



THE SEGAL COMPANY
2018 Powers Ferry Road, Suite 850 Atlanta, GA 30339-5003
T 678.306.3100 F 678.306.3190 www.segalco.com

February 20, 2013

Mr. Randy Logan
Employee Benefits Counselor
Georgia Municipal Association
201 Pryor Street, SW
Atlanta, Georgia 30303

RE: Benefit Study for the City of Smyrna

Dear Randy,

As requested, we have completed the cost study for the City of Smyrna. The attached summary contains the following results:

- 1) Bring newly Elected Officials into the "New Plan" in effect from July 1, 1999 until April 1, 2010. This change affected four current Elected Officials.
- 2) Change vesting period for employees in Grade 24 and higher to five-year cliff vesting. This change affected 14 participants as of January 1, 2013. In addition, there were two participants hired after January 1, 2013 and three open posts for which this change applies.

We were provided with lists of newly eligible Elected Officials and those participants eligible for the five-year cliff vesting. Otherwise, the data, financial information, and plan provisions for the January 1, 2013 valuation were used to develop these results.

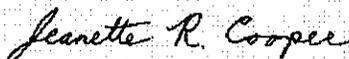
When determining the Recommended Contribution, the total level dollar amortization is adjusted, if necessary, to be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In this case, the 10-year amortization applies.

If you have any questions or need additional information please let us know.

Sincerely,



Leon F. (Rocky) Joyner, Jr., FCA, ASA, MAAA, EA
Vice President and Actuary



Jeanette R. Cooper, FSA, FCA, MAAA, EA
Vice President and Actuary

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City of Smyrna
Benefit Studies
Summary of Results

	<u>Current Plan</u>	<u>Add New Elected Officials</u>	<u>Cumulative Changes 5-Year Vesting for Grade 24+</u>
<u>Current Recommended Contribution</u>			
Recommended Contribution as of January 1, 2013	\$2,219,117	\$2,219,117	\$2,219,117
Covered Payroll	\$16,090,802	\$16,090,802	\$16,090,802
% of Covered Payroll	13.56%	13.56%	13.56%

Impact of Benefit Improvement

Cost of Benefit Improvement	--	\$12,735	\$13,901
% of Covered Payroll	--	0.08%	0.08%

Total Plan Cost of Benefit Improvement

\$ Amount (Recommended Contribution + Cost of Benefit Improvement)	--	\$2,231,852	\$2,233,018
% of Covered Payroll	--	13.63%	13.64%

Funding Elements

Mid-year Normal Cost with Expenses	\$703,392	\$712,585	\$713,185
Actuarial Value of Assets	\$39,132,696	\$39,132,696	\$39,132,696
Actuarial Accrued Liability	\$49,237,503	\$49,259,166	\$49,262,849
Unfunded Actuarial Accrued Liability	\$10,104,807	\$10,126,470	\$10,130,153
Funded Ratio	79.48%	79.44%	79.44%