



July 29, 2011

VIA EMAIL AND MAIL

Mr. Jim Isom, Administrative Services Director
City of Sanibel
800 Dunlop Road
Sanibel, FL 33957

Re: City of Sanibel
General Employees' Retirement Plan
UAAL Cost Analysis

Dear Jim:

As requested, we have performed a special actuarial analysis to determine the interest savings over the next twenty years associated with a \$2 million lump sum payment toward the referenced Plan's Unfunded Actuarial Accrued Liability (UAAL).

For purposes of this analysis, the following methods and assumptions were utilized:

- The remaining investment losses from 2008 and 2009 are amortized over 10 years as a level dollar. These losses will continue to phase in through 2012.
- No other sources of gain or loss are considered. Future gains or losses will impact the results of this projection.

Results of this analysis, determined as of October 1, 2010 (as applicable to the fiscal year beginning October 1, 2011) are provided on the enclosed schedule.

If you have any questions regarding this correspondence, please let me know.

Sincerely,


Douglas H. Lozen
DHL/lsw

Enclosure

City of Sanibel
 General Employees' Retirement Plan
 Actuarial Analysis of Projection of Unfunded Actuarial Accrued Liability (UAAL)
 Determined as of October 1, 2010

Year	UAAL		Interest Component of UAAL Amortization Payment		Accumulated Interest Component of UAAL Amortization Payment	
	Current	\$2 Million Lump Sum	Current	\$2 Million Lump Sum	Current	\$2 Million Lump Sum
2010	10,886,044	8,886,044	714,910	584,262	714,910	584,262
2011	11,323,413	9,450,785	736,772	615,677	1,451,682	1,199,939
2012	10,993,988	9,254,721	707,659	596,601	2,159,341	1,796,540
2013	10,121,271	8,529,946	642,427	542,460	2,801,768	2,339,000
2014	9,208,115	7,775,265	573,940	485,859	3,375,708	2,824,859
2015	8,226,471	6,963,981	500,317	425,013	3,876,025	3,249,872
2016	7,171,207	6,091,849	421,172	359,603	4,297,197	3,609,475
2017	6,036,797	5,154,309	336,091	289,287	4,633,288	3,898,762
2018	4,817,308	4,146,452	287,132	251,641	4,920,420	4,150,403
2019	4,115,558	3,606,859	250,403	225,369	5,170,823	4,375,772
2020	3,589,115	3,230,283	220,395	197,125	5,391,218	4,572,897
2021	3,158,997	2,825,461	199,077	177,704	5,590,295	4,750,601
2022	2,853,432	2,547,093	180,567	161,198	5,770,862	4,911,799
2023	2,588,126	2,310,498	160,447	143,236	5,931,309	5,055,035
2024	2,299,734	2,053,045	138,817	123,927	6,070,126	5,178,962
2025	1,989,714	1,776,283	115,566	103,170	6,185,692	5,282,132
2026	1,656,444	1,478,764	90,571	80,856	6,276,263	5,362,988
2027	1,298,178	1,158,933	63,701	56,867	6,339,964	5,419,855
2028	913,053	815,098	47,805	42,678	6,387,769	5,462,533
2029	685,198	611,719	32,301	28,838	6,420,070	5,491,371
2030	462,979	413,342	15,635	13,960	6,435,705	5,505,331
		Totals:	6,435,705	5,505,331		

July 29, 2011

VIA EMAIL AND MAIL

Mr. Jim Isom, Administrative Services Director
City of Sanibel
800 Dunlop Road
Sanibel, FL 33957

Re: City of Sanibel
Municipal Police Officers' Retirement Trust Fund
UAAL Cost Analysis

Dear Jim:

As requested, we have performed a special actuarial analysis to determine the interest savings over the next twenty years associated with a \$1 million lump sum payment toward the referenced Plan's Unfunded Actuarial Accrued Liability (UAAL).

For purposes of this analysis, the following methods and assumptions were utilized:

- The payroll growth assumption (utilized for amortization of the UAAL) reduces from the current 4.30% to 1.36% at the end of the projection. This will result in an increase in the annual dollars required for funding the UAAL. The actual payroll growth assumption that may be utilized for future valuations may be lower than these assumptions.
- The remaining investment losses from 2008 and 2009 are amortized over 10 years as a level percentage of pay (based on the applicable payroll growth assumption mentioned in the previous bullet point). These losses will continue to phase in through 2012.
- No other sources of gain or loss are considered. Future gains or losses will impact the results of this projection.

Results of this analysis, determined as of October 1, 2010 (as applicable to the fiscal year beginning October 1, 2011) are provided on the enclosed schedule.

If you have any questions regarding this correspondence, please let me know.

Sincerely,


Douglas H. Lozen
DHL/lsw

Enclosure

City of Sanibel
Municipal Police Officers' Retirement Trust Fund
Actuarial Analysis of Projection of Unfunded Actuarial Accrued Liability (UAAL)
Determined as of October 1, 2010

Year	UAAL		Interest Component of UAAL Amortization Payment		Accumulated Interest Component of UAAL Amortization Payment	
	<u>Current</u>	<u>\$1 Million Lump Sum</u>	<u>Current</u>	<u>\$1 Million Lump Sum</u>	<u>Current</u>	<u>\$1 Million Lump Sum</u>
2010	6,127,393	5,127,393	455,648	383,249	455,648	383,249
2011	6,716,291	5,738,895	496,013	425,749	951,661	808,998
2012	6,782,363	5,833,343	498,721	431,072	1,450,382	1,240,070
2013	6,673,638	5,761,230	485,680	421,686	1,936,062	1,661,756
2014	6,556,679	5,692,761	469,277	410,109	2,405,339	2,071,865
2015	6,335,235	5,536,468	450,810	396,989	2,856,149	2,468,854
2016	6,085,929	5,359,350	430,104	382,195	3,286,253	2,851,049
2017	5,806,397	5,159,633	406,969	365,584	3,693,222	3,216,633
2018	5,494,081	4,935,389	386,147	351,574	4,079,369	3,568,207
2019	5,212,990	4,746,245	352,994	326,669	4,432,363	3,894,876
2020	4,765,418	4,410,031	323,666	299,050	4,756,029	4,193,926
2021	4,369,488	4,037,179	298,279	275,561	5,054,308	4,469,487
2022	4,026,759	3,720,071	271,225	250,603	5,325,533	4,720,090
2023	3,661,531	3,383,136	240,597	222,304	5,566,130	4,942,394
2024	3,248,060	3,001,103	209,766	193,816	5,775,896	5,136,210
2025	2,831,842	2,616,520	175,788	162,420	5,951,684	5,298,630
2026	2,373,130	2,192,676	138,400	127,875	6,090,084	5,426,505
2027	1,868,401	1,726,312	97,325	89,921	6,187,409	5,516,426
2028	1,313,885	1,213,935	82,856	76,551	6,270,265	5,592,977
2029	1,118,553	1,033,442	66,925	61,834	6,337,190	5,654,811
2030	903,490	834,765	50,470	46,631	6,387,660	5,701,442
		Totals:	6,387,660	5,701,442		