

**OBRA 1990 RETIREMENT SYSTEM OF THE
COUNTY OF MILWAUKEE**

**ACTUARIAL VALUATION
JANUARY 1, 2009**

June 15, 2009

The Retirement Board
Employees' Retirement System of the
County of Milwaukee
901 N. 9th St.
Milwaukee, WI 53233

Ladies and Gentlemen:

This report presents the results of the annual actuarial valuation of the OBRA 1990 Retirement System of the County of Milwaukee as of January 1, 2009. The valuation takes into account all of the promised benefits to which members are entitled as of January 1, 2009; and as required by the Retirement Code is the basis for the Budget Contribution for fiscal year 2010.

The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, including a valuation interest rate of 8% per annum compounded annually. Effective with the 2007 valuation, the Board adopted a new mortality table assumption to better reflect actual and expected experience.

Assets and Membership Data

The Retirement System reported the individual data for members of the System as of the valuation date to the actuary. While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness. The amount of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the Retirement System.

Funding Adequacy

The 2008 valuation performed last year resulted in an Actual Funding Contribution of \$557,813 against which \$522,000 was actually contributed. The shortfall of \$35,813 is amortized over five years.

The Actual Funding Contribution for 2009, based on the results of this valuation, is \$660,925. It is expected that \$548,100 will be contributed during 2010 on behalf of the 2009 plan year. The excess of \$112,825 will be amortized over five years.

The Retirement Board
Employees' Retirement System of the
County of Milwaukee

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Budget Contribution

The 2010 Budget Contribution, expected to be contributed in 2011, is \$786,000.

Financial Results and Membership Data

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report. The actuary prepared supporting schedules and required supplementary information included in the County of Milwaukee Annual Report of the Pension Board.

Qualified actuaries completed the valuation in accordance with accepted actuarial procedures as prescribed by the Actuarial Standards Board. The qualified actuaries are members of the American Academy of Actuaries and are experienced in performing actuarial valuations of public employee retirement systems. To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice. The undersigned with actuarial designations are qualified to render the opinions contained in this report.

Respectfully submitted,



Larry Langer, ASA, EA, MAAA
Principal, Consulting Actuary



Marco Ruffini
Senior Consultant



Lawrence Lin, ASA
Consultant, Actuary

LL/MR/LL:pl

EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE

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Executive Summary

This report presents the actuarial valuation as of January 1, 2009 for the OBRA 1990 Retirement System of the County of Milwaukee. The principal valuation results include:

- The Actual Funding Contribution for fiscal year 2009, which is \$660,925.
- The Annual Required Contribution for fiscal year 2009 in accordance with GASB requirements, which is \$660,925.
- The Budget Contribution for fiscal year 2010, which is \$786,000.
- The total funded ratio of the plan determined as of January 1, 2009, which is 19.3% based on the accrued liability and the actuarial value of assets.
- The determination of the actuarial gain or loss as of January 1, 2009, which is a loss of \$406,803.
- Annual disclosure as of January 1, 2009 as required by Statement No. 25 of the Governmental Accounting Standards Board.

The valuation was based on membership and financial data submitted by the Retirement System.

Changes Since Last Year

Legislative and Administrative Changes

There were no legislative or administrative changes since the prior valuation.

The benefit provisions and contribution provisions are summarized in Table 15.

Actuarial Assumptions and Methods

Effective with the 2007 valuation, the Board adopted a new mortality table assumption to better reflect actual and expected experience.

The actuarial assumptions and methods are outlined in Table 14.

Contribution Amounts

The results of the valuation as of January 1, 2009 determine the Actual Funding Contribution and Annual Required Contribution for fiscal year 2009 and the Budget Contribution for fiscal year 2010. The Actual Funding Contribution and the Annual Required Contribution for GASB 25 disclosure for fiscal year 2009 are both \$660,925. The Budget Contribution for fiscal year 2010 is \$786,000.

Reasons for Change in Budget Contribution Calculated by the Actuary

The Budget Contribution calculated by the actuary increased from \$637,000 for fiscal year 2009 to \$786,000 for fiscal year 2010. A reconciliation of the increase of \$149,000 is shown in the following table:

Item	Amount
1. 2009 Budget Contribution	\$ 637,000
2. Increase / (Decrease) during 2008 due to	
a. Unanticipated liability loss (gain)	\$ (23,000)
b. Asset loss (gain) other than expected	26,000
c. 2008 reimbursable expenses other than assumed	21,000
d. 2008 contribution variance other than assumed	-
e. Full recognition of bases other than assumed	-
f. Other	-
g. Total	<u>24,000</u>
3. 2009 Actual Contribution (1 + 2)	\$ 661,000
4. Expected Increase / (Decrease) during 2009 due to	
a. Normal cost and existing amortization schedule	\$ 17,000
b. Phase-in of deferred asset (gains) losses	-
c. Amortization of 2009 reimbursable expenses	90,000
d. Expected contribution variance for 2009	28,000
e. Full recognition of certain amortization bases	(10,000)
f. Increase due to assumption changes	-
g. Total	<u>125,000</u>
5. 2010 Budget Contribution (3 + 4)	\$ 786,000

Summary of Principal Results

Summarized below are the principal financial results for the OBRA 1990 Retirement System of the County of Milwaukee based upon the actuarial valuation as of January 1, 2009. Comparable results from the January 1, 2008 valuation are also shown.

Item	January 1, 2009	January 1, 2008
Demographics		
<u>Active Members</u>		
• Number	1,726	1,401
• Average Annual Pay	\$ 4,924	\$ 5,913
<u>Inactive Members</u>		
• Members Receiving Benefits		
• Number	2	1
• Average Annual Benefit Payment	\$ 1,923	\$ 1,371
• Members With Deferred Benefits		
• Number	9,211	8,741
• Average Annual Benefit Payment	\$ 220	\$ 216
Actual Funding Contribution	(Fiscal Year 2009)	(Fiscal Year 2008)
• Normal Cost with Interest	\$ 167,791	\$ 176,532
• Net Amortization Payments	<u>493,134</u>	<u>381,281</u>
• Total Contribution	\$ 660,925	\$ 557,813
Actuarial Funded Status		
• Accrued Liability	\$ 4,451,626	\$ 4,076,739
• Actuarial Value of Assets	<u>859,923</u>	<u>1,354,805</u>
• Unfunded Accrued Liability	\$ 3,591,703	\$ 2,721,934
• Funded Ratio	19.3%	33.2%

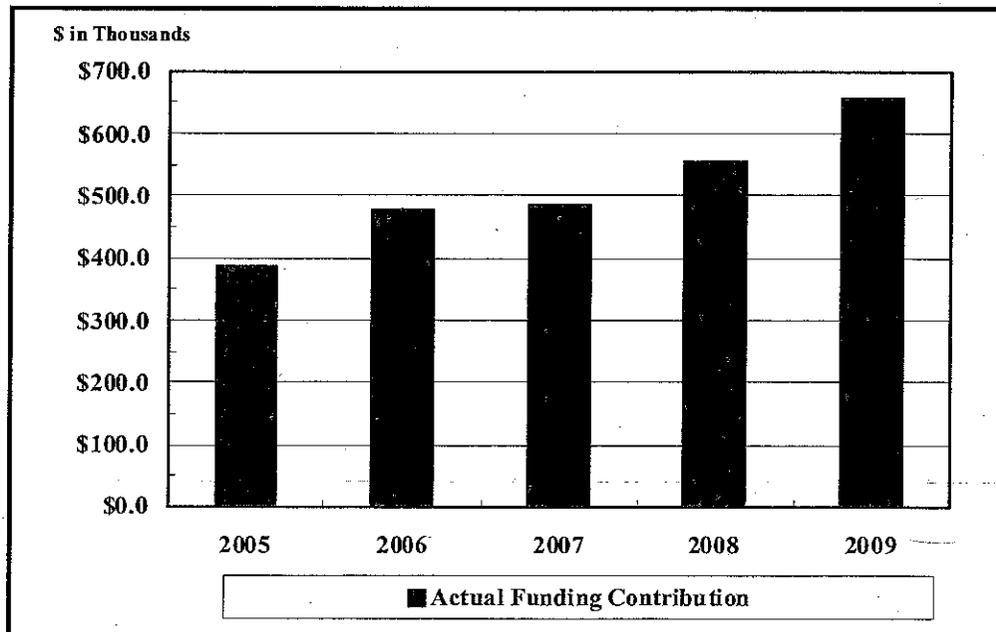
Five-Year History of Principal Financial Results

Five-Year History of Contribution Amounts

Valuation as of January 1	Actual Funding Contributions		
	Normal Cost with Interest	Net Amortization Payments	Total
2009	\$ 167,791	\$ 493,134	\$ 660,925
2008	176,532	381,281	557,813
2007	142,902	342,651	485,553
2006	169,071	311,825	480,896
2005	133,906	252,316	386,222

The following chart shows a five-year history of employer contribution amounts:

Five-Year History of Actual Funding Contributions



Funded Ratio

The financing objective of the System is to:

- Fully fund all current costs based on the normal contribution rate determined under the funding method; and
- Liquidate the unfunded accrued liability based on the amortization schedules as required by the retirement code, i.e., a schedule of 5, 10, or 30 years for each change in the unfunded accrued liability according to Section 3.1.

The total Actual Funding Contribution of \$660,925, when taken together with any contributions payable by members and asset returns, is the amount sufficient to achieve the financing objective for 2009.

The System's total funded ratio on the funding basis is measured by comparing the actuarial value of assets (same as market value) with the accrued liability. The accrued liability for pensions is the present value of benefits accumulated to date under the System's funding method.

On this basis, the System's funded ratio is 19.3% as of January 1, 2009. This funded ratio is based on an actuarial value of assets of \$859,923 and an accrued liability of \$4,451,626.

Reasons for Change in the Total Funded Ratio

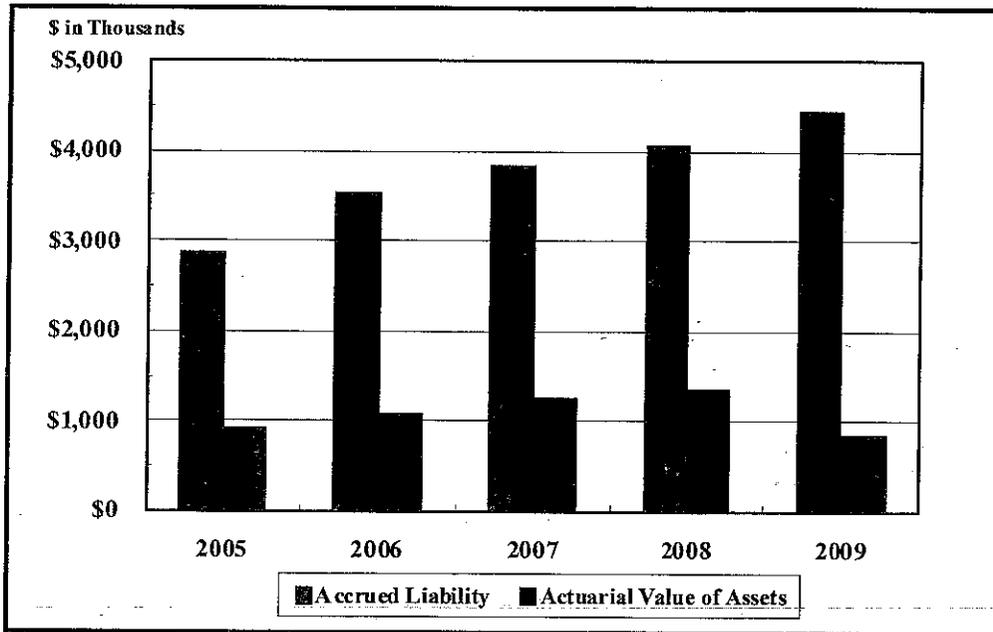
The total funded ratio decreased from 33.2% as of January 1, 2008 to 19.3% as of January 1, 2009. The decrease is due to the net effect of investment return and experience gains and losses.

Five-Year History of Total Funded Ratio

Valuation as of January 1	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
2009	\$ 4,451,626	\$ 859,923	\$ 3,591,703	19.3%
2008	4,076,739	1,354,805	2,721,934	33.2
2007	3,842,625	1,260,931	2,581,694	32.8
2006	3,530,352	1,090,405	2,439,947	30.9
2005	2,871,834	943,973	1,927,861	32.9

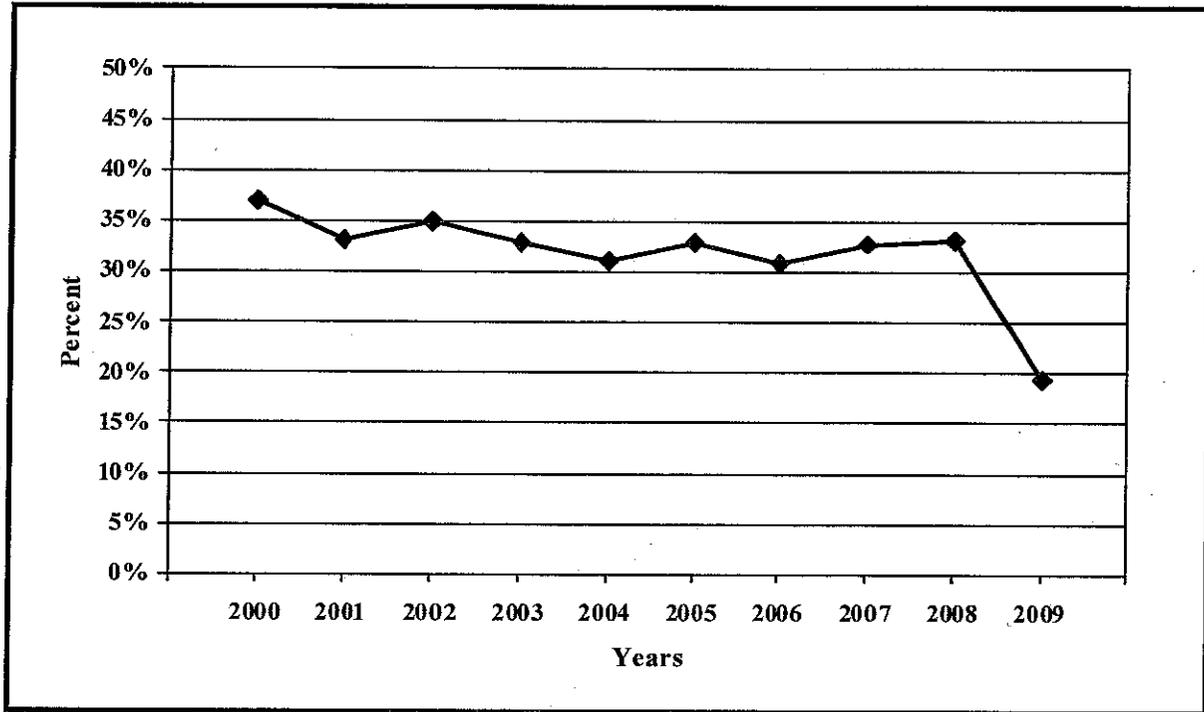
The following chart shows a five-year history of the accrued liability and the actuarial value of assets:

Five-Year History of Accrued Liability and Actuarial Value of Assets



The following chart shows a ten-year history of the total funded ratio:

Ten-Year History of Total Funded Ratio
(2000 - 2009)



GASB No. 25 Disclosure

Statement No. 25 of the Governmental Accounting Standards Board established reporting standards for the annual financial reports of defined benefit pension plans. The System complied with Statement No. 25 beginning with the January 1, 1997 valuation. The statement requires disclosure of the "schedule of funding progress" and the "schedule of employer contributions" in the System's financial statements.

The "schedule of funding progress" shows historical trend information about the System's actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The actuarial funded ratio is measured by comparing the actuarial value of assets (based on market value) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System's funding method and reflects future pay increases for active employees. On this basis, the System's funded ratio is 19.3% as of January 1, 2009. This funded ratio is based on an actuarial value of assets of \$859,923 and an accrued liability of \$4,451,626.

The "schedule of employer contributions" shows historical trend information about the annual required contribution (ARC) for pensions of the employer and the percentage of the ARC contributed to the System. The ARC is equal to the normal cost for pensions plus amortization of the unfunded actuarial accrued liability for pensions. The maximum period of amortizing the unfunded actuarial accrued liability permitted by GASB No. 25 is 30 years. The maximum amortization period decreased from 40 years to 30 years in 2007. The employer contributions to the System are equal to the normal cost plus a payment towards each change in the unfunded accrued liability, which are amortized over 5, 10 or 30-year periods. The ARC and the actual employer percentage contributed for the five fiscal years ending December 31, 2009 are shown in Table 13.

Rate of Return

The estimated investment return of the fund (i.e. total return including both realized and unrealized gains and losses) for fiscal years 2004 through 2008 is shown in the table below. The return based on the actuarial value of assets used for determining annual contribution rates is also shown.

The rate of return on market value reflects the investment earnings on the market value of assets from the beginning of the fiscal year to the end of the fiscal year. The actuarial assets are the assets recognized for valuation purposes. Actuarial assets are the same as market value for purposes of this valuation.

Five Year History of Assets and Returns

As of 12/31	Asset Values		Rates of Return		
	Market	Actuarial	Market	Actuarial	Assumed
2004	\$ 943,973	\$ 943,973	11.4%	11.4%	8.5%
2005	1,090,405	1,090,405	11.8%	11.8%	8.5%
2006	1,260,931	1,260,931	11.3%	11.3%	8.0%
2007	1,354,805	1,354,805	5.6%	5.6%	8.0%
2008	859,923	859,923	(23.2%)	(23.2%)	8.0%

Compound Rate of Return (five years): 2.4% 2.4%

TABLE 1**SUMMARY OF RESULTS OF ACTUARIAL VALUATION**

Item	January 1, 2009	January 1, 2008
Participant Data		
1. Number of Participants		
a) Active Participants	1,726	1,401
b) Participants with Deferred Benefits	9,211	8,741
c) Participants Receiving Benefits	2	1
d) Total	<u>10,939</u>	<u>10,143</u>
2. Total Compensation	\$ 8,498,484	\$ 8,284,312
3. Annual Annuities	\$ 3,846	\$ 1,371
Valuation Results		
4. Actuarial Accrued Liability		
a) Active Participants	\$ 1,079,012	\$ 1,117,979
b) Participants with Deferred Benefits	3,340,132	2,948,180
c) Participants Receiving Benefits	32,482	10,580
d) Total	<u>\$ 4,451,626</u>	<u>\$ 4,076,739</u>
5. Actuarial Value of Assets	\$ 859,923	\$ 1,354,805
6. Funded Status: (5 / 4)	19.3 %	33.2 %
7. Unfunded Actuarial Accrued Liability: (4 - 5)	\$ 3,591,703	\$ 2,721,934
8. Normal Cost for the Plan Year	\$ 155,362	\$ 163,456
Employer Actual Funding Contribution and Annual Required Contribution for Fiscal 2009		
9. Actual Funding Contribution Calculated by Actuary		
a) Normal Cost with Interest	\$ 167,791	\$ 176,532
b) Net Annual Amortization Payments	493,134	381,281
c) Total Contribution: ((a + b), not less than zero)	<u>\$ 660,925</u>	<u>\$ 557,813</u>

TABLE 2

**SECURITY OF PROMISED BENEFITS
UNFUNDED ACTUARIAL ACCRUED LIABILITY
FUNDED STATUS**

Item	January 1, 2009	January 1, 2008
1. Actuarial Accrued Liability		
a. Active Participants		
Retirement Benefits	\$ 925,688	\$ 972,737
Withdrawal Benefits	153,324	145,242
Total Active	1,079,012	1,117,979
b. Participants with Deferred Benefits	3,340,132	2,948,180
c. Participants Receiving Benefits	32,482	10,580
d. Total All Participants	\$ 4,451,626	\$ 4,076,739
2. Actuarial Value of Assets	859,923	1,354,805
3. Unfunded Actuarial Accrued Liability (1d - 2)	\$ 3,591,703	\$ 2,721,934
4. Funded Status: (2 / 1d)	19.3%	33.2%

Both valuations were based on the same methods and plan provisions.

The interest rate used as of January 1, 2009 and January 1, 2008 was 8.00%.

TABLE 3
ACTUARIAL GAIN/(LOSS) FOR PLAN YEAR ENDING

Item	December 31, 2008	December 31, 2007
1. Actuarial Accrued Liability at the Beginning of the Year	\$ 4,076,739	\$ 3,842,625
2. Increases/(Decreases) During the Year		
a. Normal Cost for the Year	163,456	132,317
b. Member Contributions	-	-
c. Benefit Payments and Refunds	(128,103)	(54,125)
d. Assumed Interest to End of Year*	334,190	315,872
e. Plan and Assumption Changes	-	-
f. Total: (a + b + c + d + e)	<u>369,543</u>	<u>394,064</u>
3. Expected Liability at the End of the Year: (1 + 2)	4,446,282	4,236,689
4. Actuarial Accrued Liability at the End of the Year	4,451,626	4,076,739
5. Liability Gain/(Loss): (3 - 4)	\$ (5,344)	\$ 159,950
6. Actuarial Value of Assets at the Beginning of the Year	\$ 1,354,805	\$ 1,260,931
7. Increases/(Decreases) During the Year		
a. County Contributions	522,000	529,000
b. Member Contributions	-	-
c. Benefit Payments and Refunds	(128,103)	(54,125)
d. Administrative Expenses	(590,678)	(449,781)
e. Assumed Interest to End of Year*	103,358	98,751
f. Total: (a + b + c + d + e)	<u>(93,423)</u>	<u>123,845</u>
8. Expected Actuarial Assets at the End of the Year (6 + 7)	1,261,382	1,384,776
9. Actuarial Value of Assets at the End of the Year	859,923	1,354,805
10. Actuarial Asset Gain/(Loss): (9 - 8)	\$ (401,459)	\$ (29,971)
11. Total Gain/(Loss): (5 + 10)	\$ (406,803)	\$ 129,979

* 8.00% per annum interest rate assumed for 2008 and 2007 plan years

TABLE 4

**AMORTIZATION SCHEDULE FOR ACTUAL FUNDING CONTRIBUTION
FOR 2009 PLAN YEAR**

Type of Payment	Amortization Period				Balances		Payment
	Date Created	Initial Years	Remaining Years	Last Payment	Initial	Outstanding	
1. Charges							
Expense	1/1/1999	10	0	2008	\$ 81,673	\$ -	\$ -
Expense	1/1/2000	10	1	2009	85,685	12,001	12,961
Expense	1/1/2001	10	2	2010	100,656	27,095	15,195
Expense	1/1/2002	10	3	2011	109,857	42,649	16,549
Expense	1/1/2003	10	4	2012	141,818	70,500	21,286
Variance	1/1/2004	5	0	2008	8,760	-	-
Expense	1/1/2004	10	5	2013	178,462	106,568	26,690
Reestablished unfunded	1/1/2004	30	25	2033	1,009,474	1,116,788	80,429
Expense	1/1/2005	10	6	2014	238,648	164,701	35,628
Loss	1/1/2005	30	26	2034	19,357	20,909	1,476
Expense	1/1/2006	10	7	2015	276,403	214,462	41,192
Variance	1/1/2006	5	2	2010	21,222	9,479	5,315
Assumption Change	1/1/2006	30	27	2035	318,945	335,942	23,267
Expense	1/1/2007	10	8	2016	307,150	263,050	45,774
Variance	1/1/2007	5	3	2011	18,896	12,196	4,733
Assumption Change	1/1/2007	30	28	2036	67,011	68,844	4,684
Expense	1/1/2008	10	9	2017	449,781	418,732	67,031
Expense	1/1/2009	10	10	2018	590,678	590,678	88,028
Variance	1/1/2009	5	5	2013	35,813	35,813	8,970
Loss	1/1/2009	30	30	2038	406,803	406,803	26,806
Total Charges						\$ 3,917,210	\$ 526,014
2. Credits							
Variance	1/1/2005	5	1	2009	\$ 10,331	\$ 2,399	\$ 2,591
Gain	1/1/2006	30	27	2035	16,036	16,890	1,170
Gain	1/1/2007	30	28	2036	134,681	138,365	9,415
Variance	1/1/2008	5	4	2012	43,447	36,041	10,882
Gain	1/1/2008	30	29	2037	129,979	131,812	8,822
Total						\$ 325,507	\$ 32,880
3. Net Amount (1 - 2)						\$ 3,591,703	\$ 493,134

Annual amortization payments of the reestablished unfunded actuarial accrued liability (UAAL), and changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll, assuming payroll growth of 3% per year over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

TABLE 5

**STATEMENT OF NORMAL COST
FOR CURRENT AND PRIOR PLAN YEAR ACTUAL FUNDING CALCULATIONS**

Item	January 1, 2009	January 1, 2008
1. Unit Credit Normal Cost		
a. Active Participants		
Retirement Benefits	\$ 112,805	\$ 123,046
Withdrawal Benefits	42,557	40,410
Total	<u>155,362</u>	<u>163,456</u>
2. Interest to the End of the Plan Year	12,429	13,076
3. Normal Cost for the Plan Year: (1 + 2)	167,791	176,532

TABLE 6

**CONTRIBUTION REQUIREMENTS – END-OF-YEAR BASIS
ACTUAL AND BUDGET AMOUNTS FOR CURRENT PLAN YEAR
BUDGET AMOUNT FOR NEXT PLAN YEAR**

Item	2010 Budget	2009	
		Actual	Budget
1. Normal Cost with Interest	\$ 182,000	\$ 167,791	\$ 192,000
2. Net Annual Amortizations	<u>604,000</u>	<u>493,134</u>	<u>445,000</u>
3. Total Contribution ((1 + 2), not less than zero)	\$ 786,000	\$ 660,925	\$ 637,000

The budgeted contributions shown above for the 2010 and 2009 plan years were estimated based on participant data as of January 1, 2009, and January 1, 2008, respectively.

The actual contribution for the 2009 plan year was determined based on participant data as of January 1, 2009, and satisfies the pension accounting requirements of GASB Statement Nos. 25 and 27.

There have been no changes in assumptions, methodology, and plan provisions since the prior valuation.

TABLE 7**SUMMARY STATEMENT OF MARKET VALUE OF PLAN ASSETS**

Asset Category	December 31, 2008	December 31, 2007
1. Cash and Cash Equivalents	\$ 1,928	\$ 2,031
2. Investments at Fair Value	335,995	823,774
3. Contributions Receivable	<u>522,000</u>	<u>529,000</u>
4. Net Assets Available for Benefits (1 + 2 + 3)	\$ 859,923	\$ 1,354,805

TABLE 8**SUMMARY RECONCILIATION OF MARKET VALUE OF PLAN ASSETS**

Item	For Year Ending December 31, 2008	For Year Ending December 31, 2007
1. Market Value of Assets at the Beginning of the Year	\$ 1,354,805	\$ 1,260,931
2. Contributions for Plan Year		
a. County	\$ 522,000	\$ 529,000
b. Member	-	-
c. Total	522,000	529,000
3. Disbursements for Plan Year		
a. Benefit payments and refunds	\$ 128,103	\$ 54,125
b. Administrative expenses payable to County	590,678	449,781
c. Total	718,781	503,906
4. Market Value of Assets at the End of the Year	859,923	1,354,805
5. Net Investment Income* (4 - 1 - 2c + 3c)	(298,101)	68,780
6. Expected Net Investment Income (8.00% per annum)	103,358	98,751
7. Gain (Loss) on Market Value of Assets (5 - 6)	(401,459)	(29,971)
8. Estimated Rate of Return	(23.2%)	5.6%

* Net Investment Income is the change in the value of assets for reasons other than contributions and disbursements.

TABLE 9**ACTUARIAL VALUE OF PLAN ASSETS**

Item	January 1, 2009	January 1, 2008
1. Actuarial Value of Assets	\$ 859,923	\$ 1,354,805

The actuarial value of plan assets is equal to the market value of plan assets.

TABLE 10

**EMPLOYER CONTRIBUTIONS FOR 2008 PLAN YEAR
AND VARIANCE FROM THE FUNDING CALCULATION CONTRIBUTION**

Item					Amount
1. Total Funding Calculation, End-of-Year Basis, for 2008 Plan Year (from January 1, 2008 actuarial valuation report)					\$ 557,813
2. Total Employer Contributions Made, End-of-Year Basis					
Contribution Made	Fraction of a Year Invested	Contribution Amount	Interest to Year End*	End of Year Amount	
Bi-weekly	50.0%	\$ -	\$ -	\$ -	
2/1/2009	0.0%	-	-	-	
3/1/2009	0.0%	-	-	-	
4/1/2009	0.0%	522,000	-	522,000	
5/1/2009	0.0%	-	-	-	
6/1/2009	0.0%	-	-	-	
Total		\$ 522,000	\$ -	\$ 522,000	
3. Variance from Funding Calculation Amount** (2 - 1)					\$ (35,813)

* Interest to 12/31/2008 at 8.00% per annum

** Variance will be amortized on a level dollar basis over five years.

TABLE 11**GASB NOS. 25 AND 27 DISCLOSURE INFORMATION
FOR CURRENT AND PRIOR PLAN YEAR****Equivalent Single Amortization Period**

Item	January 1, 2009	January 1, 2008
1. Covered Payroll	\$ 8,498,484	\$ 8,284,312
2. Unfunded Amount	3,591,703	2,721,934
3. Amortization Payment	493,134	381,281
4. Payment as a Level Percentage of Payroll (3 / 1)	5.80%	4.60%
5. Weighted Average Amortization Period (2 / 3)	7.28	7.14
6. Equivalent Single Amortization Period (Nearest Whole Year)	10	9

Net Pension Obligation

Item	January 1, 2009	January 1, 2008
1. Annual Required Contribution (ARC)	\$ 660,925	\$ 557,813
2. Interest on Net Pension Obligation	2,603	(316)
3. Adjustment to ARC	(8,150)	988
4. Annual Pension Cost (APC)	655,378	558,485
5. Contributions made*	(548,100)	(522,000)
6. Increase (Decrease) in Net Pension Obligation	107,278	36,485
7. Net Pension Obligation at Beginning of Year	32,539	(3,946)
8. Net Pension Obligation at End of Year**	139,817	32,539
9. Percent of APC Contributed	83.63%	93.47%

* Contributions for 2009 are estimated based on the County budget

** NPO at December 31, 2009 is estimated based on expected contributions to be made for the year

TABLE 12

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**
(\$ Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Funded Ratio (a / b)	Unfunded Actuarial Accrued Liability (b - a)	Covered Payroll (c)	Unfunded as a Percentage of Covered Payroll [(b - a) / c]
12/31/2008	\$ 860	\$ 4,452	19.3%	\$ 3,592	\$ 8,498	42.3%
12/31/2007	1,355	4,077	33.2%	2,722	8,284	32.9%
12/31/2006	1,261	3,843	32.8%	2,582	7,057	36.6%
12/31/2005	1,090	3,530	30.9%	2,440	8,353	29.2%
12/31/2004	944	2,872	32.9%	1,928	8,406	22.9%

TABLE 13

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
GASB STATEMENT NO. 25 DISCLOSURE**

Fiscal Year Ended December 31	Annual Required Contribution	Percentage Contributed
2009	\$ 660,925	82.9 *
2008	557,813	93.6
2007	485,553	108.9
2006	499,137	92.6
2005	386,222	94.5

* Contributions for 2009 are estimated based on the County budget.

The information presented above was determined as part of the actuarial valuation as of the dates indicated.

Additional information as of the latest actuarial valuation follows:

Valuation Date:	January 1, 2009
Actuarial Cost Method:	Unit Credit
Amortization Method:	
- Administrative Expense	Level dollar closed
- Contribution Variance	Level dollar closed
- All other	Level percent of payroll closed
Remaining Amortization Period:	
- Administrative Expense	10 years
- Contribution Variance	5 years
- All other	30 years
Asset Valuation Method:	Market
Actuarial Assumptions:	
- Investment Rate of Return	8.00%
- Payroll Growth	3.00%

TABLE 14**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS****ASSUMPTIONS**

Interest Rate: 8.0% per annum, compounded annually. The components are 3.0% for inflation and 5.0% for the real rate of return.

Salary Increase: 5% per annum, compounded annually.

Payroll Growth: 3% per annum.

Separation From Service: Retirement age is assumed to be age 65. Illustrative rates of assumed separation from service (mortality and turnover) are shown in the following tables.

Annual Rates per 100 Participants

Attained Age	Mortality	
	Males	Females
45	0.13	0.11
50	0.19	0.19
55	0.31	0.38
60	0.59	0.76
65	1.11	1.26
70	1.86	1.96
75	2.87	3.40
80	5.03	5.86
85	8.61	10.72

* Healthy pensioners: The sex-distinct UP-1994 Mortality Table projected to 2010, set back 1 year for males and set forward 4 years for females.

Active members: 70% of the rates applicable to healthy pensioners.

TABLE 14**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)****Annual Rates per 100 Participants**

Withdrawal						
Attained Age	Select Rates by Year of Employment + Ultimate					
	0	1	2	3	4	Ult.
20	33.75	31.50	28.50	24.00	19.05	15.00
25	31.35	29.46	26.88	22.86	18.54	14.25
30	27.30	25.47	22.92	18.99	15.36	12.00
35	22.35	20.64	18.03	14.01	10.17	6.00
40	17.85	16.26	13.80	10.26	7.23	3.90
45	17.25	14.85	11.94	8.43	5.37	2.52
50	16.50	13.38	10.98	7.89	4.47	1.07
55	14.85	12.45	9.78	6.93	3.63	0.23

TABLE 14**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)****METHODS**

Calculations: The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system, and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Actuarial Cost Method: Liabilities and contributions shown in this report are computed using the Unit Credit Cost Method. The outstanding balance of the unfunded actuarial accrued liability (UAAL) as of January 1, 2004 and any changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

Asset Valuation Method: The actuarial asset value is the market value of assets plus any receivable contributions.

DATA

Census and Assets: The valuation was based on members of the System as of January 1, 2009 and does not take into account future members. All census data was supplied by the System and was subject to reasonable consistency checks. Asset data was supplied by the System.

TABLE 15

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

MEMBERSHIP

Any person employed by the County for whom the County is not obligated to collect and withhold FICA taxes. However, such persons shall not include: 1) an employee hired to relieve him from unemployment; 2) an employee of a hospital, home, or institution where he is an inmate; 3) an employees who is a temporary employee to handle fire, storm, snow, earthquake or similar emergencies; 4) an employee paid on a fee basis as self-employed; or 5) an employee who is a member of a collective bargaining unit covered by an agreement which does not provide for his inclusion.

VESTING SERVICE

One year of service is credited on and after January 1, 1992 for each plan year during which the employee is employed at any time. However, the employee shall not receive credit for any plan year in which the County is obligated to collect and withhold FICA taxes. If, during such plan year, FICA taxes are withheld for only a portion of the year, the employee shall receive a pro rata credit for the portion of the year worked when no FICA taxes were withheld.

BENEFIT SERVICE

Same as vesting service.

EARNINGS

Earnable compensation shall include the compensation earned during the period for which no FICA tax was withheld, exclusive of any amounts reimbursed for moving expenses. However, such compensation shall be limited to the Social Security taxable wage base for the plan year.

Average compensation is the average of the total earnings accumulated during the plan years of employment with the County, with the exception of years prior to January 1, 1992.

TABLE 15

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS
(Continued)

BENEFITS

Normal Retirement

Eligibility	Age 65.
Amount	2% of the member's average compensation multiplied by years of service (not in excess of 30).

Deferred Vested Benefit

Upon termination of employment, a member is eligible for a deferred vested pension commencing at age 65. Such benefit shall be calculated the same as for normal retirement, considering average compensation and service at termination.

TABLE 16

**SUMMARY OF MEMBERSHIP DATA
AS OF JANUARY 1, 2009**

Item	Total
Number of Participants	1,726
Average Annual Salaries *	\$ 4,924
Average Age	25.2
Average Service	2.9

* The salaries shown in the table above represent total annual pay increased by the salary assumption.

Inactive Participants

Item	Number	Annual Annuities	Average Annuities
Participants with Deferred Benefits	9,211	\$ 2,022,528	\$ 220
Participants receiving the benefits	<u>2</u>	<u>3,846</u>	<u>1,923</u>
Total	9,213	\$ 2,026,374	\$ 220

EXHIBIT I**ACTIVE MEMBERSHIP DATA****NUMBER AND AVERAGE ANNUAL SALARY*
AS OF JANUARY 1, 2009**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	1,154 \$2,881	145 \$8,196								1,299 \$3,474
25-29	65 \$11,737	51 \$11,308	22 \$12,657							138 \$11,725
30-34	25 \$7,898	18 -	6 -	3 -						52 \$9,425
35-39	11 -	6 -	2 -	1 -						20 \$6,304
40-44	23 \$ 5,868	5 -	4 -	3 -						35 \$8,271
45-49	26 \$ 5,290	2 -	6 -	4 -						38 \$7,899
50-54	26 \$ 6,575	8 -	5 -							39 \$8,963
55-59	21 \$6,893	8 -	3 -	1 -						33 \$8,438
60-64	18 -	7 -	5 -	2 -						32 \$8,101
Over 64	17 -	11 -	8 -	4 -						40 \$ 6,866
Total	1,386 \$3,673	261 \$9,502	61 \$11,610	18 -						1,726 \$4,924

* Compensation in cells with fewer than 20 records has been suppressed.

EXHIBIT II**5-YEAR HISTORY OF MEMBERSHIP DATA****Active Participants**

Valuation as of January 1	Number of Active Participants	Percentage Change in Membership	Total Annual Payroll	Percentage Change in Payroll
2009	1,726	23.20%	\$ 8,498,484	2.59%
2008	1,401	8.02%	8,284,312	17.39%
2007	1,297	(7.95%)	7,057,342	(15.51%)
2006	1,409	(3.43%)	8,352,835	(0.63%)
2005	1,459	(8.01%)	8,405,836	0.09%

Retired Participants

Valuation as of January 1	Number on roll	Additions	Deletions	Percentage Change in Membership	Annual Annuities	Percentage Change in Annuities
2009	2	1	-	100.00%	\$ 3,846	180.53%
2008	1	-	-	0.00%	1,371	0.00%
2007	1	-	-	0.00%	1,371	0.00%
2006	1	-	-	0.00%	1,371	0.00%
2005	1	-	-		1,371	

EXHIBIT III

DETAILED TABULATIONS OF THE DATA

TABLE III-A

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2009**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
15			1	
16	68	\$ 86,348	58	\$ 84,661
17	143	265,458	123	254,277
18	145	330,022	103	236,736
19	119	435,605	95	325,933
20	84	346,725	66	221,192
21	71	368,560	43	188,863
22	49	403,912	35	211,601
23	32	208,609	23	181,663
24	21	174,104	20	188,379
25	18		13	
26	21	271,250	17	
27	14		12	
28	10		12	
29	16		5	
30	7		5	
31	7		5	
32	6		3	
33	10		2	
34	5		2	
35	5		2	
36	1		1	
37	3		1	
38	2		2	
39	3			
40	5		2	
41	6		1	
42	4		2	
43	5		2	
44	4		4	
45	6		2	
46	5		1	
47	3		6	
48	2		5	
49	4		4	
50	3		2	
51	4		3	
52	6		1	
53	8		3	
54	4		5	
55	3		1	

TABLE III-A

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2009**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
56	8		3	
57	2		1	
58	7		1	
59	6		1	
60	7		1	
61	5		2	
62	6		3	
63	3		1	
64	2		2	
65	7		2	
66	5		1	
67	2		2	
68	3			
69	3			
70	1		1	
71			1	
73	4			
77	1			
78	1			
79	1			
80	1			
82	1		1	
84	1			
88	1			
Total	1,010	\$ 5,195,498	716	\$ 3,302,986

TABLE III-B

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2009**
(Compensation in cells with fewer than 20 records has been suppressed)

Years of Service	Men		Women	
	Number	Compensation	Number	Compensation
1	466	\$ 1,169,439	353	\$ 767,974
2	174	878,315	129	682,452
3	94	527,369	66	348,447
4	69	498,861	35	217,930
5	55	461,958	34	270,798
6	47	475,235	20	166,989
7	26	267,117	25	249,280
8	15		14	
9	14		11	
10	10		10	
11	8		2	
12	9		2	
13	7		6	
14	5		2	
15	4		4	
16	5			
17	2		3	
Total	1,010	\$ 5,195,498	716	\$ 3,302,986

TABLE III-C

**THE NUMBER AND ANNUAL BENEFITS PAID TO
ALL INACTIVE MEMBERS
AS OF JANUARY 1, 2009**

Age	Men		Women	
	Number	Annuity	Number	Annuity
17	1	\$ 16		
18	13	360	17	\$ 444
19	42	1,444	53	2,178
20	80	4,920	67	3,334
21	100	9,222	86	7,259
22	131	14,131	124	11,143
23	192	20,358	145	16,019
24	225	32,006	206	31,321
25	235	39,749	222	36,712
26	279	48,658	258	45,451
27	294	52,817	267	43,088
28	282	64,459	255	52,392
29	295	63,197	243	42,930
30	250	46,505	225	38,608
31	261	55,825	241	49,510
32	246	49,199	200	38,648
33	234	59,723	179	29,749
34	204	46,157	152	31,314
35	187	45,211	155	28,689
36	137	40,178	107	21,220
37	104	24,639	89	21,938
38	116	38,015	87	17,687
39	88	17,111	83	21,161
40	68	19,390	73	19,364
41	45	14,151	59	19,997
42	50	16,971	51	13,924
43	61	17,234	46	10,315
44	37	9,473	44	11,742
45	41	15,048	43	15,851
46	42	21,727	35	11,092
47	41	21,323	33	12,415
48	46	15,690	34	8,514
49	45	13,496	29	7,677
50	44	22,734	27	5,706
51	32	8,437	23	4,444
52	33	12,310	25	10,834
53	35	13,191	23	7,827
54	28	12,041	21	9,235
55	33	12,184	15	5,057
56	32	17,166	22	6,753
57	23	8,889	19	5,261

TABLE III-C

**THE NUMBER AND ANNUAL BENEFITS PAID TO
ALL INACTIVE MEMBERS
AS OF JANUARY 1, 2009**

Age	Men		Women	
	Number	Annuity	Number	Annuity
58	22	7,358	20	9,424
59	21	8,901	11	4,985
60	29	13,167	12	2,728
61	17	11,155	12	9,553
62	26	15,901	7	3,129
63	11	5,462	7	3,155
64	14	9,917	7	3,861
65	10	3,923	5	1,506
66	10	4,483	5	758
67	12	11,348	4	1,309
68	7	7,608	2	1,014
69	6	4,960	1	792
70	5	4,015	1	14
71	7	3,587	4	1,025
72	10	3,282	1	1,101
73	8	7,240	1	11
74	8	4,990	2	1,532
75	4	1,490	2	1,423
76	3	120		
77			1	504
78	5	921	3	929
79	10	7,416	1	920
80	5	1,472	1	2,424
81	4	2,324	3	1,902
82	3	889		
83	2	387		
84	5	1,595		
85	5	1,409		
86	6	1,011	1	24
87	1	75		
88			2	405
89			1	333
90	2	1,089	1	1,138
91	1	788		
93	1	36		
Total	5,012	\$ 1,193,675	4,201	\$ 832,699

EXHIBIT IV**GLOSSARY**

Accrued Liability	The difference between (a) the present value of future plan benefits, and (b) the present value of future normal cost. It is the portion of the present value of future plan benefits attributable to service accrued as of the valuation date. Sometimes referred to as "actuarial accrued liability."
Accrued Service	The service credited under the plan which was rendered before the date of the actuarial valuation.
Actual Funding Contribution	The Actual Funding Contribution for a plan year is calculated using census and asset information as of the first day of the plan year, and includes Normal Cost, with interest to the end of the plan year, and a net amortization payment.
Actuarial Assumptions	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the "present value of future plan benefits" between the present value of future normal cost and the accrued liability. Sometimes referred to as the "actuarial funding method."
Actuarial Equivalent	A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.
Actuarial Value of Assets	The value of current plan assets recognized for valuation purposes. Based on a smoothed market value that recognizes investment gains and losses over a period of three years.
Amortization	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

EXHIBIT IV**GLOSSARY**
(Continued)

Annual Required Contribution	The Annual Required Contribution, or ARC, is the amount determined in accordance with Governmental Accounting Standards Board Statements Nos. 25 and 27.
Budget Contribution	The Budget Contribution for a year is based on census and asset information as of the first day of the PRIOR plan year, rolled forward to the next plan year based on all actuarial assumptions being met. For example, the Budget Contribution for 2009 is based on census and asset information as of January 1, 2009, rolled forward to January 1, 2010.
Contribution Variance	The difference between the Actual Contribution and the Budget Contribution for a plan year is referred to as the Contribution Variance. A Contribution Variance resulting from an overpayment is amortized over 5 years as a level dollar credit. A Contribution Variance resulting from an underpayment is amortized over 5 years as a level dollar charge.
Experience Gain (Loss)	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
Normal Cost	The annual cost assumed, under the actuarial funding method, for current and subsequent plan years. Sometimes referred to as "current service cost."
Present Value	The amount of funds presently required to provide a payment or series of payments in the future. The present value is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
Unfunded Accrued Liability	The difference between the actuarial accrued liability and valuation assets.