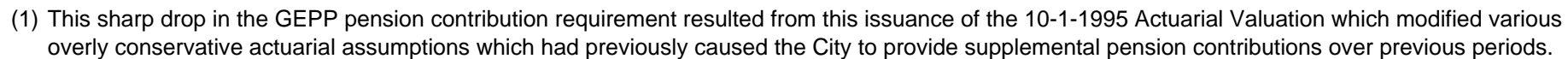


CITY OF JACKSONVILLE
COMPARATIVE ANALYSIS OF CITY PENSION CONTRIBUTION RATES AND
RESERVE ACCOUNT ASSESSMENTS AGAINST AND FOR THE BENEFIT OF
THE GENERAL EMPLOYEES PENSION FUND AND THE POLICE AND FIRE PENSION FUND

Fiscal Year	General Employees Plan			Police and Fire Plan			Excess GEPP Rate
	City Budgeted Rate	PEC Account Assessed	Combined City Rate	City Budgeted Rate	CBSA Account Assessed	Combined City Rate	
1978	21.70%	.00%	21.70%	19.80%	.00%	19.80%	1.90%
1979	24.00%	.00%	24.00%	19.80%	.00%	19.80%	4.20%
1980	26.70%	.00%	26.70%	21.90%	.00%	21.90%	4.80%
1981	29.00%	.00%	29.00%	22.10%	.00%	22.10%	6.90%
1982	29.00%	.00%	29.00%	20.60%	.00%	20.60%	8.40%
1983	28.40%	.00%	28.40%	20.40%	.00%	20.40%	8.00%
1984	29.50%	.00%	29.50%	19.60%	.00%	19.60%	9.90%
1985	29.60%	.00%	29.60%	20.00%	.00%	20.00%	9.60%
1986	29.00%	.00%	29.00%	18.00%	.00%	18.00%	11.00%
1987	30.50%	.00%	30.50%	15.80%	.00%	15.80%	14.70%
1988	22.50%	.00%	22.50%	11.30%	.00%	11.30%	11.20%
1989	22.50%	.00%	22.50%	6.70%	.00%	6.70%	15.80%
1990	22.50%	.00%	22.50%	4.70%	.00%	4.70%	17.80%
1991	22.50%	.00%	22.50%	3.80%	.00%	3.80%	18.70%
1992	22.50%	.00%	22.50%	3.60%	.00%	3.60%	18.90%
1993	21.96%	.00%	21.96%	3.52%	.34%	3.86%	18.10%
1994	21.96%	.00%	21.96%	3.54%	1.75%	5.29%	16.67%
1995	21.96%	.13%	22.09%	3.48%	2.80%	6.28%	15.81%
1996	21.96%	.04%	22.00%	3.49%	1.94%	5.43%	16.57%
1997	10.64%	1.95%	12.59%	7.09%	6.38%	13.47%	(.88%)
1998	10.64%	4.21%	14.85%	7.25%	4.68%	11.93%	2.92%
1999	8.00%	.31%	8.31%	7.26%	6.04%	13.30%	(4.99%)
Average	23.05%	.30%	23.35%	11.99%	1.09%	13.08%	10.27%
2000	5.42%	.00%	5.42%	7.25%	6.43%	13.68%	(8.26%)
2001	0.00%	6.42%	6.42%	8.75%	3.06%	11.81%	(5.39%)
2002	0.00%	6.42%	6.42%	8.75%	9.19%	17.94%	(11.52%)
2003	0.00%	11.18%	11.18%	8.75%	9.78%	18.53%	(7.35%)
2004	10.18%	.00%	10.18%	18.55%	.65%	19.20%	(9.02%)
2005	5.09%	5.09%	10.18%	18.55%	6.28%	24.83%	(14.65%)
2006	3.10%	8.50%	11.60%	26.20%	1.59%	27.79%	(16.19%)
2007	11.41%	.00%	11.41%	28.97%	.00%	28.97%	(17.56%)
2008	10.96%	.00%	10.96%	32.11%	.00%	32.11%	(21.15%)
2009	10.43%	.00%	10.43%	32.11%	.00%	32.11%	(21.68%)
Average	17.61%	1.38%	19.00%	14.18%	1.90%	16.08%	2.91%

EXHIBIT B



JACKSONVILLE POLICE AND FIRE PENSION FUND
ANALYSIS OF ALLOCATIONS FROM RESERVES IN LIEU OF CITY PENSION CONTRIBUTIONS
FROM FY 1993 TO FY 2007

Fiscal Year	Allocations from Reserves		Prior Year Accumulation	Total Amount Available for Investment	Annual Investment Return (1)	Imputed Investment Return	Prior Year Accumulation	Annual Allocation from Reserves	Year End Accumulation
	Total	Average for Yr							
FY1993	\$ 292,000	\$ 146,000	\$ 0	\$ 146,000	11.00%	\$ 16,060	\$ 0	\$ 292,000	\$ 308,060
FY1994	\$ 1,529,000	\$ 764,500	\$ 308,060	\$ 1,072,560	(.4%)	(\$4,290)	\$ 308,060	\$ 1,529,000	\$ 1,832,770
FY1995	\$ 2,749,000	\$ 1,374,500	\$ 1,832,770	\$ 3,207,270	19.90%	\$ 638,247	\$ 1,832,770	\$ 2,749,000	\$ 5,220,016
FY1996	\$ 1,962,000	\$ 981,000	\$ 5,220,016	\$ 6,201,016	13.20%	\$ 818,534	\$ 5,220,016	\$ 1,962,000	\$ 8,000,551
FY1997	\$ 6,767,000	\$ 383,500	\$ 8,000,551	\$ 11,384,051	22.80%	\$ 2,595,564	\$ 8,000,551	\$ 6,767,000	\$ 17,363,114
FY1998	\$ 5,175,000	\$ 2,587,500	\$ 17,363,114	\$ 19,950,614	2.00%	\$ 399,012	\$ 17,363,114	\$ 5,175,000	\$ 22,937,126
FY1999	\$ 5,901,000	\$ 2,950,500	\$ 22,937,126	\$ 25,887,626	13.10%	\$ 3,391,279	\$ 22,937,126	\$ 5,901,000	\$ 32,229,405
FY2000	\$ 8,144,000	\$ 4,072,000	\$ 32,229,405	\$ 36,301,405	11.60%	\$ 4,210,963	\$ 32,229,405	\$ 8,144,000	\$ 44,584,369
FY2001	\$ 3,170,000	\$ 1,585,000	\$ 44,584,369	\$ 46,169,369	(6.6%)	(\$3,047,178)	\$ 44,584,369	\$ 3,170,000	\$ 44,707,190
FY2002	\$ 10,389,000	\$ 5,194,500	\$ 44,707,190	\$ 49,901,690	(5.4%)	(\$2,694,691)	\$ 44,707,190	\$ 10,389,000	\$ 52,401,499
FY2003	\$ 10,882,000	\$ 5,441,000	\$ 52,401,499	\$ 57,842,499	15.50%	\$ 8,965,587	\$ 52,401,499	\$ 10,882,000	\$ 72,249,086
FY2004	\$ 769,000	\$ 384,500	\$ 72,249,086	\$ 72,633,586	9.50%	\$ 6,900,191	\$ 72,249,086	\$ 769,000	\$ 79,918,277
FY2005	\$ 8,753,000	\$ 4,376,500	\$ 79,918,277	\$ 84,294,777	11.30%	\$ 9,525,310	\$ 79,918,277	\$ 8,753,000	\$ 98,196,587
FY2006	\$ 2,106,000	\$ 1,053,000	\$ 98,196,587	\$ 99,249,587	8.50%	\$ 8,436,215	\$ 98,196,587	\$ 2,106,000	\$ 108,738,802
FY2007	\$ 0	\$ 0	\$ 108,738,802	\$ 108,738,802	15.30%	\$ 16,637,037	\$ 108,738,802	\$ 0	\$ 125,375,838
	<u>\$ 68,588,000</u>	Total				<u>\$ 56,787,838</u>	Total		

(1) Based upon the Annual Returns generated by the PFPF.

JACKSONVILLE GENERAL EMPLOYEES PENSION FUND
ANALYSIS OF ALLOCATIONS FROM RESERVES IN LIEU OF CITY PENSION CONTRIBUTIONS
FROM FY 1995 TO FY 2007

Fiscal Year	Allocations from Reserves		Prior Year Accumulation	Total Amount Available for Investment	Annual Investment Return (1)	Imputed Investment Return	Prior Year Accumulation	Annual Allocation from Reserves	Year End Accumulation
	Total	Average for Yr							
FY1995	\$ 259,000	\$ 129,500	\$ 0	\$ 129,500	19.9%	\$ 25,771	\$ 0	\$ 259,000	\$ 284,771
FY1996	\$ 85,000	\$ 42,500	\$ 284,771	\$ 327,271	13.2%	\$ 43,200	\$ 284,771	\$ 85,000	\$ 412,970
FY1997	\$ 3,824,000	\$ 1,912,000	\$ 412,970	\$ 2,324,970	22.8%	\$ 530,093	\$ 412,970	\$ 3,824,000	\$ 4,767,063
FY1998	\$ 8,114,000	\$ 4,057,000	\$ 4,767,063	\$ 8,824,063	2.0%	\$ 176,481	\$ 4,767,063	\$ 8,114,000	\$ 13,057,545
FY1999	\$ 1,592,000	\$ 796,000	\$ 13,057,545	\$ 13,853,545	13.1%	\$ 1,814,814	\$ 13,057,545	\$ 1,592,000	\$ 1,646,359
FY2000	\$ 748,000	\$ 374,000	\$ 16,464,359	\$ 16,838,359	11.6%	\$ 1,953,250	\$ 16,464,359	\$ 748,000	\$ 19,165,609
FY2001	\$ 12,100,000	\$ 6,050,000	\$ 19,165,609	\$ 25,215,609	(6.6%)	(\$1,664,230)	\$ 19,165,609	\$ 12,100,000	\$ 29,601,379
FY2002	\$ 12,724,000	\$ 6,362,000	\$ 29,601,379	\$ 35,963,379	(5.4%)	(\$1,942,022)	\$ 29,601,379	\$ 12,724,000	\$ 40,383,356
FY2003	\$ 18,995,000	\$ 9,497,500	\$ 40,383,356	\$ 49,880,856	15.5%	\$ 7,731,533	\$ 40,383,356	\$ 18,995,000	\$ 67,109,889
FY2004	\$ 2,002,000	\$ 1,001,000	\$ 67,109,889	\$ 68,110,889	9.5%	\$ 6,470,534	\$ 67,109,889	\$ 2,002,000	\$ 75,582,423
FY2005	\$ 14,563,000	\$ 7,281,500	\$ 75,582,423	\$ 82,863,923	11.3%	\$ 9,363,623	\$ 75,582,423	\$ 14,563,000	\$ 99,509,047
FY2006	\$ 20,736,000	\$ 10,368,000	\$ 99,509,047	\$ 109,877,047	8.5%	\$ 9,339,549	\$ 99,509,047	\$ 20,736,000	\$ 129,584,595
FY2007	<u>\$ 0</u>	\$ 0	\$ 129,584,595	\$ 129,584,595	15.3%	<u>\$ 19,826,443</u>	\$ 129,584,595	\$ 0	\$ 149,411,039
	<u>\$ 95,742,000</u>	Total				<u>\$ 53,669,039</u>	Total		

(1) Based upon the Annual Returns generated by the PFPF.

**City of Jacksonville Reconciliation of City Contribution Rate to PFPF
from 4-1-2000 Valuation to the 9-30-2006 Valuation**

City Contribution Rate (Per 4-1-2000 Valuation)	11.03%
Increases Due to Benefit Enhancements:	
<ul style="list-style-type: none"> • 80% Pension at 30 years of service (vs. 32 years) (Ordinance 2000-1164-E / Enacted 2-15-2001) • Increase Health Supplement from \$3 to \$5 (Ordinance 2003-1338-E / Enacted 3-12-2004) 	1.32% (1) <u>1.77% (2)</u>
Increases Due to Revenue Reductions:	
<ul style="list-style-type: none"> • Transfer Court Fine Revenues to State (Article 5) • Reduced Revenue from 2% DROP Contribution (Linked to less active DROP participants paying 2%) 	1.91% <u>.24%</u>
Sub-Total	16.27%
Impact of Stock Market Crash after 4-1-2000	11.08%
Impact of Miscellaneous Actuarial Losses (demographics, longevity, salary increases, DROP Promotions, failure to make military leave contributions, etc.)	<u>4.76%</u>
Total (City Contribution Rate per 9-30-2006 valuation)	<u><u>32.11%</u></u>
Budgeted City Contribution Rate for FY2008 & FY2009	32.11%

(1) This benefit was granted under the condition that the members would increase the allocation of Chapter Funds from an amount equivalent to 1.5% of payroll to 3.0% of payroll. In addition to this provision, the members agreed to contribute a lump sum amount of \$28,837,723 for the payment of the enhancements reflected in 2000-1164-E. This payment was accomplished by a transfer of \$28,837,723 from the Members Resource Account (MRA) to the City Budget Stabilization Account (CBSA).

(2) 1.00% of the 1.77% cost will be funded on a long term basis by converting the temporary allocation of Chapter Funds to a permanent allocation of Chapter Funds.

NOTE: The above table reflects a 21.08% increase in the City's required contribution rate.
The factors responsible for this increase are described on the following percentage basis.

– Impact of Stock Market Crash after 4-1-00	53%
– Impact of Miscellaneous Actuarial Losses	22%
– Increases due to Benefit Enhancements	15%
– Increases due to Revenue Reductions	10%
Total	<u><u>100%</u></u>

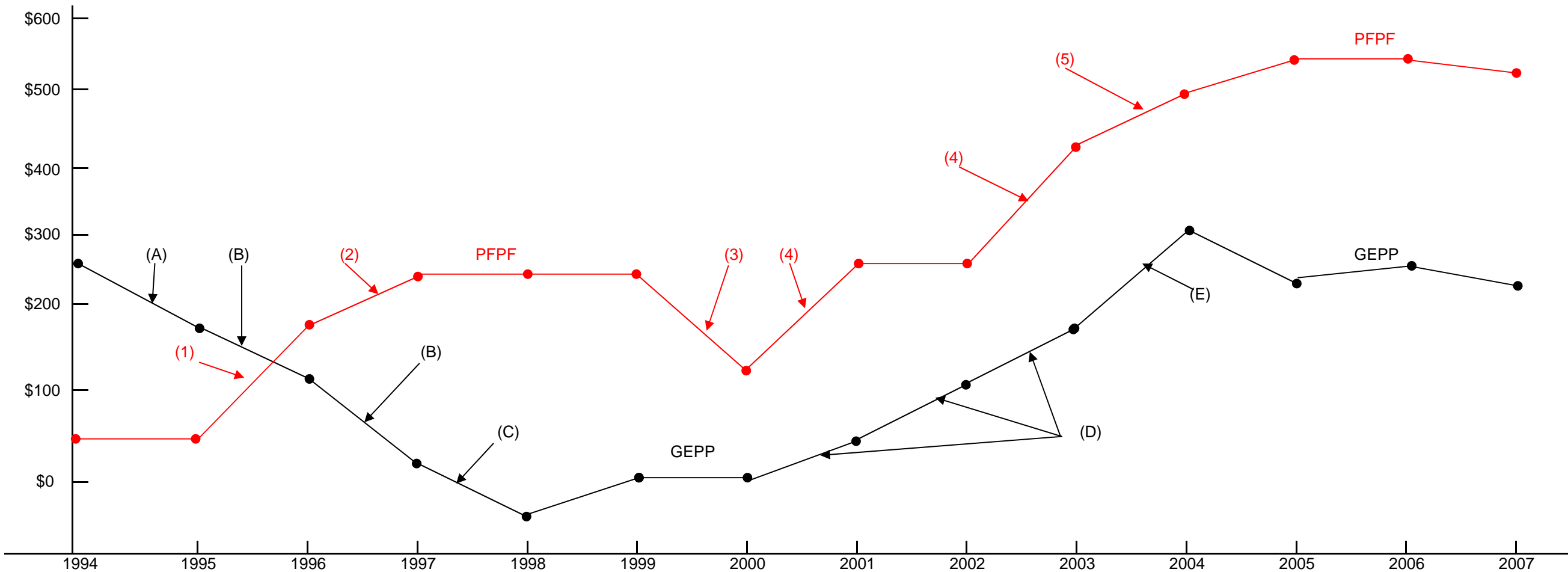
**CITY OF JACKSONVILLE
ANALYSIS OF UAAL AND FUNDED STATUS OF THE CITY'S PENSION PLANS
FROM FY1994 TO FY2007**

<u>Fiscal Year</u>	<u>GENERAL EMPLOYEES (1)</u>		<u>POLICE AND FIRE (2)</u>	
	<u>Amount (in millions)</u>	<u>Funded Percentage</u>	<u>Amount (in millions)</u>	<u>Funded Percentage</u>
1994	\$247.69	74.9%	\$52.43	89.5%
1995	175.953	82.96	52.799	90.31
1996	113.017	89.66	179.385	75.30
1997	16.250	98.59	227.428	73.02
1998	<43.722>	103.59	226.621	74.80
1999	<3.653>	100.28	231.957	76.10
2000	<.181>	100.01	124.913	86.71
2001	52.180	96.55	246.163	75.69
2002	103.034	93.26	252.363	74.19
2003	185.175	88.51	413.933	63.89
2004	314.136	82.65	494.400	59.55
2005 (1)	240.331	86.72	549.244	58.21
2006 (1)	255.011	86.70	549.321	60.10
2007 (1)	230.955	88.58	534.054	63.53

(1) GEPP includes Corrections Pension Plan data so as to conform to the combined data reflected in prior periods.

CITY OF JACKSONVILLE
GRAPHICAL ANALYSIS OF THE UAAL OF THE GEPP AND THE PFPF
(in millions)

EXHIBIT G



- (1) UAAL increased by \$126.1M due to the adoption of COLA Ordinance 93-1983-1407.
- (2) UAAL increased by \$44.1M due to various changes in actuarial assumptions, including increase in retirement decrements and the reduction in investment yield from 8.75% to 8.40%.
- (3) UAAL impact resulting from fresh start at 4-1-2000 due to settlement agreement renegotiation and related changes to actuarial assumptions, including \$28M transfer to City reserves from Members.
- (4) UAAL Impact from negative investment returns resulting from the dot com market crash following 4-1-2000.
- (5) Impact upon UAAL from passage of simultaneous health subsidy Ordinance 2005-1338-E carrying a cost equivalent to 1.77% of pay and various actuarial losses, carrying a cost equivalent to 1.29% of pay.

- (A) UAAL decrease of \$128M due to the collective impact from favorable investment returns, assumption changes (changing payroll growth assumption from 1.6% to 4% providing a significant decrease in the City's annual pension contribution), and changes in the Actuarial Cost Method (from Frozen Entry Age to Entry Age). This valuation and the changes implemented therein reduced the City's GEPP pension contribution rate from 23.66% to 12.32%.
- (B) UAAL decrease was attributable to gains from investment returns (\$160.5M impact), less the impact from plan changes to the 20 year window (\$22.8M increase to UAAL).
- (C) UAAL impact from negative investment returns resulting from the dot com market crash following 4-1-2000.
- (D) UAAL impact due to plan changes (increasing the health supplement from \$3 to \$5 and providing for simultaneous COLA) and assumption changes.

Analysis of S&P 500 Returns in the First Year After a Down Market			
Down Markets	Length (Months)	Total Return (S&P 500)	First Year After Decline
Aug 1957 – Dec 1957	5	-(15.0)%	43.4%
Jan 1962 – Jun 1962	6	(22.3)	31.2
Feb 1966 – Sep 1966	8	(15.6)	30.6
Dec 1968 – Jun 1970	19	(29.1)	41.8
Jan 1973 – Sep 1974	21	(42.7)	38.2
Jan 1977 – Feb 1978	14	(14.2)	16.5
Dec 1980 – Jul 1982	20	(17.2)	59.5
Sep 1987 – Nov 1987	3	-29.6	23.4
Jun 1990 – Oct 1990	5	(14.7)	33.5
Apr 2000 – Mar 2003	36	(40.9)	35.1
Average	14	(24.1)%	35.3%
Current (Thus Far):			
Oct 9, 2007 – Oct 10, 2008	12	(41.0)%	?

Source: Compustat; Roger G. Ibbotson and Rex A. Sinquefeld, "Stocks, Bonds, Bills, and Inflation: Year-by-Year Historical Returns," "University of Chicago Press Journal of Business (January 1976): Standard & Poor's; and Alliance Bernstein