

**City of Clearwater, Florida**  
**Defined Benefit Pension Plans**  
**Required Supplementary Information - Unaudited**

**Schedules of Funding Progress:****Employees Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll * (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a) /c)
1/1/2003	\$ 477,541,459	\$ 517,933,495	\$ 40,392,036	92%	\$ 65,150,820	62%
1/1/2004	\$ 507,256,663	\$ 546,915,627	\$ 39,658,964	93%	\$ 69,907,473	57%
1/1/2005	\$ 510,265,274	\$ 549,136,184	\$ 38,870,910	93%	\$ 73,836,304	53%
1/1/2006	\$ 525,573,824	\$ 563,597,580	\$ 38,023,756	93%	\$ 76,010,269	50%
1/1/2007	\$ 559,830,590	\$ 582,248,127	\$ 22,417,537	96%	\$ 79,385,090	28%
1/1/2008	\$ 610,979,087	\$ 632,559,753	\$ 21,580,666	97%	\$ 80,371,617	27%

**Firefighters Relief and Pension Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll * (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a) /c)
1/1/2003	\$ 5,741,450	\$ 10,483,967	\$ 4,742,517	55%	\$ -	n/a
1/1/2004	\$ 6,190,744	\$ 9,974,824	\$ 3,784,080	62%	\$ -	n/a
1/1/2005	\$ 6,744,043	\$ 8,938,022	\$ 2,193,979	75%	\$ -	n/a
1/1/2006	\$ 7,445,172	\$ 8,773,238	\$ 1,328,066	85%	\$ -	n/a
1/1/2007	\$ 8,375,505	\$ 8,320,672	\$ (54,833)	101%	\$ -	n/a
1/1/2008	\$ 8,063,338	\$ 7,815,729	\$ (247,609)	103%	\$ -	n/a

\* Covered payroll is for the **calendar** year period used for the actuarial valuation.

**City of Clearwater, Florida  
Defined Benefit Pension Plans  
Required Supplementary Information - Unaudited**

---

**Schedules of Employer Contributions:****Employees' Pension Plan**

Year Ended Sept. 30,	Annual (a) Required Contribution	Percent Contributed	
2003	\$ -	n/a	
2004	\$ 4,156,253	116%	
2005	\$ 5,415,848	95%	(b)
2006	\$ 11,614,495	64%	(b)
2007	\$ 13,180,855	78%	(b)
2008	\$ 10,805,681	96%	(b)

(a) The actuarially determined contribution requirements for the City's fiscal year ended September 30, 2008, are based on actuarial valuations as of January 1, 2007. Since the City's contributions are made during its fiscal year, which commences nine months after the date of the actuarial valuations, the City, with approval of State regulatory authorities, is following the practice of adding interest to its required contributions at the assumed rate of return on investments for a period of one year.

(b) The actual contribution is less than the annual required contribution due to a "drawdown" of the net pension asset.

**Firefighter's Relief and Pension Plan**

Year Ended Sept. 30,	Annual Required Contribution	Percent Contributed	
2003	\$ 1,211,210	100%	
2004	\$ 1,264,729	101%	
2005	\$ 1,331,045	100%	
2006	\$ 1,397,390	100%	
2007	\$ 1,467,259	100%	
2008	\$ -		(a)

(a) Effective with the fiscal year ended September 30, 2007, the Firefighter's Relief and Pension Plan, with no remaining active members (only retirees), is fully funded per the requirements of the governing Ordinance. The City may elect to contribute should future valuations show an actuarial need for such.

**City of Clearwater, Florida**  
**Defined Benefit Pension Plans**  
**Required Supplementary Information – Unaudited**

**Notes To Schedules Of Required Pension Supplementary Information**

Annual required contributions for the Employees' Pension Plan are calculated using the Entry Age Normal with Frozen Initial Liability method. The initial unfunded actuarial accrued liability determined at July 1, 1963 is being amortized over a 40-year period; changes made in 1979 and subsequent years which have had the effect of either increasing or decreasing the actuarial liability are being amortized over a 30-year period from their effective dates in accordance with State law. The amortization method is level dollar closed.

Annual required contributions for the Firefighter's Relief and Pension Plan are based on the aggregate actuarial cost method, under which the unfunded portion of the present value of the projected benefits is allocated over the present value of a 6.0% per year increasing annuity for the remaining years in the 35-year funding period which begin January 1, 1972, pursuant to an agreement between the City and the Plan participants. For this purpose, the unfunded actuarial liability is determined after consideration of the available assets at the valuation date. The increasing fixed schedule produced by this method was established in 1988 and will be modified in the future only to the extent that a current valuation indicates a higher required cost level, or if the resulting cost level exceeds 60% of a mill in a current year. The amortization method for the Firemen's Relief and Pension Fund is a non-standard (no active employees) closed cost method.

The actuarially determined contribution requirements for the City's fiscal year ended September 30, 2008, are based on actuarial valuations as of January 1, 2007. Since the City's contributions are made during its fiscal year, which commences nine months after the date of the actuarial valuations, the City, with approval of State regulatory authorities, is following the practice of adding interest to its required contributions at the assumed rate of return on investments for a period of one year in the case of the Employees' Pension Plan and for nine months in the case of the Firefighter's Relief and Pension Plan.

Significant actuarial assumptions utilized in the actuarial valuations as of January 1, 2007, in the determination of the annual required contribution are as follows:

**Employees' Pension Plan**

- (1) Assumed rate of return on investments of 7.5% per annum.
- (2) Projected salary increase at a rate of 6% per year, including cost-of-living adjustments of 3% and merit or seniority increases at 3%.
- (3) Mortality based on the *RP 2000 Combined Healthy Mortality Table*.
- (4) Pre-retirement withdrawals assumed to occur in accordance with a table of declining withdrawal rates based on hazardous versus non-hazardous duty categories.
- (5) Pre-retirement incidence of disability assumed to occur in accordance with a standard scale of moderate disability rates (Class 1, 1952 Inter-Company); rates for females assumed to be twice that for males.
- (6) Assumed inflation rate of 3%

**Firefighter's Relief and Pension Plan**

- (1) Assumed rate of return on investments of 4.5% compounded annually.
- (2) Assumed benefits grow at annually compounded rate of 2% related to cost of living adjustments only.
- (3) Mortality based on the *1994 Unisex Mortality Table* projected to 2010 for participants.
- (4) Assumed no withdrawals will occur.
- (5) Assumed probability of an active participant becoming disabled is zero (no active participants).
- (6) Assumed value of one mill of ad valorem tax will increase at rate of 5% per year.
- (7) Assumed inflation rate of 3%

**Significant changes affecting the presented 6-year trend information include:**

The actuarial valuation of the Employees' Pension Plan as of January 1, 2007, reflected changes in actuarial assumptions as follows: The mortality assumption was updated from the 1994 Group Annuity Reserving Table to the *RP 2000 Combined Healthy Mortality Table*; the retirement assumption was updated to reflect the City's experience and expected future retirement rates; and the withdrawal assumption was updated to reflect the City's experience and expected future withdrawal rates. The impact of these changes decreased the unfunded actuarial accrued liability from \$37,113,063 to \$22,417,537.

The actuarial valuation of the Employees' Pension Plan as of January 1, 2002, reflected changes in actuarial assumptions as follows: An investment yield of 7.5% versus the prior valuation assumption of 7.0%. Salaries were projected to increase at 6% versus the prior valuation assumption of 5%. Employee turnover rates were revised for male and female employees and separate rates were adopted for hazardous duty employees. The mortality table was changed from the 1983 Group Annuity Mortality Table to the 1994 Group Annuity Reserving Table. Finally, the retirement age assumption was changed from 100% retirement at first eligibility for unreduced benefits to a table of decrements at different ages. The impact of these changes decreased the unfunded actuarial accrued liability from \$72,178,974 to \$41,332,472.

The actuarial valuation of the Firefighter's Relief and Pension Plan as of January 1, 2003, reflected two changes in actuarial assumptions. The report assumed an investment yield of 4.5% versus the prior valuation assumption of 5.5%. Also, the mortality pattern assumption used the 1994 Unisex Mortality Table versus the previous 1983 Group Annuity Mortality Table. The impact of these changes increased the unfunded actuarial accrued liability from \$2,648,428 to \$4,742,517.

City of Clearwater, Florida  
Other Post-Employment Benefits  
Required Supplementary Information - Unaudited

---

**Schedule of Funding Progress:**

Actuarial Valuation Date (1)	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a) /c)
September 30, 2008	\$ -	\$ 23,215,500	\$ 23,215,500	0%	\$83,088,355	27.9%

(1) Initial year of plan disclosure, no prior data available.