

**Merced County
Employees' Retirement Association**

Actuarial Review and Analysis as of June 30, 2010

April 6, 2011

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Summary of Results

This Actuarial Review and Analysis (Report) of the Merced County Employees' Retirement Association (MCERA, the Plan) has produced a significant increase in the recommended employer contribution rate. A summary of the status of the Plan is as follows:

	<i>June 30, 2009</i>	<i>June 30, 2010</i>
Plan Membership		
Active	2,190	2,038
Inactive	609	633
Receiving Benefits	1,711	1,826
Total	4,510	4,767
Average Pay	\$54,169	\$56,236
Assets (\$ millions)		
Market Value	\$375.6	\$416.5
Actuarial Value	\$ 488.3	\$ 513.5
Actuarial Value (excluding Interest Fluctuation Reserve)	\$ 488.3	\$ 513.5
Valuation Assets	\$483.1	\$509.6
Valuation Results (\$ millions)		
Actuarial Accrued Liability (AAL)	\$809.7	\$930.8
AAL – Including Non-Valuation Liabilities	\$813.6	\$934.0
Unfunded Accrued Liability (UAAL)	\$326.5	\$421.3
Funding Ratio (Valuation)	59.7%	54.7%
Funded Ratio (Market, Valuation)	45.9%	44.7%
Funded Ratio (Actuarial, Including Non-Valuation Liabilities/Reserves)	60.0%	55.0%
Funded Ratio (Inactive-Only)	58.8%	61.2%
Employer Contribution Rate	30.23%	36.14%
Expected Employer Contributions	\$34.8	\$41.7

The recommended employer contribution rate has increased by about 6% of active member payroll. The benefit provisions of the Plan remained unchanged from the prior valuation. The increase in the contribution rate over the past year was the net result of several factors:

- The demographic experience of the Plan – rates of retirement, disability, termination, and death – was less positive than was assumed in the actuarial assumptions. Consequently, the net effect of demographic changes was an increase in cost.

- Salaries for continuing active Plan members were greater than expected, increasing the cost as a percentage of payroll.
- New entrants joined the Plan to replace terminating and retiring members, increasing covered payroll and the contribution rate.
- The contributions rates (as a percentage of payroll) have increased due to a decline in the payroll base over which the unfunded liability is amortized.
- Costs increased due to lower than expected returns on actuarial (smoothed) value of Plan assets, caused by the recognition of deferred investment losses from prior years. This was compounded by the cost impact of the one year delay in application of actuarial contribution rates and the prior underestimation of the employer rates.
- The Board approved the implementation of new demographic and economic assumptions as part of the Experience Study covering the period from July 1, 2007 through June 30, 2010. The overall impact of the new assumptions was a substantial increase to the employer and employee contribution rates.
- The Board elected to retain the prior year's amortization period of 18 years for the current valuation, resulting in a reduction in the current employer contribution rate.

There are a number of factors that can be expected to impact costs in the future:

- The liabilities and contribution rates determined in this Valuation are based on a set of actuarial assumptions. Despite the care and effort expended in determining the most accurate possible set of assumptions, the future experience of the Plan will certainly differ from what we assume. As a result, actuarial gains or losses will occur annually, and the employer contribution rate will fluctuate.
- There are investment losses that are deferred by the actuarial smoothing method and not included in the actuarial value of assets used to determine the employer contribution rate. The ratio of the actuarial value of Plan assets to the market value is 122%; that means that about 22% of Plan actuarial assets are in fact losses that have yet to be recognized. This is likely to cause cost increases over the next few years as these losses are recognized in the actuarial value of assets.
- Based on the assumptions and cost method, Plan assets are currently below the target level of assets determined by the cost method; consequently, there is an unfunded actuarial accrued liability. As a result, the employer contribution consists of two components: The normal cost and the amortization of the unfunded actuarial accrued liability.

The employer normal cost of 8.2% of payroll represents the cost of the additional benefits earned each year by active Plan members. The balance of the employer contribution rate represents the amortization of the unfunded liability, which is a payment designed to bring the Plan's assets up to the target level set by the actuarial cost method.

Purpose of the Report

This Report presents the results of an actuarial review and analysis of the Merced County Employees' Retirement Association as of June 30, 2010. The purposes of this Report are:

- To review the experience of the Plan over the past year and to discuss reasons for changes in Plan cost;
- To compute the annual contribution required to fund the Plan in accordance with actuarial principles;
- To discuss and project any emerging trends in Plan costs; and
- To present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

Organization of the Report

This Report is organized in five sections:

- This Summary presents the conclusions of the Report and discusses the reasons for changes since the last valuation.
- Section 1 below contains an outline of the Plan provisions on which our calculations are based, statistical data concerning Plan participants, and a summary of the actuarial assumptions used to compute liabilities and costs. A glossary of actuarial terms is also included.
- Section 2 presents information concerning Plan assets, including balance sheets and income statements from June 30, 2009 to June 30, 2010. The actuarial value of Plan assets is also computed in this Section.
- Section 3 contains the calculation of actuarial liabilities and the employer contribution rate, as well as the actuarial balance sheet and development of gain and loss.
- Section 4 contains pension plan information required under Statement No. 25 of the Governmental Accounting Standards Board.
- The Appendices contains employee and employer contribution rates by Group, Class and Tier, as well as additional information necessary for completing the Plan's Comprehensive Annual Financial Report (CAFR).

Change in Plan Cost from June 30, 2009 to June 30, 2010

The table below summarizes the impact of actuarial experience and changes in assumptions and funding policy on Plan cost, starting from the results as of June 30, 2009.

	<i>Employer Cost</i>	<i>Employer Contribution Rate (% Payroll)</i>
June 30, 2009	\$34,760,261	30.23%
Change in Cost Due to:		
Demographic Experience during 2009-2010	1,485,861	1.01%
Salary Experience during 2009-2009	890,121	0.55%
New Entrants to the Plan	773,273	0.26%
Investment Experience during 2009-2010	800,716	0.71%
Impact of 12-month delay in contribution rates and contribution shortfall	454,548	0.40%
Amortization Payroll	0	1.59%
Demographic Assumption Changes from Experience Study	4,778,804	3.06%
Economic Assumption Changes from Experience Study	1,215,135	1.33%
New Employee Contribution Rates	(2,133,090)	(1.85%)
18-Year Rolling Amortization	(1,327,861)	(1.15%)
Total Cost as of June 30, 2010	\$41,697,768	36.14%

The changes affecting the cost from 2009 through 2010 are described below:

- Demographic experience caused an increase in the contribution rate.

The actual demographic experience of the Plan – rates of retirement, death, disability, and termination, as well as other factors, such as sick leave credit and cost of living assumptions – was less positive than was predicted by the actuarial assumptions in aggregate, producing actuarial losses and increase in the employer contribution rate of 1.01% of pay.

- Pay increases were higher than expected.

Increases in pay among active members during 2009-2010 were above those anticipated by the actuarial assumptions, increasing the cost as a dollar amount by almost \$0.9 million and by 0.55% as a percentage of payroll.

- New members entered the Plan.

Although the total number of active members in the Plan decreased by about 152 members from June 30, 2009 to June 30, 2010, there were approximately 89 new hires (or rehires) entering the Plan to replace departing members.

These new hires were not included in the prior valuation cost calculations. The impact of the new hires was to increase the employer contribution rate by 0.25% of payroll, and the addition of these new members increased member payroll by \$4.7 million, increasing the Plan cost in dollar terms by about \$0.8 million.

- The one year contribution rate delay and the shortfall in the FY2010 contribution caused a cost increase.

We have calculated the impact of the one year delay in the contribution rate (i.e. the use of the June 30, 2008 contribution rate for the computation of the FY2010 contribution) and the impact of the underestimation of the contribution rate due to improper prior calculations. Given that the amount actually contributed for FY2010 (\$29.1 million) was less than the actuarial cost (\$34.8 million), there was a loss. This phenomenon caused costs to increase by 0.40% of pay, or about \$0.5 million.

This type of loss will occur in any year in which the contribution rate has increased. Conversely, a decrease in the contribution rate will result in a gain in the following year.

- Changes in the payroll used to amortize the unfunded liability increased the cost as a percentage of payroll.

Under the level percentage of payroll amortization method that is currently part of the funding policy, the amortization payment is determined based on an assumption that total payroll will increase each year (by 4.5% under the assumptions in place as of the prior valuation). The amortization payment is recalculated each year, based on the unfunded liability determined as of the valuation date, and then divided by the current year projected payroll to compute the amortization amount as a percentage of pay.

If – as was the case this year – pay does *not* increase by the projected salary growth assumed in the amortization calculation, the amortization payment will be larger as a percentage of pay, though the dollar amount is the same. This increased the employer contribution rate by 1.59% of pay.

- Changes in the valuation assets produced an actuarial loss.

The return on the *market* value of assets was 12.7% (net of expenses) over the fiscal year 2010. The return on the *actuarial* value of assets was 7.02%. The return on the actuarial value of the *valuation assets* (excluding the non-valuation reserves) was 6.02%.

The higher return on the market value of assets (12.7% versus 7.0%) is a result of the delayed recognition of asset losses from prior years, and the deferral of the gains experienced in FY 2010.

Under the actuarial smoothing policy previously implemented by the Board, only 20% of the gains or losses occurring in a given year are recognized in that year – with the remaining portion recognized over the next four years at 20% per year.

The difference in the return on valuation assets versus the actuarial value (6% versus 7%) is a result of the impact of the small reserves - the Ad-hoc COLA reserve and the 401(h) reserve - that are not included in the valuation assets.

The actuarial assumption from the prior valuation provides that the valuation assets are assumed to earn 8.16% each year. Thus the lower-than-expected return of 6.02% on the valuation assets produced an actuarial loss that increased Plan costs by 0.71% of active member payroll, or about \$0.8 million.

The above sources of actuarial gains and losses combined to increase Plan cost by 4.52% of payroll from 2009 to 2010, or \$4.4 million. In addition to the gains and losses described above, there were several other changes that affected Plan cost:

- The Board approved the implementation of a number of assumption changes as part of the Experience Study covering the period from July 1, 2007 through June 30, 2010.

These changes included modifications to the demographic rates of retirement, termination and disability, reductions in the economic assumptions (assumed rates of inflation, payroll growth, investment return and post-retirement COLA growth), more conservative mortality assumptions, and the introduction of service-based merit pay increases.

The impact of the *overall* actuarial cost of the Plan was an increase of about 4.4% of payroll. However, under the '37 Act, the basic employee contribution rates must be recalculated anytime the economic, pay growth or mortality assumptions are changed. In addition, EFI has updated the COLA employee contribution rates for Tier 1 members as well, based on changes to the demographic and economic assumptions and a change to the methodology for determining the rates. Finally, the basic and COLA employee contribution rates have been adjusted to reflect the anticipated increase in final average compensation that results from terminal pay cashouts, including those resulting from the Ventura decision.

As a result, the average employee contribution rate increased by 1.85% of payroll. The employee contributions act as a direct offset to the employer contribution rate, so the net impact on the employer contribution rate from the changes to the actuarial assumptions and the employee contributions was an increase of 2.54%, or \$3.9 million.

- The amortization policy for the Plan's unfunded liability was changed.

At the Board's meeting on March 10th, 2011, the Board increased the current amortization period from 17 years to 18 years. The change in amortization policy reduced the overall current payment amount by 1.15% of payroll, or \$1.3 million. With a level percentage of pay amortization policy and

a period of 17 or more years, the amortization payment in the current year will be less than the interest on the unfunded amount – no payment towards “principal” is made. This is known as **negative amortization**.

The net impact of these changes to the assumptions, employee contributions and funding policy increased the current year employer contribution by 1.38% of payroll, or \$2.5 million.

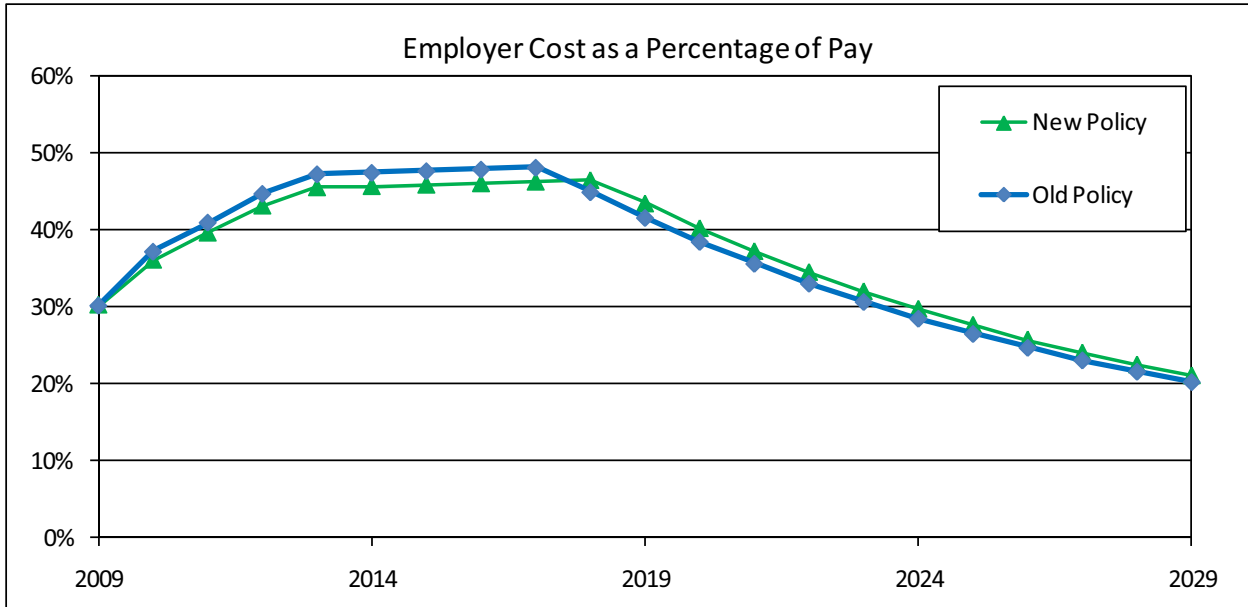
Future Trends

There are a number of factors that can be expected to impact costs in the future:

- The liabilities and contribution rates determined in this Report are based on a set of actuarial assumptions. Despite the care and effort expended in determining the most accurate possible set of assumptions, the future experience of the Plan will certainly differ from what we assume.
- There are investment losses that are deferred by the actuarial smoothing method and have not been recognized in the actuarial value of assets used to determine the employer contribution rate. The ratio of the actuarial value of Plan assets to the market value is now 122.3%; that means that over 22% of Plan assets (or approximately \$94 million) actually represent investment losses that have yet to be recognized. If the cost of the plan were determined using the market value of valuation assets (rather than the actuarial value), the cost of the Plan would increase by over 6% of pay, to over 42.3%, or \$48.8 million.

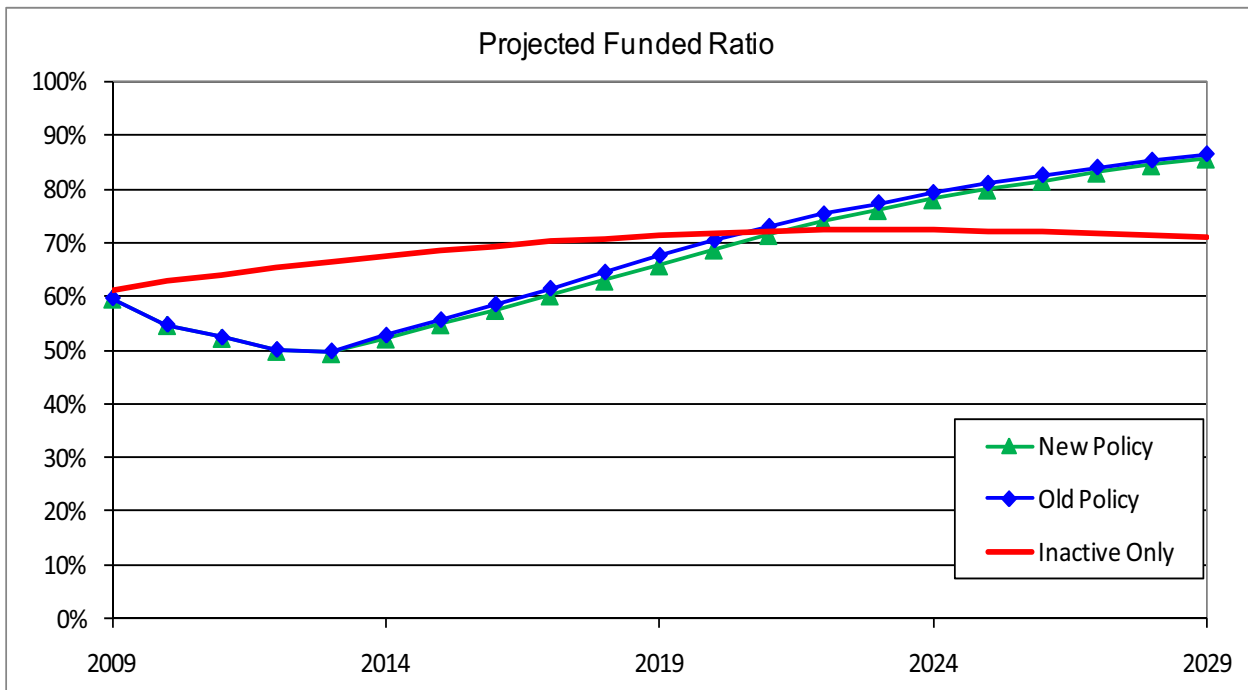
The graph below shows a projection of the actuarial employer cost of the Plan over the next 20 years. The projection labeled “Old Policy” is based on the funding policies in effect last year; with an amortization period of 18 years for 2009 and 17 years for 2010, declining by one each year until a minimum period of 10 years is reached. The “New Policy” projection uses the same actuarial assumptions, but uses an 18 year amortization period for 2009 and 2010, declining by one year until the minimum period of 10 years is reached. A 7.75% return on the market value of Plan assets is assumed for all future years.

We note in the graph that the assumed Plan cost increases over the next several years as the deferred losses from FY2009 are recognized, and then moves lower as the unfunded liability is amortized. The actual cost of the Plan in future years will be determined largely by the investment return produced on Plan assets.



The graph below shows a projection of the funded ratio using the smoothed valuation assets over the same time period, again assuming a 7.75% return on the market value of Plan assets for all future years and the same “New” and “Old” amortization policies.

The red line represents the portion of the total actuarial liability that is based on benefits for inactive participants only. Since the Plan’s funded ratio has dropped below the Inactive Funded Ratio, it indicates that no Plan assets have been set aside to fund future benefits for current active employees.



Actuarial Certification

In this study, we conducted an examination of all participant data for reasonableness and consistency. Actuarial funding is based on the Entry Age Normal Cost Method. Under this method, the employer contribution rate provides for current cost (normal cost) plus a level percentage of payroll to amortize the unfunded actuarial accrued liability (UAAL). As of the valuation date, the amortization period is 18 years.

The funding objective of the Plan is to accumulate assets during the working lifetime of each member so that, at retirement, sufficient assets will be on hand to provide the member the promised benefit. For actuarial valuation purposes, Plan assets are valued at Actuarial Value with adjustments for certain Special Reserves. Under this method, the assets used to determine employer contribution rates take into account market value by spreading all investment gains and losses (returns above or below expected returns) over a period of five years, limited by a corridor that restrains the Actuarial Value to within 30% of the Market Value of assets.

Our firm has prepared all of the schedules presented in the actuarial report. The actuarial assumptions were developed by the EFI and approved by the Board during the course of an analysis of experience which covered the period from July 1, 2007 through June 30, 2010. The assumptions used in the most recent valuation are intended to produce results that will reasonably approximate the anticipated future experience of the Plan. The next experience analysis is expected to cover the years 2010 through 2013.

We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, to the best of our knowledge the assumptions and methods used for funding purposes meet the parameters of the Governmental Accounting Standards Board Statement No. 25. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully Submitted,



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Section 1:

Summary of Plan Provisions, Member Statistics, and Actuarial Assumptions

1.1: Brief Outline of Plan Provisions

Definitions

Compensation

Compensation means the cash remuneration for services paid by the employer. It includes base pay and certain differential, incentive, and special pay allowances defined by the Board of Retirement. Overtime is excluded, with the exception of overtime paid under the Fair Labor Standards Act that is regular and recurring.

Credited Service

In general, Credited Service is earned for the period during which Member Contributions are paid. One year of service credit is earned for each 2,080 hours worked (not including overtime), not to exceed one year of service per year.

Temporary service for which the Member was not credited, or service for which the Member withdrew his or her Member Contributions, may be purchased by paying or repaying the Member Contributions with interest. The categories of services for which credit may be purchased are listed below:

- **Prior Part-time Service:** If a Member worked for an employer within the Association on a part-time or 'extra help' basis before his membership in the Retirement Association, the Member may buyback this service.
- **Intermittent Part-time Service**
- **Prior full time Service:** Member may buyback full time service that may have been cashed out upon termination.
- **Leave of Absence (Including absence with State Disability or Worker's Compensation):** No unpaid leave of absence can be bought back except for absence due to medical reasons of up to one year.
- **Public Service:** Members may purchase service credit for prior service in the following public agencies: Federal Civil Service, Military Service and some public employers in California. This service is only eligible for purchase when the Board of Supervisors opens the window for purchase.
- **Military Time:** Members who resign or obtain a leave of absence to enter the military may purchase service credit for the period of military service. Members must re-enter employment within one year of terminating military service to be eligible to purchase service.

At retirement, Members have the option to convert 100% of sick leave time into retirement years of service credit. Unrepresented management will instead have some or all of their sick leave contributed to the Post Employment Health Plan.

Final Compensation

For Tier 1 Members, Final Compensation means the highest average Compensation earned during any 26 consecutive pay periods of the Member's employment. For Tier 2 Members, Final Compensation means the highest average Compensation earned during any 78 consecutive pay periods of the Member's employment.

The following compensation may be included in the Final Compensation computation:

- Loyalty Bonus
- Up to 160 hours of vacation payoff
- Sick Leave sold back during 25th pay period
- Vacation sold back during 25th pay period (management only)

General Member

Any Member who is not a Safety Member is a General Member.

Public Service

During designated periods of time authorized by the County Board of Supervisors, Members may elect to purchase Public Service for time spent while employed in another recognized public agency. The public agency must have a reciprocal agreement with the Plan or be one of several specified municipalities, counties, special districts, or State and Federal agencies. Public Service cannot be purchased if it is used for eligibility for another pension.

The cost to purchase Public Service is twice the Member Contributions and interest applicable for the period of time purchased. Public Service is used to compute benefits, but does not count toward eligibility for benefits or vesting.

Safety Member

Any sworn Member engaged in law enforcement or as a probation officer is a Safety Member.

Membership

Eligibility

All full-time, permanent employees of Merced County and other participating employers become Members on their first date of service. Membership is mandatory; only elected officials and those entering employment at age 60 or older who are not reciprocal members of another system may choose not to participate.

Member Contributions

Each Member contributes a percentage of Compensation to the Plan through a pre-tax payroll deduction. The percentage contributed depends on the Member's age upon joining the Plan. Representative rates are shown in Table 1 below (full rate table in appendix). These rates have been updated since the prior valuation.

Members covered by Social Security have their contributions reduced by one-third on the first \$161.54 of biweekly Compensation. General Members who joined the Plan prior to March 7, 1973 and who have earned 30 years of Credited Service do not contribute; Safety Members do not contribute after earning 30 years of Credited Service.

Interest is credited semiannually to each Member's accumulated contributions. The crediting rate is set by the Board, and will fluctuate between zero and two percent less than the assumed rate of return (currently 7.75% - 2.00% = 5.75%), based in part on the investment earnings during that period.

Table 1 (a): General Member Contribution Rates

Entry Age	Basic Rate – Tier 1		Basic Rate – Tier 2		Cost of Living Rate – Tier 1	
	1 st \$350/month	Over \$350	1 st \$350/month	Over \$350	1 st \$350/month	Over \$350
20	4.40%	6.59%	4.06%	6.08%	1.30%	1.95%
25	4.98%	7.47%	4.60%	6.90%	1.42%	2.13%
30	5.66%	8.49%	5.22%	7.83%	1.57%	2.36%
35	6.41%	9.62%	5.86%	8.79%	1.78%	2.67%
40	6.98%	10.47%	6.32%	9.47%	1.93%	2.89%
45	7.34%	11.00%	6.64%	9.96%	2.02%	3.04%
50	7.76%	11.64%	6.98%	10.47%	1.98%	2.97%

Table 1 (b): Safety Member Contribution Rates

Entry Age	Basic Rate – Tier 1		Basic Rate – Tier 2		Cost of Living Rate – Tier 1	
	1 st \$350/month	Over \$350	1 st \$350/month	Over \$350	1 st \$350/month	Over \$350
20	5.36%	8.04%	4.92%	7.39%	2.65%	3.98%
25	5.96%	8.94%	5.47%	8.21%	2.82%	4.24%
30	6.66%	9.98%	6.11%	9.17%	2.97%	4.45%
35	7.40%	11.10%	6.70%	10.05%	2.95%	4.42%
40	7.85%	11.78%	7.11%	10.66%	2.96%	4.43%
45	8.25%	12.37%	7.35%	11.03%	3.05%	4.58%
50	8.19%	12.29%	7.84%	11.76%	3.04%	4.56%

Service Retirement

Eligibility

Tier 1 General Members are eligible to retire at age 50 if they have earned ten years of Credited Service. Alternatively, General Members are eligible to retire at any age after having earned 30 years of Credited Service, or upon reaching age 70 with no service requirement. Members hired prior to December 31, 1978 may retire upon reaching age 65 with no service requirement.

Tier 2 General Members are eligible to retire at age 55 if they have earned ten years of Credited Service or upon reaching age 70 with no service requirement.

Safety Members are eligible to retire at age 50 if they have earned ten years of Credited Service. Alternatively, Safety Members are eligible to retire at any age after having earned 20 years of Credited Service, or upon reaching age 70 with no service requirement. Members hired prior to December 31, 1978 may retire upon reaching age 65 with no service requirement.

Benefit Amount

The Service Retirement Benefit payable to the Member is equal to the Member's Final Compensation multiplied by credited service, the benefit factor from Table 2 and the age factor from Table 3 corresponding to the Member's code section. The appropriate code sections for each group are listed in Table 2. For General members in the Merced County Cemetery District and those in Deferred Inactive Reciprocity status prior to March 15, 2005, benefits are calculated using the formula in Government Code Section 31676.11 or 31676.1.

For all Members, the percentage of Final Compensation may not exceed 100%. For those members integrated with Social Security, Retirement Benefits based on the first \$350 of monthly Final Average Compensation are reduced by one-third.

Table 2: Member Group Descriptions

Group	Open or Closed	FAP	Max COLA	Code Section	Description	Top	
						Retirement Factor	Age Benefit Factor
General Tier 1	Closed ¹	1	3	31676.17	3% at 60	60	3.00%
General Tier 2	Open	3	0	31676.17	3% at 60	60	3.00%
Safety Tier 1	Closed ¹	1	3	31664.1	3% at 50	50	3.00%
Safety Tier 2	Open	3	0	31664.1	3% at 50	50	3.00%

Table 3: Age Factors

Age	Safety	General	General
	3% at Age 50 CERL §: 31664.1	3% at Age 60 CERL §: 31676.17	2% at Age 58 ½ CERL §: 31676.11
41.00	0.6258	N/A	N/A
42.00	0.6625	N/A	N/A
43.00	0.7004	N/A	N/A
44.00	0.7397	N/A	N/A
45.00	0.7805	N/A	N/A
46.00	0.8226	N/A	N/A
47.00	0.8678	N/A	N/A
48.00	0.9085	N/A	N/A
49.00	0.9522	N/A	N/A
50.00	1.0000	1.0000	0.7454
51.00	1.0000	1.0500	0.7882
52.00	1.0000	1.1000	0.8346
53.00	1.0000	1.1500	0.8850
54.00	1.0000	1.2000	0.9399
55.00	1.0000	1.2500	1.0000
56.00	1.0000	1.3000	1.0447
57.00	1.0000	1.3500	1.1048
58.00	1.0000	1.4000	1.1686
59.00	1.0000	1.4500	1.2365
60.00	1.0000	1.5000	1.3093
61.00	1.0000	1.5000	1.3608
62.00	1.0000	1.5000	1.4123
63.00	1.0000	1.5000	1.4638
64.00	1.0000	1.5000	1.5153
65.00	1.0000	1.5000	1.5668

¹ Open for "A" Level management only.

Form of Benefit

The Service Retirement Benefit will be paid monthly beginning at retirement and for the life of the Member. If the member selects the unmodified benefit form, in the event of the Member's death 60% of the benefit will continue for the life of the Member's eligible spouse or domestic partner or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. To be eligible to receive this benefit, a surviving spouse or domestic partner must be married or state-registered at least one year prior to retirement. In the event there is no eligible surviving spouse, domestic partner or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

Service-Connected Disability

Eligibility

Members are eligible for Service-Connected Disability Retirement benefits at any age if they are permanently disabled as a result of injuries or illness sustained in the line of duty.

Benefit Amount

The Service-Connected Disability Retirement Benefit payable to Members is equal to the greater of 50% of their Final Compensation or – if the Member is eligible at disability for a Service Retirement Benefit – the Service Retirement Benefit accrued on the date of disability.

Members who return to work at a different position with lower pay may receive a Supplemental Disability Allowance that, when added to their new pay, may bring the Member's total income up to his or her pay prior to becoming disabled. The Supplemental Disability Allowance may not exceed the Service-Connected Disability Retirement benefit.

Form of Benefit

The Service-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement and for the life of the Member; in the event of the Member's death, 100% of the benefit will continue for the life of the Member's eligible spouse or domestic partner or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. In the event there is no eligible surviving spouse, domestic partner or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases above this figure are “banked” and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

Nonservice-Connected Disability

Eligibility

Members are eligible to for Nonservice-Connected Disability Retirement benefits if they are permanently disabled at any age after earning five years of Credited Service or after becoming eligible for a deferred vested benefit.

Benefit Amount

The Nonservice-Connected Disability Retirement Benefit payable to General Members is equal to the greatest of:

- 1.5% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.5% of Final Compensation at disability multiplied by years of Credited Service projected to age 65, but not to exceed one-third of Final Compensation
- If the Member is not eligible at disability for a Service Retirement Benefit, the 90% of the Service Retirement Benefit accrued on the date of disability; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Nonservice-Connected Disability Retirement Benefit payable to Safety Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 55, but not to exceed one-third of Final Compensation;
- If the Member is not eligible at disability for a Service Retirement Benefit, the 90% of the Service Retirement Benefit accrued on the date of disability; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

Members who return to work at a different position with lower pay may receive a Supplemental Disability Allowance that, when added to their new pay, may bring the Member's total income up to

his or her pay prior to becoming disabled. The Supplemental Disability Allowance may not exceed the Nonservice-Connected Disability Retirement benefit.

Form of Benefit

The Nonservice-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement, and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible spouse or domestic partner or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. In the event there is no eligible surviving spouse, domestic partner or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

Service-Connected Death

Eligibility

A Member's survivors are eligible to receive Service-Connected Death benefits if the Member's death resulted from injury or illness sustained in connection with the Member's duties.

Benefit Amount

The Service-Connected Death benefit payable to an eligible surviving spouse, domestic partner or minor children will be 50% of the Member's Final Compensation.

Furthermore, for Safety Members who die in the performance of duty, there will be an additional lump sum benefit of 12 months of pay at the time of death. An additional benefit of 25% of the above basic benefit will be paid for the first minor child, 15% for the second, and 10% for the third.

Form of Benefit

The Service-Connected Death Benefit will be paid monthly beginning at the Member's death and for the life of an eligible surviving spouse or domestic partner, or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than 3%.

Nonservice-Connected Death

Eligibility

A Member's survivors are eligible to receive Nonservice-Connected Death benefits if the Member's death arose from causes unrelated to the Member's duties.

Benefit Amount

In the event the Member had earned fewer than five years of Credited Service and has no or insufficient reciprocity service from another system, the Nonservice-Connected Death benefit will be a refund of the Member's accumulated contributions with interest plus a payment of one month of Final Compensation for each year of Credited Service, not to exceed six months.

In the event the Member had earned five or more years of Credited Service, the Nonservice-Connected Death benefit payable to an eligible surviving spouse, domestic partner or minor children will be 60% of the amount the Member would have received as a Nonservice-Connected Disability Retirement Benefit on the date of death.

Form of Benefit

For Members who had earned fewer than five years of Credited Service at death, the benefit will be paid as a lump sum.

For Members with five or more years of Credited Service, the Nonservice-Connected Death Benefit will be paid monthly beginning at the Member's death and for the life of an eligible surviving spouse or domestic partner or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than 3%.

Withdrawal Benefit

Eligibility

A Member is eligible for a Withdrawal Benefit upon termination of employment.

Benefit Amount

The Withdrawal Benefit is a refund of the Member's accumulated Contributions with interest. Upon receipt of the Withdrawal Benefit the Member forfeits all Credited Service.

Form of Benefit

The Withdrawal Benefit is paid in a lump sum upon election by the Member.

Deferred Vested Benefit

Eligibility

A Member is eligible for a Deferred Vested Benefit upon termination of employment after earning five years of Credited Service, including reciprocity service from another system. The Member must leave his or her Member Contributions with interest on deposit with the Plan.

Benefit Amount

The Deferred Vested Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service and Final Compensation on the date of termination.

Tables 2 and 3 are extended for service under ten years using benefit multipliers of one-fiftieth per year of Credited Service at age 50 (General) or 3% per year of Credited Service at age 50 (Safety), with adjustments for earlier or later retirement under Sections 31676.17 and 31664.1, respectively, of the County Employees Retirement Law of 1937.

Form of Benefit

The Deferred Vested Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible spouse or domestic partner or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. In the event there is no eligible surviving spouse, domestic partner or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

Reciprocal Benefit

Eligibility

A Member is eligible for a Reciprocal Benefit upon termination of employment and entry, within a specified period of time, into another retirement system recognized as a reciprocal system by the Plan. In addition, the Member must leave his or her Member Contributions with interest on deposit with the Plan.

Benefit Amount

The Reciprocal Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service on the date of termination and Final Compensation on the date of retirement; Final Compensation is based on the highest of the Compensation earned under this Plan or the reciprocal plan.

Form of Benefit

The Reciprocal Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible spouse or domestic partner or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. In the event there is no eligible surviving spouse, domestic partner or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit may be payable upon the death of a retired Member by the last system the Member worked under.

1.2: Participant Data as of July 1, 2010: Total Plan

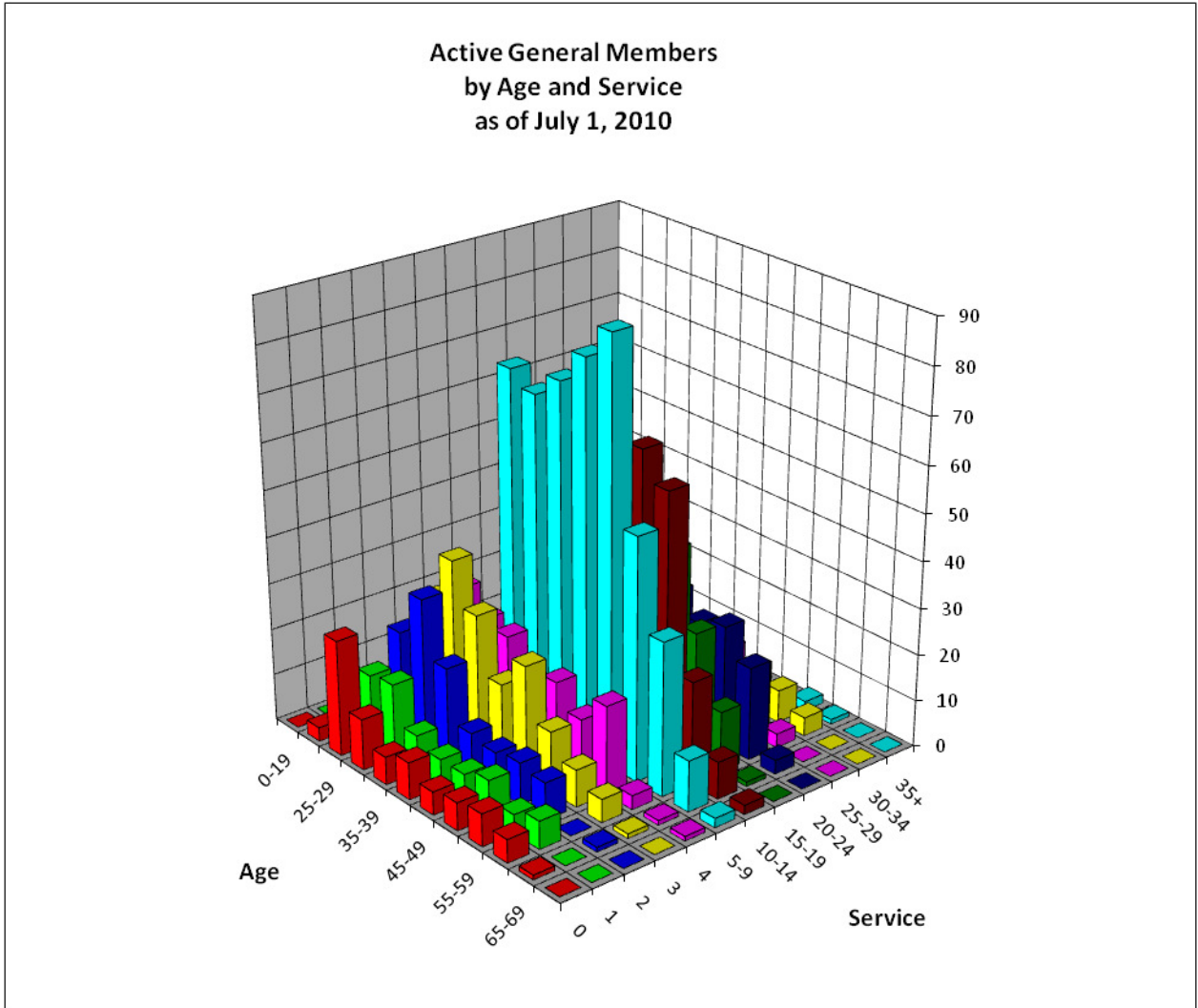
	<i>General</i>	<i>Safety</i>	<i>Total</i>
Active Participants			
Number	1,708	330	2,038
Average Age	45.26	36.83	43.90
Average Service	10.14	8.53	9.88
Average Pay	\$55,571	\$59,674	\$56,236
Service Retired			
Number	1,237	154	1,391
Average Age	69.11	64.21	68.57
Average Annual Total Benefit	\$24,908	\$36,803	\$26,225
Beneficiaries			
Number	207	50	257
Average Age	73.51	69.39	72.71
Average Annual Total Benefit	\$11,636	\$18,615	\$12,994
Duty Disabled			
Number	53	76	129
Average Age	66.95	59.71	62.68
Average Annual Total Benefit	\$20,128	\$27,705	\$24,592
Non-Duty Disabled			
Number	48	1	49
Average Age	65.83	63.84	65.79
Average Annual Total Benefit	\$13,512	\$13,855	\$13,519
Total Receiving Benefits			
Number	1,545	281	1,826
Average Age	69.52	63.91	68.66
Average Annual Total Benefit	\$22,612	\$31,025	\$23,907
Terminated Vested			
Number	217	12	229
Average Age	51.14	40.19	50.57
Average Service	10.04	10.08	10.04
Transfers			
Number	207	65	272
Average Age	49.20	42.08	47.50
Average Service	5.19	4.92	5.12
Funds on Account			
Number	118	14	132
Average Age	42.68	33.67	41.72
Average Service	1.45	1.14	1.42
Total Inactive			
Number	542	91	633
Average Age	48.55	40.54	47.41
Average Service	6.31	5.02	6.13

Participant Data as of July 1, 2010: General Members

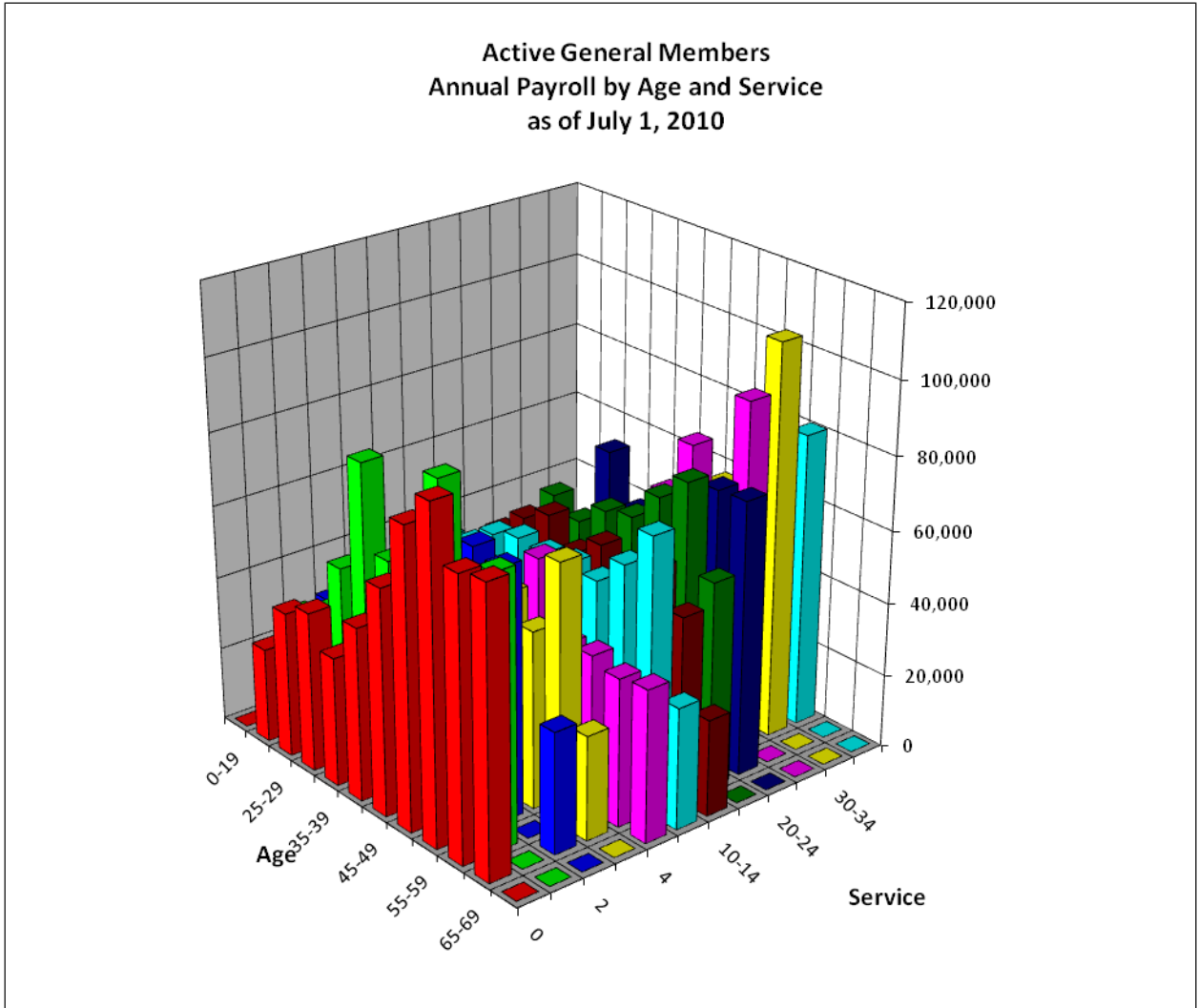
	<i>General Tier 1</i>	<i>General Tier 2</i>	<i>General Total</i>
Active Participants			
Number	330	1,378	1,708
Average Age	53.03	43.40	45.26
Average Service	21.62	7.39	10.14
Average Pay	\$70,032	\$52,108	\$55,571
Service Retired			
Number	1,162	75	1,237
Average Age	69.39	64.81	69.11
Average Annual Total Benefit	\$25,664	\$13,191	\$24,908
Beneficiaries			
Number	195	12	207
Average Age	74.96	49.99	73.51
Average Annual Total Benefit	\$11,865	\$7,908	\$11,636
Duty Disabled			
Number	49	4	53
Average Age	67.80	56.54	66.95
Average Annual Total Benefit	\$20,243	\$18,717	\$20,128
Non-Duty Disabled			
Number	42	6	48
Average Age	66.70	59.70	65.83
Average Annual Total Benefit	\$14,272	\$8,187	\$13,512
Total Receiving Benefits			
Number	1,448	97	1,545
Average Age	70.01	62.32	69.52
Average Annual Total Benefit	\$23,292	\$12,456	\$22,612
Terminated Vested			
Number	122	95	217
Average Age	54.31	47.07	51.14
Average Service	11.25	8.47	10.04
Transfers			
Number	91	116	207
Average Age	53.41	45.90	49.20
Average Service	6.80	3.92	5.19
Funds on Account			
Number	8	110	118
Average Age	61.42	41.31	42.68
Average Service	0.53	1.52	1.45
Total Inactive			
Number	221	321	542
Average Age	54.20	44.67	48.56
Average Service	9.03	4.45	6.31

Participant Data as of July 1, 2010: Safety Members

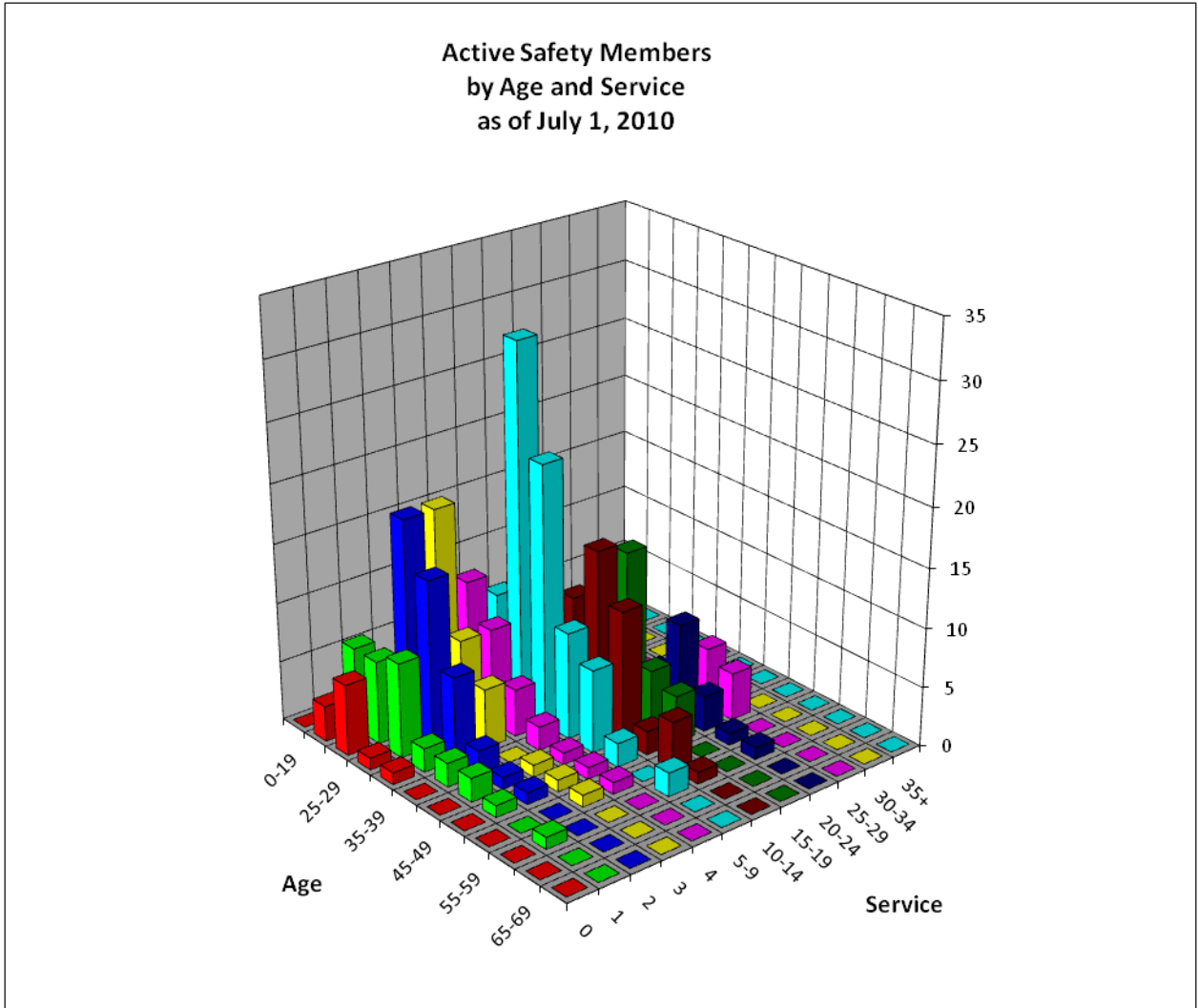
	<i>Safety Tier 1</i>	<i>Safety Tier 2</i>	<i>Safety Total</i>
Active Participants			
Number	65	265	330
Average Age	46.51	34.46	36.83
Average Service	19.40	5.87	8.53
Average Pay	\$76,126	\$55,639	\$59,674
Service Retired			
Number	152	2	154
Average Age	64.28	58.97	64.21
Average Annual Total Benefit	\$37,088	\$15,192	\$36,803
Beneficiaries			
Number	49	1	50
Average Age	70.00	39.34	69.39
Average Annual Total Benefit	\$18,825	\$8,311	\$18,615
Duty Disabled			
Number	69	7	76
Average Age	60.52	51.76	59.71
Average Annual Total Benefit	\$28,075	\$24,060	\$27,705
Non-Duty Disabled			
Number	1	0	1
Average Age	63.84	0.00	63.84
Average Annual Total Benefit	\$13,855	0	\$13,855
Total Receiving Benefits			
Number	271	10	281
Average Age	64.36	51.96	63.91
Average Annual Total Benefit	\$31,405	\$20,712	\$31,025
Terminated Vested			
Number	4	8	12
Average Age	47.74	36.42	40.19
Average Service	14.61	7.81	10.08
Transfers			
Number	31	34	65
Average Age	49.99	34.87	42.08
Average Service	6.13	3.81	4.92
Funds on Account			
Number	0	14	14
Average Age	0.00	33.67	33.67
Average Service	0.00	1.14	1.14
Total Inactive			
Number	35	56	91
Average Age	49.73	34.79	40.54
Average Service	7.10	3.72	5.02



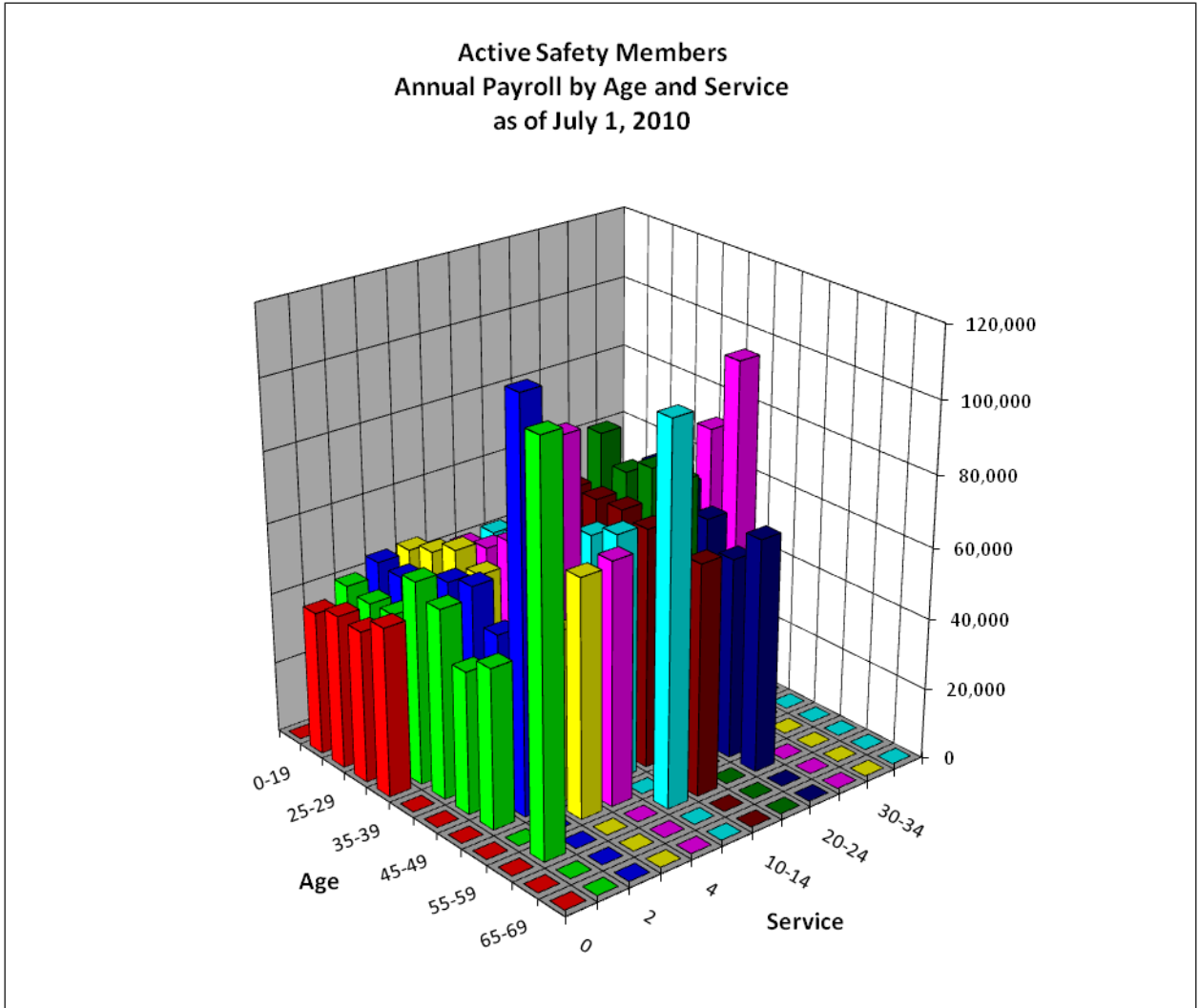
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	3	3	3	2	0	0	0	0	0	0	0	0	11
25-29	25	15	22	27	27	17	0	0	0	0	0	0	133
30-34	11	16	32	38	23	74	14	0	0	0	0	0	208
35-39	6	8	20	29	22	71	44	4	1	0	0	0	205
40-44	8	6	9	17	14	76	43	25	7	0	0	0	205
45-49	5	6	8	24	18	83	52	36	28	10	0	0	270
50-54	6	8	9	13	13	90	65	42	24	16	9	1	296
55-59	7	4	8	8	19	52	59	27	26	14	7	2	233
60-64	5	6	0	5	3	33	22	13	20	3	4	1	115
65-69	1	0	1	1	1	11	8	1	3	0	0	0	27
70+	0	0	0	0	1	2	2	0	0	0	0	0	5
Total	77	72	112	164	141	509	309	148	109	43	20	4	1,708



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	25,860	32,488	33,440	31,619	0	0	0	0	0	0	0	0	30,782
25-29	39,814	36,772	41,906	39,073	42,842	45,808	0	0	0	0	0	0	41,047
30-34	43,711	52,782	44,528	47,345	48,298	47,807	48,264	0	0	0	0	0	47,469
35-39	35,304	84,452	46,171	48,306	51,554	53,732	55,272	58,727	40,145	0	0	0	53,014
40-44	47,450	62,052	64,776	43,803	51,035	56,284	59,591	54,964	71,163	0	0	0	56,128
45-49	61,805	62,109	53,230	46,443	43,547	55,676	52,774	61,183	58,110	60,672	0	0	54,843
50-54	81,665	90,462	70,190	54,755	60,961	56,756	58,520	63,105	64,891	76,827	63,253	46,128	61,872
55-59	91,031	55,331	68,230	48,333	41,820	55,535	56,267	71,847	62,776	57,915	84,329	61,317	59,609
60-64	76,646	73,747	0	70,300	42,560	63,476	59,406	79,173	74,247	94,847	107,641	80,518	69,707
65-69	78,229	0	33,150	28,482	40,394	74,589	50,123	56,232	74,771	0	0	0	62,306
70+	0	0	0	0	41,520	33,149	26,384	0	0	0	0	0	32,117
Average	52,505	59,745	49,912	46,683	47,495	55,024	55,982	64,104	64,809	68,170	79,507	62,320	55,571



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	3	7	4	2	0	0	0	0	0	0	0	0	16
25-29	6	7	18	18	11	9	0	0	0	0	0	0	69
30-34	1	8	14	8	8	31	2	0	0	0	0	0	72
35-39	1	2	7	5	4	22	10	3	0	0	0	0	54
40-44	0	2	2	0	2	9	15	14	3	0	0	0	47
45-49	0	2	1	1	1	7	11	5	8	5	0	0	41
50-54	0	1	1	1	1	2	2	4	3	4	0	0	19
55-59	0	0	0	1	1	0	4	0	1	0	0	0	7
60-64	0	1	0	0	0	2	1	0	1	0	0	0	5
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	11	30	47	36	28	82	45	26	16	9	0	0	330



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	40,453	45,096	48,831	49,393	0	0	0	0	0	0	0	0	45,696
25-29	43,354	43,825	48,183	52,322	51,134	51,995	0	0	0	0	0	0	49,368
30-34	42,806	44,433	48,981	56,386	54,024	54,593	72,695	0	0	0	0	0	52,848
35-39	47,694	57,274	54,107	53,029	59,240	65,769	68,509	81,093	0	0	0	0	63,303
40-44	0	53,421	56,598	0	61,021	58,386	68,783	73,534	72,912	0	0	0	66,968
45-49	0	40,083	47,007	50,390	94,672	65,194	69,262	77,870	70,415	83,201	0	0	69,735
50-54	0	45,012	114,024	48,251	45,110	68,859	67,412	77,508	64,352	104,743	0	0	76,158
55-59	0	0	0	66,913	68,264	0	57,743	0	56,639	0	0	0	60,398
60-64	0	112,278	0	0	0	106,009	65,039	0	65,690	0	0	0	91,005
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Average	42,908	47,892	51,092	53,399	55,776	60,230	67,888	75,851	68,590	92,775	0	0	59,674

Changes in Plan Membership: All Groups

	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2009	2,190	283	118	208	50	129	1,290	242	4,510
New Entrants	85	0	0	0	0	0	0	0	85
Rehires	11	0	(4)	(1)	0	0	(2)	0	4
Duty Disabilities	(1)	0	0	0	0	1	0	0	0
Non-Duty Disabilities	(2)	0	0	0	2	0	0	0	0
Retirements	(110)	(15)	0	(16)	0	0	141	0	0
Dual Service Retirements	0	0	0	0	0	0	1	0	1
Vested Terminations	(34)	0	0	34	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	0	0	(19)	19	0
Died, Without Beneficiary, and Other Terminations	(42)	0	42	0	(2)	(2)	(20)	0	(24)
Transfers	(3)	5	(1)	(1)	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	(11)	(11)
Domestic Relations Orders	0	0	0	0	0	0	0	5	5
Withdrawals Paid	(56)	(1)	(17)	(1)	0	0	0	0	(75)
Data Corrections	0	0	(6)	6	(1)	1	0	2	2
July 1, 2010	2,038	272	132	229	49	129	1,391	257	4,497

Changes in Plan Membership: General

	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2009	1,848	212	106	195	49	54	1,152	196	3,812
New Entrants	75	0	0	0	0	0	0	0	75
Rehires	9	0	(4)	0	0	0	(2)	0	3
Duty Disabilities	0	0	0	0	0	0	0	0	0
Non-Duty Disabilities	(2)	0	0	0	2	0	0	0	0
Retirements	(99)	(9)	0	(16)	0	0	124	0	0
Retirements from Safety with General Service	0	0	0	0	0	0	1	0	1
Vested Terminations	(34)	0	0	34	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	(0)	0	0	0	0	0	(18)	18	0
Died, Without Beneficiary, and Other Terminations	(38)	0	38	0	(2)	(2)	(20)	0	(24)
Transfers	(3)	5	(1)	(1)	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	(10)	(10)
Domestic Relations Orders	0	0	0	0	0	0	0	2	2
Withdrawals Paid	(48)	(1)	(15)	(1)	0	0	0	0	(65)
Data Corrections	0	0	(6)	6	(1)	1	0	1	1
July 1, 2010	1,708	207	118	217	48	53	1,237	207	3,795

Changes in Plan Membership: Safety

	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2009	342	71	12	13	1	75	138	46	698
New Entrants	10	0	0	0	0	0	0	0	10
Rehires	2	0	0	(1)	0	0	0	0	1
Duty Disabilities	(1)	0	0	0	0	1	0	0	0
Non-Duty Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(11)	(6)	0	0	0	0	17	0	0
Retirements from Safety with General Service	0	0	0	0	0	0	0	0	0
Vested Terminations	0	0	0	0	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	0	0	(1)	1	0
Died, Without Beneficiary, and Other Terminations	(4)	0	4	0	0	0	0	0	0
Transfers	0	0		0	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	(1)	(1)
Domestic Relations Orders	0		0	0	0	0	0	3	3
Withdrawals Paid	(8)	0	(2)	0	0	0	0	0	(10)
Data Corrections	0	0	0	0	0	0	0	1	1
July 1, 2010	330	65	14	12	1	76	154	50	702

Service Retired

Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-29	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	0	\$0	0	\$0	0	\$0
40-44	0	\$0	0	\$0	0	\$0
45-49	0	\$0	4	\$35,708	4	\$35,708
50-54	46	\$25,728	18	\$41,843	64	\$30,261
55-59	161	\$30,709	29	\$39,997	190	\$32,127
60-64	264	\$31,872	43	\$37,697	307	\$32,688
65-69	271	\$24,065	24	\$31,168	295	\$24,643
70-74	179	\$22,305	20	\$37,099	199	\$23,792
75-79	143	\$18,543	6	\$37,660	149	\$19,312
80-84	75	\$19,466	5	\$27,825	80	\$19,989
85-89	66	\$15,545	3	\$28,724	69	\$16,118
90-94	25	\$19,444	2	\$24,794	27	\$19,840
95+	7	\$18,790	0	\$0	7	\$18,790
All Ages	1,237	\$24,908	154	\$36,803	1,391	\$26,225

Duty Disabled

Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-29	0	\$0	0	\$0	0	\$0
30-34	0	\$0	1	\$26,600	1	\$26,600
35-39	1	\$35,992	2	\$28,206	3	\$30,802
40-44	0	\$0	0	\$0	0	\$0
45-49	1	\$23,730	7	\$31,775	8	\$30,769
50-54	3	\$19,116	7	\$20,045	10	\$19,767
55-59	6	\$15,833	20	\$24,030	26	\$22,138
60-64	13	\$21,843	16	\$34,362	29	\$28,750
65-69	12	\$20,472	14	\$26,214	26	\$23,564
70-74	5	\$18,980	9	\$29,164	14	\$25,527
75-79	6	\$18,097	0	\$0	6	\$18,097
80-84	5	\$22,012	0	\$0	5	\$22,012
85-89	0	\$0	0	\$0	0	\$0
90-94	1	\$11,570	0	\$0	1	\$11,570
95+	0	\$0	0	\$0	0	\$0
All Ages	53	\$20,128	76	\$27,705	129	\$24,592

Non-Duty Disabled

Age	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-29	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	0	\$0	0	\$0	0	\$0
40-44	2	\$11,965	0	\$0	2	\$11,965
45-49	2	\$14,669	0	\$0	2	\$14,669
50-54	1	\$20,383	0	\$0	1	\$20,383
55-59	8	\$15,602	0	\$0	8	\$15,602
60-64	7	\$12,566	1	\$13,855	8	\$12,727
65-69	9	\$10,829	0	\$0	9	\$10,829
70-74	12	\$13,789	0	\$0	12	\$13,789
75-79	6	\$15,556	0	\$0	6	\$15,556
80-84	0	\$0	0	\$0	0	\$0
85-89	1	\$5,856	0	\$0	1	\$5,856
90-94	0	\$0	0	\$0	0	\$0
95+	0	\$0	0	\$0	0	\$0
All Ages	48	\$13,512	1	\$13,855	49	\$13,519

Surviving Beneficiaries (all benefit types)

Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	1	\$15,642	1	\$15,425	2	\$15,533
25-29	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	2	\$1,527	1	\$8,311	3	\$3,788
40-44	2	\$7,772	0	\$0	2	\$7,772
45-49	6	\$10,644	1	\$35,576	7	\$14,205
50-54	14	\$10,309	2	\$11,321	16	\$10,435
55-59	7	\$12,512	4	\$17,329	11	\$14,263
60-64	17	\$13,410	12	\$19,287	29	\$15,842
65-69	18	\$11,351	6	\$15,799	24	\$12,463
70-74	35	\$13,373	5	\$22,736	40	\$14,544
75-79	33	\$13,119	7	\$22,209	40	\$14,710
80-84	29	\$12,151	4	\$20,861	33	\$13,207
85-89	28	\$8,343	3	\$14,541	31	\$8,943
90-94	11	\$9,110	3	\$16,508	14	\$10,695
95+	4	\$14,788	1	\$7,492	5	\$13,329
All Ages	207	\$11,636	50	\$18,615	257	\$12,994

Benefit Form Elections

	General Tier 1	General Tier 2	Safety Tier 1	Safety Tier 2	Total
Service Retired					
Unmodified (No Continuance)	267	29	13	0	309
Unmodified (60% to Spouse)	645	32	96	1	774
Option #1 (Cash Refund)	39	3	1	0	43
Option #2 (100% Continuance)	91	6	17	0	114
Option #3 (50% Continuance)	17	2	2	1	22
Option #4 (Multiple Survivors)	1	0	0	0	1
Unmodified (No Continuance) w/SS	27	2	4	0	33
Unmodified (60% to Spouse) w/SS	69	0	19	0	88
Option #1 (Cash Refund) w/SS	4	0	0	0	4
Option #2 (100% Continuance) w/SS	2	1	0	0	3
Option #3 (50% Continuance) /SS	0	0	0	0	0
Total Service Retirement	1,162	75	152	2	1,391
Non-Duty Disability					
Unmodified (No Continuance)	17	3	0	0	20
Unmodified (60% to Spouse)	22	3	1	0	26
Option #1 (Cash Refund)	0	0	0	0	0
Option #2 (100% Continuance)	0	0	0	0	0
Option #3 (50% Continuance)	3	0	0	0	3
Total Non-Duty Disability	42	6	1	0	49
Duty Disability					
Unmodified (No Continuance)	13	2	10	1	26
Unmodified (60% to Spouse)	31	2	51	6	90
Option #1 (Cash Refund)	3	0	5	0	8
Option #2 (100% Continuance)	1	0	2	0	3
Option #3 (50% Continuance)	1	0	1	0	2
Total Duty Disability	49	4	69	7	129
Total	1,253	85	222	9	1,569

Retirement Eligibility

Plan	<u>Number of Actives Reaching Retirement Eligibility in Year(s)</u>								Total, Years 0 - 10
	Total Current Actives	Eligible	1	2	3	4	5	6-10	
General Tier 1	330	221	12	25	11	17	8	29	323
General Tier 2	1,378	94	46	51	46	44	57	286	624
Safety Tier 1	65	33	7	2	4	3	8	8	65
Safety Tier 2	265	9	0	1	5	7	7	44	73
Total	2,038	357	65	79	66	71	80	367	1,085

1.3: Summary of Actuarial Assumptions

Valuation Date	All assets and liabilities are computed as of June 30, 2010.
Rate of Return	The annual rate of return on all Plan assets is assumed to be 7.75%, net of investment and administrative expenses. For the prior valuation, this was 8.16%
Cost of Living	The cost of living, or inflation rate, as measured by the Consumer Price Index (CPI) will increase at the rate of 3.75% per year. For the prior valuation, this rate was 4.50%
Post Retirement COLA	COLAs at the rate of 2.7% are assumed for Tier 1 members. For the prior valuation, this rate was 3.0%.
Increases in Pay	Current Rate: 3.75% Base salary increases. For the prior valuation, this was 4.50%. Assumed pay increases for active Members consist of increases due to base salary adjustments (as noted above), plus service-based increases due to longevity and promotion, as shown below.

Current Assumptions (Service-Based)

Years of Service	General	Safety
0-1	4.00%	5.00%
2	3.00%	5.00%
3	2.50%	3.00%
4-6	2.00%	3.00%
7-14	2.00%	2.00%
15-19	1.00%	0.50%
20+	0.00%	0.50%

Prior Assumptions (Age-Based)

Age	General	Safety
20	6.52%	1.99%
25	2.43%	1.64%
30	1.03%	1.34%
35	1.10%	0.86%
40	0.82%	0.44%
45	0.45%	0.59%
50	0.56%	0.53%
55	0.54%	0.62%
60	0.53%	0.51%
65	0.52%	0.51%

Active Member Mortality

Duty related mortality rates are only applicable for Safety Active Members and remain the same as in the prior valuation. Sample rates are as follows:

Age	Safety Active Duty-Related Death
20	0.0300%
25	0.0400%
30	0.0600%
35	0.1000%
40	0.1700%
45	0.2200%
50	0.2700%
55	0.3100%
60	0.0000%

Rates of non-duty mortality for active Members are specified by the Combined Healthy Retired Pensioners (RP) 2000 tables published by the Society of Actuaries, with a two year setback for male members and no adjustment for females.

For the prior valuation, rates of mortality among Safety active Members were specified for male and female members combined; separate tables were used for General male and female active Members.

Prior Assumptions

Age	<u>Ordinary Death</u>			<u>Death While Eligible</u>		
	<u>Safety</u>	<u>General</u>		<u>Safety</u>	<u>General</u>	
	All	Female	Male	All	Female	Male
20	0.0300%	0.0150%	0.0300%	0.0000%	0.0000%	0.0000%
30	0.0500%	0.0230%	0.0400%	0.0100%	0.0075%	0.0100%
40	0.1600%	0.0450%	0.0600%	0.0200%	0.0150%	0.0300%
50	0.2100%	0.0600%	0.1000%	0.1000%	0.0600%	0.1100%
60	0.0000%	0.0830%	0.1700%	0.0000%	0.2100%	0.3100%
70	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Retired Member and Beneficiary Mortality Rates of mortality for retired Members and all beneficiaries are specified by the Combined Healthy Retired Pensioners (RP) 2000 tables published by the Society of Actuaries, with a two year setback for male members

For the prior valuation, rates of mortality for retired General Members and beneficiaries were given by the 1994 GAM tables with no age adjustment. All Safety members used the Male table set back 1 year, and their beneficiaries had rates of mortality given by the 1994 GAM table for females with no adjustment.

Disabled Member Mortality Rates of mortality for disabled Members and are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries, with a three year set-forward for male and female members.

For the prior valuation, rates of mortality among disabled Members were given by the 1981 Disability Mortality Tables for General and Safety Members published by the Society of Actuaries. The rates for General female members were setback 5 years. Safety member rates were setback one year. There was no setback for General male members. Sample rates are as follows:

Prior Valuation

Age	Safety	General	
	All	Male	Female
45	0.640%	2.080%	1.760%
50	0.860%	2.440%	2.080%
55	1.300%	2.840%	2.440%
60	2.600%	3.300%	2.840%
65	3.500%	3.790%	3.300%
70	4.220%	4.370%	3.790%
75	5.260%	5.530%	4.370%
80	7.970%	8.740%	5.530%
85	12.110%	13.010%	8.740%
90	16.870%	17.950%	13.010%

Service Retirement

Retirement rates have changed due to the most recent experience study, and are assumed to occur among eligible members in accordance with the table below.

General Rates

Age	Prior		Current (by Service)		
	Female	Male	10-19	20-29	30+
50	6.53%	6.15%	2.50%	5.00%	7.50%
51	4.36%	4.10%	2.50%	5.00%	7.50%
52	3.81%	4.10%	5.00%	10.00%	15.00%
53	3.91%	6.00%	5.00%	10.00%	15.00%
54	3.71%	3.38%	5.00%	10.00%	15.00%
55	13.50%	7.50%	9.00%	18.00%	27.00%
56	13.67%	7.88%	7.50%	15.00%	22.50%
57	13.83%	16.50%	7.50%	15.00%	22.50%
58	14.00%	8.63%	7.50%	15.00%	22.50%
59	14.00%	18.00%	7.50%	15.00%	22.50%
60	16.00%	16.00%	25.00%	25.00%	37.50%
61	12.88%	16.00%	25.00%	25.00%	37.50%
62	35.00%	34.50%	25.00%	25.00%	37.50%
63	20.00%	18.06%	25.00%	25.00%	37.50%
64	20.00%	22.14%	25.00%	25.00%	37.50%
65	40.00%	25.56%	40.00%	40.00%	40.00%
66	45.00%	25.00%	45.00%	45.00%	45.00%
67	50.00%	40.00%	50.00%	50.00%	50.00%
68	60.00%	70.00%	60.00%	60.00%	60.00%
69	80.00%	80.00%	80.00%	80.00%	80.00%
70	100.00%	100.00%	100.00%	100.00%	100.00%

Service Retirement Continued

Safety Rates

Age	Prior		Current (by Service)	
	10-19 Yrs	20+ Yrs	10-19 Yrs	20+ Yrs
40-44	0.000%	0.500%	0.00%	2.50%
45	0.000%	0.500%	0.00%	5.00%
46	0.000%	0.750%	0.00%	5.00%
47	0.000%	1.125%	0.00%	5.00%
48	0.000%	1.688%	0.00%	5.00%
49	0.000%	2.531%	0.00%	5.00%
50	4.500%	4.500%	7.50%	25.00%
51-52	3.000%	3.000%	7.50%	25.00%
53-54	3.750%	3.750%	7.50%	25.00%
55	25.000%	25.000%	7.50%	25.00%
56-57	12.500%	12.500%	7.50%	25.00%
58	15.000%	15.000%	7.50%	25.00%
59	30.000%	30.000%	7.50%	25.00%
60+	100.000%	100.000%	100.00%	100.00%

Service-Connected Disability

Separate rates of duty disability are assumed among Safety and General Members; rates for both sexes for Safety Members are combined. Below are sample rates: For the prior valuation, rates were twice those shown here.

Age	Safety	General	
	All	Female	Male
20	0.3250%	0.0040%	0.0040%
25	0.3625%	0.0075%	0.0080%
30	0.4190%	0.0115%	0.0200%
35	0.5063%	0.0150%	0.0360%
40	0.6375%	0.0190%	0.0480%
45	0.7815%	0.0340%	0.0720%
50	0.9940%	0.0600%	0.0960%
55	1.2625%	0.1050%	0.1200%
60	0.0000%	0.1575%	0.1680%
65	0.0000%	0.0000%	0.0000%

Non Service-Connected
 Disability

Separate rates of ordinary disability are assumed among Safety and General Members; rates for both sexes for Safety Members are combined. Below are sample rates, which are unchanged from the prior valuation:

Age	<u>Safety</u>	<u>General</u>	
	All	Female	Male
20	0.0000%	0.0000%	0.0000%
25	0.0200%	0.0100%	0.0400%
30	0.0300%	0.0200%	0.0800%
35	0.0400%	0.0300%	0.0800%
40	0.0600%	0.0400%	0.1300%
45	0.0900%	0.0900%	0.1900%
50	0.1200%	0.1800%	0.2400%
55	0.1600%	0.2800%	0.3200%
60	0.0000%	0.4600%	0.4200%
65	0.0000%	0.0000%	0.0000%

Withdrawal

Rates of withdrawal apply to active Members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future Plan benefits. Separate rates of withdrawal are assumed among Safety and General Members. No members are assumed to withdraw their contributions once eligible for a service retirement benefit.

Current Valuation

Service	<u>Safety</u>	<u>General</u>
	All	All
0	25.00%	33.00%
1	12.50%	15.00%
2	5.00%	10.00%
3-4	5.00%	7.00%
5-6	2.50%	3.00%
7	2.50%	1.50%
8-9	1.00%	1.50%
10-19	0.00%	1.50%
20-29	0.00%	0.50%
30+	0.00%	0.00%

Prior Valuation

Age	<u>Safety</u>	<u>General</u>	
	All	Female	Male
20	13.00%	17.20%	20.90%
25	10.00%	16.08%	18.15%
30	7.80%	12.72%	14.85%
35	5.00%	9.44%	11.99%
40	2.50%	5.21%	6.69%
45	1.60%	4.64%	4.80%
50	0.90%	3.32%	3.04%
55	0.00%	2.32%	2.09%
60	0.00%	1.04%	1.32%
65	0.00%	0.00%	0.00%

Vested Termination

Rates of vested termination apply to active Members who terminate their employment after five years of service and leave their member contributions on deposit with the Plan. Alternatively, those who terminate their employment with less than five years of service can leave their member contributions with the Plan and transfer to a reciprocal employer, therefore retaining entitlement to future Plan benefits.

Vested terminated General Members are assumed to begin receiving benefits at age 59; terminated Safety Members are assumed to begin receiving benefits at age 53. For the prior valuation these ages were 60 and 50, respectively.

Fifty percent of vested terminated Safety members and twenty-five percent of vested terminated General members are assumed to be reciprocal. For the prior valuation, fifty percent of all vested terminated members were assume to be reciprocal.

Current Rates

Service	Safety		General	
	All	Female	Male	
0-4	1.50%	0.00%	1.00%	
5-9	4.50%	4.00%	3.30%	
10-14	3.00%	2.50%	5.50%	
15-19	0.50%	2.50%	5.50%	
20-29	0.00%	2.50%	2.00%	
30+	0.00%	0.00%	0.00%	

Prior Rates

Age	Safety		General	
	All	Female	Male	
20	0.00%	0.00%	0.00%	
25	3.08%	2.34%	1.13%	
30	4.50%	1.93%	1.85%	
35	2.32%	4.60%	2.41%	
40	1.66%	2.29%	2.27%	
45	1.42%	4.42%	2.34%	
50	0.70%	1.98%	2.32%	
55	0.00%	1.66%	1.81%	
60	0.00%	1.43%	1.48%	
65	0.00%	0.00%	0.00%	

Family Composition	50% of female General members, 80% of male General members, and 90% of Safety members are assumed to be married at retirement. Male spouses are assumed to be three years older than their wives.
Final Average Compensation Load	The final average compensation (FAC) for members projected to receive a service retirement benefit has been increased based on the assumption that members will have elements of pay included in their FAC which are not included in the annual pay provided to the Actuary (Ventura decision pays). The FAC for Tier 1 members has been increased by 6.92%, and the FAC for Tier 2 members by 2.31%. These adjustments were the same as those included in their prior valuation.

Participant Data

Data on active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator on electronic media. As is usual in studies of this type, Member data was neither verified nor audited.

1.4: Glossary of Actuarial Terms

Actuarial Accrued Liability

A plan's actuarial accrued liability is the level of assets estimated by the system actuary to be needed as of the valuation date to

- Finance all previously earned benefits for actively employed members of the plan (and their beneficiaries, if applicable) for when they eventually retire, die or terminate with deferred vested benefits, and
- Finance all currently payable benefits of current pensioners and their beneficiaries (if applicable).

It is important to note that the Actuarial Accrued Liability is not a debt; instead, it is an asset target set by the actuarial cost method to produce an orderly accumulation of assets to pay for the plan's obligations.

Actuarial Assumptions

The actuarial assumptions are the actuary's anticipated rates of future termination, death, disability and retirement for each member of the plan as well as the actuary's anticipated rate of investment return on underlying assets. To the extent that these assumptions are not in exact accord with actual events (which they never are), actuarial gains and losses will materialize.

Actuarial Value of Assets

The actuarial value of assets, used for funding purposes, is computed using an asset smoothing technique in which investment gains and losses are not fully recognized in the year they occur, but are spread out. Use of an actuarial value of assets (rather than market value) helps avoid large fluctuations in recognized value of the underlying assets and, in turn, avoids large fluctuations in required contribution rates.

Actuarial Present Value of Benefits

The actuarial present value of benefits is the Actuarial Accrued Liability plus actuarial present value of future Normal Costs. The actuarial present value of benefits is also the actuarial present value of all future benefits expected to be paid to the Plan's current members, whether accrued on the valuation data or after.

Actuarial Funding Policy

The plan's actuarial funding policy is the scheduled program of accumulating assets to fund the plan's obligations, typically, but not necessarily, as a level percentage of payroll. The funding policy includes:

- The Normal Cost, and
- Amortization of the Unfunded or Overfunded Actuarial Accrued Liability (whichever is applicable).

Investment Gains and Losses

When the investment return on assets exceeds the assumed rate of return (the actuarial assumption as to investment return), this difference is identified as an investment gain. Correspondingly, when the returns are less than expected, this difference is identified as an investment loss. These investment gains and losses are either recognized immediately to produce the market value of assets or are spread out to produce the Actuarial Value of Assets.

Normal Cost

The Normal Cost is calculated as the amount necessary to fund each Member's benefits from that Member's Plan entry date to the end of his or her projected working life.

Unfunded Actuarial Accrued Liabilities

When the actuarial value of assets is below the Actuarial Accrued Liability, there is an Unfunded Actuarial Accrued Liability which must be paid off or amortized on a schedule. When the actuarial value of assets is in excess of the Actuarial Accrued Liability, this can lead to a reduction in future contributions on an amortization schedule.

Section 2:

Asset Information

2.1: Balance Sheet as of June 30, 2008, June 30, 2009 and June 30, 2010

	June 30, 2008	June 30, 2009	June 30, 2010
Cash and Equivalents	36,612,605	30,530,165	34,941,260
Receivables			
Interest	441,883	90,640	1,513,478
Dividends	158,240	168,439	157,968
Contributions	803,146	1,035,345	1,417,791
Income and Miscellaneous	2,550,260	388,409	452,045
Total Receivables	3,953,529	1,682,833	3,541,282
Investments			
Government Bonds	19,313,900	49,603,648	27,723,650
Corporate Bonds	41,591,390	12,771,437	113,115,686
Domestic Fixed Income (Index Fund)	51,109,630	17,945,486	0
Common Stocks	166,039,934	120,536,402	93,212,816
Invesco (International Equity Fund)	82,975,316	62,567,853	83,547,325
Mellon Capital (Index Fund)	53,639,358	49,594,885	34,406,700
Real Estate	38,948,020	29,910,341	29,408,722
Alternative Investments	19,156,397	18,376,979	21,843,405
Other	0	0	0
Total Investments	472,773,945	361,307,031	403,258,304
Prepaid Expense	0	3,150	1,575
Property, Fixtures and Equipment			
Net of Accumulated Depreciation of \$61,026, \$66,593, and \$68,219 respectively	11,203	5,635	444,314
Total Property, Fixtures and Equipment	11,203	5,635	444,314
Liabilities			
Accounts Payable	779,960	843,013	1,158,348
Securities Lending Obligations	24,344,477	15,468,497	18,538,246
Securities Purchased	5,474,099	1,437,979	2,627,128
Other	111,173	184,620	184,620
Total Liabilities	30,709,709	17,934,109	22,508,342
Market Value	\$482,641,573	\$375,594,705	\$419,678,393

2.2: Computation of Actuarial Value of Assets as of June 30, 2010

	(a) Contributions	(b) Benefits	(c) Expected Return	(d) Actual Return	(e) = (d) - (c) Additional Earnings	(f) Percentage Unrecognized	(g) = (e) x (f) Unrecognized Dollars
2007	31,987,396	31,131,453	36,012,796	75,916,614	39,903,818	20%	7,980,764
2008	33,109,139	34,897,506	37,838,089	(31,465,094)	(69,303,183)	40%	(27,721,273)
2009	37,798,955	38,089,689	39,371,923	(106,756,131)	(146,128,054)	60%	(87,676,832)
2010	39,000,865	42,452,269	30,510,472	47,535,092	17,024,620	80%	13,619,696
(1) Total Unrecognized Dollars							(93,797,646)
(2) Market Value of Assets as of June 30, 2010							419,678,393
(3) Actuarial Value of Assets as of June 30, 2010 before corridor adjustment							513,476,039
[(2) - (1)]							
(4) Corridor Limits							
a. 70% of Net Market Value							293,774,875
b. 130% of Net Market Value							545,581,911
(5) Actuarial Value of Assets after Corridor							513,476,039
(6) Ratio of Actuarial Value to Market Value							122.3%
[(5) ÷ (2)]							
(7) Special (Non Valuation) Reserves:							
Health Insurance Reserve [401(h)]							1,383,590
Special COL Reserve							<u>1,815,590</u>
Total Special Reserves							3,119,548
Total Special Reserves at Actuarial Value (Total x (6))							3,914,643
(8) Pension Reserves at Actuarial Value (Valuation Assets)							509,561,395
[(5) - (7)]							

2.3: Income Statement

For the Years Ending June 30, 2009 and June 30, 2010

	June 30, 2009	June 30, 2010
<u>Additions</u>		
Contributions		
Employer's Contribution	\$27,882,650	\$29,136,704
Members' Contributions	9,916,305	9,864,161
Other Contributions	<u>0</u>	<u>0</u>
Total Contributions	<u>\$37,798,955</u>	<u>\$39,000,865</u>
Investment Income		
Net Appreciation/(Depreciation) in Fair Value of Investments	(78,834,137)	23,910,891
Interest and Dividends	(25,320,017)	26,667,860
Commission Recapture	0	0
Other Investment Income	<u>82,889</u>	<u>23,738</u>
Total Investment Income	<u>(\$104,071,265)</u>	<u>\$50,602,489</u>
Investment Expenses	<u>(1,745,774)</u>	<u>(1,904,976)</u>
Net Investment Income	<u>(\$105,817,039)</u>	<u>\$48,697,513</u>
Securities Lending Activities		
Securities Lending Income	234,814	48,571
Expenses from Securities Lending Activities	<u>(107,051)</u>	<u>26,163</u>
Net Securities Lending Income	<u>\$127,763</u>	<u>\$74,734</u>
Total Net Investment Income	<u>(\$105,689,276)</u>	<u>\$48,772,247</u>
Total Additions	<u>(\$67,890,321)</u>	<u>\$87,773,112</u>
<u>Deductions</u>		
Benefits	36,478,886	40,929,109
Refunds	760,803	673,160
Administrative Costs	1,005,060	1,170,605
Actuarial Expense	61,795	66,549
401(h) distribution to County	<u>850,000</u>	<u>850,000</u>
Total Deductions	<u>\$39,156,544</u>	<u>\$43,689,423</u>
Net increase (Decrease)	<u>(\$107,046,865)</u>	<u>\$44,083,689</u>
Net Assets Beginning of Year	<u>\$482,641,570</u>	<u>\$375,594,705</u>
Net Assets End of Year	<u>\$375,594,705</u>	<u>\$419,678,394</u>

2.4: Historical Returns

<i>Year Ended June 30</i>	<i>Annualized Rate of Return (Market Value)</i>	<i>Annualized Rate of Return (Actuarial Value)</i>	<i>Annualized Rate of Return (Valuation Assets)</i>	<i>Increase in CPI*</i>
1995		4.4%		3.0%
1996	9.8%	9.8%		2.8%
1997	16.7%	11.6%		2.3%
1998	13.9%	12.7%		1.7%
1999	10.0%	12.3%		2.0%
2000	9.1%	11.5%		3.7%
2001	-3.6%	8.6%		3.2%
2002	-5.6%	4.9%		1.1%
2003	4.6%	3.3%		2.1%
2004	12.6%	3.3%		3.3%
2005	8.7%	2.5%		2.5%
2006	7.6%	4.7%		4.3%
2007	16.3%	8.9%		2.7%
2008	-6.7%	1.2%		5.0%
2009	-22.1%	-4.9%	2.7%**	(1.4%)
2010	12.7%	7.0%	6.0%	1.1%
Compounded 15 Year Average	5.0%	6.4%	N / A	2.4%
Compounded 10 Year Average	1.8%	3.9%	N / A	2.4%
Compounded 5 Year Average	0.5%	3.3%	N / A	2.3%

* Based on All Urban Consumers - U.S. City Average, June indices.

** Return on Valuation Assets was -5.2% prior to expansion of corridor from 20% to 30%

Section 3:

Actuarial Computations

3.1: Computation of Annual Contribution Rate as of June 30, 2009

(1) Fully Projected Liability	
Active	467,125,561
Inactive	27,911,747
Receiving Benefits	448,230,960
Total	943,268,268
(2) Actuarial Accrued Liability	
Active	333,537,883
Inactive	27,911,747
Receiving Benefits	448,230,960
Total	809,680,590
(3) Projected Payroll	114,983,793
(4) Total Normal Cost (% Pay)	17.58%
(5) Employee Contribution (% Pay)	8.52%
(6) Employer Normal Cost (% Pay) [(4) - (5)]	9.06%
(7) Valuation Assets	483,144,756
(8) Unfunded Actuarial Accrued Liability [(2) - (7)]	326,535,834
(9) Amortization of Unfunded Liability	24,342,871
(10) Amortization of Unfunded Liability (% Pay) [(9) ÷ (3)]	21.17%
(11) Total Employer Cost (% Pay) [(6) + (10)]	30.23%
(12) Total Employer Cost (% Pay) [(11) x (3)]	34,760,261
(13) Projected Payroll FY 2010-2011 [(3) x (1.045)]	120,158,064
(14) Projected Employer Cost FY 2010-2011 [(13) x (11)]	36,324,472

3.2: Computation of Annual Contribution Rate as of June 30, 2010

(1) Fully Projected Liability	
Active	528,367,511
Inactive	37,096,112
Receiving Benefits	532,694,876
Total	1,098,158,499
(2) Actuarial Accrued Liability	
Active	361,041,077
Inactive	37,096,112
Receiving Benefits	532,694,876
Total	930,832,065
(3) Projected Payroll	115,384,369
(4) Total Normal Cost (% Pay)	18.35%
(5) Employee Contribution (% Pay)	10.18%
(6) Employer Normal Cost (% Pay) [(4) - (5)]	8.17%
(7) Valuation Assets	509,561,395
(8) Unfunded Actuarial Accrued Liability [(2) - (7)]	421,270,670
(9) Amortization of Unfunded Liability	32,277,261
(10) Amortization of Unfunded Liability (% Pay) [(9) ÷ (3)]	27.97%
(11) Total Employer Cost (% Pay) [(6) + (10)]	36.14%
(12) Total Employer Cost (% Pay) [(11) x (3)]	41,697,768
(13) Projected Payroll FY 2011-2012 [(3) x (1.0375)]	119,711,283
(14) Projected Employer Cost FY 2011-2012 [(13) x (12)]	43,261,434

3.3: Actuarial Balance Sheet

Assets	
1. Actuarial value of assets	\$513,476,039
2. Present value of future contributions by members	89,540,006
3. Present value of future employer contributions for normal cost	77,786,428
4. Present value of other future employer contributions (UAAL)	421,270,670
5. Total actuarial assets	\$1,102,073,143
Liabilities	
6. Present value of retirement allowances payable to retired/disabled members and their survivors	\$532,694,876
7. Present value of service retirement allowances payable to presently active members and their survivors	462,640,204
8. Present value of allowances payable to current and future vested terminated and their survivors	61,639,261
9. Present value of disability retirement allowances payable to presently active members and their survivors	24,666,442
10. Present value of death benefits payable on behalf of presently active members	8,782,584
11. Present value of members' contributions to be returned upon withdrawal	7,735,133
12. Special Reserves (Measured at Actuarial Value)	3,914,643
13. Total actuarial liabilities	\$1,102,073,143

3.4: Actuarial Gain and Loss

1. Unfunded actuarial accrued liability as of June 30, 2009		326,535,834
2. Change due to contributions:		
(a) Normal Cost	19,434,463	
(b) Interest on (a)	1,585,852	
(c) Interest on (1)	26,645,324	
(d) Total contributions	(39,000,865)	
(e) Interest on (d)	(1,591,235)	
(f) Net change [(a) + (b) + (c) + (d) + (e)]		7,073,539
3. Expected unfunded actuarial accrued liability as of June 30, 2010 [(1) + (2)]		333,609,373
4. Change due to experience:		
(a) Actuarial (gain)/loss from liabilities	8,099,676	
(b) Actuarial (gain)/loss from assets	16,151,011	
(c) Net change [(a) + (b)]		24,250,687
5. Unfunded actuarial accrued liability before changes [(4) + (5)]		357,860,061
6. Change in actuarial assumptions		63,410,609
7. Change in plan provisions		0
8. Unfunded actuarial accrued liability as of June 30, 2010 [(5) + (6) + (7)]		421,270,670

Section 4:

Disclosure Information

4.1: Schedules of Funding Status and Employer Contributions Required Under GASB Statement No. 25

The Governmental Accounting Standards Board (GASB) Statements No. 25 and 27 relate to the disclosure of pension liabilities on a public employer's financial statements. For accounting periods beginning after June 15, 1996, information required under these statements must be prepared for a public employer who seeks compliance with generally accepted accounting principles (GAAP) on behalf of its public employee retirement system.

GASB Statement No. 25 requires preparation of schedules of funding status and employer contributions, as well as the disclosure of plan provisions, actuarial assumptions, and other information. The required schedules are shown below. In each case, we have relied upon information from our files and contained in the reports of other actuaries employed by the employer in completing the schedules. While we have no reason to believe the information in our files or in other actuaries' reports is inaccurate, we strongly recommend that employer personnel verify the schedules below before they are included in Plan or employer financial statements.

<i>Schedule of Funding Status (Dollar Amounts in Thousands)</i>						
Actuarial Valuation Date	Actuarial Value of Valuation Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percent of Payroll
7/1/1998	260,884	333,771	72,887	78.2%	57,854	126.0%
7/1/1999	354,467	351,252	(3,215)	100.9%	62,521	(5.1%)
7/1/2000	N/A	N/A	N/A	N/A	N/A	N/A
7/1/2001	411,710	404,316	(7,394)	101.8%	76,015	(9.7%)
7/1/2002	424,613	421,435	(3,178)	100.8%	83,001	(3.8%)
7/1/2003	428,959	451,181	22,222	95.1%	88,586	25.1%
7/1/2004	430,054	531,938	101,884	80.8%	89,516	113.8%
7/1/2005	428,813	589,794	160,891	72.7%	97,507	165.1%
7/1/2006	439,309	619,644	180,335	71.1%	101,137	178.3%
7/1/2007	480,517	652,482	171,965	73.6%	100,589	171.0%
7/1/2008	488,347	692,252	203,906	70.5%	109,253	186.6%
7/1/2009	483,145	809,681	326,536	59.7%	114,984	284.0%
7/1/2010	509,561	930,832	421,271	54.7%	115,384	365.1%

Schedule of Employer Contributions <i>(Dollar Amounts in Thousands)</i>		
Year Ending	Annual Required Contribution	Percentage Contributed
6/30/1999	69,919	100%
6/30/2000	6,259	100%
6/30/2001	6,927	100%
6/30/2002	7,731	100%
6/30/2003	7,201	100%
6/30/2004	7,269	100%
6/30/2005	8,931	100%
6/30/2006	14,750	100%
6/30/2007	23,232	100%
6/30/2008	23,751	100%
6/30/2009	27,883	100%
6/30/2010	29,137	100%

The table below summarizes certain information about this actuarial report.

Valuation date	June 30, 2010
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll closed
Remaining amortization period	18 Years
Asset valuation method	Actuarial value: Excess earnings smoothed over five years, 70%/130% corridor around market value
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	3.75%, plus service-based rates
*Includes inflation at	3.75%
Cost of living adjustments	For Tier 1, 100% of CPI to 3% annually with banking, assumed to be 2.7% annually

Appendix I:

**General and Safety Contribution Rates,
Solvency Test,
Individual Member Contribution Rates**

Employer Contribution Rates for General and Safety

Separate rates for General and Safety members are shown below.

	Tier I			Tier II			Total
	Prior	Recommended	Prior	Recommended	Prior	Recommended	
General							
Employer Normal Cost	11.60%	9.92%	6.70%	5.89%	8.02%	6.84%	
UAAL Amortization Cost	21.31%	27.67%	21.31%	27.67%	21.31%	27.67%	
Total Cost	32.91%	37.59%	28.01%	33.56%	29.33%	34.51%	
Safety							
Employer Normal Cost	19.26%	18.32%	12.48%	12.95%	14.37%	14.27%	
UAAL Amortization Cost	20.47%	29.39%	20.47%	29.39%	20.47%	29.39%	
Total Cost	32.96%	47.72%	32.96%	42.34%	32.96%	43.67%	
General and Safety							
Employer Normal Cost						8.13%	
UAAL Amortization Cost						27.97%	
Total Cost						36.10%	

Employee Contribution Rates for General and Safety

Sample rates (for pay over \$350 per month) are shown for various entry ages, as well as the average rate for each Tier (weighted by dollars of contributions and total payroll).

Entry Age	25	35	45	Population Average (Dollar Weighted)
General Tier I	9.60%	12.29%	14.04%	11.23%
General Tier II	6.90%	8.79%	9.96%	9.92%
General				10.23%
Safety Tier I	13.18%	15.52%	16.95%	13.42%
Safety Tier II	8.21%	10.05%	11.03%	8.84%
Safety				9.97%
Total				10.18%

Employer Contribution Rates – Cemetery Members Only

Only the rates for Tier II general members are shown below, as this is the only Tier with active Cemetery Members.

General Tier II	Prior	Recommended
Employer Normal Cost	6.06%	8.36%
UAAL Amortization Cost	4.52%	7.62%
Total Cost	10.58%	15.98%

Solvency Test

As part of the information required for financial reporting, a solvency test and history of such is shown in the table below. Historical information (prior to 6/30/2009) was taken from the actuarial valuation report as of June 30, 2008.

Valuation Date	Actuarial Accrued Liability			Total Actuarial Accrued Liability	Portion of Accrued Liabilities Covered by Assets			
	Active Member Contributions	Retirees and Beneficiaries	Active Members ²		Valuation Assets	Active Member Contributions	Retirees and Beneficiaries	Active Members
6/30/1999	43,736,000	187,535,000	119,981,000	351,252,000	354,469,000	100%	100%	100%
6/30/2001	49,481,000	211,439,000	143,396,000	404,316,000	411,710,000	100%	100%	100%
6/30/2002	50,941,000	212,359,000	158,135,000	421,435,000	424,613,000	100%	100%	100%
6/30/2003	48,379,000	238,727,000	164,075,000	451,181,000	428,959,000	100%	100%	86%
6/30/2004	48,708,000	265,193,000	218,037,000	531,938,000	430,054,000	100%	100%	53%
6/30/2005	49,162,000	281,246,000	259,386,000	589,794,000	428,813,000	100%	100%	38%
6/30/2006	54,826,000	305,589,000	263,918,000	624,333,000	443,999,000	100%	100%	32%
6/30/2007	59,299,000	358,644,000	234,539,000	652,482,000	480,517,000	100%	100%	28%
6/30/2008	66,865,000	370,764,000	254,623,000	692,252,000	488,347,000	100%	100%	20%
6/30/2009	65,126,000	448,231,000	296,324,000	809,681,000	483,145,000	100%	93%	0%
6/30/2010	64,917,000	532,695,000	333,220,000	930,832,000	509,561,000	100%	62%	0%

² Includes terminated vested members

Individual Employee Contribution Rates

Employee contribution rates vary by member Group and Tier. The rates were changed following an experience study. A comparison of the current and prior employee contribution rates are shown in the following tables.

The basic rates are determined based on Government Code Section 31621.8 for General members (31621.1 for members under benefit section 31676.11) and Section 31639.25 for Safety members. The COLA rates for members in Tier 1 are determined based on 50% of the normal cost associated with the expected COLA benefits, determined for each individual entry age.

The current rates were determined by EFI based on an interest rate of 7.75% per annum, an average salary increase of 3.75% per year (plus service-based increases for merit/longevity), and the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries with a two-year setback for male employees and no age adjustment for female employees. The rates are blended based on a male/female weighting of 33 1/3% male / 66 2/3% female for General members, and 75% male / 25% female for Safety members.

The prior rates were determined (by Buck Consultants) based on an interest rate of 8.16% per annum, an average salary increase of 4.5% per year, and the 1994 GAM Male mortality tables - set back three years for General Members, and set back one year for Safety Members.

General Members - Tier 1

Entry Age	Current Rates				Prior Rates			
	Basic Rate		COL Rate		Basic Rate		COL Rate	
	1 st \$350	Over \$350	1 st \$350	Over \$350	1 st \$350	Over \$350	1 st \$350	Over \$350
16	4.40%	6.59%	1.30%	1.95%	4.26%	6.39%	1.06%	1.58%
17	4.40%	6.59%	1.30%	1.95%	4.27%	6.40%	1.06%	1.59%
18	4.40%	6.59%	1.30%	1.95%	4.28%	6.42%	1.06%	1.59%
19	4.40%	6.59%	1.30%	1.95%	4.30%	6.45%	1.07%	1.60%
20	4.40%	6.59%	1.30%	1.95%	4.33%	6.49%	1.07%	1.61%
21	4.51%	6.76%	1.33%	1.99%	4.35%	6.53%	1.08%	1.62%
22	4.62%	6.93%	1.36%	2.03%	4.39%	6.59%	1.09%	1.63%
23	4.74%	7.11%	1.38%	2.07%	4.44%	6.66%	1.10%	1.65%
24	4.86%	7.29%	1.40%	2.10%	4.49%	6.73%	1.11%	1.67%
25	4.98%	7.47%	1.42%	2.13%	4.54%	6.81%	1.13%	1.69%
26	5.11%	7.66%	1.45%	2.17%	4.59%	6.89%	1.14%	1.71%
27	5.24%	7.86%	1.48%	2.22%	4.65%	6.98%	1.15%	1.73%
28	5.38%	8.06%	1.51%	2.26%	4.71%	7.07%	1.17%	1.75%
29	5.52%	8.27%	1.54%	2.31%	4.77%	7.16%	1.18%	1.77%
30	5.66%	8.49%	1.57%	2.36%	4.84%	7.26%	1.20%	1.80%
31	5.81%	8.72%	1.61%	2.41%	4.91%	7.36%	1.22%	1.82%
32	5.97%	8.95%	1.65%	2.47%	4.98%	7.47%	1.23%	1.85%
33	6.13%	9.19%	1.69%	2.54%	5.05%	7.57%	1.25%	1.88%
34	6.30%	9.45%	1.74%	2.60%	5.13%	7.69%	1.27%	1.91%
35	6.41%	9.62%	1.78%	2.67%	5.20%	7.80%	1.29%	1.93%
36	6.53%	9.79%	1.81%	2.71%	5.28%	7.92%	1.31%	1.96%
37	6.65%	9.98%	1.84%	2.76%	5.36%	8.04%	1.33%	1.99%
38	6.78%	10.17%	1.87%	2.81%	5.44%	8.16%	1.35%	2.02%
39	6.91%	10.36%	1.90%	2.85%	5.53%	8.29%	1.37%	2.06%
40	6.98%	10.47%	1.93%	2.89%	5.61%	8.42%	1.39%	2.09%
41	7.05%	10.57%	1.95%	2.93%	5.70%	8.55%	1.41%	2.12%
42	7.12%	10.67%	1.98%	2.96%	5.79%	8.68%	1.43%	2.15%
43	7.19%	10.78%	2.00%	3.00%	5.88%	8.82%	1.46%	2.19%
44	7.26%	10.89%	2.01%	3.02%	5.97%	8.96%	1.48%	2.22%
45	7.34%	11.00%	2.02%	3.04%	6.07%	9.10%	1.50%	2.26%
46	7.41%	11.12%	2.02%	3.03%	6.16%	9.24%	1.53%	2.29%
47	7.49%	11.24%	2.02%	3.02%	6.25%	9.38%	1.55%	2.33%
48	7.58%	11.36%	2.01%	3.01%	6.35%	9.53%	1.57%	2.36%
49	7.66%	11.50%	2.00%	2.99%	6.45%	9.67%	1.60%	2.40%
50	7.76%	11.64%	1.98%	2.97%	6.55%	9.82%	1.62%	2.43%
51	7.84%	11.75%	1.92%	2.88%	6.64%	9.96%	1.65%	2.47%
52	7.89%	11.83%	1.86%	2.79%	6.74%	10.11%	1.67%	2.51%
53	7.88%	11.82%	1.80%	2.71%	6.84%	10.26%	1.70%	2.54%
54	7.88%	11.82%	1.75%	2.62%	6.94%	10.41%	1.72%	2.58%
55	7.79%	11.68%	1.70%	2.54%	6.94%	10.41%	1.72%	2.58%
56	7.69%	11.54%	1.63%	2.44%	6.94%	10.41%	1.72%	2.58%
57	7.60%	11.39%	1.56%	2.34%	6.94%	10.41%	1.72%	2.58%
58	7.49%	11.24%	1.50%	2.25%	6.94%	10.41%	1.72%	2.58%
59+	7.39%	11.08%	1.43%	2.15%	6.94%	10.41%	1.72%	2.58%

General Members - Tier 2

Entry Age	Current		Prior	
	Basic Rates		Basic Rates	
	1 st \$350	Over \$350	1 st \$350	Over \$350
16	4.06%	6.08%	4.06%	6.09%
17	4.06%	6.08%	4.07%	6.10%
18	4.06%	6.08%	4.08%	6.12%
19	4.06%	6.08%	4.10%	6.15%
20	4.06%	6.08%	4.12%	6.18%
21	4.16%	6.24%	4.15%	6.23%
22	4.26%	6.40%	4.19%	6.28%
23	4.37%	6.56%	4.23%	6.34%
24	4.48%	6.72%	4.27%	6.41%
25	4.60%	6.90%	4.33%	6.49%
26	4.71%	7.07%	4.38%	6.57%
27	4.84%	7.25%	4.43%	6.65%
28	4.96%	7.44%	4.49%	6.73%
29	5.09%	7.63%	4.55%	6.82%
30	5.22%	7.83%	4.61%	6.92%
31	5.36%	8.04%	4.68%	7.02%
32	5.51%	8.26%	4.74%	7.11%
33	5.64%	8.46%	4.81%	7.22%
34	5.76%	8.63%	4.88%	7.32%
35	5.86%	8.79%	4.95%	7.43%
36	5.97%	8.95%	5.03%	7.54%
37	6.08%	9.12%	5.11%	7.66%
38	6.17%	9.26%	5.19%	7.78%
39	6.25%	9.38%	5.27%	7.90%
40	6.32%	9.47%	5.35%	8.02%
41	6.38%	9.57%	5.43%	8.15%
42	6.44%	9.66%	5.51%	8.27%
43	6.51%	9.76%	5.61%	8.41%
44	6.57%	9.86%	5.69%	8.54%
45	6.64%	9.96%	5.78%	8.67%
46	6.71%	10.06%	5.87%	8.81%
47	6.78%	10.17%	5.96%	8.94%
48	6.86%	10.29%	6.05%	9.08%
49	6.93%	10.39%	6.15%	9.22%
50	6.98%	10.47%	6.23%	9.35%
51	7.01%	10.51%	6.33%	9.49%
52	7.01%	10.51%	6.42%	9.63%
53	7.27%	10.90%	6.51%	9.77%
54	7.54%	11.31%	6.61%	9.92%
55	7.45%	11.18%	6.61%	9.92%
56	7.36%	11.04%	6.61%	9.92%
57	7.27%	10.90%	6.61%	9.92%
58	7.17%	10.76%	6.61%	9.92%
59+	7.07%	10.60%	6.61%	9.92%

General Members – Tier 2 (31676.11 – Cemetery Only)

Entry Age	Current Basic Rates		Prior Basic Rates	
	1 st \$350	Over \$350	1 st \$350	Over \$350
16	3.38%	5.07%	3.43%	5.15%
17	3.38%	5.07%	3.43%	5.15%
18	3.38%	5.07%	3.43%	5.15%
19	3.38%	5.07%	3.43%	5.15%
20	3.38%	5.07%	3.43%	5.15%
21	3.47%	5.20%	3.46%	5.19%
22	3.55%	5.33%	3.49%	5.23%
23	3.64%	5.46%	3.53%	5.29%
24	3.74%	5.60%	3.56%	5.34%
25	3.83%	5.75%	3.61%	5.41%
26	3.93%	5.89%	3.65%	5.47%
27	4.03%	6.04%	3.69%	5.54%
28	4.13%	6.20%	3.74%	5.61%
29	4.24%	6.36%	3.79%	5.69%
30	4.35%	6.53%	3.85%	5.77%
31	4.47%	6.70%	3.90%	5.85%
32	4.59%	6.88%	3.95%	5.93%
33	4.70%	7.05%	4.01%	6.01%
34	4.80%	7.19%	4.07%	6.10%
35	4.88%	7.32%	4.13%	6.19%
36	4.97%	7.46%	4.19%	6.29%
37	5.06%	7.60%	4.25%	6.38%
38	5.14%	7.72%	4.32%	6.48%
39	5.21%	7.82%	4.39%	6.58%
40	5.26%	7.89%	4.46%	6.69%
41	5.32%	7.97%	4.53%	6.79%
42	5.37%	8.05%	4.60%	6.90%
43	5.42%	8.13%	4.67%	7.00%
44	5.48%	8.22%	4.74%	7.11%
45	5.53%	8.30%	4.82%	7.23%
46	5.59%	8.39%	4.89%	7.34%
47	5.65%	8.48%	4.97%	7.45%
48	5.71%	8.57%	5.05%	7.57%
49	5.77%	8.66%	5.12%	7.68%
50	5.82%	8.73%	5.19%	7.79%
51	5.84%	8.76%	5.27%	7.91%
52	5.84%	8.76%	5.35%	8.03%
53	6.06%	9.08%	5.43%	8.14%
54	6.28%	9.42%	5.51%	8.27%
55	6.21%	9.32%	5.51%	8.27%
56	6.14%	9.20%	5.51%	8.27%
57	6.06%	9.09%	5.51%	8.27%
58	5.98%	8.96%	5.51%	8.27%
59+	5.89%	8.84%	5.51%	8.27%

Safety Members – Tier 1

Entry Age	Current Rates				Prior Rates			
	Basic Rate		COL Rate		Basic Rate		COL Rate	
	1 st \$350	Over \$350	Over \$350	1 st \$350	1 st \$350	Over \$350	1 st \$350	Over \$350
20	5.36%	8.04%	2.65%	3.98%	4.73%	7.10%	2.90%	4.36%
21	5.48%	8.21%	2.70%	4.05%	4.79%	7.18%	2.94%	4.40%
22	5.59%	8.39%	2.73%	4.09%	4.85%	7.27%	2.97%	4.46%
23	5.71%	8.57%	2.76%	4.14%	4.91%	7.36%	3.01%	4.52%
24	5.83%	8.75%	2.79%	4.19%	4.97%	7.45%	3.05%	4.57%
25	5.96%	8.94%	2.82%	4.24%	5.03%	7.54%	3.08%	4.63%
26	6.09%	9.14%	2.85%	4.28%	5.09%	7.64%	3.12%	4.69%
27	6.22%	9.34%	2.88%	4.33%	5.16%	7.74%	3.17%	4.75%
28	6.36%	9.54%	2.91%	4.37%	5.23%	7.84%	3.21%	4.81%
29	6.51%	9.76%	2.94%	4.41%	5.30%	7.95%	3.25%	4.88%
30	6.66%	9.98%	2.97%	4.45%	5.37%	8.06%	3.30%	4.94%
31	6.81%	10.22%	2.95%	4.43%	5.45%	8.17%	3.34%	5.01%
32	6.97%	10.46%	2.95%	4.42%	5.53%	8.29%	3.39%	5.09%
33	7.14%	10.71%	2.94%	4.42%	5.61%	8.41%	3.44%	5.16%
34	7.32%	10.98%	2.95%	4.42%	5.69%	8.54%	3.49%	5.24%
35	7.40%	11.10%	2.95%	4.42%	5.78%	8.67%	3.55%	5.32%
36	7.49%	11.23%	2.95%	4.42%	5.87%	8.81%	3.60%	5.40%
37	7.57%	11.36%	2.94%	4.42%	5.96%	8.94%	3.66%	5.48%
38	7.66%	11.49%	2.95%	4.42%	6.06%	9.09%	3.72%	5.58%
39	7.75%	11.63%	2.95%	4.42%	6.15%	9.23%	3.78%	5.66%
40	7.85%	11.78%	2.96%	4.43%	6.25%	9.37%	3.83%	5.75%
41	7.96%	11.94%	2.96%	4.44%	6.35%	9.52%	3.89%	5.84%
42	8.08%	12.11%	2.97%	4.45%	6.44%	9.66%	3.95%	5.93%
43	8.13%	12.19%	3.00%	4.49%	6.54%	9.81%	4.01%	6.02%
44	8.18%	12.27%	3.03%	4.55%	6.64%	9.96%	4.07%	6.11%
45	8.25%	12.37%	3.05%	4.58%	6.74%	10.11%	4.13%	6.20%
46	8.33%	12.49%	3.05%	4.57%	6.84%	10.26%	4.20%	6.29%
47	8.28%	12.43%	3.05%	4.57%	6.94%	10.41%	4.26%	6.39%
48	8.24%	12.36%	3.04%	4.56%	7.04%	10.56%	4.32%	6.48%
49+	8.19%	12.29%	3.04%	4.56%	7.15%	10.73%	4.39%	6.58%

Safety Members – Tier 2

Entry Age	Current		Prior	
	Basic Rates		Basic Rates	
	1 st \$350	Over \$350	1 st \$350	Over \$350
20	4.92%	7.39%	4.51%	6.76%
21	5.03%	7.54%	4.56%	6.84%
22	5.14%	7.70%	4.61%	6.92%
23	5.25%	7.87%	4.67%	7.01%
24	5.36%	8.04%	4.73%	7.10%
25	5.47%	8.21%	4.79%	7.19%
26	5.59%	8.39%	4.85%	7.28%
27	5.72%	8.57%	4.92%	7.38%
28	5.84%	8.76%	4.99%	7.48%
29	5.97%	8.96%	5.05%	7.58%
30	6.11%	9.17%	5.12%	7.68%
31	6.25%	9.38%	5.19%	7.79%
32	6.40%	9.60%	5.27%	7.90%
33	6.53%	9.79%	5.35%	8.02%
34	6.63%	9.94%	5.43%	8.14%
35	6.70%	10.05%	5.51%	8.26%
36	6.78%	10.16%	5.59%	8.39%
37	6.85%	10.28%	5.68%	8.52%
38	6.93%	10.40%	5.77%	8.66%
39	7.02%	10.53%	5.86%	8.79%
40	7.11%	10.66%	5.95%	8.93%
41	7.18%	10.77%	6.05%	9.07%
42	7.24%	10.86%	6.14%	9.21%
43	7.29%	10.93%	6.23%	9.35%
44	7.34%	11.01%	6.33%	9.49%
45	7.35%	11.03%	6.42%	9.63%
46	7.33%	11.00%	6.52%	9.78%
47	7.29%	10.94%	6.61%	9.92%
48	7.56%	11.34%	6.71%	10.07%
49+	7.84%	11.76%	6.81%	10.22%

Appendix II:
Information for Completing
Consolidated Annual Financial Report (CAFR)

Active Member Data

Valuation at Year End	Plan Type	Member Count	Annual Payroll	Average Annual Salary	Average Salary Increase
2003	General	1,930	76,971,000	39,881	6.24%
	Safety	262	11,615,000	44,332	6.14%
	Total	2,192	88,586,000	40,413	6.29%
2004	General	1,824	77,023,000	42,228	5.89%
	Safety	268	12,493,000	46,616	5.15%
	Total	2,092	89,516,000	42,790	5.88%
2005	General	1,892	83,166,000	43,957	4.09%
	Safety	295	14,341,000	48,614	4.29%
	Total	2,187	97,507,000	44,585	4.19%
2006	General	1,919	85,864,000	44,744	1.79%
	Safety	310	15,274,000	49,271	1.35%
	Total	2,229	101,138,000	45,374	1.77%
2007	General	1,917	85,308,000	44,501	-0.54%
	Safety	318	15,281,000	48,053	-2.47%
	Total	2,235	100,589,000	45,006	-0.81%
2008	General	1,921	92,116,000	47,952	7.75%
	Safety	339	17,137,000	50,552	5.20%
	Total	2,260	109,253,000	48,342	7.41%
2009	General	1,848	99,266,589	53,716	12.02%
	Safety	342	19,363,697	56,619	12.00%
	Total	2,190	118,630,286	54,169	12.05%
2010	General	1,708	94,915,436	55,571	3.45%
	Safety	330	19,692,515	59,674	5.40%
	Total	2,038	114,607,951	56,236	3.82%

Schedule of Retirees and Beneficiaries Valuation Data

Valuation at Year End	Beginning of Year	Added During Year	Allowances Added	Removed During Year	Allowances Removed	End of Year	Annual Retirement Payroll	Average Allowance Percentage Increase	Average Annual Allowance
2003	1,295	N/A	N/A	N/A	N/A	1,348	20,369,000	15.25%	15,111
2004	1,348	124	2,807,000	31	396,000	1,441	22,780,000	11.84%	15,808
2005	1,441	109	2,445,000	49	450,000	1,477	24,867,000	9.16%	16,836
2006	1,477	98	2,007,000	53	785,000	1,521	27,297,000	9.77%	17,934
2007	1,521	136	4,419,000	38	560,000	1,620	31,823,000	16.58%	19,644
2008	1,620	105	2,757,000	67	902,000	1,658	34,603,000	8.74%	20,870
2009	1,658	105	3,402,523	52	812,828	1,711	37,747,525	9.09%	22,062
2010	1,711	171	6,097,956	56	981,465	1,826	43,653,374	15.65%	23,907