

MINUTES

**POLICE OFFICERS' & FIREFIGHTERS'
RETIREMENT COMMITTEE MEETING**

MONDAY - MARCH 4, 2013 - 9:00 AM

PRESENT

Sgt. Leo Socorro – Chair
(Ret)Chief Linda Loizzo
Councilwoman Beth Spiegel
Mayor George Vallejo
Sgt. Mo Asim

ABSENT

ALSO PRESENT

Graystone – C.Mulfinger & S. Owens
Buck – Joe Griffin
Buck – Tim Bowen
Steven Gordon - Auditor
Sugarman & Susskind - Bob Sugarman
Darcee Siegel – City Attorney
Martin Lebowitz – Pension Administrator

DEPARTMENT REPRESENTATIVES

Bill Dresback – Retired Firefighter
Various Police Officers

The meeting was called to order at 9:12 a.m. by Sgt. Socorro and was followed by a roll call of Trustees.

I. GRAYSTONE CONSULTING – Q/E 12/31/2012

Charlie Mulfinger and Scott Owens presented the performance report, indicating a total portfolio market value on 12/31/2012 of \$78,845,682 (including accrued income). This represents a net increase in value from the previous quarter of \$884,738. Please see attached Summary of Relevant Facts as of December 31, 2012.

Charlie Mulfinger also presented a Large Cap Growth Investment Manager Search Summary Report to replace Garcia Hamilton. He also handed out Investment Consulting Education on Asset Allocation Including Alternatives.

The Board will wait for next quarter's investment results to make a decision to replace Garcia Hamilton.

II. ATTORNEY'S REPORT

Bob Sugarman discussed the Merrill Lynch Settlement check of \$110,937.71 that will be received shortly and asked our actuary where we should deposit this money.

Joe Griffin responded as follows:

- Give the City a credit towards its annual required contribution, since this settlement payment was for reimbursement of undisclosed investment expenses and the City's contributions includes the investment expenses of the System or to the investment expenses.
- Place the money in the System which will cause the unfunded liability to go down and the City's annual contribution to go down by a small amount over next 15 years.

After discussion, motion by Trustee Linda Loizzo, seconded by Trustee George Vallejo, to adopt the recommendation of Joe Griffin to credit the money to the City's annual contribution for the current or next fiscal year, as the city chooses.

Motion carried unanimously

City Attorney Siegel said he City will inform the System of its choice.

Bob Sugarman discussed the upcoming Police & Fire Trustee School from May 20 – 22, 2013 which will be held in Tallahassee and the FPPTA conference from June 23 – 26, 2013 will be held in Orlando.

III. BUCK CONSULTANTS – ACTUARY

Joe Griffin and Tim Bowens discussed the letter regarding Firefighters' 9.5% benefit increase. **Please see attached letter.**

Joe Griffin recommends Ordinance 2006-7 be amended to be consistent with past administrative practices.

Bob Sugarman will draft the amended language to be reviewed at the next Committee meeting.

Joe Griffin and Tim Bowen reviewed the DRAFT October 1, 2012 Valuation Report. The City of North Miami Beach will be required to contribute \$6,638,392 plus an additional \$750,000 for plan year 2014 for the Police Plan if paid quarterly.

The overall funded ratio for the plan decreased from 61.7% to 60.2%.

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Participant Summary was as of 10/1/2012 as follows:

Active Participants -	63
DROP Participants -	33
Retirees & Benes -	103
Deferred -	2
Disabled -	<u>9</u>
Total	210

Joe Griffin discussed changing the payroll growth assumption from 2.06% to 3% due to DROP members retiring and being replaced by new members causing an increase in covered payroll (since DROP members who constitute 25% of members, are not included in covered payroll). Joe Griffin will send a letter to the Division of Retirement on behalf of the Retirement Committee for acceptance of the use of a 3.0% payroll growth assumption for amortizing the unfunded liability in the October 1, 2012 valuation report.

After discussion, motion by Trustee Vallejo, seconded by Trustee Asim, to adopt the actuarial proposed 10/1/2012 Valuation Report and the assumption changes recommended by the actuary, except to use 3.0% payroll growth rather than 2.06%. Based upon the high DROP participant rate and the recent layoffs of Police Officers the payroll growth should be changed to 3.0%.

Motion carried unanimously.

For bookkeeping purposes, the expenses for the Firefighters Plan should be kept separately and Buck Consultants will reflect the same in future reports.

IV. AUDITOR'S REPORT

Steven Gordon, CPA presented the September 30, 2012 Annual Financial Statement for the Police & Fire Retirement Plan for the City of North Miami Beach. Steven Gordon stated that the opinion is an unqualified opinion and that this is what you are looking for when receiving an annual financial report.

Administrator Martin Lebowitz agreed to forward the auditor's report to the City's Finance Director.

Motion by Trustee Vallejo, seconded by Trustee Asim, to accept the Annual Financial Statement Audit for the fiscal year ending September 30, 2012 for the Police & Fire Retirement Plan prepared by Steven I. Gordon C.P.A.

Motion carried unanimously.

V. TRAVEL EXPENSES

Trustee Vallejo asked about how often the trustees need to attend trustee schools. If you are certificated from the FPPTA you must earn 10 credits each year. Any out-of-state conference must be approved by the Board.

VI. FIDUCIARY LIABILITY POLICY MARCH 1, 2013 – MARCH 1, 2014

- U.S. SPECIALTY - \$5 MILLION \$14,687.49 ANNUAL PREMIUM

After discussion, motion by Trustee Vallejo, seconded by Trustee Asim to renew with U.S. Specialty Insurance Company for payment of \$14,687.49 for Fiduciary Liability Insurance for one year.
Motion carried unanimously

VII. APPROVAL OF MINUTES – 10/30/2012.

Motion by Trustee Vallejo seconded by Trustee Loizzo to approve minutes of 10/30/2012
Motion carried unanimously

VIII. APPROVAL OF INVOICES

Motion by Trustee Vallejo, seconded by Trustee Loizzo, to pay the following invoices except for Bolton Partners in the amount of \$1,505.58:
Motion carried unanimously.

INVOICES:

Garcia Hamilton – Equity Quarterly Management Fees	\$18,363.38
Garcia Hamilton – Fixed Quarterly Management Fees	17,027.10
Morgan Stanley Smith Barney – Quarterly Consulting Fees	6,875.00
HGK – Quarterly Management Fees	15,786.44
GW Capital – Quarterly Management Fees	7,939.01
MDT – Quarterly Management Fees	8,257.16
Renaissance – Quarterly Management Fees	6,464.61
Thornburg - Quarterly Management Fees	6,575.10
Buck Consultants – Actuary Fees	19,195.00
Bolton Partners – Actuary Fees*	1,505.58
Steven Gordon – Auditor	5,710.00
Sugarman & Susskind – Legal Fees	8,800.00
Salem Trust Company – Custodial Fees	9,432.28
	\$131,930.66

*Pending review of the Bolton contract by Bob Sugarman.

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The next scheduled meeting for June 2013 has not been determined as of this meeting. Meeting was adjourned at 6:10 p.m.

Meeting was adjourned at 12:45 p.m.

Martin Lebowitz, Pension Administrator

SUMMARY OF RELEVANT FACTS
City of North Miami Beach Police & Fire Retirement Plan
As of December 31, 2012

Distribution of Assets:	
Equity	
- Large Cap. Value	\$15,805,412
- Large Cap. Growth	\$15,174,297
- Small Cap. Value	\$4,319,860
- Mid Cap Growth	\$4,128,178
- International Value	\$4,154,032
- International Growth	\$3,964,599
Total Equity	\$47,546,379
Fixed Income	\$27,309,944
Core Private Real Estate	\$3,182,430
Cash (R&D & Residuals)	\$806,930
Total Portfolio	\$78,845,682

Other Important Facts:	
Total Portfolio	\$78,845,682
Total Gain or (Loss) (Gross-of-Fees)	\$972,325
Total Gain or (Loss) (Net-of-Fees)	\$884,738
Total Fees	(\$87,586)
HGK (Large Cap Value)	
Total Assets	100.00%
Equity	97.51%
Cash	2.49%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Garcia Hamilton (Large Cap Growth)	
Total Assets	100.00%
Equity	97.09%
Cash	2.91%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Distribution by Percentages:			
Equity Breakdown	Policy	Current	
- Large Cap. Value	20.00%	20.05%	
- Large Cap. Growth	20.00%	19.25%	
- Small Cap. Value	5.00%	5.48%	
- Mid Cap Growth	5.00%	5.24%	
- International Value	5.00%	5.27%	
- International Growth	5.00%	5.03%	
Total Equity	60.00%	60.30%	
Fixed Income	35.00%	34.64%	
Core Private Real Estate	5.00%	4.04%	
Cash	0.00%	1.02%	
Total Portfolio	100.00%	100.00%	

GW Capital (Small Cap Value)	
Total Assets	100.00%
Equity	95.50%
Cash	4.50%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

MDT (Mid Cap Growth)	
Total Assets	100.00%
Equity	98.75%
Cash	1.25%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Thornburg (Int'l Value)	
Total Assets	100.00%
Equity	96.13%
Cash	3.87%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Renaissance (Int'l Growth)	
Total Assets	100.00%
Equity	98.08%
Cash	1.92%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Garcia Hamilton (Fixed Income)	
Total Assets	100.00%
Fixed Income	99.15%
Cash	0.85%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

Receipts & Disbursements Acc't	
Total Assets	\$27,309,944
Cash	\$27,078,021
Gain or (Loss) - Gross	\$231,923
Gain or (Loss) - Net	(\$16,332)
	\$287,850
	\$271,518

UBS (Core Private Real Estate)	
Total Assets	100.00%
Private Real Estate	100.00%
Fees	
Gain or (Loss) - Gross	
Gain or (Loss) - Net	

MDT (Mid Cap Growth)	
Total Assets	\$4,319,860
Equity	\$4,125,510
Cash	\$194,350
Fees	(\$7,368)
Gain or (Loss) - Gross	\$235,728
Gain or (Loss) - Net	\$228,360

Renaissance (Int'l Growth)	
Total Assets	\$4,154,032
Equity	\$3,993,355
Cash	\$160,678
Fees	(\$6,150)
Gain or (Loss) - Gross	\$279,807
Gain or (Loss) - Net	\$273,656

Garcia Hamilton (Fixed Income)	
Total Assets	\$27,309,944
Fixed Income	\$27,078,021
Cash	\$231,923
Fees	(\$16,332)
Gain or (Loss) - Gross	\$287,850
Gain or (Loss) - Net	\$271,518

UBS (Core Private Real Estate)	
Total Assets	\$3,182,430
Private Real Estate	\$3,182,430
Fees	(\$9,432)
Gain or (Loss) - Gross	\$60,897
Gain or (Loss) - Net	\$51,465

The prices, quotes or statistics contained herein have been obtained from sources believed reliable, however, the accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

Breakdown of Returns
City of North Miami Beach Police & Fire Retirement Plan
As of December 31, 2012

HGK		Your Returns		Your Returns			
Large Cap. Value		Gross-of-Fees	Net-of-Fees	Russ 1000 Value	PSN Money Mgrs	S&P 500	
	Quarter	0.97	0.87	1.53	0.82	(0.38)	
	1 year	16.95	16.49	17.50	15.09	16.00	
	3 year	9.63	9.21	10.86	10.83	10.87	
	Since 3/31/2009	17.09	16.67	19.65	19.17	19.28	
Garcia Hamilton & Associates*							
Large Cap. Growth				Russ 1000 Growth	PSN Money Mgrs		
	Quarter	(1.68)	(1.79)	(1.33)	(0.31)		
	1 year	13.10	12.57	15.25	15.66		
	3 year	9.81	9.27	11.35	10.69		
	5 year	2.53		3.12	2.34		
	Since 9/30/2006	5.00		5.30	4.90		
GW Capital							
Small Cap. Value				Russ 2000 Value	PSN Money Mgrs		
	Quarter	5.77	5.59	3.23	3.22		
	1 year	19.63	18.78	18.05	17.47		
	3 year	13.28	12.47	11.57	13.74		
	Since 2/28/2009	25.69	24.86	23.83	NA		
MDT Advisers							
Mid Cap. Growth				Russ Mid Growth	PSN Money Mgrs		
	Quarter	1.76	1.56	1.69	5.39		
	1 year	19.97	19.05	15.80	26.94		
	3 year	20.18	19.25	12.91	12.87		
	Since 5/31/2009	24.24	23.32	18.08	NA		
Thornburg							
International Value				MSCI AC Wrl'd x US			
	Quarter	7.22	7.06	5.86			
	1 year	18.60	17.87	16.84			
	3 year	5.70	5.03	3.87			
	Since 9/30/2009	6.61	5.97	4.74			
Renaissance							
International Growth				MSCI AC Wrl'd x US			
	Quarter	3.75	3.59	5.86			
	1 year	11.82	11.12	16.84			
	3 year	3.37	2.71	3.87			
	Since 5/31/2009	8.75	8.10	9.32			
Garcia Hamilton & Associates*							
Fixed Income				BC Int. Gov/Credit	BC Int. Aggregate	90-Day T-Bill	
	Quarter	1.07	1.01	0.35	0.18	0.02	
	Fiscal YTD	1.07	1.01	0.35	0.18	0.02	
	1 year	9.71	9.44	3.90	3.55	0.08	
	3 year	6.85	6.58	5.19	5.22	0.09	
	5 year	7.54		5.18	5.39	0.33	
	Since 9/30/2006	7.59		5.49	5.64	1.16	
UBS Trumbull Property Fund							
Core Private Real Estate				NCREIF	ODCE		
	Quarter	1.94	1.64	2.54	2.35		
	Since 7/31/2012	4.51	4.20	4.94	5.19		

TOTAL RETURN					
Time-Weighted Return (TWR)					
				Policy Index	Composite Index
Quarter	1.24	1.13		1.12	1.12
Fiscal YTD	1.24	1.13		1.12	1.12
1 year	13.47	12.99		11.73	11.91
3 year	8.80	8.35		8.57	8.63
5 year	3.29	2.88		3.54	2.84
Since 9/30/2006	4.67	4.26		4.84	4.33
Dollar-Weighted Net (IRR)					
				Actuarial Rate	CPI + 4
Quarter		1.12		1.94	0.78
Fiscal YTD		1.12		8.00	0.78
1 year		12.91		8.00	5.66
3 year		8.40		8.00	5.97
5 year		3.20		8.00	5.73
Since 9/30/2006		4.43		8.00	6.07

Policy Index Composition

- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 35% BC Int G/C / 5% NCREIF for periods since 6/30/2012
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ Mid Growth / 10% MSCI AC Wd x US (net) / 40% BC Int G/C for periods from 9/30/2009 to 6/30/2012
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd x US (net) / 40% BC Int G/C for periods from 5/31/2009 to 9/30/2009
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 5% Russ 2000 Value / 5% Russ 2000 Growth / 10% MSCI EAFE (net) / 40% BC Int G/C for periods from 2/28/2009 to 5/31/2009
- 12.5% Russ 1000 Value / 27.5% Russ 1000 Growth / 5% Russ Mid Value / 5% Russ 2000 Growth / 10% MSCI EAFE (net) / 20% BC Int G/C / 20% BC Agg for periods prior to 2/28/2009

* Davis Hamilton Jackson originally managed the assets for the plan in a balanced (equity & fixed) account. In October 2008 (at the consultant's recommendation), the equity assets were transferred to a new account and the fixed income assets were retained in the original account. The returns listed above for large growth equity and fixed income are the returns achieved in those asset classes since 9/30/2006, however, the 1 year and since inception returns differ from those shown in the report detail. The detailed report for large cap growth only shows performance since 10/31/2008 when the equity securities were transferred to the second account. The fixed income detailed report shows performance back to 9/30/2006; however, the 1 year and since inception returns shown on that report include the equity returns along with the fixed income returns. The index shown on the fixed income detailed report has been adjusted to correspond with the combination of both equity and fixed income returns for the longer-term time periods.

February 22, 2013

Mr. Robert Sugarman
Sugarman & Susskind
100 Miracle Mile, Suite 300
Coral Gables, FL 33134

RE: Firefighters 9.5% Increase

Dear Robert:

The purpose of this letter is to address a potential issue regarding the payment of the 9.5% one-time benefit increase granted to firefighters per Ordinance No. 2002-31.

Background

Per Ordinance No. 2002-31, effective October 1, 2001 all former firefighters or beneficiaries of former firefighters were granted a one-time 9.5% increase in benefit. The increase in benefit is to be paid on a monthly basis as long as the portion of the accrued liability attributable to former firefighters is fully funded. In particular the Ordinance and Section 6.01(d) of the Plan Document state:

"Payment of this increase will cease at any time that the Retirement Plan assets attributable to former firefighters are insufficient to provide for all Accrued Benefits expected to be paid to former firefighters and their beneficiaries."

Potential Issue

It appears that the 9.5% increase has been paid through excess premium tax, even though prior actuarial reports show that the allocated value of assets for firefighters is less than the accrued liability of firefighters. However, it should be noted that an allocation method was used to determine the assets for firefighters as the actual market value of assets has not been tracked separately. Also, the method for determining the liabilities and assets attributable to firefighters is not specified in the Ordinance. If, for example, assets and liabilities were allocated on a plan termination basis, it may be argued that the firefighter liabilities are 100% funded, as it is required that benefits for retirees are funded first in such an event.

Review of correspondence from the plan's actuary suggests that past administrative practice may have been the actual intent of the Board of Trustees. In particular, we have attached an email from November 10, 2008 to Kari Szabo and a letter to Marty Lebowitz on December 18, 2008.

Conclusions

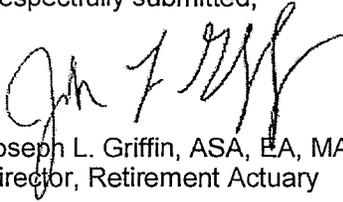
Our recommendation would be to revise the plan documentation to be consistent with past administrative practice. Such a revision would specify that the 9.5% increase will be paid with additional premium tax revenues to the extent that the revenues are available. Any additional revenues are to be distributed as a Supplemental Retirement Benefit per Ordinance 2006-7.

Mr. Robert Sugarman
February 22, 2013
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It should be noted that if it is determined that the 9.5% increase should not have been paid, then the additional premium tax revenues used to pay for the 9.5% increase will become available for distribution as a Supplemental Retirement Benefit. This would reallocate the way excess state contributions are distributed amongst the retired firefighters.

Please feel free to contact us if you have any questions.

Respectfully submitted,



Joseph L. Griffin, ASA, EA, MAAA, FCA
Director, Retirement Actuary

JLG:cj
Enc.

Copy to: Marty Lebowitz

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Lebowitz, Martin

From: Tom Lowman [TLowman@boltonpartners.com]
Sent: Monday, November 10, 2008 2:23 PM
To: Kari Szabo
Cc: Lebowitz, Martin; Jeffrey A. DeLisle
Subject: City of North Miami Beach - Use of State money
Attachments: State money.xls

Kari,

On Thursday I have my NMB trustees meeting. I was asked to bring information on how much state money there is to spend. Please check the attached calculations. You might need to have our 2/27/08 letter handy. I think the answer is the following:

All of the money that came in for the Police (\$273,052) will be used to reduce the City's contribution.

The Fire money is more complicated. The first issue is what money to count. First we start with the prior practice of looking at money that arrives by 9/30/08). We have \$272,418 plus \$168,630. There was also \$659 carried over from the prior year. We would normally reduce this by the \$155,242 base amount to get a net amount to allocate of \$286,465. However there are three more steps.

First some of the \$155,242 was to provide a 2% COLA to certain retirees. This should cost about \$100,000. However, the proposed ordinance will end additional 2% COLAs and this \$100,000 will be added to the funds used to provide lump sums.

Second, the 9.5% COLA will continue to be paid. The pay-as-you-go cost needs to come out before we pay lump sums. This should be about \$56,000.

The proposed law would also move the calculation to a calendar year basis. Therefore the Supplemental Fire contribution of \$213,825 received last month needs to be included. While not clear, for now I would suggest backing out \$155,242 from this amount which I will deem to be needed to be held back for FY10. We need to think about how to align the State money with when it is credited to reduce the City's contribution and fund the 9.5% COLA.

So roughly the amount available for lump sums will be $\$286k + \$100k - \$56k + (\$213K - \$155k) = \$388k$. I assume that some of this will go toward the overpayments.

Thomas Lowman
Bolton Partners, Inc
575 S. Charles Street
Suite 500
Baltimore, MD 21201
443.573.3909 Direct
410.685.1924 Fax

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**BOLTON
PARTNERS, INC.**

December 18, 2008

Mr. Martin Lebowitz
17011 NE 19th Ave.
Room #428
North Miami Beach, Florida 33162

*RE: City of North Miami Beach Police and
Fire Retirement Plan*

Dear Marty:

Attached is a calculation of the money available for the new Firefighter Share payments. I would like you to review this calculation to see if you agree with it or would like it done differently. While this is related to the allocation file I sent you on Tuesday, it requires a separate review. For example, Tuesday's file gets to the question of how much will be allocated to cover past overpayments. Today's determinations are more focused on what to do since we are moving from a fiscal year to a calendar year allocation of State money. The basic issues are the same as noted in my November 10th email to Kari.

Below is a description of the calculations, done in the worksheet. Unresolved issues are addressed towards the end of the description.

First, we recognize \$441,048 of State money that came in during the period 10/1/07 through 9/30/08 (regular contributions of \$272,418 and supplemental contributions of \$168,630).

Second, we add \$659 of excess money carried over from last year.

Third, we back out the "Base" amount of \$155,242. This leaves a balance of \$286,465.

Next we add back in \$105,681 of the Base amount, which would have been used to provide a 2% COLA to certain retirees except for the proposed change to the Ordinance. This money will now be used for the share plan and not for a COLA.

Next we back out money for the 9.5% increase that was granted back on 10/1/2001. This annuity will continue to be funded on a year-to-year basis using excess funds. If there are no excess

Bolton Partners, Inc.

575 S. Charles Street • Suite 500 • Baltimore, Maryland 21201 • (410) 547-0500 • (800) 394-0263 • fax (410) 685-1924
Actuarial, Benefit and Investment Consultants

Mr. Martin Lebowitz
December 18, 2008
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Funds, the payment will stop. I will assume that the money we are taking out (\$56,295) will cover payments from 10/1/08 to 9/30/09¹. This leaves us with \$335,851.

The proposed ordinance moved the calculation to a calendar year basis. This means that the \$213,825 from the State (received in October 2008) needs to be included. There will likely be another State payment received between 1/1/09 and 9/30/09. However, once the \$213,825 is included it raises two issues.

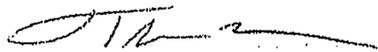
- The first is whether to remove the \$56,295 cost for the 9.5% COLA that will be paid during the period 10/1/09 to 9/30/2010.
- The second is whether the next \$155,242 base amount should be removed or perhaps the \$155,242 base amount less the cost of the 2% COLA.

We leave this up to others to decide. Our recommendation is to reduce the balance by another \$155,242. This will also be enough to cover the 9.5% increase. If you do this, we will be left with \$394,434 to allocate for this January. The worksheet we sent you yesterday used something like the \$335,851 amount, since we were not sure what to do with the extra funds.

Please let me know if you need anything else. I can be reached at 443-573-3909.

Sincerely,

BOLTON PARTNERS, INC.



Thomas Lowman, FSA

TL/tlc
Enclosure

¹ The first increase which started 10/1/2001 was funded from State money received between 10/1/2000 and 9/30/2001.

Bolton Partners, Inc.

State Money from 10/07 to 9/08	\$ 272,418
State Money from 10/07 to 9/08	\$ <u>168,630</u>
Total	\$ 441,048
Carry Over From Last Year	\$ <u>659</u>
	\$ 441,707
Base Amount given to City	\$ <u>(155,242)</u>
	\$ 286,465
Cost of 2% COLA	\$ 105,681
Pay-go cost for 9.5% COLA	\$ <u>(56,295)</u>
	\$ 335,851
State Money received in Oct. 2008	\$ 213,825
Second Base amount (FYE 9/09)	\$ <u>(155,242)</u>
	\$ 394,434