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City of York Police Pension Fund  
Actuarial Valuation  
as of January 1, 2009

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
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**Comments and Certification**

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The purpose of the valuation report is to determine the actuarial status of the Plan and to serve as the basis for satisfying the reporting requirements under Act 205.

The Summary of Principal Plan Benefit Provisions page provides a summary of the basic plan benefit provisions in effect as of January 1, 2009.

The Actuarial Assumptions and Methods page is a summary of actuarial assumptions and methods used in determining the actuarial status of the Plan. Effective with this actuarial valuation, the actuarial value of assets has been changed from market value to a five-year smoothed value, with a maximum of 130% of market value.

Section 1 of the report provides a summary of plan assets and summary of plan membership.

The market value of the fund as of December 31, 2008, is \$28,041,478. The net dollar-weighted rates of investment return during 2007 and 2008 were 10.03% and -30.94%, respectively.

As of January 1, 2009, there are 105 active members with total annual payroll of \$6,218,166. There are also 77 retired members currently receiving benefits under the Plan totaling \$2,555,958 annually, 8 disabled members currently receiving benefits under the Plan totaling \$221,409 annually, 30 spouse beneficiaries of deceased members currently receiving benefits under the Plan totaling \$426,296 annually and 1 vested former member entitled to deferred benefits under the Plan totaling \$32,120 annually.

Page 2 of the report provides the Act 205 funding calculations.

Page 1 of Section 2 shows the calculation of the actuarial value of assets. As of December 31, 2008, the actuarial value of assets is \$36,453,921. This is equal to 130% of the market value of assets.

As of January 1, 2009, there is an unfunded actuarial accrued liability under the Plan of \$35,280,357. The normal cost of the Plan, which is the cost of benefits being accrued during the current year, is \$1,420,171, which is 22.8% of annual payroll.

Page 4 of Section 2 shows the analysis of the change in the unfunded actuarial accrued liability from January 1, 2007, to January 1, 2009. There was an actuarial loss during the period of \$15,455,237. The unfunded actuarial accrued liability also decreased by \$8,412,443 due to the change in actuarial assumptions.

Page 5 of Section 2 illustrates the minimum municipal obligation for the Plan. The financial requirement of the Plan is \$4,275,037. This includes the normal cost, \$1,420,171, assumed annual administrative expenses, \$221,304, and amortization of the unfunded actuarial accrued liability, \$2,633,562. The financial requirement is reduced by expected member contributions to the Plan during 2009, \$312,168. This results in a minimum municipal obligation of \$3,962,869. This calculation of the minimum municipal obligation is for illustrative purposes only since the calculation of the minimum municipal obligation for purposes of determining the City's required contribution to the Plan is prepared through the budgeting process by September 30 each year for the upcoming calendar year.

Page 6 of Section 2 indicates the actuarial present value of accumulated plan benefits. As of January 1, 2009, the total actuarial present value of accumulated plan benefits is \$66,466,691. This compares to net assets available for benefits of \$28,041,478.

Pages 7 through 13 of Section 2 illustrate calculations of the theoretical plan assets and unfunded actuarial accrued liability excluding bond issue assets. This information will be used for purposes of State aid allocations during 2010 and 2011.

Section 3 of the report provides supplemental information for reporting under Governmental Accounting Standards Board Statements No. 25 and 27.

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Section 4 of the report provides demographic data for the members of the Plan.

**Actuarial Certification**

To the best of my knowledge this report is complete and accurate, based upon the data furnished to us. The data with respect to receipts and disbursements and assets of the Plan as well as the data with respect to participants and beneficiaries were furnished by the City of York. The data has been reviewed and has been determined to be reasonable.

The information as contained in this report is a projection of liabilities based upon stated assumptions and is not an exact statement of the Plan's ultimate benefits and liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as at the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the assignment, an analysis of the potential range of such future measurements was not performed.

I certify that all costs, liabilities, rates of interest, and other factors under the Plan in Section 2 of the report have been determined on the basis of actuarial assumptions and methods, each of which is reasonable (taking into account the experience of the Plan and reasonable expectations) or which, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption and method were reasonable, and which, in combination, offer my best estimate of anticipated experience under the Plan.

An approximation technique for the valuation of the disability benefit has been utilized due to the unavailability of any generally accepted disability table based upon municipal pension experience. The approximation technique for the valuation of the disability benefit is a loading factor of 5.0% added to basic pension costs. This same approximation technique has been used in prior actuarial valuations of the Plan. It is my best estimate that the use of the approximation technique will cause little or no distortion in the valuation results.

I am a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and an Enrolled Actuary under ERISA, and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

3/26/2010

Date

David H. Killick

David H. Killick, F.S.A.  
Consulting Actuary  
Enrolled Actuary No. 08-03880

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
**Summary of Principal Plan Benefit Provisions**

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### **Eligibility**

All full-time members of the police force are eligible to participate on their dates of employment.

### **Normal Retirement**

The normal retirement requirement is attainment of age 50 and completion of 20 years and six months of service.

The normal retirement pension is payable in semi-monthly installments for life with payments continuing after the member's death to the surviving spouse or, if no surviving spouse, to dependent children under the age of 18.

The amount of annual pension is equal to 50% of the yearly salary paid to officers or employees of the same rank the member holds at the time of retirement. An additional incremental pension is provided equal to 1/40 of the annual pension for each complete year of service in excess of 20 (but not beyond age 65) up to a maximum of \$1,200 additional per year. The calculation of salary includes base salary plus longevity increments.

### **Postretirement Cost-of-Living Increase**

The pension is increased by 50% of the dollar increase granted to active patrolmen of the highest pay grade. For certain members who retired between January 1, 2003, and January 15, 2003, the pension is increased by 4.0% per year.

### **Disability Retirement**

A disability benefit is provided due to a service related total and permanent disability. The disability retirement pension is equal to the pension based upon the normal retirement formula.

A disability benefit is provided due to a nonservice related total and permanent disability after completion of ten years of service. The disability retirement pension is equal to 30% of salary at the time of disability plus 2% of salary for each year of service in excess of ten, up to a maximum pension of 50% of salary.

Such disability pension is reduced by Workers' Compensation benefits received.

### **Preretirement Death Benefits**

If a member dies after being eligible to retire, a death benefit is payable to his surviving spouse, or if no surviving spouse, to dependent children under the age of 18 in an amount equal to the benefit the member would have been receiving had he been retired on the day of his death.

### **Deferred Retirement Option Plan (DROP)**

Effective January 1, 2007, an active member who has met the eligibility requirements for normal retirement may elect to participate in the deferred retirement option plan (DROP) for a period of not

City of York Police Pension Fund  
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**Summary of Principal Plan Benefit Provisions**

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less than one year nor more than three years. His monthly pension shall be calculated as of his date of participation in the DROP and shall be deposited into a self-directed account, with the monies in such account distributed to the member in a lump sum at retirement.

### **Vesting**

A member may vest his benefits upon termination after completion of 12 years of service. The vested benefit is a deferred pension beginning at normal retirement equal to the benefit accrued to the date of termination.

A member may also vest his benefits upon termination after completion of 20 years and 6 months of service. The vested benefit is a deferred pension beginning at normal retirement equal to 50% of final salary at the date of termination of employment if the member continues to make contributions to the Plan until attainment of age 50 equal to the amount he was contributing at the date of termination. If the member continues to make contributions to the Plan until attainment of age 50 equal to the amount he would have contributed if he continued in employment until age 50, final salary is based upon his final salary at age 50 if he had continued in employment until age 50.

### **Accrued Pension**

The benefit accrued at any date other than the normal retirement date is equal to the projected normal retirement benefit multiplied by the ratio of the number of years of service to date to the total number of years of service projected at normal retirement.

### **Employee Contributions**

5% of salary plus \$1 per month. Employee contributions are not credited with interest. Contributions are refunded on termination before eligibility for retirement or on death if member is not eligible for widow or children's benefit.

City of York Police Pension Fund  
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**Actuarial Assumptions and Methods**

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**Interest**

8.00%

**Salary**

5.00% Annual Increase

**Withdrawal**

Table D-1: Rates of withdrawal at selected ages:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.5000%	35	2.5000%	50	0.0000%
25	5.0000%	40	1.0000%	55	0.0000%
30	4.0000%	45	0.5000%	60	0.0000%

**Mortality**

UP1984 Table with 5 year postretirement age setback for females

**Disability**

Loading of 5.00% added to basic pension costs.

**Retirement**

It is assumed that all members enter the Deferred Retirement Option Program (DROP) upon the later of attainment of age 52 and age at the completion of 20 years and 6 months service. It is also assumed that participation in the DROP continues for three years.

**Preretirement Death Benefit**

Liabilities computed on the assumption that all participants will have spouses of the same age at the date of eligibility for the benefit.

City of York Police Pension Fund  
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**Actuarial Assumptions and Methods**

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**Expenses**

Provision for administrative expenses added to normal cost.

**Inflation**

Moderate inflation based on long term historical average rates is a component of the actuarial assumptions used herein. Provision is not made for advance funding of sharply higher rates of inflation experienced in some years. The effects of such higher rates are reflected in the funding after their occurrence.

**Cost-of-Living Increase**

5.00% per year. For certain members who retired between January 1, 2003 and January 15, 2003 - 4.00% per year.

**Actuarial Value of Assets**

Each year the investment gain (excess of actual investment income including realized and unrealized appreciation over expected investment income) or loss is recognized over a five-year period. In no event is the actuarial value of assets allowed to be greater than 130% or less than 70% of market value.

**Actuarial Cost Method**

Entry Age Normal using level percentage of future payroll amortization of the initial unfunded actuarial accrued liability based on a 4.0% annual increase in covered payroll assumption and using level percentage of future payroll amortization of the increase in the unfunded actuarial accrued liability as of January 1, 2005, attributable to the change in the postretirement cost-of-living increase benefit based upon a 5.0% annual increase in covered payroll assumption.

**Changes in Actuarial Assumptions and Methods**

	<u>Prior</u>	<u>Current</u>
Actuarial Value of Assets	Market Value	See Above

City of York Police Pension Fund  
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Section 1

Summary of Plan Assets and Summary of Plan Membership

City of York Police Pension Fund  
 Actuarial Valuation as of January 1, 2009  
**Receipts and Disbursements - January 1, 2007 to December 31, 2007**

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Market Value at 1/1/2007 \$ 36,900,719.72

**Receipts**

Employer Contributions Received \$ 2,988,309.00

Employee Contributions Received 293,914.00

Investment Income

Received	\$ 982,481.74	
Accrued Income at 1/1/2007	(222,493.74)	
Accrued Income at 12/31/2007	0.00	
Total Investment Income	759,988.00	

Change in Market Value

Realized Gain/Loss	\$ 795,551.45	
Unrealized Gain/Loss	2,149,238.83	
Net Change in Market Value	2,944,790.28	

Total Receipts 6,987,001.28

**Disbursements**

Monthly Benefit Payments \$ (2,901,956.00)

Refund of Employee Contributions (94,334.00)

Administrative Expenses (213,597.00)

Total Disbursements (3,209,887.00)

Market Value at 12/31/2007 \$ 40,677,834.00

Approximate Net Dollar-Weighted Rate of Investment Return 10.03%

City of York Police Pension Fund  
 Actuarial Valuation as of January 1, 2009  
**Receipts and Disbursements - January 1, 2008 to December 31, 2008**

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Market Value at 1/1/2008		\$ 40,677,834.00
<b>Receipts</b>		
Employer Contributions		
Received	\$ 1,066,250.85	
Receivable at 1/1/2008	0.00	
Receivable at 12/31/2008	1,986,149.15	
Total Employer Contributions	\$ 3,052,400.00	
Employee Contributions Received		283,808.00
Investment Income		
Received	\$ 1,437,989.00	
Accrued Income at 1/1/2008	0.00	
Accrued Income at 12/31/2008	0.00	
Total Investment Income	1,437,989.00	
Change in Market Value		
Realized Gain/Loss	\$ (1,440,675.74)	
Unrealized Gain/Loss	(12,574,151.26)	
Net Change in Market Value	(14,014,827.00)	
Total Receipts		(9,240,630.00)
<b>Disbursements</b>		
Monthly Benefit Payments		\$ (3,159,557.00)
Refund of Employee Contributions		(7,159.00)
Administrative Expenses		(229,010.00)
Total Disbursements		(3,395,726.00)
Market Value at 12/31/2008		\$ 28,041,478.00
Approximate Net Dollar-Weighted Rate of Investment Return		(30.94%)

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
**Assets and Liabilities**

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**Assets**

Cash	\$	0.00
Money Markets		91,701.00
Common Stocks		1,348,677.00
Real Estate Investment Trust		1,302,765.00
Mutual Funds		<u>23,028,378.00</u>
Total Assets in Fund	\$	25,771,521.00
Employer Contributions Receivable		1,986,149.15
Receivable from General Fund		283,807.85
Accrued Income		<u>0.00</u>
Total Assets	\$	28,041,478.00
<b>Liabilities</b>		
Total Liabilities		<u>0.00</u>
Net Assets	\$	<u><u>28,041,478.00</u></u>

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009

**Summary of Plan Membership**

<b>Active Members</b>	Number of Members	Annual Payroll
Active Members as of 1/1/2007	95	
New Members During the Period	20	
Returned to Active	0	
Members No Longer Active:		
Retired with Disability Benefit	0	
Retired with Service Retirement Benefit	(1)	
Separated with Deferred Benefit	(1)	
Separated with Refund of Contributions	(7)	
Separated with Neither Deferred Benefit nor Refund of Contributions	0	
Deceased	(1)	
Total	<u>(10)</u>	
Active Members as of 1/1/2009	<u>105</u>	<u>\$ 6,218,166</u>
<b>Vested Former Members</b>	Number of Members	Annual Benefit
Vested Former Members as of 1/1/2007	4	
Separated with Deferred Benefit	1	
Beneficiary of Deceased Participant	0	
Returned to Active	0	
Retired with Service Retirement Benefit	(4)	
Deceased or Paid in Full	<u>0</u>	
Vested Former Members as of 1/1/2009	<u>1</u>	<u>\$ 32,120</u>
<b>Retired Members</b>		
Retired Members as of 1/1/2007	74	
Retired with Service Retirement Benefit	5	
Deceased or Paid in Full	<u>(2)</u>	
Retired Members as of 1/1/2009	<u>77</u>	<u>\$ 2,555,958</u>
<b>Disabled Members</b>		
Disabled Members as of 1/1/2007	8	
Retired with Disability Benefit	0	
Deceased	<u>0</u>	
Disabled Members as of 1/1/2009	<u>8</u>	<u>\$ 221,409</u>
<b>Spouse Beneficiaries of Deceased Members</b>		
Spouse Beneficiaries of Deceased Members as of 1/1/2007	31	
Additional Spouse Beneficiaries of Deceased Members	1	
Deceased	<u>(2)</u>	
Spouse Beneficiaries of Deceased Members as of 1/1/2009	<u>30</u>	<u>\$ 426,296</u>

City of York Police Pension Fund  
Actuarial Valuation  
as of January 1, 2009

Section 2

Act 205 Funding Calculations

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009

**Actuarial Value of Assets**

	2005	2006	2007	2008
Market Value at 1/1	\$ 32,877,430.19	\$ 33,121,701.70	\$ 36,900,719.72	\$ 40,677,834.00
Contributions	1,446,119.34	3,219,325.46	3,282,223.00	3,336,208.00
Benefit Payments and Expenses	(2,924,686.32)	(3,054,702.45)	(3,209,887.00)	(3,395,726.00)
Expected Investment Income <sup>1</sup>	2,571,051.74	2,656,321.06	2,954,951.02	3,251,846.00
Expected Value at 12/31	\$ 33,969,914.95	\$ 35,942,645.77	\$ 39,928,006.74	\$ 43,870,162.00
Market Value at 12/31	33,121,701.70	36,900,719.72	40,677,834.00	28,041,478.00
Gain/(Loss): (Market Value less Expected Value)	\$ (848,213.25)	\$ 958,073.95	\$ 749,827.26	\$ (15,828,684.00)
Percentage of Gain/(Loss) to be recognized in the future	20%	40%	60%	80%
Gain/(Loss) to be recognized in the future	\$ (169,642.65)	\$ 383,229.58	\$ 449,896.36	\$ (12,662,947.20)
Market Value at 12/31/2008				\$ 28,041,478.00
Total (Gain)/Loss for 2005-2008 to be recognized in the future				<u>11,999,463.91</u>
Actuarial Value of Assets at 12/31/2008				<u><u>\$ 36,453,921.40</u></u> <sup>2</sup>

<sup>1</sup> 8.00% annual interest rate

<sup>2</sup> Actuarial Value of Assets cannot be greater than 130% nor be less than 70% of the Market Value.

City of York Police Pension Fund  
 Actuarial Valuation as of January 1, 2009  
**Unfunded Actuarial Accrued Liability and Normal Cost**

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**Unfunded Actuarial Accrued Liability**

Actuarial Present Value of Future Benefits

Active Members Retirement Pension Benefits	\$	37,229,297
Active Members Vested Withdrawal Benefits		828,721
Active Members Disability Benefits		1,861,465
Active Members Preretirement Death Benefits		202,564
Active Members Refund of Member Contributions		198,283 <sup>1</sup>
Refund of Employee Contributions to Terminated Members		15,236
Vested Former Members Benefits		565,691
Retired Members Benefits		38,104,763
Disabled Members Benefits		3,449,126
Surviving Spouses Benefits		<u>2,841,657</u>
Total	\$	85,296,803
Actuarial Present Value of Future Normal Costs		<u>(13,562,525)</u>
Actuarial Accrued Liability	\$	71,734,278
Actuarial Value of Assets		<u>(36,453,921)</u>
Unfunded Actuarial Accrued Liability	\$	<u><u>35,280,357</u></u>
 <b>Normal Cost</b>		
Normal Cost	\$	<u><u>1,420,171</u></u>
Normal Cost as a Percentage of Annual Payroll		<u><u>22.8%</u></u>

<sup>1</sup> Accumulated Member Contributions Without Interest as of 1/1/2009 = \$2,697,310

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
**Amortization of Unfunded Actuarial Accrued Liability**

Initial Date	Initial Amount	Outstanding Balance	Amortization Amount	Remaining Amortization	Nature
January 1, 2001	\$ 238,409	\$ 145,015	\$ 25,790	7 Years	Actuarial Loss
January 1, 2002	3,278,889	2,953,622	259,748	24 Years	Investment Loss
January 1, 2002	1,456,486	977,851	157,556	8 Years	Other Actuarial Loss
January 1, 2003	(5,388,794)	(4,524,939)	(508,204)	14 Years	Assumption Chg.
January 1, 2003	6,559,017	6,134,268	539,464	24 Years	Investment Loss
January 1, 2003	1,250,255	912,462	135,247	9 Years	Other Actuarial Loss
January 1, 2005	17,134,010	18,956,298	1,014,052	26 Years	<sup>1</sup> COLA Amendment
January 1, 2005	3,000,561	2,502,595	324,587	11 Years	Actuarial Loss
January 1, 2007	(1,251,418)	(1,155,552)	(135,373)	13 Years	Assumption Chg.
January 1, 2007	1,446,775	1,335,943	156,506	13 Years	Actuarial Loss
January 1, 2009	(8,412,443)	(8,412,443)	(793,357)	20 Years	Assumption Chg.
January 1, 2009	15,455,237	15,455,237	1,457,546	20 Years	Actuarial Loss
<b>Total</b>	<b>\$ 34,766,984</b>	<b>\$ 35,280,357</b>	<b>\$ 2,633,562</b>		

Projected plan year in which the unfunded accrued liability is fully amortized is 2034.

**Aggregation of Changes in Unfunded Actuarial Accrued Liability**

Date of Aggregation	Aggregated Target Date	Outstanding Balance	Amortization Amount	Remaining Amortization
January 1, 2009	2072	<u>\$ 35,280,357</u>	<u>\$ 2,633,562</u>	64 Years

<sup>1</sup> Level Percentage of Future Payroll Amortization

City of York Police Pension Fund  
 Actuarial Valuation as of January 1, 2009  
**Analysis of the Change in the Unfunded Actuarial Accrued Liability**

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Unfunded Actuarial Accrued Liability at 1/1/2007		\$ 27,863,038
<b>Additions</b>		
Normal Costs	\$ 2,467,872	
Administrative Expenses	442,607	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>4,973,327</u>	
Total		7,883,806
<b>Contributions</b>		
Employer Contributions	\$ (6,040,709)	
Employee Contributions	(577,722)	
Interest on Contributions	<u>(358,838)</u>	
Total		(6,977,269)
Adjustment for Funding Deviation		(532,012)
Modification in the Benefit Plan		0
Change in Actuarial Assumptions		(8,412,443)
<b>Actuarial Loss</b>		
Investment Loss	\$ 14,839,890	
Experience Loss	83,335	
Funding Deviation	<u>532,012</u>	
Total		<u>15,455,237</u>
Unfunded Actuarial Accrued Liability at 1/1/2009		<u><u>\$ 35,280,357</u></u>

City of York Police Pension Fund  
 Actuarial Valuation as of January 1, 2009  
**Illustration of Minimum Municipal Obligation**

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Financial Requirements		
Normal Cost	\$	1,420,171
Administrative Expenses		221,304 <sup>1</sup>
Amortization of Unfunded Actuarial Accrued Liability		<u>2,633,562</u>
Total	\$	4,275,037
Expected Member Contributions		<u>(312,168)</u>
Minimum Municipal Obligation	\$	3,962,869
Estimated Allocation of General Municipal Pension System State Aid		<u>0</u>
Net Minimum Municipal Obligation	\$	<u><u>3,962,869</u></u>

<sup>1</sup> Total Administrative Expenses for Plan Year 1/1/2007 to 12/31/2007 - \$ 213,597  
 Total Administrative Expenses for Plan Year 1/1/2008 to 12/31/2008 - \$ 229,010

City of York Police Pension Fund  
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**Actuarial Present Value of Accumulated Plan Benefits**

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Vested Benefits		
Retired Members	\$ 44,395,546	
Other Members	18,924,485	
Total Vested Benefits	<u>                    </u>	\$ 63,320,031
Nonvested Benefits		<u>3,146,660</u>
Total Actuarial Present Value of Accumulated Plan Benefits		<u><u>\$ 66,466,691</u></u>
Net Assets Available for Benefits as of 1/1/2009		<u><u>\$ 28,041,478</u></u>

City of York Police Pension Fund  
 Actuarial Valuation as of January 1, 2009  
**Receipts and Disbursements Excluding Bond Issue Assets -  
 January 1, 2007 to December 31, 2007**

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Market Value at 1/1/2007		\$ 20,202,959.17
<b>Receipts</b>		
Employer Contributions Received	\$ 4,565,167.00	
Employee Contributions Received	293,914.00	
Investment Income	416,089.62	
Change in Market Value	<u>1,612,257.93</u>	
Total Receipts		6,887,428.55
<b>Disbursements</b>		
Monthly Benefit Payments	\$ (2,901,956.00)	
Refund of Employee Contributions	(94,334.00)	
Administrative Expenses	<u>(213,597.00)</u>	
Total Disbursements		<u>(3,209,887.00)</u>
Market Value at 12/31/2007		<u><u>\$ 23,880,500.72</u></u>

City of York Police Pension Fund  
 Actuarial Valuation as of January 1, 2009  
**Receipts and Disbursements Excluding Bond Issue Assets -  
 January 1, 2008 to December 31, 2008**

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Market Value at 1/1/2008		\$ 23,880,500.72
<b>Receipts</b>		
Employer Contributions Received	\$ 4,687,570.00	
Employee Contributions Received	283,808.00	
Investment Income	844,191.88	
Change in Market Value	<u>(8,227,603.42)</u>	
Total Receipts		(2,412,033.54)
<b>Disbursements</b>		
Monthly Benefit Payments	\$ (3,159,557.00)	
Refund of Employee Contributions	(7,159.00)	
Administrative Expenses	<u>(229,010.00)</u>	
Total Disbursements		<u>(3,395,726.00)</u>
Market Value at 12/31/2008		<u><u>\$ 18,072,741.18</u></u>

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
**Assets and Liabilities Excluding Bond Issue Assets**

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**Assets**

Total Assets \$ 18,072,741.18

**Liabilities**

Total Liabilities 0.00

Net Assets \$ 18,072,741.18

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
**Actuarial Value of Assets Excluding Bond Issue Assets**

	2005	2006	2007	2008
Market Value at 1/1	\$ 15,981,260.93	\$ 16,695,640.75	\$ 20,202,959.17	\$ 23,880,500.72
Contributions	2,801,618.34	4,740,114.46	4,859,081.00	4,971,378.00
Benefit Payments and Expenses	(2,924,686.32)	(3,054,702.45)	(3,209,887.00)	(3,395,726.00)
Expected Investment Income <sup>1</sup>	1,273,578.16	1,403,067.74	1,682,204.49	1,973,466.14
Expected Value at 12/31	\$ 17,131,771.11	\$ 19,784,120.50	\$ 23,534,357.66	\$ 27,429,618.86
Market Value at 12/31	16,695,640.75	20,202,959.17	23,880,500.72	18,072,741.18
Gain/(Loss): (Market Value less Expected Value)	\$ (436,130.36)	\$ 418,838.67	\$ 346,143.06	\$ (9,356,877.68)
Percentage of Gain/(Loss) to be recognized in the future	20%	40%	60%	80%
Gain/(Loss) to be recognized in the future	\$ (87,226.07)	\$ 167,535.47	\$ 207,685.84	\$ (7,485,502.14)
Market Value at 12/31/2008				\$ 18,072,741.18
Total (Gain)/Loss for 2005-2008 to be recognized in the future				7,197,506.90
Actuarial Value of Assets at 12/31/2008				<u>\$ 23,494,563.53</u> <sup>2</sup>

<sup>1</sup> 8.00% annual interest rate

<sup>2</sup> Actuarial Value of Assets cannot be greater than 130% nor be less than 70% of the Market Value.

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
**Unfunded Actuarial Accrued Liability Excluding Bond Issue Assets**

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Actuarial Present Value of Future Benefits	\$ 85,296,803
Actuarial Present Value of Future Normal Costs	<u>(13,562,525)</u>
Actuarial Accrued Liability	\$ 71,734,278
Reserve for Benefits Excluding Bond Issue Assets	<u>(23,494,564)</u>
Unfunded Actuarial Accrued Liability	<u><u>\$ 48,239,714</u></u>

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
**Amortization of Unfunded Actuarial Accrued Liability Excluding Bond Issue Assets**

Initial Date	Initial Amount	Outstanding Balance	Amortization Amount	Remaining Amortization	Nature
January 1, 1985	\$ 13,063,083	\$ 19,297,913	\$ 1,576,765	16 Years <sup>1</sup>	Initial Unfunded
January 1, 1990	682,614	64,209	64,209	1 Year	Active Amendment
January 1, 1992	(1,298,803)	(340,913)	(122,487)	3 Years	Assumption Chg.
January 1, 1994	(862,142)	(350,591)	(81,307)	5 Years	Assumption Chg.
January 1, 1995	1,651,301	178,630	178,630	1 Year	Actuarial Loss
January 1, 1996	62,568	13,047	6,768	2 Years	Actuarial Loss
January 1, 1997	182,895	55,061	19,785	3 Years	Actuarial Loss
January 1, 1998	371,982	143,943	40,239	4 Years	Actuarial Loss
January 1, 1999	432,970	201,962	46,837	5 Years	Actuarial Loss
January 1, 2000	571,136	308,461	61,783	6 Years	Actuarial Loss
January 1, 2001	399,825	243,201	43,251	7 Years	Actuarial Loss
January 1, 2002	1,349,977	1,216,057	106,943	24 Years	Investment Loss
January 1, 2002	1,356,584	910,780	146,749	8 Years	Other Actuarial Loss
January 1, 2003	(2,434,441)	(2,044,186)	(229,586)	14 Years	Assumption Chg.
January 1, 2003	2,812,689	2,630,547	231,337	24 Years	Investment Loss
January 1, 2003	935,933	683,063	101,245	9 Years	Other Actuarial Loss
January 1, 2005	17,134,010	18,956,298	1,014,052	26 Years <sup>1</sup>	COLA Amendment
January 1, 2005	2,495,605	2,081,440	269,963	11 Years	Actuarial Loss
January 1, 2007	(512,633)	(427,559)	(55,454)	11 Years	Assumption Chg.
January 1, 2007	678,334	565,759	73,379	11 Years	Actuarial Loss
January 1, 2009	(5,421,823)	(5,421,823)	(511,319)	20 Years	Assumption Chg.
January 1, 2009	9,274,415	9,274,415	874,648	20 Years	Actuarial Loss
Total	<u>\$ 42,926,079</u>	<u>\$ 48,239,714</u>	<u>\$ 3,856,430</u>		

Projected plan year in which the unfunded accrued liability is fully amortized is 2034.

**Aggregation of Changes in Unfunded Actuarial Accrued Liability**

Date of Aggregation	Aggregated Target Date	Outstanding Balance	Amortization Amount	Remaining Amortization
January 1, 2009	2045	<u>\$ 28,941,801</u>	<u>\$ 2,279,665</u>	37 Years

<sup>1</sup> Level Percentage of Future Payroll Amortization

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
**Analysis of the Change in the Unfunded Actuarial Accrued Liability  
Excluding Bond Issue Assets**

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Unfunded Actuarial Accrued Liability at 1/1/2007		\$ 44,560,799
<b>Additions</b>		
Normal Costs	\$ 2,467,872	
Administrative Expenses	442,607	
Interest on Unfunded Actuarial Accrued Liability, Normal Costs, and Administrative Expenses	<u>7,751,834</u>	
Total		10,662,313
<b>Contributions</b>		
Employer Contributions	\$ (9,252,737)	
Employee Contributions	(577,722)	
Interest on Contributions	<u>(484,987)</u>	
Total		(10,315,446)
Adjustment for Funding Deviation		(520,544)
Modification in the Benefit Plan		0
Change in Actuarial Assumptions		(5,421,823)
<b>Actuarial Loss</b>		
Investment Loss	\$ 8,670,536	
Experience Loss	83,335	
Funding Deviation	<u>520,544</u>	
Total		<u>9,274,415</u>
Unfunded Actuarial Accrued Liability at 1/1/2009		<u><u>\$ 48,239,714</u></u>

City of York Police Pension Fund  
Actuarial Valuation  
as of January 1, 2009

Section 3

Supplemental Information for GASB Reporting

City of York Police Pension Fund  
Actuarial Valuation as of January 1, 2009  
Supplemental Information for GASB Statement Nos. 25 & 27 Reporting

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**Schedule of Funding Progress**

Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/1999	\$ 33,501,860	\$ 32,083,444	\$ (1,418,416)	104.4%	\$ 4,431,105	(32.0%)
1/1/2000	35,376,833	34,017,512	(1,359,321)	104.0%	4,637,696	(29.3%)
1/1/2001	34,479,683	34,718,092	238,409	99.3%	5,092,257	4.7%
1/1/2002	32,442,377	37,407,381	4,965,004	86.7%	5,393,437	92.1%
1/1/2003	32,332,762	39,534,359	7,201,597	81.8%	5,304,211	135.8%
1/1/2004	33,894,453					
1/1/2005	33,350,980	60,516,086	27,165,106	55.1%	5,143,232	528.2%
1/1/2006	35,656,929					
1/1/2007	36,900,720	64,763,758	27,863,038	57.0%	5,324,403	523.3%
1/1/2008	40,677,834					
1/1/2009	36,453,921	71,734,278	35,280,357	50.8%	6,218,166	567.4%

**Schedule of Contributions from the Employer and Other Contributing Entities**

Year	Annual Required Contribution	Contributions <sup>1</sup> From Employer	Percentage Contributed
1999	\$ 417,449	\$ 417,449	100.0%
2000	355,299	355,299	100.0%
2001	479,208	479,208	100.0%
2002	527,335	537,335	100.0%+
2003	719,845	719,845	100.0%
2004	1,087,478	1,087,478	100.0%
2005	1,172,257	1,172,257	100.0%
2006	2,949,964	2,949,964	100.0%
2007	2,988,309	2,988,309	100.0%
2008	3,052,400	3,052,400	100.0%

The above information was determined as part of the actuarial valuations at the dates listed. Additional information as of the current actuarial valuation:

Amortization Method: Level Dollar Closed, Level Percentage of Projected Payroll for COLA Amendment Closed  
Remaining Amortization Period: 26 Years

Other Actuarial Assumptions and Methods stated previously in report.

<sup>1</sup> Includes general municipal pension system State aid

City of York Police Pension Fund  
Actuarial Valuation  
as of January 1, 2009

Section 4

Participant Information



CITY OF YORK POLICE PENSION FUND

DEMOGRAPHIC DATA FOR RETIRED MEMBERS AND MEMBERS TERMINATED WITH VESTING  
01/01/2009

RETIRED MEMBERS

AGE	NUMBER	ANNUAL PENSIONS PAYABLE (\$)
Under 30	0	0
30 - 34	0	0
35 - 39	0	0
40 - 44	0	0
45 - 49	1	33,614
50 - 54	9	271,507
55 - 59	16	529,525
60 - 64	21	680,874
65 - 69	21	723,326
70 - 74	12	326,853
75 - 79	13	246,847
80 - 84	12	223,542
Over 84	10	167,575
<b>TOTALS</b>	<b>115</b>	<b>3,203,663</b>

MEMBERS TERMINATED WITH VESTING

AGE	NUMBER	ANNUAL PENSIONS PAYABLE (\$)
Under 25	0	0
25 - 29	0	0
30 - 34	0	0
35 - 39	0	0
40 - 44	0	0
45 - 49	1	32,120
50 - 54	0	0
55 - 59	0	0
60 - 64	0	0
65 - 69	0	0
Over 69	0	0
<b>TOTALS</b>	<b>1</b>	<b>32,120</b>