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J-05

# CITY OF TROY INCENTIVE PLAN FOR VOLUNTEER FIREFIGHTERS

## 28TH ANNUAL ACTUARIAL VALUATION REPORT

## DECEMBER 31, 2007

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June 30, 2008

Mr. John M. Lamerato
Assistant City Manager - Finance
City of Troy
500 West Big Beaver Road
Troy, Michigan 48084

Dear John:

Submitted in this report are the results of the 28th Annual Actuarial Valuation of the assets, benefit values, reserves and contribution requirements associated with payments provided by the City of Troy Incentive Plan for Volunteer Firefighters. The valuation was based upon data, furnished by your staff, concerning financial operations and individual participants and vested former participants.

The date of the valuation was December 31, 2007.

This report was prepared by actuaries who have substantial experience valuing public employee retirement plans. To the best of our knowledge, this report is complete and accurate and the valuation was conducted in accordance with standards of practice prescribed by the Actuarial Standards Board. The actuarial assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable.

Both of the undersigned actuaries submitting this report 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 herein.

Respectfully submitted,

Brad Lee Armstrong
A.S.A., E.A., M.A.A.A.

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BLA:RJD:bd

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# SUMMARY OF PLAN PROVISIONS
# (DECEMBER 31, 2007)

## NORMAL PAYMENT CONDITIONS

***Eligibility*** - Attainment of age 55 with 10 or more years of incentive service or 30 years of service regardless of age, or attainment of age 50 with 25 or more years of service.

***Annual Amount*** - $518 per year of incentive service, retiring on or after January 1, 2005, $539 per year of incentive service, retiring on or after January 1, 2006, $560 per year of incentive service, retiring on or after January 1, 2007, $582 per year of incentive service, retiring on or after January 1, 2008, $605 per year of incentive service, retiring on or after January 1, 2009. Optional forms of payment include a lump sum payment of the actuarial value using valuation assumptions for interest and male mortality.

## VESTING

***Eligibility*** - 10 years of incentive service. Payments commence at age 60.

***Annual Amount*** - See above.

## PAYMENTS IN EVENT OF PARTICIPANT'S DEATH

***Eligibility*** - Death of an active participant after 10 years of incentive service.

***Annual Amount*** - Widow receives the amount computed as above but reduced to reflect a 100% joint and survivor election.

## POST-RETIREMENT PAYMENT INCREASES

An ad-hoc 10% increase in each current payment was granted in 1986 and 1987.

An ad-hoc 7-1/2% increase in each current payment was granted in 1988.

An ad-hoc 7-1/2% increase in each current payment was granted in 1989, along with a prorated increase based on the difference between the actual incentive service and the twenty-five year maximum which was provided for in Ordinance No. 62.

An ad-hoc $10 per month increase in each current payment was granted in 1990 through 1994, inclusive.

An ad-hoc $5 per month increase in each current payment was granted in 1995.

An ad-hoc $15 per month increase in each current payment was granted in 1996.

An ad hoc $10 per month increase in each current payment was granted in 1997 through 2007, inclusive.

# ACTIVE PARTICIPANTS - DECEMBER 31, 2007
# BY NEAR AGE AND YEARS OF SERVICE

| Near Age | Years of Accrued Service | | | | | | | Totals No. |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 Plus | |
| 20-24 | 10 | 2 | | | | | | 12 |
| 25-29 | 7 | 14 | | | | | | 21 |
| 30-34 | 12 | 7 | 6 | | | | | 25 |
| 35-39 | 4 | 2 | 4 | 1 | | | | 11 |
| 40-44 | 6 | 6 | 1 | 4 | 7 | 1 | | 25 |
| 45-49 | 3 | 5 | 7 | 4 | 4 | 4 | | 27 |
| 50-54 | 2 | 2 | 3 | 9 | 6 | 2 | | 24 |
| 55-59 | | | 2 | 1 | 6 | 1 | 2 | 12 |
| 61 | | 1 | 1 | | | 1 | | 3 |
| 69 | | 1 | | | | | | 1 |
| **Totals** | **44** | **40** | **24** | **19** | **23** | **9** | **2** | **161** |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

**Group Averages:**

Age: 40.6 years.
Service: 11.3 years.

Note: In addition, there are also 5 members currently on leave of absence.

# INACTIVE PARTICIPANTS - BY ATTAINED AGES
# DECEMBER 31, 2007

| Near Ages | Current Payments | | Deferred Payments | |
|---|---|---|---|---|
| | No. | Annual Payments | No. | Annual Payments |
| 40-44 | | | 2 | $ 6,492 |
| 45-49 | | | 10 | 37,916 |
| 50-54 | 2 | $ 25,512 | 6 | 16,527 |
| 55-59 | 9 | 75,242 | 5 | 14,893 |
| 60-64 | 8 | 40,075 | | |
| 65-69 | 12 | 61,174 | | |
| 70-74 | 19 | 84,238 | | |
| 75-79 | 8 | 32,985 | | |
| 80+ | 15 | 53,479 | | |
| **Totals** | **73** | **$372,705** | **23** | **$75,828** |

# DEVELOPMENT OF FUNDING VALUE OF ASSETS

| | Year Ended December 31, | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|
| A. | Funding Value Beginning of Year | $ 6,083,672 | $ 6,261,188 | $ 6,571,524 | $ 6,006,600 | | | |
| B. | Market Value End of Year | 6,307,100 | 6,261,583 | 5,768,679 | 6,245,711 | | | |
| C. | Market Value Beginning of Year | 6,129,955 | 6,307,100 | 6,261,583 | 5,768,679 | | | |
| D. | Non Investment Net Cash Flow# (EE + ER cont.) - (Ret.Ben.+Refunds+Admin.exp.) | (215,997) | (133,671) | (785,379) | 127,423 | | | |
| E. | Investment Income | | | | | | | |
| E1. | Market Total: B - C - D | 393,142 | 88,154 | 292,475 | 349,609 | | | |
| E2. | Assumed Rate | 6.50% | 6.50% | 6.50% | 6.50% | | | |
| E3. | Amount for Immediate Recognition | 388,419 | 402,633 | 401,624 | 394,570 | | | |
| E4. | Amount for Phased-In Recognition | 4,723 | (314,479) | (109,149) | (44,961) | | | |
| F. | Phased-In Recognition of Investment Income | | | | | | | |
| F1. | Current Year: 0.25 x E4 | 1,181 | (78,620) | (27,287) | (11,240) | | | |
| F2. | First Prior Year | (76,444) | 1,181 | (78,620) | (27,287) | $ (11,240) | | |
| F3. | Second Prior Year | 195,255 | (76,444) | 1,181 | (78,620) | (27,287) | $ (11,240) | |
| F4. | Third Prior Year | (114,898) | 195,257 | (76,443) | 1,180 | (78,619) | (27,288) | $ (11,241) |
| F5. | Total Recognized Investment Gain/(Loss) | 5,094 | 41,374 | (181,169) | (115,967) | (117,146) | (38,528) | (11,241) |
| G. | Funding Value: A + D + E3 + F5 | 6,261,188 | 6,571,524 | 6,006,600 | 6,412,626 | | | |
| H. | Difference Between Market & Funding Values | 45,912 | (309,941) | (237,921) | (166,915) | | | |
| I. | Recognized Rate of Return | 6.6% | 7.2% | 3.6% | 4.6% | | | |

*# Net of investment expenses.*

The Funding Value of Assets recognizes assumed investment income (line E3) fully each year. Differences between actual and assumed investment income (line E4) are phased in over a closed 4-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. The Funding Value of Assets is **unbiased** with respect to Market Value. At any time it may be either greater or less than Market Value. If actual and assumed rates of investment income are exactly equal for 3 consecutive years, the Funding Value will become equal to Market Value.

## DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY AS OF DECEMBER 31, 2007

| | |
|---|---|
| Actuarial Accrued Liabilities For: | |
| Active Participants* | $9,008,709 |
| Inactive Participants | |
| Current payments** | 3,816,609 |
| Deferred payments | 414,377 |
| Total Actuarial Accrued Liabilities | 13,239,695 |
| Funding Value of Assets | 6,412,626 |
| Unfunded Actuarial Accrued Liabilities | **$6,827,069** |

* *Includes participants on leave of absence.*
** *Includes $183,036 for a lump sum payable on 12/31/07 but paid after that date.*

## MARKET VALUE INCOME STATEMENT FOR CALENDAR YEAR 2007

| | |
|---|---|
| Plan Assets at Beginning of Year | $ 5,768,679 |
| plus Employer Contributions | 800,000 |
| plus Investment Income | 349,609 |
| less Monthly Retirement Benefits | 366,767 |
| less Lump Sum Retirement Benefits | 299,068 |
| less Administrative Expenses | 6,742 |
| Plan Assets at End of Year | $ 6,245,711 |

# CITY'S COMPUTED CONTRIBUTION FOR THE FISCAL YEAR BEGINNING JULY 1, 2008

**Contribution for:**

| | |
|---|---|
| NORMAL COST | |
| Age and service payments | $ 321,249 |
| Death-in-service payments | 21,861 |
| Total | 343,110 |
| UNFUNDED ACCRUED LIABILITIES | |
| Present recipients | 0 |
| Active participants and vested former participants* | 542,255 |
| Total | 542,255 |
| **CITY'S TOTAL CONTRIBUTION** | **$ 885,365** |

* *Financed over an open period of 25 years.*

**Comment A:** This plan has a history of benefit increases and allows lump sums to be paid at retirement. The total contribution shown above does not reflect recognition of potential future increases in benefits beyond 2009. The current funding policy of recognizing pension increases as they happen will usually lead to persistent annual increases in the computed contribution requirement and persistent decreases in the funded ratio. In the case of this Plan that has a popular lump sum option, this can also lead to negative cash flows which could exhaust the Plan Assets in less than 10 years. This would drive contributions to the level of expenditures, which would create extreme volatility and on average, much higher contributions.

**Comment B:** The plan's current assumed interest rate assumption can be considered aggressive since the plan is 100% invested in fixed income instruments. The plan has experienced investment losses in 3 out of the last 4 years. If the pattern of losses continues in 2008, we will lower the interest rate assumption to at least 6%, thereby increasing the future contribution requirements.

**Recommendation:** If it is the intention of policymakers to continue the practice of annual benefit increases, we recommend that a policy be established of advance funding for each year's benefit increase. If this type of policy had been in effect for this valuation, the resulting contribution would have been as much as 50% higher.

## DERIVATION OF ACTUARIAL GAIN (LOSS)
## PENSION BENEFITS
## YEAR ENDED DECEMBER 31, 2007

| | | |
|---|---|---|
| 1) | UAAL at start of year | $ 5,925,305 |
| 2) | Normal cost | 318,112 |
| 3) | Actual employer contributions | 800,000 |
| 4) | Interest accrual | 369,483 |
| 5) | Expected UAAL before changes | 5,812,900 |
| 6) | Change from benefit increases# | 742,912 |
| 7) | Change from revised actuarial assumptions | 0 |
| 8) | Expected UAAL after changes | 6,555,812 |
| 9) | Actual UAAL at end of year | 6,827,069 |
| 10) | Gain (Loss) (8)- (9) | (271,257) |
| 11) | Gain (Loss) as percent of actuarial accrued liabilities at start of year $11,931,905 | (2.3)% |

# *$10 per month ad-hoc COLA for current retiree's benefits and increase to future retiree's benefits from $560 to $605 per year of service.*

The primary causes of the loss were recognized investment losses, more retirements than expected and fewer withdrawals than expected.

# CITY OF TROY INCENTIVE PLAN FOR VOLUNTEER FIREFIGHTERS
## COMPARATIVE SCHEDULE

| Valuation Date December 31, | Vested Former Participants | | | | Accrued Liability | Actuarial Value of Assets | Percent Funded | Unfunded Accrued Liability | Computed City Contribution |
|---|---|---|---|---|---|---|---|---|---|
| | Current Payments | | Deferred Payments | | | | | | |
| | No. | Annual $ | No. | Annual $ | | | | | |
| 1992 | 43 | 103,585 | 21 | 30,339 | $ 2,924,551 | $ 2,628,654 | 89.9 % | $ 295,897 | $ 143,141 |
| 1993 * | 48 | 122,740 | 21 | 33,119 | 3,298,558 | 3,035,303 | 92.0 | 263,255 | 139,435 |
| 1994 * | 51 | 136,187 | 22 | 39,750 | 3,749,683 | 3,236,057 | 86.3 | 513,626 | 171,556 |
| 1995 | 54 | 145,049 | 21 | 40,587 | 4,393,900 | 3,512,240 | 79.9 | 881,660 | 216,567 |
| 1996 * | 56 | 163,321 | 21 | 44,897 | 4,935,993 | 3,761,590 | 76.2 | 1,174,403 | 262,950 |
| 1997 * | 57 | 178,421 | 22 | 47,885 | 5,635,119 | 4,211,224 | 74.7 | 1,423,895 | 301,412 |
| 1998 * | 58 | 182,869 | 24 | 59,570 | 6,034,103 | 4,680,711 | 77.6 | 1,353,392 | 304,480 |
| 1999 *# | 58 | 189,829 | 24 | 59,570 | 6,789,910 | 5,051,720 | 74.4 | 1,738,190 | 349,404 |
| 2000 * | 60 | 201,427 | 27 | 73,879 | 7,397,365 | 5,137,078 | 69.4 | 2,260,287 | 413,432 |
| 2001 * | 62 | 225,030 | 28 | 79,743 | 8,160,180 | 5,109,422 | 62.6 | 3,050,758 | 512,973 |
| 2002 * | 61 | 232,881 | 28 | 86,384 | 9,598,244 | 5,720,336 | 59.6 | 3,877,908 | 623,348 |
| 2003 * | 63 | 246,090 | 26 | 79,680 | 11,786,697 | 6,083,672 | 51.6 | 5,703,025 | 795,904 |
| 2004 * | 64 | 263,767 | 26 | 82,834 | 11,936,051 | 6,261,188 | 52.5 | 5,674,863 | 774,795 |
| 2005 * | 67 | 302,477 | 27 | 92,676 | 12,052,272 | 6,571,524 | 54.5 | 5,480,748 | 762,121 |
| 2006 * | 70 | 346,539 | 25 | 79,601 | 11,931,905 | 6,006,600 | 50.3 | 5,925,305 | 788,742 |
| **2007** | **73** | **372,705** | **23** | **75,828** | **12,496,783** | **6,412,626** | **51.3** | **6,084,157** | **800,844** |
| **2007 *** | **73** | **372,705** | **23** | **75,828** | **13,239,695** | **6,412,626** | **48.4** | **6,827,069** | **885,365** |

* *After changes in benefit provisions.*
\# *After changes in actuarial assumptions.*

**COMMENT:** It is the actuary's opinion that the required contribution amounts determined by the most recent actuarial valuation are sufficient to meet the System's financial objective, presuming continued receipt of required contributions when due, and no changes in benefit provisions.

# VALUATION ASSUMPTIONS

The **entry-age normal cost valuation method** was used in determining payment liabilities and costs.

The **interest rate** used in making the valuation was 6.5 percent per annum, compounded annually. This rate was first used for the December 31, 1999 valuation.

The **mortality table** used was the 1983 Group Annuity Mortality Table. This table was first used for the December 31, 1999 valuation.

| | Single Life Values | | | |
|---|---|---|---|---|
| | Present Value of $1 Monthly for Life | | Future Life Expectancy (Years) | |
| Sample Ages | Men | Women | Men | Women |
| 50 | $151.83 | $163.46 | 29.18 | 34.92 |
| 55 | 141.54 | 155.23 | 24.82 | 30.24 |
| 60 | 129.07 | 144.87 | 20.64 | 25.67 |
| 65 | 114.32 | 132.18 | 16.69 | 21.29 |
| 70 | 98.49 | 116.95 | 13.18 | 17.13 |
| 75 | 82.32 | 100.05 | 10.15 | 13.37 |
| 80 | 66.65 | 83.11 | 7.64 | 10.20 |

**Probabilities of retirement** for members eligible for immediate incentive payments were:

| Ages | Percent of Eligible Active Participants Separating Within Next Year |
|---|---|
| 48 | 20% |
| 49 | 20 |
| 50 | 20 |
| 51 | 20 |
| 52 | 20 |
| 53 | 20 |
| 54 | 20 |
| 55 | 20 |
| 56 | 20 |
| 57 | 20 |
| 58 | 20 |
| 59 | 15 |
| 60 | 15 |
| 61 | 15 |
| 62 | 25 |
| 63 | 100 |

# SAMPLE RATES OF SEPARATION FROM ACTIVE EMPLOYMENT BEFORE AGE 55

| Sample Ages | Years of Service | % of Active Participants Seperating Within Next Year |
|---|---|---|
| ALL | 1 | 15.00 % |
| | 2 | 10.00 |
| | 3 | 8.00 |
| | 4 | 7.00 |
| | 5 | 6.00 |
| 25 | 5 & Over | 5.00 |
| 30 | | 4.50 |
| 35 | | 3.55 |
| 40 | | 1.45 |
| 45 | | 0.75 |
| 50 | | 0.75 |

## SUMMARY OF ASSUMPTIONS USED
## DECEMBER 31, 2007

*Pensions in an Inflationary Environment*

### VALUE OF $1,000/MONTH RETIREMENT BENEFIT TO AN INDIVIDUAL WHO RETIRES AT AGE 55 IN AN ENVIRONMENT OF 4.00% INFLATION

| Age | Value |
|---|---|
| 55 | $1,000 |
| 56 | 962 |
| 57 | 925 |
| 58 | 889 |
| 59 | 855 |
| 60 | 822 |
| 65 | 676 |
| 70 | 556 |
| 75 | 457 |
| 80 | 375 |

The life expectancy of a 55 year old male retiree is age 80. The life expectancy for a 55 year old female retiree is age 85. Half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

# SUMMARY OF ASSUMPTIONS USED
# MISCELLANEOUS AND TECHNICAL ASSUMPTIONS
# DECEMBER 31, 2007

**Marriage Assumption.** 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.

**Pay Increase Timing.** Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

**Decrement Timing.** Decrements of all types are assumed to occur mid-year.

**Eligibility Testing.** Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

**Benefit Service.** Exact fractional service is used to determine the amount of benefit payable.

**Decrement Relativity.** Decrement rates are used without adjustment for multiple decrement table effects.

**Decrement Operation.** Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.

**Normal Form of Benefit.** The assumed normal form of benefit is the straight life form.

**Optional Forms of Payment.** 6.5% interest, 1983 Group Annuity male mortality for members and 1983 Group Annuity female mortality for beneficiaries.

**Incidence of Contributions.** Contributions are assumed to be received continuously throughout the year based upon the computed dollar amounts shown in this report. New entrant normal cost contributions are applied to the funding of new entrant benefits.

# ACTUARIAL ACCRUED LIABILITY

The actuarial accrued liability is a measure intended to help users assess (i) a pension fund's funded status on a going concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the individual entry-age actuarial cost method. Assumptions, were the same as used to determine the Plan's level dollar annual required contribution between entry-age and assumed exit age. Entry-age was established by subtracting credited service from current age on the valuation date.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board.

The entry age actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2007. Significant actuarial assumptions used in determining the actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 6.5% per year compounded annually, and (b) the assumption that benefits will not increase after retirement.

| | |
|---|---|
| Actuarial Accrued Liability | |
| Active members* | $ 9,008,709 |
| Retired members and beneficiaries currently receiving benefits | 3,816,609 |
| Vested terminated members not yet receiving benefits | 414,377 |
| Total Actuarial Accrued Liability | 13,239,695 |
| Actuarial Value of Assets (market value was $6,245,711) | 6,412,626 |
| Unfunded Actuarial Accrued Liability | $ 6,827,069 |

* *Including members on leave of absence.*

During the year ended December 31, 2007, the Plan experienced a net change of $1,307,790 in the actuarial accrued liability, of which $742,912 was attributable to changes in benefit provisions. There were no changes in actuarial assumptions during the year.

# REQUIRED SUPPLEMENTARY INFORMATION
# SCHEDULE OF FUNDING PROGRESS
# ($ amounts in thousands)

| Actuarial Valuation Date December 31, | Actuarial Value of Assets# (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (b)-(a) | Funded Ratio (a)/(b) |
|---|---|---|---|---|
| 1995 * | $3,512 | $ 4,394 | $ 882 | 79.9 % |
| 1996 * | 3,816 | 4,936 | 1,120 | 77.3 |
| 1997 * | 4,211 | 5,635 | 1,424 | 74.7 |
| 1998 | 4,681 | 6,034 | 1,353 | 77.6 |
| 1999 *& | 5,052 | 6,790 | 1,738 | 74.4 |
| 2000 * | 5,137 | 7,397 | 2,260 | 69.4 |
| 2001 * | 5,109 | 8,160 | 3,051 | 62.6 |
| 2002 * | 5,720 | 9,598 | 3,878 | 59.6 |
| 2003 * | 6,084 | 11,787 | 5,703 | 51.6 |
| 2004 * | 6,261 | 11,936 | 5,675 | 52.5 |
| 2005 * | 6,572 | 12,052 | 5,481 | 54.5 |
| 2006 * | 6,007 | 11,932 | 5,925 | 50.3 |
| **2007 *** | **6,413** | **13,240** | **6,827** | **48.4** |

\# *Prior to 1996, Book Value was used.*
* *After changes in benefit provisions.*
& *After changes in actuarial assumptions.*

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the system's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

# REQUIRED SUPPLEMENTARY INFORMATION
# SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Fiscal Year Ending June 30, | Actuarial Valuation Date December 31, | (In thousands) Annual Required Contribution | Percent Contributed |
|---|---|---|---|
| 1995 | 1993 | $139 | 100 % |
| 1996 | 1994 | 172 | 100 |
| 1997 | 1995 | 217 | 100 |
| 1998 | 1996 | 263 | 100 |
| 1999 | 1997 | 320 | 100 |
| 2000 | 1998 | 330 | 100 |
| 2002 | 2000 | 413 | 100 |
| 2003 | 2001 | 513 | 100 |
| 2004 | 2002 | 623 | 100 |
| 2005 | 2003 | 796 | 100 |
| 2006 | 2004 | 775 | 105 |
| 2007 | 2005 | 762 | 104 |
| **2008** | **2006** | **789** | **101** |

# NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
# SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

| | |
|---|---|
| Valuation Date | 12/31/2007 |
| Actuarial Cost Method | Individual Entry Age |
| Amortization Method | Level dollar, open |
| Remaining Amortization Period | 25 years |
| Asset Valuation Method | 4-year smoothed market |
| Actuarial Assumptions: | |
| Investment Rate of Return | 6.50% |
| Projected Salary Increases | N/A |