



November 30, 2011

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Mr. Roger D. Wittenberg
Finance Director
City of Key West
626 Josephine Parker Drive, Ste. 201
Key West, FL 33040

**Subject: City of Key West Police Officers' and Firefighters' Retirement Plan
Funding Requirement for Plan Year Ending September 30, 2011**

Dear Roger:

We have determined the required City contribution for plan/fiscal year October 1, 2010 through September 30, 2011.

The City's and State (Chapter 175 and Chapter 185) minimum required contribution for the fiscal year ending **September 30, 2011**, as determined in our October 1, 2010 Actuarial Valuation, was **29.9%** of the actual pension Basic Compensation for the October 1, 2010 through September 30, 2011 plan year. Chapter 175 contributions of **\$271,783** (actual distribution amount), Chapter 185 contributions of **\$141,975** (actual distribution amount), and Supplemental Chapter 175 contributions of **\$54,557** (adjusted base amount) for a total of **\$468,315** were used to help meet the funding requirement. The following are details of our final calculation of the City's funding requirement for the October 1, 2010 through September 30, 2011 plan/fiscal year, **with the payroll information provided by the City:**

- Total employee contributions made for the October 1, 2010 through September 30, 2011 plan/fiscal year: **\$672,033**
- Actual covered pension Basic Compensation for the October 1, 2010 through September 30, 2011 plan/fiscal year: **$\$672,033 / 0.07 = \$9,600,471$**
- City and State minimum required contributions for the October 1, 2010 through September 30, 2011 plan/fiscal year: **$\$9,600,471 \times 29.9\% = \$2,870,541$**
- With the total limited State contributions under the rules of Chapter 175, the required City contribution for the October 1, 2010 through September 30, 2011 plan/fiscal year was: **$\$2,870,541 - \$468,315$ (Total Chapter distributions) = $\$2,402,226$**

If you should have any questions, please let us know.

Sincerely,

Donald A. DuLaney, Jr., A.S.A.
Senior Consulting Actuary

cc: Mr. Tim Fahey
Stu Kaufman, Esq.
Mr. Clement Johns
Ms. Susy Pita