



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 4/27/10

SUBJECT: Financial and Actuarial Review of General Employees Defined Benefit Pension Plan as of 9/30/09 and subsequent financial activity through 3/31/10

DEPARTMENT: Finance Department

RECOMMENDED MOTION:

Review and Discussion Only

SUMMARY:

Attached to this agenda Item is the Annual Valuation Report of the City of Port Orange General Employees Defined Benefit Pension Plan as of 9/30/09, and a copy of the cost and market summary and related financial activity through 3/31/10.

David G. Leonard, Actuary for the Pension Plan will be present to review the attached reports with City Council and answer questions pertaining to the Plan's financial position, transactions or benefit computations.

Should you have any questions of me, please call. I will also be present when Mr. Leonard is presenting his report.

ATTACHMENTS: Ordinance Resolution Budget Resolution

Other Support Documents/Contracts Available for Review in Manager's Office

DEPARTMENT HEAD	John A. Shelley, Finance Director	Date	4/16/10
FINANCE DEPARTMENT	Approved as to Budget Requirements	Date	
CITY ATTORNEY	Approved as to Form and Legality	Date	
CITY MANAGER	Approved Agenda Item For:		4/27/10

COUNCIL ACTION: Approved as Recommended Disapproved Tabled Indefinitely
 Continued to Date Certain Approved with Modification:

January 6, 2010

City of Port Orange
General Employees Retirement Committee
Attn: John Shelley, Chairman
1000 City Center Circle
Port Orange, FL 32129

Re: City of Port Orange General Employees
Defined Benefit Pension Plan
Our File No. FL113

Dear John:

We are pleased to enclose the Annual Valuation Report for the above plan as of October 1, 2009. Our report contains a review of the plan operations for the 2008-2009 plan year as well as a look forward for the 2009-2010 plan year.

The report has been based on the plan provisions as amended effective October 1, 2009. As projected, the annual contribution to the City is just under 13% of salaries. The plan currently has a small credit balance and based on a 13% City contribution, the credit balance could grow modestly this year.

Individual certificates of participation were already delivered to you for distribution to the Participants.

We have enclosed one copy of the full annual report and seven copies of the special Summary Annual Valuation Report for the Retirement Committee members. Additionally, we have enclosed an unbound copy of the valuation report, for your use in making additional copies as needed.

Please see the General Comments section inside the report for important commentary on the current status of the plan.

If you have any questions or comments concerning this report, please feel free to give me a call at 386-673-2477, ext. 2303.

Sincerely,



David G. Leonard, A.S.A.
Enrolled Actuary 08-03604

ANNUAL VALUATION REPORT
FOR
CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT PENSION PLAN
AS OF OCTOBER 1, 2009

Prepared by:
David G. Leonard, A.S.A.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

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CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

I. HIGHLIGHTS

This section of the report summarizes the results of the October 1, 2009 actuarial valuation and provides a comparison with the results of the prior revised valuation. The development of these items for the current valuation is shown in the remaining sections of the report, along with a breakdown by employment division. The percentages in parenthesis express each amount as a percentage of covered payroll for the upcoming year - a 4% salary increase factor has been factored into the percentage calculation.

	Current Valuation (10/1/09)		Prior Valuation (10/1/08)	
1. a. Recommended Employer Contribution	\$1,021,870	(12.9%)	\$1,291,191	(16.7%)
b. Minimum Employer Contribution	\$1,005,433	(12.7%)	\$1,179,636	(15.3%)
2. Actual Contribution	-----		\$1,199,567	
3. Covered Payroll of Participants - Actual Proceeding Fiscal Year	\$7,599,335		\$7,275,289	
4. Normal Cost	\$1,525,970	(18.9%)	\$1,645,771	(21.3%)
5. Assets at Market Value (DB only) (including accrued contributions)	\$16,608,447		\$15,617,889	
6. Actuarial Value of Vested Accrued Benefits	(7.5%)		(8%)	
a. Active Participants	\$9,877,494		\$8,335,934	
b. Retired / Disabled	5,964,100		5,535,136	
c. Terminated Vested	<u>113,987</u>		<u>100,751</u>	
d. Total Value of Vested Accrued Benefits	\$15,955,580		\$13,971,821	
e. Value of Non-Vested Accrued Benefits for Active Participants	1,141,175		1,078,387	
f. Assets in Excess of Vested Benefits (5 minus 6d)	\$652,867		\$1,646,068	
7. Number of Participants				
a. Active Participants	183		184	
b. Deferred Retirements	3		3	
c. Retired & Disabled Participants and Beneficiaries Receiving Payments	32		30	
d. Terminated Vested Participants Not Yet Receiving Payments	16		14	
e. Total	234		231	

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

II. GENERAL COMMENTS

The October 1, 2009 valuation was prepared on a group of 186 active members. This represents a decrease of one (1) active members from the prior year. The total plan population stands at 234, including seventeen (32) members receiving retirement, survivor or disability benefits, seven (7) members with vested benefits, and another nine (9) terminated members due only refunds of their employee contributions plus interest.

The "Recommended" contribution shown on page 1 has been calculated without regard to the theoretical credit balance, while the "Minimum" contribution takes the credit balance fully into account. The recommended contribution is estimated to be 12.9% of 2010 payroll, which takes into account assumed increases averaging 4%. If these increases do not occur, the actual 13% deposit may not be sufficient to meet the minimum level, however they will create actuarial gains to hopefully reduce the recommended percentage for 2010-11.

Our calculations this year were based on the plan as amended effective October 1, 2009. Certain benefits were reduced or eliminated in an effort to maintain an acceptable level of City deposit, which has been stated to be 13%. Running the plan calculations on the prior plan and actuarial assumptions yielded a minimum contribution requirement of 19.6% of salary – thus the new plan changes did decrease the requirement by 6.9% as we projected on the Actuarial Impact Statement.

As part of the transition to the new benefits, certain actuarial assumptions and methods were modified. In particular, the interest rate and salary scale assumptions were both changed, from 8% to 7.5% interest and 6% to 4% for the salary increases, respectively. Additionally, we are using a blended trust asset method which recognizes actuarial losses on trust asset performance over five years.

In order to be consistent with our Actuarial Impact Statement calculations, we initiated the blending effective October 1, 2007 and are thus in the second year of the method. What this means is that we are recognizing both the 2008 and 2009 losses on a blended basis. These calculations are illustrated on page 5 of this report.

While the blending helps reduce the contribution requirements in down periods, it also leaves behind unrecognized losses that must be made up through superior future performance and/or future contributions. The current unrecognized losses total \$3,321,690. To simplify what this means, as we look to the 2010-11 calculations we see a potential increase in the recommended contribution of 0.9% of salary, based on an estimated market value yield for this year of 7.5%. We can discuss the ramifications of such an increase, and possible offsets to it, at our annual meeting.

The plan's funded ratio with respect to total accrued benefits stands at 97%. This is the first year that this ratio has been under 100%, however it has been measured assuming 7.5% interest and improved mortality tables. With the new lower benefit levels taking hold in the coming years, we should see an increase in this measure. Note that this measure is done at market value, not the blended actuarial basis – thus it is a true snapshot of the plan's funded status assuming a long term return of 7.5% on the trust assets.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

III. PLAN ASSETS

Beginning of Year <u>10/01/2008</u>		End of Year <u>09/30/2009</u>
\$ 1,263,846.50	Cash	\$ 1,132,468.80
0.00	Receivable Contributions	0.00
5,094,149.87	Fixed Income Securities	5,097,288.97
10,514,538.52	Equities - ICC Capital	11,621,462.65
76,224.24	Accrued Interest	54,702.90
<u>21,427.16</u>	Accrued Dividends	<u>9,696.80</u>
\$ <u>16,970,186.29</u>	TOTAL (Market Value)	\$ <u>17,915,620.12</u>

RECEIPTS

Employer Contribution	\$ 1,199,566.90
Mandatory Employee Contributions	456,956.56
Voluntary Employee Contributions	104,108.41
Military Buybacks	0.00
Investment Earnings	494,036.10
Realized Gains/(Losses)	<u>(106,516.05)</u>
TOTAL INCOME	\$ <u>2,148,151.92</u>

DISBURSEMENTS

Benefit Payments	\$ 711,436.73
Investment Fees	83,333.10
Administrative Expenses	<u>62,104.55</u>
TOTAL EXPENSES	\$ <u>856,874.38</u>
NET INCOME	\$ <u>1,291,277.54</u>

CHANGE IN NET ASSETS

Unrealized appreciation (depreciation) in assets:	\$ (345,843.71)
Net Income:	<u>1,291,277.54</u>
Net increase (decrease) in net assets for the year:	945,433.83
Net assets at beginning of year:	\$ <u>16,970,186.29</u>
Net assets at end of year:	\$ 17,915,620.12

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

III. PLAN ASSETS (Continued)

Asset Recap as of September 30, 2009:

	<u>Cost Value</u>	<u>Market Value</u>
Cash:	\$1,132,468.80	\$1,132,468.80
Bonds:		
Corporate & Finance	\$1,964,003.10	\$2,075,749.95
GLMA Pool	313,435.92	334,056.37
Govt. Sponsored Bond	1,313,208.00	1,385,224.40
Municipal Bonds	145,040.95	151,195.15
Treasury	<u>1,094,206.25</u>	<u>1,151,063.10</u>
Total Bonds	\$4,829,894.22	\$5,097,288.97
Equities:	\$12,338,703.14	\$11,621,462.65
Receivable Contributions	\$0.00	\$0.00
Accrued Dividends:	\$9,696.80	\$9,696.80
Accrued Interest:	\$54,702.90	\$54,702.90
Trust Totals	\$18,365,465.86	\$17,915,620.12

Assets Available for Defined Benefit Plan:

Total Market Value Assets (from above)	\$17,915,620.12
Less: Defined Contribution Accts.	(158,123.41)
Voluntary Contrib. Accts.	(1,149,049.58)
Net Assets Available for Defined Benefit Plan:	\$16,608,447.13

Breakdown of Distributions from Trust Account

Payments to Retirees from Salem Trust -	
- For Defined Benefit Plan amounts	\$564,502.69
- For Voluntary/Defined Contribution Accounts	21,144.00
Payments to Terminees for Defined Benefit Amounts -	20,866.86
Miscellaneous Payments of Voluntary Accounts -	<u>104,923.18</u>
Total Distributions for the September 30, 2009 P.Y.	\$711,436.73

CITY OF PORT ORANGE GENERAL EMPLOYEES DBPP

III. PLAN ASSETS

Smoothed Valuation Asset Calculation - for 10/1/09

	10/01/2008	10/01/2007
Beginning of Year		
End of Year	09/30/2009	09/30/2008
(1) Actuarial Value of Assets - BOY	\$18,369,981	\$16,989,812
(2) Contributions for year made in year *	1,656,523	1,460,284
(3) Disbursements & non-investment exp. *	(642,936)	(753,627)
(4) Assumed interest at valuation rate -7.5%/ 8.0%	<u>1,415,758</u>	<u>1,361,535</u>
(5) Preliminary Value of Assets - EOY	\$20,799,326	\$19,058,003
(6) Market Value of Assets - EOY *	16,608,448	15,617,889
(7) Market Value less Preliminary Value	(4,190,878)	(3,440,114)
(8) Adjustment - 20% of (7)	(838,176)	(688,023)
(9) Actuarial Value of Assets, EOY, before accrued contributions (5) + (8)	19,961,151	18,369,981
(10) Accrued contributions for year	0	0
(11) 80% of Market Value w/ (10)	13,286,759	12,494,311
(12) 120% of Market Value w/ (10)	19,930,138	18,741,467
(13) Actuarial Value of Assets, EOY, (9) + (10) but not less than (11) or greater than (12)	19,930,138	18,369,981
(14) Market Value of Assets	16,608,448	15,617,889
(15) Current Cushion (Unrec. gains/(losses))	(3,321,690)	(2,752,091)
(16) Earnings on Valuation Assets	\$546,569	\$673,512
(17) Valuation Yield	2.895%	3.957%

* Excludes Voluntary & MP Plan market value, contributions and distributions. Includes EE Contributions.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IV. PLAN COSTS FOR THE PLAN YEAR TO END SEPTEMBER 30, 2010

Based on the participants and salaries reported on the Employee Status Report in Section IX of this report, the following is a calculation of the plan's recommended contribution for the plan year to end September 30, 2010. The Aggregate Funding Method is being used for these calculations. The actuarial assumptions employed in the calculations are shown in Appendix B. The percentage contribution is adjusted to reflect the assumed increase in salaries in the 09-10 year.

1. Present Value of Benefits:		
a. Active Participants	\$30,100,514	
b. Retired	5,964,100	
c. Terminated Vested/Refunds Due	<u>113,987</u>	
Total Present Value of Benefits		\$36,178,600
2. Valuation Assets - 10/1/09 (Blended basis less credit balance):		\$19,913,324
3. Present Value of Future Normal Costs (1 minus 2):		\$16,265,276
4. Present Value of Future Covered Payroll:		\$80,917,405
5. Normal Cost Percentage (3 divided by 4):		20.10%
6. Covered Annual Payroll:		\$7,599,335
7. Normal Cost (5 times 6):		\$1,527,549
8. Expected Employee Contributions (7.5% of 6):		\$569,950
9. Expected Administrative Expenses:		\$30,000
10. Interest (3.75% on net Employer Cost):		\$35,910
11. Employer Contribution (7 minus 8 plus 9 plus 10) - Maximum		\$1,023,509
12. Less Funding Standard Account Credit Balance with Interest		\$18,075
13. Minimum Required Employer Contribution (11 less 12)		\$1,005,433
Adjusted minimum contribution percentage:		12.72%

Funding Standard Account for September 30, 2009:

a. Prior FSA Credit Balance as of 10/01/2008:	\$163,578
b. Total Charges (Net Normal Cost plus Interest):	(\$1,351,584)
c. Credits for Contributions plus interest:	\$1,204,820
d. FSA Credit Balance as of 9/30/2009:	\$16,814

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

V. ANNUAL VALUATION - OCTOBER 1, 2009

GASB Statement 5 and FASB
Statement 35/36 Information

I. PENSION BENEFIT OBLIGATION (PBO) - GAS-5

a. Retirees/Benefic./Terminated	\$6,078,086
b. Current Employees	
I. EE Contr. & Intr.	2,167,187
II. ER Financed Vested	15,951,305
III. ER Financed Non-Vested	2,350,045
c. TOTALS	26,546,623
d. ASSETS - Valuation Smoothed Value	19,930,138
e. FUNDED RATIO (10/1/2009)	75.08%
f. FUNDED RATIO (10/1/2008)	64.05%

*Note: Above calculations have been based on Entry Age
Accrued Liability Per GAS-50. 2008 ratio based on market value
assets, while 2009 is based on Valuation assets.*

II. PRESENT VALUE OF ACCRUED BENEFITS (PVAB) (FAS-35)

a. Retirees/Benefic./Terminated	\$6,078,086
b. Current Employees	
I. EE Contr. & Intr.	2,167,187
II. ER Financed Vested	7,710,307
III. ER Financed Non-Vested	1,141,175
c. TOTALS	17,096,755
d. ASSETS - Market Value	16,608,447
e. FUNDED RATIO (10/1/2009)	97.14%
f. FUNDED RATIO (10/1/2008)	103.77%

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT PENSION PLAN

VI. CURRENT YEAR MEMBERSHIP SUMMARY

The total number of active plan participants as of the current valuation date is reconciled with the total number as of the prior valuation date as follows:

Number of Active Participants as of October 1, 2008:	187
Decreases:	
Non-Vested Terminations (includes new and terminated in current FY):	(8)
Vested Terminations:	(1)
Retirements:	(2)
Deaths, Withdrawals:	0
Total Increases/(Decreases):	(11)
New Entrants during 2008-09:	10
Net Change:	(1)
Number of Active Participants as of October 1, 2009:	186
Also as of October 1, 2009:	
Total Vested Terminated (includes 9 refunds only due):	16
Total Retired:	32
TOTAL PARTICIPANTS:	234

* Active participants include members beyond their
Normal Retirement Dates.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

VII. HISTORICAL INFORMATION

Plan Year Beginning	Participants Act. - Other	Compensation*	Present Val. of Projected Benefits	Assets+	Recommended Employer Contribution	(**)	Actual Contribution
10/01/2003	182	0	6,246,033	22,424,281	8,394,944	(10.99%)	752,491
10/01/2004	186	4	6,789,137	26,409,716	10,287,191	(12.76%)	875,455
10/01/2005	195	10	6,722,083	27,602,490	12,390,180	(12.97%)	932,513
10/01/2006	198	19	7,151,729	29,389,441	14,074,164	(13.20%)	1,023,333
10/01/2007	192	32	7,417,659	32,839,507	16,989,913	(14.26%)	1,009,205
10/01/2008	187	44	7,275,289	36,406,576	15,617,889	(17.75%)	1,199,567
10/01/2009	188	48	7,599,335	36,178,600	16,608,447	(13.45%)	-----

NOTE: VALUES PRIOR TO 10/01/2005 WERE PREPARED BY PRIOR ACTUARY

* Compensation shown is actual for the fiscal year preceeding the valuation date for active members only (beg. with 10/1/05 - previously projected compensation was used) New members have annualized salary included for accurate benefit and cost projections.

+ Assets are Defined Benefit Plan only, and are not reduced by the Credit Balance.

** Figures in parenthesis are Recommended Contribution as a percentage of prior year's compensation.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS

A. ACTIVE PARTICIPANTS ELIGIBLE TO RETIRE WITHIN THE NEXT FIVE YEARS

<u>Name</u>	<u>Normal Retire. Date*</u>	<u>Early Retire. Date*</u>	<u>Projected Benefit</u>	<u>Accrued Benefit</u>
<i>- Eligible for Normal Retirement within 5 years.</i>		<i>(benefits do not include Supplemental)</i>		
Thomas Bliven	10/01/2009	10/01/2009	1,058.40	1,058.40
+ James Foster	10/01/2009	10/01/2009	2,698.11	2,698.11
Judith Wilson	10/01/2009	10/01/2009	2,028.31	2,028.31
+ Roberta Palmer	03/01/2010	10/01/2009	3,170.03	2,996.88
Glenda Leftwich	12/01/2010	10/01/2009	1,076.84	969.38
James Conforti	04/01/2011	04/01/2011	472.31	389.01
Ray Mac Duffie	09/01/2011	02/01/2010	550.47	436.63
Elizabeth Hammons	12/01/2011	10/01/2009	1,176.47	984.28
+ Frank Fuhrman	02/01/2012	10/01/2009	2,495.09	2,241.13
Wayne Van Arsdale	02/01/2012	10/01/2009	661.99	506.76
+ Kenneth Parker	04/01/2012	10/01/2009	5,722.01	5,057.72
Donald Stuhr	04/01/2012	10/01/2009	1,107.99	887.22
Thomas Simmons	07/01/2012	10/01/2009	2,357.80	2,028.42
Robert Sutton	09/01/2012	09/01/2012	457.28	301.17
+ Shirley Kelly	11/01/2012	10/01/2009	3,488.70	3,038.42
+ Recardo Welker	03/01/2013	10/01/2009	2,004.97	1,711.57
Walter Cooper	08/01/2013	10/01/2009	1,251.80	898.16
Nancy Vaillancourt	12/01/2013	06/01/2010	690.69	436.56
Betty Ceribelli	04/01/2014	04/01/2014	888.40	430.47
William Oddie	04/01/2014	10/01/2009	2,398.25	1,841.77
Lee Miller	08/01/2014	08/01/2014	501.72	237.57
William Blackey	08/01/2014	10/01/2009	837.97	526.56
Steven Rorem	08/01/2014	10/01/2009	1,766.23	1,306.23
<i>- Eligible for Immediate Early Retirement with 25 years of service.</i>				
+ Richard Towey	04/01/2015	10/01/2009	3,178.56	2,590.56
+ Steven Huntt	12/01/2015	10/01/2009	3,672.42	2,932.18
+ Rebecca Groom	01/01/2016	10/01/2009	3,079.92	2,367.74
+ James Franklin	07/01/2016	10/01/2009	4,392.54	3,532.78
+ Robert Day	07/01/2016	10/01/2009	3,054.85	2,279.05
+ Janice Parsons	03/01/2017	10/01/2009	5,430.80	4,287.35
+ Bruce Beckman	04/01/2017	10/01/2009	3,463.96	2,633.43
+ Michael Koch	10/01/2018	10/01/2009	4,233.20	3,039.14

* Note 10/1/09 date indicates eligible for immediate Normal or Early Retirement

+ Has already attained 25 years of service.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS (Con't)

A. ACTIVE PARTICIPANTS ELIGIBLE TO RETIRE WITHIN THE NEXT FIVE YEARS

- *Eligible for Early Retirement with 25 years of service within 2 years.*

+ Elizabeth Barnhart	Christopher Kucera	+ Robert Solana
+ Anna Cady	+ Dennis McCurry	+ Steven Wolf

+ Has already attained 25 years of service.

- *Others Eligible for Immediate Early Retirement (less than 25 yrs, no supplemental benefit)*

Kathleen Chamberlain	Daniel Hill	Michael Scharf
Deborah Faircloth	Krys. Hopkins-Peace	Henrica Sheffield
Debbie Grabowski	Christopher Kucera	Thomas Troutman
		Maria Zurawski

B. TERMINATED/INACTIVE with REFUNDS of CONTRIBUTIONS DUE

<u>Name</u>	<u>Termination Date</u>	<u>Refund Due</u>
Eleanor Coyne	11/05/2004	\$778.37
Joshua Eddy	contrib. in error	88.02
William Farley	10/14/2004	858.50
David Ferguson	05/11/2007	2,442.25
Jani Lloyd	09/01/2009	1,031.42
Lee McFarland	08/28/2008	58.85
Erin McGuire	03/26/2007	343.70
George Mumm	08/30/2007	1,544.92
Jeffrey Starr	11/05/2004	<u>556.24</u>
Totals		7,702.27

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS (Cont.)

C. Terminated Participants Eligible For Future Benefits

<u>Name</u>	<u>Termination Date</u>	<u>Normal Retirement Date</u>	<u>Monthly Benefit at NRD</u>	<u>Present Value * of Benefits (October 1, 2009)</u>
J. Bowey	03/31/2008	03/01/2011	\$169.24	\$17,342
D. Foster	08/25/2006	09/01/2035	703.12	13,049
R. Jacquish	02/17/2006	02/01/2029	476.78	14,189
D. Joseph	09/09/2009	04/01/2037	106.30	8,779 ++
M. Kronenberg	06/08/2007	12/01/2026	976.10	39,132 ++
K. Mouyard	04/05/2006	10/01/2026	189.53	6,402
M. Stefanik	09/29/2008	12/01/2015	56.05	7,391 ++
				\$106,284

D. Retired and Disabled Participants Receiving Monthly Benefits

<u>Name</u>	<u>Age</u>	<u>Actual Retirement Date</u>	<u>Option Chosen</u>	<u>Monthly Pension</u>	<u>Present Value* of Benefits (October 1, 2009)</u>
<u>Retired/ Deceased</u>					
Robert Breaks	67	09/23/2051	Life	\$708.87	\$78,125
Dennis Dearborn	66	07/01/2008	Life	1,409.73	159,046
Ellis, benef. of Ruben	70	10/01/2006	10 C&L	893.52	90,987
Cindy Findley (ben)	50	11/01/2004	Life	423.80	61,053
Sandra Grimm	71	01/01/2004	10 C&L	1,428.58	152,637
William Groom	61	02/09/2149	J & 100%	2,253.96	317,683
Margaret Kelley	75	07/01/2007	Life	832.60	78,647
Kathryn Kincaid	71	10/01/2008	10 C&L	1,377.13	152,065
Frank Klimek	71	05/01/2004	10 C&L	1,802.47	182,000
John McNulty	66	04/29/2115	J & 50%	1,308.89	157,589

* Using 08 M/F Post. Mortality and 7.5% interest.

++ Value shown is eligible refund, as this is more than actuarial value of benefit.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

IX. RETIREMENT STATUS (Cont.)

D. Retired and Disabled Participants Receiving Monthly Benefits

<u>Name</u>	<u>Age</u>	<u>Actual Retirement Date</u>	<u>Option Chosen</u>	<u>Monthly Pension</u>	<u>Present Value* of Benefits (October 1, 2009)</u>
<u>Retired/ Deceased (continued)</u>					
Edward McPadden	69	06/01/2009	Life	475.98	34,480
Nan Milhollen	59	10/01/2008	10 C&L	3,050.53	409,692
William Monning	66	10/01/2007	J & 100%	1,849.92	231,771
G. Norris (bene.)	68	05/25/1994	Life	2,155.45	231,754
Wilford Potts	70	09/11/3021	Life	1,040.28	105,932
Veronica Roberts	63	02/01/2007	Life	1,015.38	126,659
Schulz, Shari (bene.)	53	02/01/2006	Life	739.04	102,823
Linda Sheridan	56	01/09/2190	10 C&L	2,173.28	301,976
Thomas Sheward	57	10/01/2008	10 C&L	2,202.38	295,734
Terry Shroyer	59	12/01/2005	J & 100%	1,203.68	168,688
Richard Skeens	57	07/01/2008	J & 50%	3,896.18	539,959
Glenn Smith	58	02/01/2007	10 C&L	1,906.95	251,727
Margaret Sneddon	66	10/01/2007	10 C&L	1,904.74	229,938
Mary Louie Tenny	75	08/01/2009	Life	461.28	43,573
Gerald Thomas	63	01/01/2006	Life	1,802.22	216,645
Larry Turner	59	07/01/2008	Life	1,718.85	221,577
Glen Walker	63	10/01/2007	10 C&L	3,477.10	426,738
Dorothy Whitmarsh	65	06/01/2005	J&50%S	1,415.50	178,355
<u>Disabled</u>					
Janice Briguglio	56	09/01/2006	10 C&L	399.90	55,420
Brian Cover	58	02/01/2007	10 C&L	756.57	99,981
Cathey Reid	57	11/01/2003	10 C&L	875.68	119,407
Gerald Taylor	64	08/01/2004	10 C&L	<u>1,187.68</u>	<u>141,440</u>
Totals				\$48,148.12	\$5,964,100

Note: Monthly Amounts include Supplemental Retirement Benefits where applicable.
The Supplemental benefits are Life Only (thus not subject to selected option shown).

* Using 08 M/F Post. Mortality and 7.5% interest.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

APPENDIX A

PENSION TRUST SUMMARY

PLAN SPONSOR: CITY OF PORT ORANGE
 TRUSTEE(S): SALEM TRUST
 EFFECTIVE DATE: OCTOBER 1, 2003 (Restated as Defined Benefit)
 ANNIVERSARY DATE: OCTOBER 1 OF EACH YEAR

DEFINITIONS

Compensation: Basic annual income excluding overtime, commissions and bonuses, but including all tax deferred or tax exempt items of compensation.

The normal retirement benefit shall be determined based on average compensation over the highest five consecutive years within the final ten years prior to retirement or termination.

Accrued Benefit: The normal retirement benefit based on completed years of Credited Service at the time of the calculation.

Credited Service: Service as measured in full years and completed months from date of employment to date of retirement or termination.

Retirement Dates:

- Normal:** A participant shall retire on the first day of the month coinciding with or next following his 65th birthday or 10th year of service, whichever is later.
- Early:** A participant who has attained age 55 and completed 10 years of credited service may elect to retire before his normal retirement date.
- Disability:** Any participant who becomes totally and permanently disabled shall be entitled to monthly payments.
- Deferred:** A participant may continue his employment after his normal retirement.

Eligibility: An employee who is not age 60 as of his Date of Employment shall be eligible to participate in the plan on that date.

**Normal:
Retirement Benefit:** Upon retirement, a participant shall be entitled to a monthly pension equal to 2.00% (2.12% for years up to 9/30/09) of his average monthly compensation for each year of Credited Service at his normal retirement date. The Normal Form of benefit is Life Only.

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

APPENDIX A

PENSION TRUST SUMMARY (continued)

Supplemental Retirement Benefit:	Upon retirement at Normal Retirement date or later, or Early Retirement with 25 years of Service, a Participant will be eligible for a Supplemental benefit equal to \$16 per year of Service completed prior to September 30, 2009.																				
Early and Retirement Benefit:	<p>Upon retirement at his early retirement date, a participant shall receive his accrued benefit reduced 1/4 of 1% for each month by which his commencement of benefits precedes his normal retirement date.</p> <p>A Participant with 25 or 30 years of Service at his Early Retirement is guaranteed a monthly benefit equal to at least 50% or 60%, respectively, of his final Average Compensation. (The above percentages are increased based on years of Service prior to 9/30/09 in which the benefit percentages were higher.) This benefit is in addition to his Supplemental Retirement Benefit, which is subject to the normal Early Retirement reduction factors.</p>																				
Disability Benefits:	Different disability benefit levels are provided based on years of service and whether the disability was suffered in the line of duty.																				
Deferred Retirement Benefit:	A participant who remains in the employment of the City after his normal retirement date shall receive the greater of the normal retirement benefit actuarially increased to his date of retirement, or the benefit based on the normal retirement benefit formula reflecting final average annual salary and service at actual retirement date.																				
Death Benefits:	Prior to Retirement: The named beneficiary of a deceased participant will receive a monthly annuity payable for life with 10 years certain. The amount will be determined based on the participant's actuarial present value of his accrued benefit, with a minimum of 2 times his salary and a maximum of 100 times his anticipated normal retirement benefit.																				
Employee Contrib.:	Employees are required to contribute 7.5% of basic salary (eff. 10/5/09)																				
Vesting:	<p>A participant shall have a right to his accrued benefit as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Years of Serv.</u></th> <th style="text-align: left;"><u>Vesting</u></th> <th style="text-align: left;"><u>Years of Serv.</u></th> <th style="text-align: left;"><u>Vesting</u></th> </tr> </thead> <tbody> <tr> <td>Less than 5 yrs.</td> <td>0%</td> <td>8 years</td> <td>70%</td> </tr> <tr> <td>5 years</td> <td>25%</td> <td>9 years</td> <td>85%</td> </tr> <tr> <td>6 years</td> <td>40%</td> <td>10 years</td> <td>100%</td> </tr> <tr> <td>7 years</td> <td>55%</td> <td></td> <td></td> </tr> </tbody> </table>	<u>Years of Serv.</u>	<u>Vesting</u>	<u>Years of Serv.</u>	<u>Vesting</u>	Less than 5 yrs.	0%	8 years	70%	5 years	25%	9 years	85%	6 years	40%	10 years	100%	7 years	55%		
<u>Years of Serv.</u>	<u>Vesting</u>	<u>Years of Serv.</u>	<u>Vesting</u>																		
Less than 5 yrs.	0%	8 years	70%																		
5 years	25%	9 years	85%																		
6 years	40%	10 years	100%																		
7 years	55%																				

CITY OF PORT ORANGE GENERAL EMPLOYEES
DEFINED BENEFIT RETIREMENT PLAN

APPENDIX B

ACTUARIAL ASSUMPTIONS

FUNDING METHOD

Aggregate Actuarial Cost Method

INTEREST ASSUMPTION

Pre-Retirement: 7.5% Compounded Annually (Prev. 8.0%)

Post-Retirement: 7.5% Compounded Annually (Prev. 8.0%)

For Actuarial Equivalence: 8.0% Pre-Retirement
8.0% Post-Retirement

MORTALITY ASSUMPTION

Pre & Post Retirement: 2008 M/F Post. Ret. Tables (IRS issued)
(Prev. 1983 GAM M/F was used)

For Actuarial Equivalence: 1983 Group Annuity Tables Male and Female
(Post-Retirement only)

TURNOVER

None assumed

SALARY SCALE

Salaries are assumed to increase at 4% per year, to the extent limited by law
(Preveiously 6% was assumed)

EARLY RETIREMENT

Participants who are first eligible for Early Retirement are assumed to have an
38.3% chance of retiring prior to age 65, with a 5.0% chance at ages 55, 60, 61, 63
and 64, 3.0% chances at ages 56, 57, 58 and 59, and a 10% chance at age 62.

FUNDING MEDIA

Contributions are invested in general investments

*City of Port Orange
General Employees Defined Benefit Retirement Plan*

2009/2010 Cost and Market Summary

Date	Cost Value Including Cash*	Market Value Including Cash*	Market value over Cost value
10/01/2009	18,365,465.86	17,915,620.12	(449,845.74)
10/31/2009	18,332,313.83	17,692,937.39	(639,376.44)
11/30/2009	18,550,613.61	18,535,197.01	(15,416.60)
12/31/2009	18,750,885.91	18,844,956.83	94,070.92
01/31/2010	18,898,777.92	18,507,423.39	(391,354.53)
02/28/2010	18,973,416.96	19,073,300.33	99,883.37
03/31/2010	19,069,984.96	19,810,368.85	740,383.89
04/30/2010			
05/31/2010			
06/30/2010			
07/31/2010			
08/31/2010			
09/30/2010			

Change in Market Value of Plan Assets (as of March 31, 2010):

Increase from 10/01/09	\$1,894,748.73
Increase from 3/01/10	\$737,068.52

* Includes all accrued interest and dividends.

City of Port Orange
General Employees Defined Benefit Retirement Plan

Cash Account - Per Salem Trust

Balance as of March 1, 2010 **\$704,741.38**

Receipts:

City Contribution	\$76,612.74
Mandatory EE Contributions	43,146.64
Voluntary EE Contributions	6,580.26
Sale-Securities (Cost Value)	707,561.02
Gain (Loss) Sale of Securities	11,085.65
Dividends - excl. 1/31 div. prev. posted (\$515)	32,941.29
Interest	12,576.51
Other income	0.00
Adjust to balance	0.00

Total Receipts **\$890,504.11**

Disbursements:

Securities Purchased - Equity	\$0.00
Securities Purchased - Fixed	(275,992.60)
Securities Purchased - US Treasury	(252,227.34)
Securities Purchased - US Govt./ Mort. Pools	(292,432.65)
Securities Purchased - Other Municipal	(64,558.65)

Payments to Retirees (\$51,806.39)

Breaks, Robert	708.87
Cover, Brian	756.57
Dearborn, Dennis	1,409.73
Ellis, Alberta	893.52
Findley, Cindy	423.80
Grimm, Sandra	1,428.58
Groom, William	2,253.96
Kelly, Margaret	832.60
Kincaid, Kathryn	1,377.13
Klimek, Frank	1,802.47
McNulty, John	980.89
McPadden, Edward	475.98
Milholen, Ellen	3,050.53
Monning, William	1,849.92
Norris, Annie (bene.)	2,155.45
Potts, Wilford J.	1,040.28

Cash Account Reconciliation - continued

Payments to Retirees - continued

Reid, Cathy	875.68
Roberts, Veronica	1,015.38
Schulz, William	739.04
Sheridan, Linda	2,173.28
Sheward, Thomas	2,202.38
Shroyer, Terry	1,203.68
Skeens, Richard	3,895.19
Smith, Glenn	1,906.95
Sneddon, Margaret	1,904.74
Taylor, Gerald	1,187.68
Termini, Jimmy	510.00
Tenney, Mary Louise	461.28
Thomas, Gerald	1,802.22
Thompson, John	546.00
Turner, Larry	1,463.71
Van Arsdale, Wayne	491.09
Walker, Glenn	3,477.10
Walsh, Thomas	189.00
Whitmarsh, Dorothy	1,415.50
Wilson, Judith K.	2,506.31
Zdzinicki, Robert	399.90

Payments to other Participants (\$28,458.54)

Wayne Van Arsdale	\$12,199.33
Judith Wilson	2,998.75
Lewis Hood	5,416.76
Travis Dixon	800.00
Erin McGuire	343.70
Nancy Zuber	3,000.00
Richard Meadows	3,700.00

Expenses (\$2,346.29)

Admin/Actuarial Fees	\$2,000.00
Investment/Monitor Fees	0.00
Custodian Fees/ Commissions	0.00
Legal Fees	0.00
Misc - Travel	346.29

Total Disbursements (967,822.46)

Balance as of March 31, 2010 \$627,423.03

Cash Account Reconciliation - continued

Securities Sold - March 2010

<u>Gain and Loss Summary</u>	<u>Cost Value</u>	<u>Proceeds</u>	<u>Gain(Loss)</u>
FHLMC MTN 2.875% 2/15	179,953.20	\$182,057.40	\$2,104.20
FHLMC MTN 4.0% 9/16	230,000.00	230,000.00	0.00
GNMA Pool 0004195 7/38	3,376.89	3,380.59	\$3.70
FHLMC Gold 4.5% 7/20	1,940.48	2,020.68	80.20
GNMA Pool 781313 6% 7/16	524.17	504.67	(19.50)
FNMA 254371 5.5% 7/17	1,330.75	1,303.94	(26.81)
GNMA Pool 582153 6/32	53.89	52.38	(1.51)
GNMA PI 714005 10/39	16,786.04	15,812.58	(973.46)
GNMA Pool 0004194 7/38	4,121.26	3,883.41	(237.85)
Bank of America CRP 6.5% 8/16	69,824.30	75,366.20	5,541.90
Gen Elec Cap. 5.5% 6/14	49,928.00	54,048.00	4,120.00
Pennsylv. St. Tpk. 5.848% 12/37	58,673.40	57,814.80	(858.60)
Illinois Tool Wks. 2000 sh.	91,048.64	92,402.02	1,353.38
	0.00	0.00	0.00
Total Sales for Month	\$707,561.02	\$718,646.67	\$11,085.65

Securities Purchased

See attached pages 47-49 from Salem Trust Report

Cash Account Recap

Balance - Salem Trust MMF	\$627,423.03
- Income not posted at Salem	0.00
- Securities purchased, not posted	0.00
- Cash due from Broker	<u>0.00</u>
Total Cash - as shown on ICC Statement	\$627,423.03

City of Port Orange
General Employees Defined Benefit Retirement Plan

Asset Recap as of March 31, 2010

	<u>Cost Value</u>	<u>Market Value</u>
CASH	\$627,423.03	\$627,423.03
BONDS Corporate & Finance	\$2,200,399.90	2,310,162.22
Mortgage Pools	931,281.13	949,005.80
Municipal Bonds	364,558.65	353,456.45
Govt. Sponsored Bond	1,188,404.50	1,255,071.03
Gov't Bonds (Treasury)	1,238,633.59	1,280,344.52
Total Bonds	\$5,923,277.77	\$6,148,040.02
EQUITIES	\$12,441,534.73	\$12,957,156.37
TOTALS BEFORE ACCRUALS	\$18,992,235.53	\$19,732,619.42
Accrued Dividends	10,039.79	10,039.79
Accrued Interest	67,709.64	67,709.64
TOTAL Acct. VALUE as of Feb. 28, 2010	\$19,069,984.96	\$19,810,368.85
Net off Accrued interest to check	(\$67,709.64)	
Net off Cash & Accrual Difference	\$0.00	\$0.00
ICC Statement Totals	\$19,002,275.32	\$19,810,368.85

Cost and Market Value Reconciliation as of March 31, 2010

Values as of March 1, 2010	\$18,973,416.96	\$19,073,300.33
Contributions	126,339.64	126,339.64
Income Receipts	56,603.45	56,603.45
Change in Accruals	(3,763.87)	(3,763.87)
Benefit Payments	(80,264.93)	(80,264.93)
Admin. and Invest. Expenses	(2,346.29)	(2,346.29)
Unrealized Gain / (Loss)	0.00	640,500.52
Adjust to Balance -	0.00	0.00
Values as of March 31, 2010	\$19,069,984.96	\$19,810,368.85
Yield for the month (net of admin and invest. expenses)	0.27%	3.62%

City of Port Orange
General Employees Defined Benefit Retirement Plan

Monthly, Quarterly and Year-to-date Review of Investment Performance - 3/31/10

	<u>Fiscal Year</u>	<u>2nd Quarter</u>	<u>Current Month</u>
Start	10/01/2009	01/01/2010	
End	09/30/2010	03/31/2010	March, 2010
Market Value - Start	\$17,915,620.12	\$18,844,956.83	19,073,300.33
Contributions			
- City	482,910.74	232,268.77	76,612.74
- Mandatory 5.9%	269,779.74	130,851.71	43,146.64
- Voluntary EE	40,074.13	19,522.53	6,580.26
Other Income	0.00	0.00	0.00
Interest	121,030.81	62,432.30	12,576.51
Dividends	122,231.68	56,835.05	32,941.29
Realized Gains/(Losses)	108,811.24	52,486.57	11,085.65
Increase/(Decrease) in Unrealized Appreciation	1,190,229.63	646,312.97	640,500.52
Prior Accrued Interest	(64,399.70)	(62,578.66)	(81,513.30)
Current Accrued Interest	77,749.43	77,749.43	77,749.43
Payments to Participants	(372,298.13)	(203,102.00)	(80,264.93)
Administrative Expenses	(33,076.75)	(23,583.64)	(2,346.29)
Investment Expenses	(48,294.09)	(23,783.01)	0.00
Market Value - End	\$19,810,368.85	\$19,810,368.85	\$19,810,368.85
Yield per $2i/(a+b-i)$	8.1336%	4.1504%	3.6185%
<i>i</i>	1,474,282.25	785,871.01	690,993.81
<i>2i</i>	2,948,564.50	1,571,742.02	1,381,987.62
<i>a+b-i</i>	36,251,706.72	37,869,454.67	38,192,675.37

DATE	DESCRIPTION	PER UNIT PRICE	BROKERAGE	TRANSACTION COST
	MONEY MARKET FUNDS			
	=====			
	GOLDMAN SACH FIN SQ PR OB-AD			

	NET PURCHASES/REINVESTMENTS FOR THE PERIOD		.00	644,880.08
	TOTAL MONEY MARKET FUNDS		.00	644,880.08

	U.S. TREASURY OBLIGATIONS			
	=====			
	U.S. TREASURY BONDS 4.625% 2/15/40			
3/09/10	PURCHASED 30,000.0000 SHARES/UNITS THROUGH G.X. CLARKE TRADE DATE 3/05/10 30,000 PAR VALUE AT 100.09373333 % CUSIP:912810QE1	1.0009	.00	30,028.12

	U.S. TREASURY NOTES 1.375% 3/15/13			
	=====			
3/26/10	PURCHASED 175,000.0000 SHARES/UNITS THROUGH G.X. CLARKE TRADE DATE 3/24/10 175,000 PAR VALUE AT 99.203125 % CUSIP:912828MT4	.9920	.00	173,605.47

	U.S. TREASURY NOTES 3.375% 11/15/19			
	=====			
3/12/10	PURCHASED 50,000.0000 SHARES/UNITS THROUGH G.X. CLARKE TRADE DATE 3/10/10 50,000 PAR VALUE AT 97.1875 % CUSIP:912828LY4	.9719	.00	48,593.75

DATE	DESCRIPTION	PER UNIT PRICE	BROKERAGE	TRANSACTION COST
	TOTAL U.S. TREASURY OBLIGATIONS		.00	252,227.34
	U.S. GOVERNMENT AGENCIES			
	=====			
	FHLMC 1.350% 6/29/12			
3/30/10	PURCHASED 230,000.0000 SHARES/UNITS THROUGH FIRST UNION CAPITAL TRADE DATE 3/26/10 230,000 PAR VALUE AT 99.93 % CUSIP:3128X9X21	.9993	.00	229,839.00
3/18/10	GNMA II PL #004447 5.000% 5/20/39 PURCHASED 59,719.6400 SHARES/UNITS THROUGH DEAN WITTER REYNOLDS INC TRADE DATE 3/10/10 59,719.64 PAR VALUE AT 104.81250389 % CUSIP:36202E5G0	1.0481	.00	62,593.65
	TOTAL U.S. GOVERNMENT AGENCIES		.00	292,432.65
	CORPORATE & FOREIGN BONDS			
	=====			
3/05/10	HEALTH CARE PROP MTN 6.300% 9/15/16 PURCHASED 130,000.0000 SHARES/UNITS THROUGH BANC/AMERICA SECUR. L.L.C. ON THE OTC BULLETIN BOARD TRADE DATE 3/02/10 130,000 PAR VALUE AT 100.416 % CUSIP:421915EG0	1.0042	.00	130,540.80
	SAN DIEGO GAS 5.300% 11/15/15			

DATE	DESCRIPTION	PER UNIT PRICE	BROKERAGE	TRANSACTION COST
3/05/10	PURCHASED 130,000.0000 SHARES/UNITS THROUGH BANC/AMERICA SECUR. L.L.C. ON THE OTC BULLETIN BOARD TRADE DATE 3/02/10 130,000 PAR VALUE AT 111.886 % CUSIP:797440BG8	1.1189	.00	145,451.80
	TOTAL CORPORATE & FOREIGN BONDS		.00	275,992.60
	MUNICIPAL OBLIGATIONS			
	===== PENNSYLVANIA ST 4.650% 2/15/26 -----			
3/23/10	PURCHASED 65,000.0000 SHARES/UNITS THROUGH BARCLAYS CAPITAL LE ON THE OTC BULLETIN BOARD TRADE DATE 3/18/10 65,000 PAR VALUE AT 99.321 % CUSIP:70914PME9	.9932	.00	64,558.65
	TOTAL MUNICIPAL OBLIGATIONS		.00	64,558.65
	TOTAL ACQUISITIONS		.00	1,530,091.32