D. <u>Total Market Value of Net Assets as of September 30, 2012</u>		\$ 376,680,848
E. <u>Reconciliation of DROP Account Balances</u>		
1. DROP Accounts Balance as of October 1, 2011	\$ 73,092,765	
2. Benefit Payments into DROP Accounts during Year	7,845,030	
3. Loan Interest during Year	59,195	
4. Investment Gains (Losses) during Year	6,049,458	
5. ESI Payments during Year	(6,417)	
6. Distributions from DROP Accounts during Year	(3,082,647)	
7. DROP Accounts Balance as of September 30, 2012		\$ 83,957,384
F. <u>Excess State Funds</u>		
1. Balance as of October 1, 2011	\$ 0	
2. Increase for current year	0	
3. Purchase of additional benefits	0	
4. Balance as of September 30, 2012		\$ 0
G. <u>Net Market Value of Assets as of September 30, 2012</u> (D. - E. - F.)		\$ 292,723,464

**Table V
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Development of Actuarial Value of Assets as of September 30

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
A. Preliminary actuarial value from prior year	266,086,484	290,025,451	314,433,367	343,549,647	367,319,792
B. Market value end of year	250,713,260	261,936,168	298,347,976	308,419,102	376,680,848
C. Market value beginning of year	277,584,253	250,713,260	261,936,168	298,347,976	308,419,102
D. Non-investment net cash flow	12,000,093	13,779,019	14,675,028	10,587,832	8,725,417
E. Expected investment return [A. x .08] + [D. x .04]	21,766,922	23,753,197	25,741,670	27,907,485	29,734,600
F. Expected actuarial value of assets A. + D. + E.	299,853,499	327,557,667	354,850,065	382,044,964	405,779,809
G. Excess of market value over expected actuarial value B. - F.	(49,140,239)	(65,621,499)	(56,502,089)	(73,625,862)	(29,098,961)
H. 20% adjustment towards market value .20 x G.	(9,828,048)	(13,124,300)	(11,300,418)	(14,725,172)	(5,819,792)
I. Preliminary actuarial value end of year F. + H.	290,025,451	314,433,367	343,549,647	367,319,792	399,960,017
J. Upper corridor limit: 120% of B.	300,855,912	314,323,402	358,017,571	370,102,922	452,017,018
K. Lower corridor limit: 80% of B.	200,570,608	209,548,934	238,678,381	246,735,282	301,344,678
L. Actuarial value end of year I., not more than J., nor less than K.	290,025,451	314,323,402	343,549,647	367,319,792	399,960,017
M. Net actuarial value rate of return	4.4%	3.6%	4.5%	3.8%	6.4%
N. Net market value rate of return	(13.7%)	(1.0%)	8.1%	(0.2%)	19.0%
O. DROP Accounts	43,843,227	52,375,082	62,773,918	73,092,765	83,957,384
P. Excess State Funds	0	0	0	0	0
Q. Net actuarial value end of year: (L. - O. - P.)	246,182,224	261,948,320	280,775,729	294,227,027	316,002,633
R. Excess of net market value over net actuarial value end of year (B. - L.)	(39,312,191)	(52,387,234)	(45,201,671)	(58,900,690)	(23,279,169)

Table VI

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Actuarial Gains (Losses) for Plan Year

Ending September 30, 2012

A. Derivation of Actuarial Gain (Loss)

1. Employer normal cost previous actuarial valuation	\$ 7,893,763
2. Unfunded actuarial accrued liability previous actuarial valuation	\$ 195,877,135
3. Contributions previous year:	
(a) City	\$ 21,540,037
(b) State	2,342,079
(c) Total	\$ 23,882,116
4. Interest on:	
(a) Employer normal cost	\$ 631,501
(b) Unfunded actuarial accrued liability	15,670,171
(c) Contributions	693,180
(d) Net total: (a) + (b) - (c)	\$ 15,608,492
5. Expected unfunded actuarial liability current year: (1. + 2. - 3. + 4.)	\$ 195,497,274
6. Actual unfunded actuarial liability current year	199,932,387
7. Actuarial gain (loss): (5. - 6.)	\$ (4,435,113)

B. Approximate Portion of Gain (Loss) Due to Investments

1. Actuarial value of net assets previous year	\$ 294,227,027
2. Contributions during period	26,827,311
3. Benefits (including DROPs), refunds and admin expenses during period	22,864,277
4. Expected net appreciation for period	23,434,579
5. Expected actuarial value assets current year: (1. + 2. - 3. + 4.)	\$ 321,624,640
6. Actual actuarial value of net assets current year	\$ 316,002,633
7. Approximate gain (loss): (6. - 5.)	\$ (5,622,007)

C. Approximate Portion of Gain (Loss) Due to Liabilities: (A. - B.) \$ 1,186,894

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Historic Actuarial Gains (Losses)

Historic Gains (Losses)

<u>Year Ended</u>	<u>Actuarial Gain (Loss)</u>
09/30/2012	\$ (4,435,113)
09/30/2011	\$ (10,855,137)
09/30/2010	\$ (13,820,665)
09/30/2009	\$ (23,430,002)
09/30/2008	\$ (21,456,556)
09/30/2007	\$ 2,084,686
09/30/2006	\$ (14,201,369)
09/30/2005	\$ (10,226,167)
09/30/2004	\$ (9,403,506)
09/30/2003	\$ (4,856,940)

Table VIII

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Amortization of Unfunded Actuarial Accrued Liability

A. Unfunded Actuarial Accrued Liability

<u>Date</u>	<u>Unfunded Liability</u>	<u>Amortization Payment</u>
October 1, 2012	\$ 199,932,387	\$ 16,757,161
October 1, 2013	\$ 197,829,244	\$ 16,958,247
October 1, 2014	\$ 195,340,677	\$ 17,161,746
October 1, 2015	\$ 192,433,245	\$ 17,367,687
October 1, 2016	\$ 189,070,803	\$ 17,576,099
...		
...		
October 1, 2042	\$ 0	\$ 0

B. Covered Payroll History

<u>Date</u>	<u>Covered Payroll *</u>	<u>Annual Increase</u>
October 1, 2012	\$ 27,011,016	0.6%
October 1, 2011	\$ 26,857,833	(1.0%)
October 1, 2010	\$ 27,129,273	(1.4%)
October 1, 2009	\$ 27,528,175	3.4%
October 1, 2008	\$ 26,616,124	0.0%
October 1, 2007	\$ 26,610,708	2.2%
October 1, 2006	\$ 26,040,640	7.2%
October 1, 2005	\$ 24,294,435	3.2%
October 1, 2004	\$ 23,530,488	2.6%
October 1, 2003	\$ 22,934,597	(4.4%)
October 1, 2002	\$ 23,984,023	N/A
Ten-Year Average Annual Increase		1.2%

* Excludes DROP payroll

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Accounting Disclosure Exhibit

	10/01/2011	10/01/2012
I. <u>Number of Plan Members</u>		
a. Retirees and beneficiaries receiving benefits	281	296
b. Terminated plan members entitled to but not yet receiving benefits	6	4
c. Active plan members	361	356
d. Total	648	656
 II. <u>Financial Accounting Standards Board Allocation as of October 1, 2012</u>		
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 334,290,558	\$ 358,393,470
b. Other participants	111,677,421	111,609,922
c. Total	\$ 445,967,979	\$ 470,003,392
2. Actuarial present value of accumulated non-vested plan benefits	\$ 12,992,850	\$ 13,036,161
3. Total actuarial present value of accumulated plan benefits	\$ 458,960,829	\$ 483,039,553
B. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2011		\$ 458,960,829
2. Increase (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid including refunds and DROP		(22,423,335)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		46,502,059
e. Net increase		\$ 24,078,724
3. Actuarial present value of accumulated plan benefits as of October 1, 2012		\$ 483,039,553
C. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		8%
2. Change in plan provisions		None affecting calculations.
3. Change in actuarial assumptions		None.

City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida

Accounting Disclosure Exhibit

III. Financial Accounting Standards Board Allocation - Florida Statute Chapter 2011-216 Compliance
As of October 1, 2012

F.S., Chapter, 2011-216 effective July 1, 2011 mandates each plan report the plan's present value of accrued vested, non-vested and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return (currently 7.75%) in order to promote the comparability of actuarial data between local plans.

	<u>10/01/2011</u>	<u>10/01/2012</u>
A. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 344,512,119	\$ 369,236,869
b. Other participants	116,162,857	116,098,012
c. Total	<u>\$ 460,674,976</u>	<u>\$ 485,334,881</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>\$ 14,009,732</u>	<u>\$ 14,067,791</u>
3. Total actuarial present value of accumulated plan benefits	\$ 474,684,708	\$ 499,402,672
B. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.75%
2. Change in plan provisions		N/A
3. Change in actuarial assumptions		N/A

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Accounting Disclosure Exhibit

III. Annual Pension Cost For the Current Year and Related Information:

	<u>Base Payroll Excluding DROPs</u>	<u>Total Payroll Including DROPs</u>
Contribution rates:		
City	84.8%	67.2%
State	8.4%	6.7%
Members	10.4%	8.2%
Actuarial valuation date	October 1, 2012	
Annual pension cost	\$ 25,176,384	
Contributions made	To be determined	
Actuarial cost method	Entry Age Normal	
Amortization method	Level percent, closed	
Remaining amortization period	21 years	
Asset valuation method	5 year smoothed market	
Actuarial assumptions:		
Investment rate of return *		8.0%
Projected salary increases *		3.75% - 12.0%
Payroll growth		1.2%
Cost of living adjustments	Firefighters:	0.0%, 1.5%, 2.0% or 3.0%
	Police:	0.0%, 1.5%, 2.0%, 2.5% or 3.0%

* Includes anticipated inflation of 3.5%

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Accounting Disclosure Exhibit

IV. Historical Trend Information

A. Schedule of Employer Costs (GASB No. 25)

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
09/30/2007	\$ 14,254,450	100%
09/30/2008	\$ 17,795,174	100%
09/30/2009	\$ 21,935,003	100%
09/30/2010	\$ 24,538,413	100%
09/30/2011	\$ 23,289,867	100%
09/30/2012	\$ 23,882,116	100%

B. Schedule of Employer Costs (GASB No. 27)

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation/(Asset)</u>
09/30/2007	\$ 17,474,611	82%	\$ (52,002,238)
09/30/2008	\$ 20,209,235	88%	\$ (49,588,177)
09/30/2009	\$ 24,229,082	91%	\$ (47,294,098)
09/30/2010	\$ 23,707,076	104%	\$ (48,125,435)
09/30/2011	\$ 22,798,202	102%	\$ (48,617,100)
09/30/2012	\$ 23,438,326	102%	\$ (49,060,890)

V. Annual Pension Cost and Net Pension Asset

<u>Fiscal Year Ended</u>	<u>9/30/2012</u>	<u>9/30/2013</u>
Annual Required Contribution (ARC)	\$ 23,882,116	\$ 25,213,704
Interest on Net Pension Asset (NPA)	(3,889,368)	(3,924,871)
Adjustment to ARC	3,445,578	3,887,551
APC	\$ 23,438,326	\$ 25,176,384
City and State Contributions	\$ (23,882,116)	
(Increase) Decrease in NPA	\$ (443,790)	
NPA (beginning of year)	(48,617,100)	
NPA (end of year)	\$ (49,060,890)	

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

**Schedule of Funding Progress
(Dollar Amounts in Thousands)**

VI. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (EAN) (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Payroll		UAAL as a Percentage of Payroll	
					Base ¹ (c)	Total ² (d)	Base ¹ ((b-a)/c)	Total ² ((b-a)/d)
10/01/2007	\$ 229,651	\$ 370,661	\$ 141,010	62.0%	\$ 26,611	\$ 33,404	529.9%	422.1%
10/01/2008	\$ 246,182	\$ 412,143	\$ 165,961	59.7%	\$ 26,616	\$ 33,207	623.5%	499.8%
10/01/2009	\$ 261,948	\$ 434,353	\$ 172,405	60.3%	\$ 27,528	\$ 36,665	626.3%	470.2%
10/01/2010	\$ 280,776	\$ 467,205	\$ 186,429	60.1%	\$ 27,129	\$ 36,040	687.2%	517.3%
10/01/2011	\$ 294,227	\$ 490,104	\$ 195,877	60.0%	\$ 26,858	\$ 35,276	729.3%	555.3%
10/01/2012	\$ 316,003	\$ 515,935	\$ 199,932	61.2%	\$ 27,011	\$ 34,082	740.2%	586.6%

¹ Excludes DROP payroll

² Includes DROP payroll

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Outline of Principal Provisions of the Retirement Plan

A. Effective Date:

October 1, 1973, revised and restated as of February 19, 1981. Most recently amended Ordinance 1709.

B. Eligibility Requirements:

1. Participants in previous Retirement Plan as of February 19, 1981 are automatically and immediately included.
2. Mandatory participation (with satisfactory physical) for Police Officers and Firefighters upon date of hire or attainment of age 18, if later. The Fire Chief and Police Chief may elect to participate.

C. Continuous Service:

Years and completed months of uninterrupted service from the date of hire to date of retirement or termination.

D. Earnings:

Base wages, regular longevity, overtime, voluntary deductions and IRC 457 deferred compensation. Earnings shall include payment of up to 1,000 hours of accrued unused sick and vacation leave, but limited to amounts accrued as of May 1, 2010. Maximum annual earnings limited to \$250,000 subject to annual increase.

E. Average Monthly Earnings:

Average monthly earnings (AME) during the highest two years of continuous service for Firefighters and Police Officers preceding the date on which the participant retires or terminates.

F. Regular Wages:

Base pay including any incentive pay, regular longevity, assignment pay and any current or future additional pensionable compensation, but excluding overtime or accrued unused leave. Regular wages shall be used to calculate the maximum retirement benefit for Firefighters hired on or after April 1, 2006.

G. Average Monthly Regular Wages:

Average monthly regular wages coinciding with the highest two years of continuous service for Firefighters preceding the date on which the participant retires or terminates, used in the AME.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Outline of Principal Provisions of the Retirement Plan

H. Normal Retirement:

1. Eligibility:

Earliest of:

- (a) Attainment of age 50 and completion of 10 years of continuous service.
- (b) Completion of 20 years of continuous service.

2. Benefit:

- (a) For Firefighters, 3.0% times AME times years of Continuous Service. Maximum 80% of average monthly earnings for the highest two years of continuous service.

Firefighters hired on or before June 18, 2003 shall receive a benefit amount equal to 4.0% per year of continuous service prior to May 1, 2010 plus 3.5% per year of continuous service after April 30, 2010 times AME - maximum 80% of AME, provided they retire or enter the DROP anytime on or after attaining age 50 with 10 years of continuous service but no later than the date they accrue the maximum 80% benefit.

Firefighters hired after June 18, 2003 but before May 1, 2010 shall receive a benefit amount equal to 4.0% per year of continuous service prior to May 1, 2010 plus 3.5% per year of continuous service after April 30, 2010 times AME - maximum 80% of AME. To obtain this benefit, such Firefighters were previously required to retire or enter the DROP upon the earlier of completion of 20 years of continuous service or attainment of age 50 with 10 years of service. To obtain this benefit, such Firefighters now are required to retire or enter the DROP no earlier than upon completion of 20 years of continuous service or attainment of age 50 with 10 years of service, and no later than the date they accrue the same accrual percentage they would have reached under the terms of the Fund in effect prior to April 30, 2010.

In no event shall the benefit for firefighters hired after March 31, 2006 exceed 98% of average monthly regular wages.

Firefighters hired after April 30, 2010 shall receive a benefit amount equal to 3.0% times AME times years of continuous service – maximum 80% of AME.

- (b) For Police Officers, 3.0% times AME times years of Continuous Service up to 20 years of service plus 3.5% times AME times years of Continuous Service in excess of 20 years. Maximum 80% of average monthly earnings for the highest two years of continuous service.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Outline of Principal Provisions of the Retirement Plan

Police Officers hired before May 1, 2010 shall receive a benefit amount equal to 4.0% per year of continuous service prior to May 1, 2010 plus 3.5% per year of continuous service after April 30, 2010 times AME - maximum 80% of AME, provided they retire or enter the DROP anytime on or after attaining age 50 with 10 years of continuous service but no later than the date they accrue the maximum 80% benefit.

Police Officers hired after April 30, 2010 shall receive a benefit amount equal to 3.0% times AME times years of continuous service – maximum 80% of AME.

I. Deferred Retirement:

1. Eligibility:

Any first day of a month past Normal Retirement Date.

2. Benefit:

Benefit calculated as for Normal Retirement based upon service and pay to Deferred Retirement Date.

J. Disability Retirement:

1. Eligibility:

Totally and permanently disabled meaning incapacity to perform regular duty as Firefighter or Police Officer (and completion of at least 10 years of continuous service for non-service incurred disability).

2. Benefit:

(a) Service Incurred:

Greater of:

- Accrued benefit
- 66 2/3% of monthly earnings rate on date of disability.

(b) Non-Service Incurred:

Greater of:

- Accrued benefit
- 35% of AME on date of disability.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Outline of Principal Provisions of the Retirement Plan

K. Death Benefit:

1. Service Incurred:

To spouse, 50% of AME payable for life. To unmarried children, 5% of AME until death or attainment of age 18 (if full time student attainment of age 22). Total monthly benefit not to exceed 60% of AME. Upon death of spouse, the 5% child allowance shall be increased to 10%, subject to a maximum combined total of 35% of AME.

Benefit above reduced by the actuarial equivalent of payment of:

- if the Member had less than ten (10) years of Continuous Service, Member contributions to the beneficiary with 3% simple interest, or
- if the Member had ten (10) or more years of Continuous Service, benefit otherwise payable to the Member at the Member's Normal Retirement Date, if applicable, for ten years certain.

2. Non-Service Incurred:

- Less than five (5) years of Continuous Service, the designated beneficiary receives a lump sum of \$2,500 or return of Member contributions with 3% interest, whichever is greater.
- Five (5) or more years of Continuous Service, the designated beneficiary receives a lump sum of the greater of Member contributions (without interest) or \$2,500, plus, if married, the spouse receives a monthly benefit equal to 50% of the Accrued Benefit as of Member's date of death but not less than 20% of the monthly Earnings rate. To unmarried children of the deceased Member, same benefits as are payable for Service Incurred death. Combined monthly benefit not to exceed 50% of AME, or 35% of AME after the death or remarriage of spouse.

Benefit above reduced by the actuarial equivalent of payment of:

- if the Member had ten (10) or more years of Continuous Service, benefit otherwise payable to the Member at the Member's Normal Retirement Date, if applicable, for ten years certain.

L. Employee Contributions:

10.4% (6% prior to April 1, 1991) of annual earnings until completion of 26 2/3 years of Continuous Service.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**
Outline of Principal Provisions of the Retirement Plan

M. Vested Benefit Upon Termination:

1. Eligibility:

Completion of at least ten (10) years of Continuous Service at date of termination.

2. Benefit:

Accrued benefit based upon AME and years of Continuous Service as of date of termination payable at attainment of age 50.

3. Alternate Benefit:

In lieu of the above, deferred benefit payable at Normal Retirement Date; otherwise, a Member can elect to withdraw his employee contributions plus 3% simple interest per annum.

N. Termination Benefit:

1. Eligibility:

Termination of service prior to eligibility for vested benefit upon termination.

2. Benefit:

Refund of Member contributions plus 3% simple interest per annum.

O. Normal Form of Payment of Retirement Income:

Monthly accrued benefit for ten (10) years certain and life thereafter with 100% of benefit continuing to spouse for one year and 50% of benefit payable to spouse thereafter until death.

Other Options:

Actuarially equivalent joint and survivor or joint and last survivor at 25%, 50%, 66 2/3%, 75%, 100%; life annuity; or ten years certain and life; or other option (except lump sum), subject to Board approval.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Outline of Principal Provisions of the Retirement Plan

P. Deferred Retirement Option Plan (DROP):

1. Eligibility:

A Member who has reached Normal Retirement Date is eligible to elect to participate in DROP. A Firefighter who reaches Normal Retirement Date before age 50 may participate for the lesser of five years or until age 55, provided that Firefighters employed as of December 20, 2000 and hired after their 30th birthday, may participate in the DROP no later than completion of 20 years of Continuous Service in order to participate in the DROP for a full five years. A Police Officer hired after his 25th birthday may participate in the DROP no later than completion of 25 years of Continuous Service in order to participate in the DROP for a full five years. An election to participate in the DROP is irrevocable.

2. Benefit:

Accrued benefit as of entry into DROP.

3. Interest Credits:

Members entering the DROP prior to May 1, 2010 could elect annually in advance interest credits of a fixed 8% per annum or Fund return.

Members hired before May 1, 2010 entering the DROP after April 30, 2010, may elect annually in advance DROP interest credits based upon either Fund gross return or Fund gross return subject to a minimum of 5% and a maximum of 8% per annum.

For Members hired after April 30, 2010 entering the DROP, DROP interest credits will be based upon Fund gross return.

4. DROP Loan Program:

Current DROP participants or retirees may borrow against their DROP account balance up to the maximum amount permitted by the IRS.

No interest shall be earned or paid by the Plan on funds loaned from the DROP account until repaid.

The DROP loan program administered in accordance with loan policy adopted by the Board of Trustees and shall comply with all applicable IRS rules and regulations governing such loans.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Outline of Principal Provisions of the Retirement Plan

Q. 13th Check Program (Police Officers only)

1. Eligibility:

Service or disabled retired Police Officer or beneficiary receiving pension or DROP benefits.

2. Benefit:

For Police Officers retired prior to October 1, 2003, up to 2% of investment return in excess of 8% based upon present value of future pension payments of current Police Officer members, not to exceed outstanding balance of cumulative net actuarial gains. Any distributable amount allocated to eligible members based upon years of service with prorata share during first year of entitlement. See Item R. regarding election.

For Police Officers retired on or after October 1, 2003 but before October 1, 2006, up to 2% of investment return in excess of 9% based upon present value of future pension payments of current Police Officer members, not to exceed outstanding balance of cumulative net actuarial gains. Any distributable amount allocated to eligible members based upon years of service with prorata share during first year of entitlement. See Item R. regarding election.

For Police Officers retired on or after October 1, 2006 there is no Supplemental Benefit.

R. Cost of Living Adjustment

For Firefighters, effective April 1, 2005 and each April 1st thereafter, retirees, beneficiaries and DROP participants who were receiving benefits on June 18, 2003 will receive either a 2% cost of living adjustment or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, whichever is greater.

For Firefighters, effective April 1, 2005 and each April 1st thereafter, retirees, beneficiaries and DROP participants who were hired on or before June 18, 2003 and retire or enter the DROP prior to May 1, 2010 and anytime on or after attaining age 50 with 10 years of service but no later than attainment of 20 years of service will receive either a 2% cost of living adjustment or an adjustment equal to the total percentage increase in base wages, excluding performance or merit adjustments, whichever is greater. For those receiving for less than one year the increase shall be prorated.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Outline of Principal Provisions of the Retirement Plan

Firefighter members who were hired prior to April 1, 2006 who retire prior to May 1, 2010, current retirees and DROP participants shall have the option within sixty (60) days of the effective date of Ordinance 2006-10 to irrevocably elect to receive the cost of living adjustment provided above in lieu of their current cost of living adjustment.

For Firefighters, effective April 1, 2011 and each April 1st thereafter, retirees, beneficiaries and DROP participants who were hired before May 1, 2010 and retire or enter the DROP after April 30, 2010 at their normal retirement age receive a 2% cost of living adjustment – prorated for less than one year receipt of benefits.

For Firefighters hired after April 30, 2010, the cost of living adjustment is 1.5%.

Police Officer retirees, DROPs, disabilities and their beneficiaries who retired prior to October 1, 2003 eligible for any supplemental benefit based upon an 8% Fund return threshold subject to cumulative actuarial gains may elect within 60 days to replace this supplemental benefit eligibility entitlement with an annual 2.0% cost of living adjustment retroactive to October 1, 2004.

Police Officer retirees, DROPs, disabilities and their beneficiaries who retired on or after October 1, 2003 but not later than September 30, 2006 or were in the DROP on or after October 1, 2003 and entered the DROP not later than September 30, 2006 eligible for any supplemental benefit based upon a 9% Fund return threshold subject to cumulative actuarial gains along with a 1.5% cost of living adjustment effective October 1, 2009 and each October 1st thereafter may elect within 60 days to replace this supplemental benefit eligibility and 1.5% deferred cost of living adjustment entitlement with an annual 2.5% cost of living adjustment retroactive to October 1, 2004.

Police Officer retirees, DROPs, disabilities and their beneficiaries who retire or enter the DROP on or after October 1, 2006 but not later than April 30, 2010 will receive a 3.0% cost of living adjustment effective October 1, 2009 and each October 1st thereafter.

For Police Officers, effective October 1, 2010 and each October 1st thereafter, retirees, beneficiaries and DROP participants who were hired before May 1, 2010 and retire or enter the DROP after April 30, 2010 at their normal retirement age receive a 2% cost of living adjustment – prorated for less than one year receipt of benefits.

For Police Officers hired after April 30, 2010, the cost of living adjustment is 1.5%.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Outline of Principal Provisions of the Retirement Plan

S. Excess Benefit Plan

An excess benefits plan is established to pay retirement benefits above the limits permitted by the Internal Revenue Code. Excess Benefit Plan benefits are not included in this actuarial valuation.

T. Changes Since Previous Valuation

None affecting valuation.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality

For healthy participants, the RP-2000 Combined Mortality Table with Blue Collar Adjustment was used with separate rates for males and females and fully generational mortality improvements projected to each future decrement date with Scale AA.

For disabled participants, the RP-2000 Combined Disabled Mortality Table was used with separate rates for males and females and fully generational mortality improvements projected to each future decrement date with Scale AA.

B. Investment Return

8.0%, compounded annually, net of investment expenses.

C. Allowances for Expenses or Contingencies

Average of prior three (3) years' actual administrative expenses.

D. Employee Withdrawal Rates

Withdrawal rates for males and for females were used in accordance with the following illustrative example:

<u>Age</u>	<u>Withdrawal Rates Per 100 Employees</u>			
	<u>Males</u>		<u>Females</u>	
	<u>First 5 Years</u>	<u>5+ Years</u>	<u>First 5 Years</u>	<u>5+ Years</u>
20	2.70	3.13	5.25	5.24
25	2.70	2.28	5.25	3.44
30	2.70	1.65	5.25	2.38
35	2.70	0.97	5.25	1.44
40	2.70	0.55	5.25	1.01
45	2.70	0.25	5.25	0.55
50	2.70	0.04	5.25	0.31
55	2.70	0.02	5.25	0.18
60	2.70	0.01	5.25	0.05
62 & Over	0.00	0.00	0.00	0.00

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

E. Disability Rates

1. The 1985 Disability Study - Class 2, with separate rate for males and females.
2. 80% of disabilities are assumed to be service incurred - 20% non-service incurred.

F. Salary Increase Factors

Current salary is assumed to increase at a rate based on the table below per year until retirement.

<u>Service</u>	<u>Salary Increase</u>
0 years	12.00%
1	10.50%
2	8.50%
3	7.50%
4	6.50%
5	6.50%
6	6.00%
7 + years	3.75%

For members hired before May 1, 2010, average monthly earnings for retirements and DROPs are increased between 5.5% and 28.0% to reflect additional earnings during the averaging period including the inclusion in pensionable earnings of up to 1,000 hours of accrued unused leave as of April 30, 2010 payable at retirement or DROP entry.

For members hired on or after May 1, 2010, average monthly earnings for retirements and DROPs are increased 5.5% to reflect additional earnings during the averaging period.

The assumed salary increase rate after 7+ years of service reflects frozen longevity pay as of April 30, 2010.

G. Payroll Growth Assumption

5.3%, per annum - not greater than historical 10-year average (1.2% as of October 1, 2012).

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

H. Assumed Retirement Age

The retirement rates *for members hired before May 1, 2010 who are expected to reach the 80% of AME maximum benefit in the 20th year of service* are as follows:

1. 35% of members are assumed to retire the first year after attaining age fifty (50) and ten (10) years of credited service.
2. 20% of members are assumed to retire each year thereafter until reaching twenty (20) years of credited service.
3. 100% of members are assumed to retire after completing twenty (20) years of credited service.

The retirement rates *for members hired before May 1, 2010 who are expected to reach the 80% of AME maximum benefit in the 21st year of service* are as follows:

1. 35% of members are assumed to retire the first year after attaining age fifty (50) and ten (10) years of credited service.
2. 20% of members are assumed to retire each year thereafter until reaching twenty (20) years of credited service.
3. 20% of members are assumed to retire after completing twenty (20) years of credited service.
4. 100% of members are assumed to retire upon attainment of twenty-one (21) years of credited service.

The retirement rates *for members hired before May 1, 2010 who are expected to reach the 80% of AME maximum benefit in the 22nd year of service* are as follows:

1. 35% of members are assumed to retire the first year after attaining age fifty (50) and ten (10) years of credited service.
2. 20% of members are assumed to retire each year thereafter until reaching twenty (20) years of credited service.
3. 20% of members are assumed to retire after completing twenty (20) years of credited service.
4. 15% of members are assumed to retire after completing twenty-one (21) years of credited service.
5. 100% of members are assumed to retire upon attainment of twenty-two (22) years of credited service.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

The retirement rates *for members hired before May 1, 2010 who are expected to reach the 80% of AME maximum benefit in the 23rd year of service* are as follows:

1. 30% of members are assumed to retire the first year after attaining age fifty (50) and ten (10) years of credited service.
2. 20% of members are assumed to retire each year thereafter until reaching twenty (20) years of credited service.
3. 20% of members are assumed to retire after completing twenty (20) years of credited service.
4. 15% of members are assumed to retire after completing twenty-one (21) years of credited service.
5. 15% of members are assumed to retire after completing twenty-two (22) years of credited service.
6. 100% of members are assumed to retire upon attainment of twenty-three (23) years of credited service.

For Firefighters hired after June 18, 2003 but before May 1, 2010 who are expected to reach age 50 before completion of twenty (20) years of service, 100% are assumed to retire upon reaching the same multiplier (% of AME) they would have reached under the Plan in effect prior to April 30, 2010.

The retirement rates *for members hired on or after May 1, 2010* are as follows:

1. 25% of members who complete ten (10) years of service after reaching age 50 are assumed to retire upon completion of ten (10) years of credited service.
2. 15% of members who reach age 50 after completion of ten (10) years of credited service are assumed to retire upon reaching age 50.
3. 15% of members are assumed to retire each year thereafter, until reaching twenty (20) years of credited service.
4. 20% of members are assumed to retire upon reaching twenty (20) years of credited service.
5. 15% of members are assumed to retire each year thereafter, until reaching twenty-five (25) years of credited service.
6. 100% of members are assumed to retire upon reaching twenty-five (25) years of credited service.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

I. Marital Assumptions

1. 50% of deaths are assumed to be service incurred - 50% non-service incurred.
2. There are no children eligible for benefits.
3. 95% of participants are married.
4. Spouses are assumed to be the same age as members.

J. Cost of Living Adjustment

Firefighters: For Firefighters who retired or entered the DROP prior to May 1, 2010, 2.0% for those who elected the fluctuating COLA and 3.0% for those who elected the fixed COLA. 2.0% for Firefighters hired before May 1, 2010 who are expected to retire or enter the DROP after April 30, 2010. 1.5% for Firefighters hired after April 30, 2010.

Police Officers: 0.0%, 2.0% or 2.5% based upon election for Police Officers who retired or entered the DROP prior to October 1, 2006. 3.0% for Police Officers who retired or entered the DROP on or after October 1, 2006 but before May 1, 2010. 2.0% for Police Officers hired before May 1, 2010 who are expected to retire or enter the DROP after April 30, 2010. 1.5% for Police Officers hired after April 30, 2010.

K. Asset Valuation Method

Actuarial value of assets is equal to the expected actuarial value of assets adjusted by 20% of the difference between the expected actuarial value and market value.

L. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry Age Normal Cost Method

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the Fund had always been in effect. The normal cost for the Fund is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Fund is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the Fund.

M. Changes Since Previous Valuation

None.

Table XII

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida
Distribution by Attained Age Groups
and Service Groups as of October 1, 2012**

Active Firefighters

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	
Under 25	9	-	-	-	-	-	-	9
25-29	7	16	-	-	-	-	-	23
30-34	4	16	12	-	-	-	-	32
35-39	2	13	28	8	-	-	-	51
40-44	1	10	12	12	-	-	-	35
45-49	-	5	11	12	-	-	-	28
50-54	-	1	1	-	-	-	-	2
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	-	-	0
65 & Over	-	-	-	-	-	-	-	0
TOTAL	23	61	64	32	0	0	0	180

	<u>10/01/2011</u>	<u>10/01/2012</u>
Average Attained Age	36.47 years	37.07 years
Average Hire Age	27.12 years	27.18 years
Average Pay	\$ 73,677	\$ 76,737
Percent Female	5.4%	5.0%

**Table XII
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida
Distribution by Attained Age Groups
and Service Groups as of October 1, 2012**

Active Police Officers

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	
Under 25	8	-	-	-	-	-	-	8
25-29	17	1	-	-	-	-	-	18
30-34	4	18	2	-	-	-	-	24
35-39	5	16	27	6	-	-	-	54
40-44	3	8	15	26	-	-	-	52
45-49	2	1	6	3	-	-	-	12
50-54	1	3	2	2	-	-	-	8
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	-	-	0
65 & Over	-	-	-	-	-	-	-	0
TOTAL	40	47	52	37	0	0	0	176

	<u>10/01/2011</u>	<u>10/01/2012</u>
Average Attained Age	37.37 years	37.61 years
Average Hire Age	27.63 years	27.81 years
Average Pay	\$ 75,149	\$ 74,991
Percent Female	16.9%	15.9%

**Table XII
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida
Distribution by Attained Age Groups
and Service Groups as of October 1, 2012**

All Active Members

<u>Attained Age Group</u>	-----COMPLETED YEARS OF SERVICE-----							<u>Total</u>
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	
Under 25	17	-	-	-	-	-	-	17
25-29	24	17	-	-	-	-	-	41
30-34	8	34	14	-	-	-	-	56
35-39	7	29	55	14	-	-	-	105
40-44	4	18	27	38	-	-	-	87
45-49	2	6	17	15	-	-	-	40
50-54	1	4	3	2	-	-	-	10
55-59	-	-	-	-	-	-	-	0
60-64	-	-	-	-	-	-	-	0
65 & Over	-	-	-	-	-	-	-	0
TOTAL	63	108	116	69	0	0	0	356
				<u>10/01/2011</u>		<u>10/01/2012</u>		
Average Attained Age				36.91 years		37.34 years		
Average Hire Age				27.37 years		27.49 years		
Average Pay				\$ 74,398		\$ 75,874		
Percent Female				11.1%		10.4%		

Table XIII

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

**Statistics for Participants Entitled to Deferred Benefits
and Participants Receiving Benefits**

A. Entitled to Deferred Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 40	2	\$ 46,341	\$ 23,171
40-44	-	-	-
45-49	2	44,906	22,453
50-54	-	-	-
55-59	-	-	-
60-64	-	-	-
65 & Over	-	-	-
TOTAL	<u>4</u>	<u>\$ 91,247</u>	<u>\$ 22,812</u>

B. Receiving Benefits (including DROPs)

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	108	\$ 9,928,245	\$ 91,928
50-54	82	6,896,633	84,105
55-59	55	3,996,075	72,656
60-64	18	1,304,885	72,494
65-69	15	647,584	43,172
70-74	7	276,551	39,507
75 & Over	11	252,813	22,983
TOTAL	<u>296</u>	<u>\$ 23,302,786</u>	<u>\$ 78,726</u>

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Reconciliation of Employee Data - Firefighters

A. <u>Active Participants</u>	
1. Active participants previous year	184
2. Retired during year	(1)
3. Entered DROP	(5)
4. Died during year	0
5. Disabled during year	0
6. Terminated during year	(2)
7. New active participants	4
8. Transferred from General plan	0
9. Reinstated during year	0
10. Active participants current year	<u>180</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	92
2. New retired participants	1
3. New terminated vested receiving benefits	1
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	2
6. Former DROPs now receiving benefits	13
7. Died or ceased payment during year	(3)
8. Retired or terminated vested receiving benefits current year	<u>106</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	40
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	(13)
5. Entered DROP during year	5
6. DROP participants current year	<u>32</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	3
2. Died during year	0
3. Commenced receiving benefits during year	(1)
4. New terminated vested	1
5. Terminated vested paid lump sum	(1)
6. Terminated vested entitled current year	<u>2</u>

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Reconciliation of Employee Data - Police Officers

A. <u>Active Participants</u>	
1. Active participants previous year	177
2. Retired during year	(2)
3. Entered DROP	(6)
4. Died during year	0
5. Disabled during year	0
6. Terminated during year	(3)
7. New active participants	10
8. Transferred from General plan	0
9. Reinstated during year	0
10. Active participants current year	<u>176</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	102
2. New retired participants	2
3. New terminated vested receiving benefits	2
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	13
7. Died or ceased payment during year	(1)
8. Retired or terminated vested receiving benefits current year	<u>118</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	47
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	(13)
5. Entered DROP during year	6
6. DROP participants current year	<u>40</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	3
2. Died during year	0
3. Commenced receiving benefits during year	(2)
4. New terminated vested	1
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	<u>2</u>

City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida

Reconciliation of Employee Data - All Members

A. <u>Active Participants</u>	
1. Active participants previous year	361
2. Retired during year	(3)
3. Entered DROP	(11)
4. Died during year	0
5. Disabled during year	0
6. Terminated during year	(5)
7. New active participants	14
8. Transferred from General plan	0
9. Reinstated during year	0
10. Active participants current year	<u>356</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	194
2. New retired participants	3
3. New terminated vested receiving benefits	3
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	2
6. Former DROPs now receiving benefits	26
7. Died or ceased payment during year	(4)
8. Retired or terminated vested receiving benefits current year	<u>224</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	87
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	(26)
5. Entered DROP during year	11
6. DROP participants current year	<u>72</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	6
2. Died during year	0
3. Commenced receiving benefits during year	(3)
4. New terminated vested	2
5. Terminated vested paid lump sum	(1)
6. Terminated vested entitled current year	<u>4</u>

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Projected Retirement Benefits

<u>Fiscal Year</u>	<u>Projected Total Annual Payout</u>
2013	\$ 23,567,365
2014	\$ 24,491,335
2015	\$ 25,867,690
2016	\$ 27,653,847
2017	\$ 30,120,450
2018	\$ 32,563,260
2019	\$ 34,502,243
2020	\$ 36,337,257
2021	\$ 38,437,390
2022	\$ 40,051,091

The above projected payout of Plan benefits during the next ten years is based on assumptions involving all decrements. Actual payouts may differ from the above estimates depending upon the death, salary and retirement experience of the Plan. However, since the projected payment is recomputed each valuation date, there is an automatic correction to the extent that actual experience varies from expected experience.

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Analysis of Investment Yield as of October 1, 2012

This Table sets forth the results of an analysis made of investment yields on the assets held under the Pension Plan for Firefighters and Police Officers of the City of Pembroke Pines.

The basic sources for this analysis were the Statements produced by the Plan Auditors.

The basic data was initially checked for internal consistency. Since no difficulties were encountered with the data, yield rates were calculated directly from the transaction information submitted. A summary of the transaction information is set forth on the following page.

**Table XVI
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Summary of Transaction Information

<u>Year Ending</u>	<u>Benefits Paid¹</u>	<u>Administrative Expenses</u>	<u>Employee Contributions</u>	<u>City Contributions</u>	<u>State Contributions</u>	<u>Actuarial Value²</u>
09/30/2012	\$ 22,423,335	\$ 423,570	\$ 2,945,195	\$ 21,540,037	\$ 2,342,079	\$ 316,002,633
09/30/2011	20,419,430	447,082	3,002,699	21,020,757	2,269,110	294,227,027
09/30/2010	18,268,505	572,279	3,012,468	22,200,904	2,337,509	280,775,729
09/30/2009	16,256,428	461,151	3,153,447	19,505,427	2,429,576	261,948,320
09/30/2008	13,835,750	403,851	3,333,603	15,214,031	2,581,143	246,182,224
09/30/2007	12,327,080	394,778	3,240,932	11,812,342	2,442,108	229,650,770
09/30/2006	9,586,049	376,632	3,474,437	8,205,196	2,028,350	205,102,670
09/30/2005	7,956,368	346,802	4,041,657	6,461,387	1,861,332	186,347,282
09/30/2004	10,865,749	372,004	3,123,907	29,374,983	1,730,676	168,315,697
09/30/2003	11,167,454	740,669	3,019,022	40,192,188	1,426,440	134,868,154
09/30/2002	2,392,216	529,831	2,683,777	3,643,183	1,233,840	96,599,615
09/30/2001	1,801,729	450,439	2,563,794	3,257,207	1,013,126	89,587,047
09/30/2000	1,498,201	430,328	2,113,222	2,580,359	970,129	81,679,522
09/30/1999	1,198,877	379,577	1,971,856	1,762,362	988,366	68,869,101
09/30/1998	1,143,202	310,971	1,790,908	1,450,517	915,599	58,718,121
09/30/1997	842,191	286,905	1,667,877	1,608,478	858,522	50,565,572
09/30/1996	694,974	237,252	1,563,652	1,588,045	671,056	39,919,818
09/30/1995	605,296	208,915	1,294,421	1,934,238	540,655	33,180,866

¹ Includes refunds and DROP account pension payment credits

² Market value prior to 2001

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Recent Compensation, Termination and Investment Return Experience

Valuation Date	Compensation*		Termination	Investment Return		
	% Increase (Decrease)	Assumed Increase	Ratio of Actual to Expected	Net Market Value Yield	Net Actuarial Value Yield	Assumed Rate of Return
10/01/2012	3.8%	4.6%	1.1	19.0%	6.4%	8.0%
10/01/2011	1.6%	5.5%	0.2	(0.2%)	3.8%	8.0%
10/01/2010	3.6%	5.7%	0.2	8.1%	4.5%	8.0%
10/01/2009	4.6%	6.2%	1.0	(1.0%)	3.6%	8.0%
10/01/2008	8.1%	6.3%	1.2	(13.7%)	4.4%	8.0%
10/01/2007	5.3%	6.4%	0.7	14.8%	9.2%	8.0%
10/01/2006	10.8%	6.0%	0.4	6.9%	7.8%	8.0%
10/01/2005	6.8%	6.0%	0.5	12.3%	8.0%	8.0%
10/01/2004	7.5%	6.0%	0.2	8.4%	6.9%	8.0%
10/01/2003	6.3%	6.0%	N/A	17.2%	5.9%	8.0%
Last 3 Years	3.0%	5.3%	0.4	8.7%	4.9%	8.0%
Last 5 Years	4.3%	5.7%	0.6	1.9%	4.5%	8.0%
Last 10 Years	5.8%	5.9%	N/A	6.7%	6.0%	8.0%

* Excludes DROP payroll

Table XVII

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Employer Contribution Information

<u>Valuation Date</u>	<u>Contribution Fiscal Year End</u>	<u>Minimum Required Employer Contributions</u>	<u>Actual City Contributions Made</u>	<u>Actual State Contributions Made</u>	<u>Actual Employer Contributions Made</u>
10/01/2012	09/30/2014	\$ 26,214,407	N/A	N/A	N/A
10/01/2011	09/30/2013	\$ 25,213,704	N/A	N/A	N/A
10/01/2010	09/30/2012	\$ 23,882,116	\$ 21,540,037	\$ 2,342,079	\$ 23,882,116
10/01/2010	09/30/2011	\$ 23,289,867	\$ 21,020,757	\$ 2,269,110	\$ 23,289,867
10/01/2009	09/30/2010	\$ 24,538,413	\$ 22,200,904	\$ 2,337,509	\$ 24,538,413
10/01/2008	09/30/2009	\$ 21,935,003	\$ 19,505,427	\$ 2,429,576	\$ 21,935,003
10/01/2007	09/30/2008	\$ 17,795,174	\$ 15,214,031	\$ 2,581,143	\$ 17,795,174
10/01/2006	09/30/2007	\$ 14,254,450	\$ 11,812,342	\$ 2,442,108	\$ 14,254,450
10/01/2005	09/30/2006	\$ 10,233,546	\$ 8,205,196	\$ 2,028,350	\$ 10,233,546
10/01/2004	09/30/2005	\$ 8,322,719	\$ 6,461,387	\$ 1,861,332	\$ 8,322,719

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Actuarial Valuation as of October 1, 2012

State Required Exhibit - Firefighters

	<u>10/01/2011</u>	<u>10/01/2012</u>
A. <u>Participant Data</u>		
1. Active participants	184	180
2. Retired participants and beneficiaries receiving benefits (including DROPs)	124	130
3. Disabled participants receiving benefits	8	8
4. Terminated vested participants	3	2
5. Annual payroll of active participants excluding DROPs	\$ 13,556,504	\$ 13,812,626
6. Annual payroll of active participants including DROPs	\$ 17,563,287	\$ 17,009,429
7. Annual benefits payable to those currently receiving benefits (including DROPs)	\$ 10,633,871	\$ 11,261,634
B. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 112,058,829	\$ 115,471,208
b. Vesting benefits	1,081,166	1,057,873
c. Death benefits	611,685	606,735
d. Disability benefits	3,744,335	3,767,055
e. Total	<u>\$ 117,496,015</u>	<u>\$ 120,902,871</u>
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 597,083	\$ 271,308
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired (includes DROPs)	\$ 157,572,284	\$ 164,411,275
b. Disability retired	5,262,022	5,360,141
c. Beneficiaries	1,638,738	2,998,988
d. Miscellaneous (Refunds in Process)	181	8,488
e. Total	<u>\$ 164,473,225</u>	<u>\$ 172,778,892</u>

**Table XVIII
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Actuarial Valuation as of October 1, 2012

State Required Exhibit - Firefighters

	<u>10/01/2011</u>	<u>10/01/2012</u>
4. Total actuarial present value of future expected benefit payments	\$ 282,566,323	\$ 293,953,071
5. Actuarial accrued liabilities (EAN)	\$ 240,353,743	\$ 253,068,158
C. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 164,473,044	\$ 172,770,404
b. Other participants	53,046,521	55,816,726
c. Total	<u>\$ 217,519,565</u>	<u>\$ 228,587,130</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>6,671,043</u>	<u>6,806,525</u>
3. Total actuarial present value of accumulated plan benefits	\$ 224,190,608	\$ 235,393,655
D. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age	\$ 110,791,068	\$ 108,812,698
2. Actuarial present value of future employee contributions - attained age	\$ 12,097,226	\$ 11,902,557
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 12,794,819	\$ 13,702,427
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A

**Table XVIII
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Actuarial Valuation as of October 1, 2012

State Required Exhibit - Police Officers

	10/01/2011	10/01/2012
A. <u>Participant Data</u>		
1. Active participants	177	176
2. Retired participants and beneficiaries receiving benefits (including DROPs)	139	148
3. Disabled participants receiving benefits	10	10
4. Terminated vested participants	3	2
5. Annual payroll of active participants excluding DROPs	\$ 13,301,329	\$ 13,198,390
6. Annual payroll of active participants including DROPs	\$ 17,712,550	\$ 17,072,646
7. Annual benefits payable to those currently receiving benefits (including DROPs)	\$ 10,919,463	\$ 12,041,152
 B. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 112,974,404	\$ 109,782,581
b. Vesting benefits	1,082,188	1,057,562
c. Death benefits	574,836	584,765
d. Disability benefits	3,752,103	3,864,103
e. Total	\$ 118,383,531	\$ 115,289,011
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 956,018	\$ 350,364
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired (includes DROPs)	\$ 162,827,076	\$ 178,476,131
b. Disability retired	6,085,635	6,179,996
c. Beneficiaries	904,803	966,939
d. Miscellaneous (Refunds in Process)	37,543	30,344
e. Total	\$ 169,855,057	\$ 185,653,410

**Table XVIII
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Actuarial Valuation as of October 1, 2012

State Required Exhibit - Police Officers

	10/01/2011	10/01/2012
4. Total actuarial present value of future expected benefit payments	\$ 289,194,606	\$ 301,292,785
5. Actuarial accrued liabilities (EAN)	\$ 249,750,419	\$ 262,866,862
 C. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 169,817,514	\$ 185,623,066
b. Other participants	58,630,900	55,793,196
c. Total	\$ 228,448,414	\$ 241,416,262
2. Actuarial present value of accumulated non-vested plan benefits	6,321,807	6,229,636
3. Total actuarial present value of accumulated plan benefits	\$ 234,770,221	\$ 247,645,898
 D. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age	\$ 103,962,237	\$ 104,096,140
2. Actuarial present value of future employee contributions - attained age	\$ 11,371,839	\$ 11,349,572
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 13,538,425	\$ 13,720,931
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A

**Table XVIII
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Actuarial Valuation as of October 1, 2012

State Required Exhibit - All Members

	<u>10/01/2011</u>	<u>10/01/2012</u>
A. <u>Participant Data</u>		
1. Active participants	361	356
2. Retired participants and beneficiaries receiving benefits (including DROPs)	263	278
3. Disabled participants receiving benefits	18	18
4. Terminated vested participants	6	4
5. Annual payroll of active participants excluding DROPs	\$ 26,857,833	\$ 27,011,016
6. Annual payroll of active participants including DROPs	\$ 35,275,837	\$ 34,082,075
7. Annual benefits payable to those currently receiving benefits (including DROPs)	\$ 21,553,334	\$ 23,302,786
B. <u>Value of Assets (Net)</u>		
1. Actuarial Value	\$ 294,227,027	\$ 316,002,633
2. Market Value	\$ 235,326,337	\$ 292,723,464
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 225,033,233	\$ 225,253,789
b. Vesting benefits	2,163,354	2,115,435
c. Death benefits	1,186,521	1,191,500
d. Disability benefits	7,496,438	7,631,158
e. Total	<u>\$ 235,879,546</u>	<u>\$ 236,191,882</u>
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 1,553,101	\$ 621,672
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired (includes DROPs)	\$ 320,399,360	\$ 342,887,406
b. Disability retired	11,347,657	11,540,137
c. Beneficiaries	2,543,541	3,965,927
d. Miscellaneous (Refunds in Process)	37,724	38,832
e. Total	<u>\$ 334,328,282</u>	<u>\$ 358,432,302</u>

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Actuarial Valuation as of October 1, 2012

State Required Exhibit - All Members

	10/01/2011	10/01/2012
4. Total actuarial present value of future expected benefit payments	\$ 571,760,929	\$ 595,245,856
5. Actuarial accrued liabilities (EAN)	\$ 490,104,162	\$ 515,935,020
6. Unfunded actuarial liabilities (EAN)	\$ 195,877,135	\$ 199,932,387
 D. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 334,290,558	\$ 358,393,470
b. Other participants	111,677,421	111,609,922
c. Total	\$ 445,967,979	\$ 470,003,392
2. Actuarial present value of accumulated non-vested plan benefits	12,992,850	13,036,161
3. Total actuarial present value of accumulated plan benefits	\$ 458,960,829	\$ 483,039,553
 E. <u>Pension Cost</u>		
1. Total normal cost	\$ 10,731,669	\$ 10,627,979
2. Payment required to amortize unfunded liability	15,610,663	16,757,161
3. Interest adjustment	1,273,666	1,324,841
4. Total required contribution	\$ 27,615,998	\$ 28,709,981
5. a. Item 4 as a percentage of base payroll ¹	102.8%	106.3%
b. Item 4 as a percentage of total payroll ²	78.3%	84.2%
6. Estimated employee contributions	\$ 2,809,146 ³	\$ 2,842,855 ⁵
7. a. Item 4 as a percentage of base payroll ¹	10.4%	10.4%
b. Item 4 as a percentage of total payroll ²	8.2% ⁴	8.2% ⁶
8. Estimated State contributions	\$ 2,269,110	\$ 2,342,079
9. a. Item 4 as a percentage of base payroll ¹	8.4% ⁴	8.6% ⁶
b. Item 4 as a percentage of total payroll ²	6.7% ⁴	6.8% ⁶
10. Net amount payable by City	\$ 22,944,594	\$ 23,872,328
11. a. Item 4 as a percentage of base payroll ¹	84.9% ⁴	87.3% ⁶
b. Item 4 as a percentage of total payroll ²	67.3% ⁴	69.2% ⁶

¹ Excludes DROP payroll

² Includes DROP payroll

³ Percent of pay applied to expected 2012-2013 base payroll excluding DROP payroll (\$27,011,016)

⁴ Percent of expected 2012-2013 covered payroll (\$27,011,016 / \$34,082,075)

⁵ Percent of pay applied to expected 2013-2014 base payroll excluding DROP payroll (\$27,335,148)

⁶ Percent of expected 2013-2014 covered payroll (\$27,335,148 / \$34,491,060)

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

Actuarial Valuation as of October 1, 2012

State Required Exhibit - All Members

	<u>10/01/2011</u>	<u>10/01/2012</u>
F. <u>Past Contributions</u>		
1. Total contribution required (prior valuation)	\$ 26,776,918	\$ 28,051,610
2. Actual contributions made:		
a. Members	\$ 2,945,195	N/A
b. City	21,540,037	N/A
c. State	2,342,079	N/A
d. Total	<u>\$ 26,827,311</u>	N/A
G. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries excluding DROP payroll -attained age	\$ 214,753,305	\$ 212,908,838
2. Actuarial present value of future employee contributions - attained age	\$ 23,469,065	\$ 23,252,129
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 26,333,244	\$ 27,423,358
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A

**Table XVIII
(Cont'd)**

**City Pension Fund for Firefighters and Police Officers
in the City of Pembroke Pines, Florida**

State Required Exhibit

Amortization balances are written down in proportion to amortization payments.

	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>	<u>Remaining Funding Period</u>
10/01/2003	Gain and Loss Bases	\$ 15,713,603	\$ 1,733,848	13.000 years
10/01/2003	Others	916,105	101,084	13.000 years
10/01/2003	Plan Amendment	66,823,922	5,649,126	21.000 years
10/01/2004	Plan Amendment	41,902,597	3,467,530	22.000 years
10/01/2004	Plan Amendment	382,264	31,633	22.000 years
10/01/2006	Assumption Change	7,325,340	583,809	24.000 years
10/01/2006	Plan Amendment	31,873,668	2,540,241	24.000 years
10/01/2006	Plan Amendment	2,498,117	199,093	24.000 years
10/01/2009	Assumption Change	13,534,821	1,030,158	27.000 years
10/01/2009	Method Change	26,667,288	2,029,692	27.000 years
05/01/2010	Plan Amendment	(35,433,659)	(2,676,112)	27.583 years
10/01/2010	Actuarial (Gain) / Loss	14,060,893	1,056,309	28.000 years
10/01/2011	Actuarial (Gain) / Loss	10,936,208	811,700	29.000 years
10/01/2011	Assumption Change	(1,703,893)	(126,465)	29.000 years
10/01/2012	Actuarial (Gain) / Loss	4,435,113	325,515	30.000 years
	TOTAL	\$ 199,932,387	\$ 16,757,161	

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my 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 other wise provided for in the valuation. All known events or trends which may require material increase in plan costs or required contribution rates have been taken into account in the valuation.

Enrollment Number: 11-02802
Dated: March 20, 2013



Lawrence F. Wilson, A.S.A.