

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: StanCERA *Tom Watson*

BOARD AGENDA # *B-19

Urgent Routine
CEO Concurs with Recommendation YES NO
(Information Attached)

AGENDA DATE June 2, 2009

4/5 Vote Required YES NO

SUBJECT:

Approval to Adopt Retirement Contribution and Interest Rates for Fiscal Year 2009-2010

STAFF RECOMMENDATIONS:

1. Adopt the revised retirement contribution rates, rate of interest posting, and revised actuarial assumptions for fiscal year 2009-2010 as recommended by the Board of Retirement.
2. Direct the Auditor-Controller to change the employer retirement contribution rates for the fiscal year 2009-2010 in accordance with the actuarial valuation of June 30, 2008 and the supplemental schedules (copies available from the Clerk of the Board of Supervisors), on the payroll check date of July 29, 2009.

FISCAL IMPACT:

The overall fiscal impact of the retirement contribution rates after the impact of the \$10 million contribution from non valuation reserves to offset employer contributions is approximately \$19.9 million, of which approximately \$9.2 million is General Fund cost. This represents 8.3% of total covered county payroll.

(Fiscal Impact continued on next page)

BOARD ACTION AS FOLLOWS:

No. 2009-370

On motion of Supervisor Chiesa, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT (Cont.):

The overall cost of \$19.9 million is included in the individual department level budgets for fiscal year 2009-2010. In addition to these costs, the County continues to make semi-annual debt-service payments of over \$10.8 million annually to retire the Pension Obligation Bonds issued in 1995.

DISCUSSION:

On April 8, 2009, the actuarial report and valuation of the Stanislaus County Employees Retirement Association (StanCERA) as of June 30, 2008, was presented to the Board of Retirement by Graham Schmidt and Robert McCrory of EFI Actuaries. Representatives from the Chief Executive Office were in attendance.

The Board of Retirement held two additional meetings on April 24, 2009, and April 28, 2009, to further review the report and the assumptions, as well as to allow for public comment. The Board of Retirement with a vote of 7-2, adopted the actuarial report on April 28, 2009, with the following assumption changes: 1) transfer \$50 million from non-valuation reserves to valuation reserves; 2) change the amortization method to a level % of payroll; 3) lengthen the amortization period to 30 years. These changes were incorporated in the revised June 30, 2008 actuarial review and analysis dated May 12, 2009.

In addition, the Board of Retirement approved a transfer of a \$10 million contribution from Non-valuation reserves to offset employer contributions for fiscal year 2009-2010. The spreadsheet to incorporate this assumption change is in a portable document file (pdf) entitled, "*10 Million Transfer Applied to Employer Rates.*" This spreadsheet was reviewed and approved by EFI Actuaries. The schedule created from the spreadsheet and provided to StanCERA employers is also in a pdf, entitled, "*Total Employer Contribution Rates 2009-2010.*" These attachments are available from the Clerk of The Board of Supervisors.

These assumption changes were made to maintain the soundness of the retirement system so that retirement benefits promised by the Board of Supervisors may be paid to ex-employees and retirees as promised. The report contains an interest assumption rate of 8.16% (4% compounded semi-annually), an average recommended Employee contribution rate of 7.46% and an average Employer contribution rate of 8.77%. This results in no change in the average Employee rates and a decrease in the average Employer rates of 1.8%.

The Employer rates are delineated by membership type (General or Safety), and tier. The current rates in effect are:

County Contribution Rates – Existing (FY 2008-2009)

	GENERAL				SAFETY	
	Tier 2	Tier 3	Tier 4	Tier 5	Tier 4	Tier 5
Basic %	4.92%	3.51%	5.70%	5.49%	14.13%	13.11%
COL %	1.35%	0.43%	1.82%	1.71%	5.28%	4.21%
Total %	6.27%	3.94%	7.52%	7.20%	19.41%	17.32%

DISCUSSION (Cont.)

The recommended employer rates for FY 2009-2010 are:

	COUNTY/FORMER COUNTY					
	GENERAL				SAFETY	
	Tier 2	Tier 3	Tier 4	Tier 5	Tier 4	Tier 5
Basic %	5.56%	4.04%	5.56%	5.40%	4.69%	10.17%
COL %	1.83%	0.84%	1.85%	2.28%	1.53%	3.97%
Total %	7.39%	4.88%	7.41%	7.68%	6.22%	14.14%

As previously noted, the Board of Retirement adopted the actuarial report with three funding assumption modifications which resulted in a 1.8% decrease in the overall employer contribution rate. In addition to these three changes, there were three actuarial assumption changes included in the report. These assumption changes were identified in the Milliman actuarial audit report dated November 11, 2008. The changes are: 1) Members who terminate employment and who are eligible to receive service retirement benefits are not assumed to elect deferred retirement or a refund of contributions; 2) Termination assumptions are based on service, not age; 3) Service retirement rates have been increased to reflect actual experience. General employees' rates are found on pages 23 and 24 of the actuarial report and Safety employees' rates are found on page 25. The report and supplemental schedules are available from the Clerk of the Board of Supervisors.

POLICY ISSUES:

Effective July 1, 1948, the Stanislaus County Board of Supervisors began offering retirement benefits to County employees pursuant to the County Employees Retirement Law of 1937 (CERL) [Government Code Section 31450 et seq.]. Retirement benefits are funded on an actuarially sound basis according to the 1937 Act.

Specifically, Pursuant to Government Code Section 31454:

“The Board of Supervisors shall.... adjust the rate of interest, the rates of contributions of members, and county and district appropriations in accordance with the recommendation of the Board [of Retirement], but shall not fix them in such amounts as to reduce the individual benefits provided in this chapter (CERL).”

POLICY ISSUES (Cont.):

Government Code Section 31584 further states that:

“The Board of Supervisors shall make the appropriations and if it fails or neglects to make appropriations, the County Auditor shall transfer from any money available in any fund in the County Treasury the sums specified by this chapter (CERL), and this transfer shall have the same force and effect as it would have had if the required appropriations had been made by the Board of Supervisors.”

STAFFING IMPACT:

There is no staffing impact associated with this item.

**Stanislaus County
Employees' Retirement Association**

Actuarial Review and Analysis as of June 30, 2008

Final Report
May 12, 2009

EFI Actuarial • EFI Asset/Liability Management Services, Inc.
The nation's leader in plan-specific, interactive asset allocation optimization counseling
Washington, DC • San Francisco • Seattle • Philadelphia

*Ed Friend, Inc.

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Executive Summary

This Report presents the results of an actuarial review and analysis of the Stanislaus County Employees' Retirement Association (StanCERA, the Plan) as of June 30, 2008. Employer contribution rates for the Fiscal Year beginning July 1, 2009 have been determined based on demographic and asset information as of June 30, 2008. These rates incorporate several assumption changes from those used in the prior valuation, recommended by Milliman as part of an actuarial audit and confirmed by EFI.

The employer contribution rates shown in this Report are as follows:

Valuation Date	Employer Contribution as % of Pay	Estimated Employer Contribution for Current Members (FY09)
June 30, 2006		
As computed by Buck Consultants	9.22%	\$ 20,255,153
As recomputed by EFI	8.98%	\$ 18,942,656
Recomputed with "Level 1" assumption changes	15.54%	\$ 32,940,907
June 30, 2008		
This Report (Initial Results)	18.66%	\$ 45,150,220
This Report (With Funding Changes)	12.74%	\$ 30,830,502

A summary of the current status of the StanCERA Plan as a whole is as follows:

	June 30, 2006 (Buck)	June 30, 2008 (EFI)
Plan Membership		
Active	4,366	4,494
Inactive	915	828
Receiving Benefits	2,443	2,669
Total	7,724	7,991
Average Pay	\$ 50,340	\$ 53,401
Assets (\$ millions)		
Market Value	\$ 1,275.6	\$ 1,311.3
Actuarial Value of Assets	\$ 1,240.6	\$ 1,436.8
Valuation Assets	\$ 1,154.0	\$ 1,317.2
Valuation Results (\$ millions)		
Actuarial Accrued Liability	\$ 1,194.9	\$ 1,548.8
Unfunded Accrued Liability	\$ 40.9	\$ 231.7
Funding Ratio	96.6%	85.0%

More detailed information on the contributions by Class and Tier, as well as a description of the reasons for the changes in cost, is shown in both this section and in the detailed cost calculations shown later in the Report.

The main points in this Report are as follows:

- The contribution rates determined by EFI were very close to those shown by Buck in the June 30, 2006 actuarial valuation report, using the same member and asset data and the same actuarial assumptions. These results were also confirmed as part of the actuarial audit.
- However, both Milliman and EFI agreed that a number of the methods and assumptions used by Buck in the June 30, 2006 valuation were inappropriate, resulting in a significant understatement of future Plan liabilities and costs. The use of appropriate methods and assumptions results in substantially higher employer costs.
- Milliman recommended a number of additional assumptions which should be modified or examined further. EFI will scrutinize all such assumptions as part of the upcoming actuarial experience study to be performed as of June 30, 2009.
- After modifying the actuarial methods and assumptions as recommended by both actuaries, the demographic and salary experience over the two year period from June 30, 2006 through June 30, 2008 was in close accord with the revised actuarial assumptions; there was little net impact on the employer contribution rate.

However, assets were lower than expected, primarily due to prior treatment of the non-valuation reserves and the insufficiency of the employer contribution rates determined by Buck. Because of the lower than expected assets, employer contribution rates increased.

- The Board made several policy decisions (moving \$50 million from non-valuation to valuation reserves and changing to a 30-year level percentage of payroll amortization method) that lowered the employer contribution rate.
- Costs are expected to increase substantially as of June 30, 2009 due to the recent losses in the investment markets.

Purpose of the Report

This Report presents the results of an actuarial review and analysis of the Stanislaus County Employees' Retirement Association as of June 30, 2008. The purposes of this Report are:

- To review the experience of the Plan over the past two years 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 other issues associated with the determination of Plan and Tier 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 July 1, 2006 to June 30, 2008. The actuarial value of Plan assets and the amount of the valuation assets are 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 Appendix contains contribution rates by Group, Class and Tier.

Confirmation of June 30, 2006 Valuation

Reproduction of Results

The June 30, 2006 valuation was prepared by the Plan's prior actuary, Buck Consultants. For continuity, we reproduced the results of that valuation independently, using the same member information and actuarial methods and assumptions that were used to produce the Buck report. The results of our independent calculations, along with a comparison to the Buck results, are as follows:

\$ in Millions, % as a Percent of Pay	Buck	EFI (Replication System)	EFI (Valuation System)
Total Present Value of Benefits	\$ 1,437.5	\$ 1,447.9	\$ 1,453.9
% Change	N / A	+ 0.7%	+ 1.1%
Funding Ratio	96.6%	94.8%	91.7%
Employer Normal Cost	7.47%	8.57%	4.14%
Unfunded Amortization Payment	1.75%	1.52%	4.84%
Total Employer Cost	9.22%	10.08%	8.98%



With any change in Actuary, it is expected that there will be minor changes in liabilities and costs, even when using the same assumptions and data, due to differences in actuarial systems and methodologies. We first recomputed the valuation results using one of our two valuation systems. This system computes a specific element of cost – the entry age normal cost – using the same methodology used by Buck's systems. These results are shown in the column "EFI (Replication System)."

We then recomputed the results using our other valuation system. Although the total present value of benefits determined under this system is nearly identical to that of the first system, this one uses a slightly different methodology for computing the entry age normal cost: The costs are computed as a level percentage of pay for each individual benefit type (retirement, disability, etc.), rather than for all benefits as a whole. This method tends to be slightly more conservative, in the sense that it generally assigns a higher portion of the total cost to prior service, thus resulting in a lower normal cost, higher accrued liability, and a lower funding ratio.

However, assigning a greater portion of the cost to past service allows for more flexibility in the funding decisions – as the Board has ultimate control over how unfunded prior service liabilities are paid off through the amortization policy. As can be seen in the chart above in the "EFI – Valuation System" column, the current amortization policy results in a lower contribution rate under this methodology. We propose to use this system to produce valuation results in the future (with our other system being used on an annual basis to "audit" our own calculations), both for the funding management reasons indicated above, and because of the sophisticated projection and simulation tools it offers.

Our replication of the Buck valuations, while resulting in minor differences as expected, did not reveal any substantial discrepancies which would lead us to conclude that significant errors have been made in prior calculations, other than in the actuarial methods and assumptions, as discussed above. Therefore, EFI has concluded that the contribution rates recommended by Buck in the June 30, 2006 Actuarial Valuation reports are reasonable, *based on the assumptions and methods stated in the report*. Another actuarial consulting firm, Milliman, also performed an actuarial audit of the June 30, 2006 valuation report and reached the same conclusion.

"Level 1" Changes

However, as indicated in the actuarial audit report, there are a number of assumptions and methods used by Buck in the June 30, 2006 valuation report that are clearly inappropriate. We have reviewed the recommendations in the audit report and concur that a number of these assumptions and methods require immediate attention and action. These "Level 1" assumption changes are as follows:

1. Eliminate Termination and Withdrawal Rates after Retirement Eligibility
2. Increase Service Retirement Rates
3. Use Service-Based (as opposed to Age-Based) Termination and Withdrawal Rates

Detailed information on the reasoning behind each of these changes can be found in the audit report. It should also be noted that in their response to the audit, Buck Consultants agreed that "certain changes in assumptions are appropriate for the Plan" – and identified the above changes as among those that

are appropriate. As part of their study, Milliman provided EFI with proposed replacement assumptions, which EFI found to be reasonable based on the accompanying data. The following table demonstrates the impact of each of these changes on the employer contribution rate, based on our recomputed results as of June 30, 2006.

Employer Contribution Rate (% Payroll)	
June 30, 2006 (Computed by EFI)	8.98%
Change in Cost Due to:	
(1) Eliminate Termination and Withdrawal Rates after Retirement Eligibility	3.28%
(2) Increase Service Retirement Rates	0.45%
(3) Use Service-Based Termination and Withdrawal Rates	2.83%
Total Change	6.56%
Total Recalculated Cost as of June 30, 2006	15.54%

Milliman also objected to an adjustment that had been made to the value of the non-valuation reserves as of June 30, 2006. In essence, this adjustment resulted in the negation of the asset smoothing for the valuation assets. It was strongly urged that this practice be eliminated in future valuations. As EFI could find no compelling reason to continue this practice, the results of the valuation as of June 30, 2008 have been calculated without this adjustment.

In the June 30, 2006 valuation the Buck adjustment produced lower non-valuation reserves, higher valuation assets and thus a reduced employer contribution rate. In the June 30, 2008 valuation, continued use of the Buck methodology would have resulted in a *reduction* in the valuation assets of over \$125 million, and an *increase* in employer cost of over 5% of pay.

Other Changes

Milliman made a number of other recommendations in their actuarial audit, urging either immediate assumption changes or encouraging further examination in the next experience study. The additional recommendations include strengthening post-retirement mortality rates, reducing inflation estimates, switching to service-based merit pay increases, and adjusting the commencement age for deferred vested members.

EFI has reviewed the other recommended assumption changes, and concluded that they generally represent differences in actuarial judgment - rather than the clear and uncontroversial necessity of the Level 1 changes. Therefore, although we anticipate that many of these recommendations will prove to be fitting (and although Buck agreed that some of these changes may be appropriate), we prefer to examine these assumptions as part of the next experience study, scheduled to be performed in conjunction with the next actuarial valuation.

There are several reasons for deferring these additional changes until the next experience study. First, there will be more data available to evaluate changes in the underlying trends. This will be of particular importance for some assumptions, such as mortality rates, which require large amounts of data to make confident predictions. In addition, other assumptions – such as inflation, productivity gains, and longevity pay assumptions – should be looked at as part of a whole. In this example, these three assumptions are all components of the overall pay growth assumptions, and therefore each piece should only be adjusted after looking at the overall assumption as well.

Actuarial Valuation as of June 30, 2008

The employer contribution rate increased significantly from June 30, 2006 to June 30, 2008, due to the assumption changes described above, as well as other sources. The employer contribution rate has increased from 9.22% of payroll as of June 30, 2006 to 12.74% of payroll two years later. The narrative and table below summarize the impact of actuarial experience and other changes on Plan cost.

	Contribution Rate (% Payroll)	Employer Contributions (\$ in Millions)
June 30, 2006	9.22%	\$ 20.3
Change in Cost Due to:		
Change in Actuary / Software / Methods	(0.24%)	(1.3)
Change in Assumptions (Level 1)	6.56%	13.9
Recomputed Cost as of June 30, 2006	15.54%	\$ 32.9
Demographic Experience during 2006-2008	1.24%	1.8
Salary Experience during 2006-2008	(1.34%)	(3.6)
New Entrants to the Plan 2006-2008	0.22%	6.7
Contribution Shortfall 2006-2008	1.55%	3.8
Investment Experience during 2006-2008	1.45%	3.5
Total Change 2006-2008	3.12%	12.2
Computed Cost as of June 30, 2008	18.66%	\$ 45.2
Change in Amortization Policy (30-yr, Level %)	(4.73%)	(\$ 11.5)
Transfer \$50 Million from Non-Valuation Reserves	(1.19%)	(\$ 2.9)
Total Cost as of June 30, 2008	12.74%	\$ 30.8

The changes in the baseline cost as of June 30, 2006 resulting from the change in Actuary and the Level 1 assumption changes are described in the prior section. The changes affecting the cost from 2006 through 2008 are as follows:



- Demographic experience caused an increase in the contribution rate.

Demographic experience includes rates of retirement, disability, termination, and death – as well as other factors, such as transfers, sick leave credit and cost of living assumptions. The demographic experience of the Plan was less positive than was assumed in the actuarial assumptions, producing actuarial losses and an increase in the employer contribution rate of 1.24% of pay.

Some of these losses may have been caused by insufficiently conservative assumptions, as identified in the audit report. EFI will closely monitor the member behavior in these areas as part of the experience study to be completed in conjunction with the next actuarial valuation.

- Pay increases were lower than expected.

Increases in pay among active members during 2006-2008 were below those anticipated by the actuarial assumptions. We reviewed the collective bargaining agreements of several unions, and confirmed that the base payroll increases averaged less than the assumed 4% over the two year period. The impact of the lower than expected salary increases was an actuarial gain, reducing the employer contribution rate by 1.34% of payroll.

- New members entered the Plan.

Active participation in the Plan increased by about 2.9% from June 30, 2006 to June 30, 2008. There were nearly 1,100 new hires (or rehires) entering the Plan to expand the workforce or replace departing members.

These new hires were not included the prior valuation cost calculations. They increased the employer contribution rate by only a small amount as a percentage of payroll (0.22%), but increased the cost of the plan by over \$6.7 million in dollar terms due to the added payroll.

- Insufficient employer contributions have been collected in prior years.

The methods and assumptions used in prior actuarial reports produced contribution rates that were insufficient to fund the Plan under the intended funding policy. The use of the artificially reduced contribution rate has resulted in lower asset levels in the Plan than would be required to maintain a level employer contribution rate.

Based on the replacement assumptions being used, the shortfall in assets has been estimated to be nearly \$38 million for the two-year period from June 30, 2006 to June 30, 2008. This resulted in an increase in the cost of the Plan of approximately 1.55% of pay, or \$3.8 million.

- Investment returns produced an actuarial loss.

The return on the total actuarial value of all Plan assets – including non-valuation reserves – averaged 9.39% over the two year period from June 30, 2006 to June 30, 2008, above the 8.16% assumed return. However, the return on the actuarial value of the *valuation assets* (excluding the non-valuation reserves and before the transfer of \$50 million) was only 6.30% per year during the

two year period. This lower return on the valuation assets was a direct result of the adjustment that had been made to the non-valuation reserves during the prior valuation. As recommended by Milliman and confirmed by EFI, this adjustment has been removed for the current valuation. As noted earlier, the use of the same adjustment procedure would result in a significantly lower valuation asset value for the current year.

The average return on the *market* value of assets was 3.03% over the two year period, based on a return of 16.1% in FY 2006-2007 and -8.5% during FY 2007-2008. The higher return on the actuarial value of assets (9.39% versus 3.03%) is a result of the delayed recognition of asset gains from prior years, and the deferral of the losses experienced in FY 2008.

The lower-than-expected return on the valuation assets (6.30%) produced an actuarial loss that increased Plan costs by 1.45% of active member payroll, or about \$3.5 million.

The above sources of actuarial gains and losses combined to increase Plan cost by 3.12% of payroll from 2006 to 2008, as noted above.

Subsequent to the Draft report being issued, the Board made two funding policy changes that affect the employer contribution rate:

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

The Board extended the current amortization period from 20 to 30 years, and modified the amortization method to be a level percentage of payroll approach. No change was made to the amortization policy of the City of Ceres or the Other Districts.

Under the prior (level dollar) method, the amortization payment was calculated as a constant annual amount. Under the revised method, the amortization payment is expected to increase each year, at the same rate as the expected payroll growth.

These two changes in amortization policy – lengthening the period and going to level percentage of pay - push a greater portion of the amortization payments into future years, thus reducing the current payment amount – by 4.73% of payroll. Because of this change, the projected rate of recovery in the funding level will be significantly curtailed: Under current projections with continued 30-year level percentage of pay amortization, the funding ratio is expected to be 10% lower at the end of ten years than it would be under the old amortization policy. 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.

- The Board transferred \$50 million from Non-Valuation to Valuation Reserves.

The Board elected to transfer a portion of the funds from the Non-Valuation Reserves (the largest of which is the Ad-Hoc Health Insurance Reserve) to the Valuation Reserves (offsetting the contra

account). This transfer increases the valuation assets, and thereby reduces the unfunded liability. This action reduced the current year employer cost by 1.19% of pay, or approximately \$2.9 million.

Future Valuations and Other Issues

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. As a result, actuarial gains or losses will occur annually, and the employer contribution rate will fluctuate.

The experience study to be performed as of June 30, 2009 will attempt to minimize future gains or losses by forming assumptions that represent our best estimate of future experience. However, given that Milliman's audit has already identified several areas in which the current assumptions formulated by Buck probably represent overly optimistic views of future experience, it is likely that some changes in the next experience study will increase the current cost. However, as stated above, it should always be kept in mind that it is actual experience, not the actuarial assumptions, that ultimately determines cost.

- 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 about 110%; that means that about 10% of Plan assets 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 5% of pay, to nearly 23.8%, or \$57.6 million.
- Expected severe investment losses during 2008-2009 appear likely to exacerbate this position. Some portion of the losses experienced during 2008-2009 will be deferred to future years; however, the level of deferred losses will be restricted by the 20% corridor about market value that limits the actuarial value of assets. Any losses that push the actuarial value of assets to more than 20% greater than the market value must be recognized immediately

As a result, the valuation as of June 30, 2009 is likely to show large investment losses (even recognizing the impact of smoothing), and will result in a large increase in contribution rates.

Determination of Ceres and Other District Rates

As part of their actuarial audit, Milliman recommended that greater detail be contained in the valuation report regarding the separate determination of the Ceres and Other District contribution rates. We have provided this additional information in our detailed cost calculations shown in Section 3.

The Ceres and Other District employer contribution rates are determined separately, using two significant distinctions from the methods used by the rest of the County. First, the unfunded liabilities of

Ceres and the Other Districts are amortized over a rolling twenty year period *as a level percentage of payroll*, as opposed to the level dollar amortization policy used by the County. This results in a significantly lower amortization payment, one that is unlikely to cover the interest payment on the unfunded liability. The results of this can be seen by looking back at the historical Ceres/Other District unfunded liabilities, which have increased in years in which no other adjustments have been made.

The second distinguishing characteristic of the Ceres/Other District employer contribution rate determinations lies in the fact that the unfunded liability of these groups was "frozen" at its current level in the mid-90's – in recognition of a pension obligation bond issued by the County. Since then, the unfunded liability for these groups has been projected assuming all actuarial assumptions have been met, with all gains and/or losses (investment and otherwise) being passed on to the County.

An adjustment was made to the Ceres/Other District unfunded liability for the current valuation, in recognition of the sizable increase in the estimated accrued liability for these groups as a result of the Level 1 assumption changes. We found evidence that a similar adjustment had been made to the unfunded amount in a prior year when another assumption (the discount rate) had been changed.

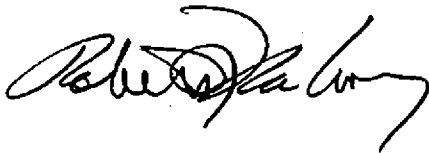
In recent years, the practice of using a frozen unfunded liability amount has not resulted in cost patterns that differ significantly between the County and Ceres/Other Districts. However, the continuation of this practice in future years, particularly for the June 30, 2009 valuation, will result in drastically different cost patterns. If there are large investment losses in the year ending June 30, 2009, and Ceres and Other District contribution rates are affected, the County groups must make up the difference in the form of higher contributions.

The Board should carefully consider these policies in advance of the next valuation.

Actuarial Certification

We certify that the valuation was performed in accordance with generally accepted actuarial principles and practices. In particular, the assumptions and methods used for funding purposes meet the parameters of the Governmental Accounting Standards Board Statement No. 25.

Respectfully Submitted,



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Graham A. Schmidt, ASA
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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. Since Tier 3 Members participate in a non-contributory Plan, their Credited Service is calculated based on their date of Membership only.

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 that credit may be purchased for 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:** Only Tier 1 and 4 Members may buy back this service.
- **Military Time:** Only Tier 1 and 4 Members may buy back this service.
- **Enhance Prior Tier Service:** Applies to certain active and deferred Members with Tier 1, 2 or 3 service.
- **Military "call up"**
- **AB 2766:** Only Safety Employees can buy back this service.

A percentage of credited sick leave may be credited according to the Member's applicable bargaining unit.

Final Compensation

For General Members belonging to Tier 2 and Tier 3, Final Compensation means the highest Compensation earned during any thirty six consecutive months of the Member's employment. For all others, it is the highest Compensation earned during any twelve months of employment.

General Member

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

Safety Member

Any sworn Member engaged in law enforcement, probation, or fire suppression is a Safety Member.

Membership

Eligibility

All full-time, permanent employees of Stanislaus County, City of Ceres, Stanislaus County Superior Court, Salida Sanitary District, East Side Mosquito Abatement, Keyes Community Services, Hills Ferry Cemetery and StanCOG hired on or after October 1, 1988 become Members on their date of appointment. All others hired before October 1, 1988 became Members on the first day of the calendar month following their date of appointment.

Detailed membership eligibility according to Tier and membership date is shown in Table 1.

Service Retirement

Eligibility

Tier 3 General Members are eligible to retire at age 55 if they have earned ten years of Credited Service. All other General Members are eligible to retire at age 50 if they have earned five years of Credited Service and have been an Association member for at least ten years. 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.

Safety Members are eligible to retire at age 50 if they have earned five years of Credited Service and have been an Association member for at least ten years. 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.

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 1 and the age factor from Table 2 corresponding to the Member's code section. The appropriate code sections for each group are listed in Table 1.

For Tier 3 Members with Credited Service up to thirty five years, the percentage of Final Compensation may not exceed 70% and for those with more than thirty five years, it may not exceed 80%.

For all other Members, the percentage of Final Compensation may not exceed 100%. For those members integrated with Social Security (other than Tier 3), Retirement Benefits based on the first \$350 of monthly Final Average Compensation are reduced by one-third.

Table 1: Member Group Descriptions

Group	Open or Closed	FAP	COLA	Code Section	Description	Top Retirement Factor Age	Benefit Factor
General Tier 1	Closed	1	3	31676.12	2% at 57	62	2.00%
General Tier 2	Closed	3	3	31676.1	2% at 62	65	1.67%
General Tier 3	Closed	3	0	31499.14	Non-Contributory	65	First 35 Years: 2.0% of FAS less 1/35 th of Social Security benefit at age 65. Next 10 Years: 1% of FAS
General Tier 4	Closed	1	3	31676.14	2% at 55	65	1.67%
General Tier 5	Open	1	3	31676.14	2% at 55	65	1.67%
Safety Tier 4	Closed	1	3	31664.1	3% at 50	50	3.00%
Safety Tier 5	Open	1	3	31664.1	3% at 50	50	3.00%

Table 2: Age Factors

Age	Safety 3% at Age 50 CERL §: 31664.1	General 2% at Age 62 CERL §: 31676.1	General 2% at Age 57 CERL §: 31676.12	General 2% at Age 55 CERL §: 31676.14	General 2% at Age 65 CERL §: 31499.14
41.00	0.6258	N/A	N/A	N/A	N/A
42.00	0.6625	N/A	N/A	N/A	N/A
43.00	0.7004	N/A	N/A	N/A	N/A
44.00	0.7397	N/A	N/A	N/A	N/A
45.00	0.7805	N/A	N/A	N/A	N/A
46.00	0.8226	N/A	N/A	N/A	N/A
47.00	0.8678	N/A	N/A	N/A	N/A
48.00	0.9085	N/A	N/A	N/A	N/A
49.00	0.9522	N/A	N/A	N/A	N/A
50.00	1.0000	0.7091	0.6681	0.8850	N/A
51.00	1.0000	0.7457	0.7056	0.9399	N/A
52.00	1.0000	0.7816	0.7454	1.0000	N/A
53.00	1.0000	0.8181	0.7882	1.0447	N/A
54.00	1.0000	0.8556	0.8346	1.1048	N/A
55.00	1.0000	0.8954	0.8850	1.1686	0.3900
56.00	1.0000	0.9382	0.9399	1.2365	0.4300
57.00	1.0000	0.9846	1.0000	1.3093	0.4700
58.00	1.0000	1.0350	1.0447	1.3608	0.5100
59.00	1.0000	1.0899	1.1048	1.4123	0.5600
60.00	1.0000	1.1500	1.1686	1.4638	0.6100
61.00	1.0000	1.1947	1.2365	1.5153	0.6700
62.00	1.0000	1.2548	1.3093	1.5668	0.7400
63.00	1.0000	1.3186	1.3093	1.5668	0.8200
64.00	1.0000	1.3865	1.3093	1.5668	0.9000
65.00	1.0000	1.4593	1.3093	1.5668	1.0000

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 spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse 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, benefits for all retired members other than those in Tier 3 are adjusted to reflect changes in the CPI for the San Francisco Bay Area since the prior year. Benefits may be increased or decreased, but the cumulative changes shall never reduce the benefit below the original monthly allowance. Annual increases may not exceed the COLA figures shown in Table 1, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than the figures shown.

In addition, ad hoc cost of living adjustments have been granted in the past and may be granted in the future.

A lump sum benefit of \$5,000 will be payable upon the death of a retired member. No death benefit is payable for Tier 3 retired members.

Service-Connected Disability

Eligibility

All non-Tier 3 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. Tier 3 Members are not eligible to receive disability benefits.

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.

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 spouse or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse 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 and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member.

Nonservice-Connected Disability

Eligibility

Tier 3 Members are not eligible to receive disability benefits. All other Members are eligible for Nonservice-Connected Disability Retirement benefits if they are permanently disabled at any age after earning five years of Credited Service.

Benefit Amount

The Nonservice-Connected Disability Retirement Benefit payable to Tier 1 General 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 62, but not to exceed one-third of 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.

The Nonservice-Connected Disability Retirement Benefit payable to Tiers 2, 4 and 5 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; 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; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

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 spouse or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse 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 and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member.

Death Benefit

Eligibility

A Tier 3 Member's survivors are not eligible to receive death benefits. All other Members' survivors are eligible to receive different Death benefits dependent on the Member's cause of death and retirement eligibility.

Benefit Amount

In the event the Member's death resulted from injury or illness sustained in connection with the Member's duties, the Death Benefit payable to a surviving spouse, domestic partner or eligible dependent children will be the greater of 50% of the Member's Final Compensation at the time of death or the Service Retirement Benefit.

In the event the Member's death did not result from injury or illness sustained in connection with the Member's duties and at the time of death, the Member was eligible for Service Retirement or Non-Service Connected Disability (i.e. the employee was employed at least five years), the Death Benefit payable to the spouse, partner or children will be 60% of the survivor benefit based on benefit due on Member's date of death.

In all other cases, the designated beneficiary (not necessarily a spouse/partner/child) will receive a refund of the Member's contributions with interest plus one month of Final Compensation for each year of service to a maximum of six years.

Form of Benefit

Annuity death benefits will be paid monthly beginning at the Member's death and for the life of the surviving spouse/partner or to the age of majority of dependent minor children if there is no spouse/partner. Lump sum benefits will be paid as described above.

COLA adjustments (as described for the annuity benefits) are also available.

Withdrawal Benefit

Eligibility

Tier 3 Members are not eligible to receive withdrawal benefits. All other Members are eligible for a Withdrawal Benefit upon termination of employment, if not eligible to receive or electing to waive a monthly benefit.

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. For Tier 3 Members, the vesting requirement is ten years of Credited Service.

The Member must leave his or her Member Contributions with interest on deposit with the Plan. This requirement does not apply to Tier 3 Members since they participate in a non-contributory 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.

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 spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse 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 and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member. No death benefit is payable for Tier 3 retired members.

Reciprocal Benefit

Eligibility

A Member is eligible for a Reciprocal Benefit upon termination of employment after earning five years of Credited Service and entry, within a specified period of time, into another retirement system recognized as a reciprocal system by the Plan. For Tier 3 Members, the vesting requirement is ten years of Credited Service.

The Member must leave his or her Member Contributions with interest on deposit with the Plan. This requirement does not apply to Tier 3 Members since they participate in a non-contributory 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 spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse 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 and COLA adjustments (as described for the Service Retirement benefit) are also available.

A lump sum benefit of \$5,000 will be payable upon the death of the member. No death benefit is payable for Tier 3 retired members.

Optional Benefit Forms

Prior to retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below.

1. A reduced retirement allowance payable during his life with the provision that on his death the excess, if any, of his accumulated deductions at the time of retirement over the annuity payments made to him will be paid to his designated beneficiary or estate; or
2. A reduced retirement allowance payable during his life with the provision that after his death the reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; or
3. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one-half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement.

In addition, a member participating in Social Security may elect to receive an increased monthly allowance before age 62 (earliest possible receipt of Social Security benefits) and then take a reduced monthly allowance at age 62 and after. This option will not affect any monthly payments payable to a beneficiary. This option is not available to those receiving a disability benefit.

Member Contributions

All non Tier 3 Members contribute a percentage of Compensation to the Plan through payroll deduction. The percentage contributed depends on the Member's nearest age upon joining the

Plan. Contribution rates are shown in the tables below. Members do not contribute after earning 30 years of Credited Service.

City of Ceres members in Tiers 1 and 4 pay the Tier 2 and 5 rates ("Full" rates), rather than the rates for their respective Tiers ("Half" rates).

Interest is credited semiannually to each Member's accumulated contributions. The crediting rate is set by the Board; the current annual rate is 0.25%.

The employee contribution rates are shown in the following tables. These rates were determined (by Buck Consultants) based on an interest rate of 8.16% per annum, an average salary increase of 5% per year, and the 1994 GAM Male mortality tables - set back three years for General Members, with no age adjustment for Safety Members.

**General Tier 1 and 2
 Contribution Rates**

Entry Age	Basic				COL*			
	First \$350	First \$350	Over \$350	Over \$350	First \$350	First \$350	Over \$350	Over \$350
	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
16	1.64%	2.61%	2.46%	3.92%	0.63%	1.00%	0.94%	1.50%
17	1.65%	2.63%	2.47%	3.94%	0.63%	1.01%	0.95%	1.51%
18	1.66%	2.65%	2.49%	3.97%	0.63%	1.01%	0.95%	1.52%
19	1.67%	2.67%	2.51%	4.00%	0.64%	1.02%	0.96%	1.53%
20	1.69%	2.69%	2.53%	4.04%	0.65%	1.03%	0.97%	1.55%
21	1.70%	2.72%	2.55%	4.08%	0.65%	1.04%	0.98%	1.56%
22	1.72%	2.75%	2.58%	4.12%	0.66%	1.05%	0.99%	1.58%
23	1.74%	2.77%	2.61%	4.16%	0.67%	1.06%	1.00%	1.59%
24	1.76%	2.81%	2.64%	4.21%	0.67%	1.07%	1.01%	1.61%
25	1.78%	2.84%	2.67%	4.26%	0.68%	1.09%	1.02%	1.63%
26	1.81%	2.88%	2.71%	4.32%	0.69%	1.10%	1.04%	1.65%
27	1.83%	2.92%	2.74%	4.38%	0.70%	1.12%	1.05%	1.68%
28	1.85%	2.96%	2.78%	4.44%	0.71%	1.13%	1.06%	1.70%
29	1.89%	3.01%	2.83%	4.51%	0.72%	1.15%	1.08%	1.73%
30	1.91%	3.05%	2.87%	4.58%	0.73%	1.17%	1.10%	1.75%
31	1.95%	3.11%	2.92%	4.66%	0.75%	1.19%	1.12%	1.78%
32	1.98%	3.16%	2.97%	4.74%	0.76%	1.21%	1.14%	1.81%
33	2.02%	3.22%	3.03%	4.83%	0.77%	1.23%	1.16%	1.85%
34	2.05%	3.28%	3.08%	4.92%	0.79%	1.25%	1.18%	1.88%
35	2.10%	3.35%	3.15%	5.02%	0.81%	1.28%	1.21%	1.92%
36	2.14%	3.41%	3.21%	5.12%	0.82%	1.31%	1.23%	1.96%
37	2.18%	3.48%	3.27%	5.22%	0.83%	1.33%	1.25%	2.00%
38	2.22%	3.55%	3.33%	5.32%	0.85%	1.36%	1.27%	2.04%
39	2.27%	3.61%	3.40%	5.42%	0.87%	1.38%	1.30%	2.07%
40	2.31%	3.68%	3.46%	5.52%	0.88%	1.41%	1.32%	2.11%
41	2.35%	3.75%	3.53%	5.63%	0.90%	1.43%	1.35%	2.15%
42	2.40%	3.83%	3.60%	5.74%	0.92%	1.47%	1.38%	2.20%
43	2.45%	3.90%	3.67%	5.85%	0.93%	1.49%	1.40%	2.24%
44	2.49%	3.97%	3.73%	5.96%	0.95%	1.52%	1.43%	2.28%
45	2.53%	4.05%	3.80%	6.07%	0.97%	1.55%	1.45%	2.32%
46	2.59%	4.12%	3.88%	6.18%	0.99%	1.57%	1.48%	2.36%
47	2.63%	4.20%	3.95%	6.30%	1.01%	1.61%	1.51%	2.41%
48	2.68%	4.27%	4.02%	6.41%	1.03%	1.63%	1.54%	2.45%
49	2.73%	4.35%	4.09%	6.53%	1.04%	1.67%	1.56%	2.50%
50	2.78%	4.43%	4.17%	6.65%	1.07%	1.69%	1.60%	2.54%
51	2.83%	4.51%	4.25%	6.77%	1.09%	1.73%	1.63%	2.59%
52	2.88%	4.60%	4.32%	6.90%	1.10%	1.76%	1.65%	2.64%
53	2.93%	4.68%	4.40%	7.02%	1.12%	1.79%	1.68%	2.69%
54	2.99%	4.77%	4.48%	7.15%	1.14%	1.83%	1.71%	2.74%
55	3.04%	4.85%	4.56%	7.27%	1.16%	1.85%	1.74%	2.78%
56	3.09%	4.93%	4.64%	7.40%	1.19%	1.89%	1.78%	2.83%
57	3.15%	5.02%	4.72%	7.53%	1.21%	1.92%	1.81%	2.88%
58	3.20%	5.11%	4.80%	7.66%	1.23%	1.95%	1.84%	2.93%
59+	3.26%	5.19%	4.89%	7.79%	1.25%	1.99%	1.87%	2.98%

*38.26% of basic rates



**General Tier 4 and 5
 Contribution Rates**

Entry Age	Basic				COL*			
	First \$350	First \$350	Over \$350	Over \$350	First \$350	First \$350	Over \$350	Over \$350
	Tier 4	Tier 5	Tier 4	Tier 5	Tier 4	Tier 5	Tier 4	Tier 5
16	1.63%	3.25%	2.44%	4.88%	0.46%	0.93%	0.69%	1.39%
17	1.63%	3.27%	2.45%	4.91%	0.47%	0.93%	0.70%	1.39%
18	1.65%	3.29%	2.47%	4.94%	0.47%	0.93%	0.70%	1.40%
19	1.66%	3.31%	2.49%	4.97%	0.47%	0.94%	0.71%	1.41%
20	1.67%	3.34%	2.51%	5.01%	0.47%	0.95%	0.71%	1.42%
21	1.69%	3.37%	2.53%	5.05%	0.48%	0.95%	0.72%	1.43%
22	1.70%	3.40%	2.55%	5.10%	0.48%	0.97%	0.72%	1.45%
23	1.71%	3.43%	2.57%	5.15%	0.49%	0.97%	0.73%	1.46%
24	1.73%	3.47%	2.60%	5.20%	0.49%	0.99%	0.74%	1.48%
25	1.75%	3.51%	2.63%	5.26%	0.50%	0.99%	0.75%	1.49%
26	1.77%	3.55%	2.66%	5.33%	0.51%	1.01%	0.76%	1.51%
27	1.80%	3.60%	2.70%	5.40%	0.51%	1.02%	0.77%	1.53%
28	1.82%	3.65%	2.73%	5.47%	0.52%	1.03%	0.78%	1.55%
29	1.85%	3.70%	2.77%	5.55%	0.53%	1.05%	0.79%	1.58%
30	1.88%	3.75%	2.82%	5.63%	0.53%	1.07%	0.80%	1.60%
31	1.91%	3.81%	2.86%	5.72%	0.54%	1.09%	0.81%	1.63%
32	1.94%	3.88%	2.91%	5.82%	0.55%	1.10%	0.83%	1.65%
33	1.97%	3.95%	2.96%	5.92%	0.56%	1.12%	0.84%	1.68%
34	2.01%	4.02%	3.01%	6.03%	0.57%	1.14%	0.86%	1.71%
35	2.05%	4.10%	3.07%	6.15%	0.58%	1.17%	0.87%	1.75%
36	2.09%	4.17%	3.13%	6.26%	0.59%	1.19%	0.89%	1.78%
37	2.13%	4.25%	3.19%	6.38%	0.61%	1.21%	0.91%	1.81%
38	2.17%	4.33%	3.25%	6.50%	0.61%	1.23%	0.92%	1.85%
39	2.21%	4.42%	3.31%	6.63%	0.63%	1.25%	0.94%	1.88%
40	2.25%	4.50%	3.38%	6.75%	0.64%	1.28%	0.96%	1.92%
41	2.29%	4.59%	3.44%	6.88%	0.65%	1.30%	0.98%	1.95%
42	2.33%	4.67%	3.50%	7.01%	0.66%	1.33%	0.99%	1.99%
43	2.38%	4.76%	3.57%	7.14%	0.67%	1.35%	1.01%	2.03%
44	2.42%	4.85%	3.63%	7.27%	0.69%	1.38%	1.03%	2.07%
45	2.47%	4.93%	3.70%	7.40%	0.70%	1.40%	1.05%	2.10%
46	2.51%	5.02%	3.77%	7.53%	0.71%	1.43%	1.07%	2.14%
47	2.55%	5.11%	3.83%	7.67%	0.73%	1.45%	1.09%	2.18%
48	2.60%	5.21%	3.90%	7.81%	0.74%	1.48%	1.11%	2.22%
49	2.65%	5.30%	3.97%	7.95%	0.75%	1.51%	1.13%	2.26%
50	2.70%	5.39%	4.05%	8.09%	0.77%	1.53%	1.15%	2.30%
51	2.75%	5.49%	4.12%	8.23%	0.78%	1.56%	1.17%	2.34%
52	2.79%	5.59%	4.19%	8.38%	0.79%	1.59%	1.19%	2.38%
53	2.84%	5.69%	4.26%	8.53%	0.81%	1.61%	1.21%	2.42%
54+	2.89%	5.79%	4.34%	8.68%	0.82%	1.65%	1.23%	2.47%

*28.41% of basic rates



**Safety Tier 4 and 5
 Contribution Rates**

Entry Age	Basic				COL*			
	First \$350	First \$350	Over \$350	Over \$350	First \$350	First \$350	Over \$350	Over \$350
	Tier 4	Tier 5	Tier 4	Tier 5	Tier 4	Tier 5	Tier 4	Tier 5
20	2.20%	4.39%	3.30%	6.59%	1.15%	2.31%	1.73%	3.46%
21	2.23%	4.45%	3.34%	6.67%	1.17%	2.33%	1.75%	3.50%
22	2.25%	4.51%	3.38%	6.76%	1.18%	2.37%	1.77%	3.55%
23	2.28%	4.57%	3.42%	6.85%	1.19%	2.39%	1.79%	3.59%
24	2.31%	4.63%	3.47%	6.94%	1.21%	2.43%	1.82%	3.64%
25	2.35%	4.69%	3.52%	7.04%	1.23%	2.46%	1.85%	3.69%
26	2.38%	4.76%	3.57%	7.14%	1.25%	2.50%	1.87%	3.75%
27	2.41%	4.83%	3.62%	7.25%	1.27%	2.53%	1.90%	3.80%
28	2.45%	4.91%	3.68%	7.36%	1.29%	2.57%	1.93%	3.86%
29	2.49%	4.98%	3.74%	7.47%	1.31%	2.61%	1.96%	3.92%
30	2.53%	5.06%	3.80%	7.59%	1.33%	2.65%	1.99%	3.98%
31	2.57%	5.15%	3.86%	7.72%	1.35%	2.70%	2.03%	4.05%
32	2.61%	5.23%	3.92%	7.85%	1.37%	2.75%	2.06%	4.12%
33	2.66%	5.33%	3.99%	7.99%	1.39%	2.79%	2.09%	4.19%
34	2.71%	5.42%	4.06%	8.13%	1.42%	2.85%	2.13%	4.27%
35	2.76%	5.51%	4.14%	8.27%	1.45%	2.89%	2.17%	4.34%
36	2.81%	5.62%	4.21%	8.43%	1.47%	2.95%	2.21%	4.42%
37	2.86%	5.73%	4.29%	8.59%	1.50%	3.01%	2.25%	4.51%
38	2.91%	5.83%	4.37%	8.74%	1.53%	3.06%	2.29%	4.59%
39	2.97%	5.94%	4.45%	8.91%	1.56%	3.12%	2.34%	4.68%
40	3.02%	6.05%	4.53%	9.07%	1.59%	3.17%	2.38%	4.76%
41	3.08%	6.15%	4.62%	9.23%	1.61%	3.23%	2.42%	4.84%
42	3.13%	6.27%	4.70%	9.40%	1.65%	3.29%	2.47%	4.93%
43	3.19%	6.38%	4.79%	9.57%	1.67%	3.35%	2.51%	5.02%
44	3.25%	6.49%	4.87%	9.74%	1.71%	3.41%	2.56%	5.11%
45	3.31%	6.61%	4.96%	9.91%	1.73%	3.47%	2.60%	5.20%
46	3.37%	6.73%	5.05%	10.09%	1.77%	3.53%	2.65%	5.30%
47	3.42%	6.85%	5.13%	10.27%	1.79%	3.59%	2.69%	5.39%
48	3.48%	6.97%	5.22%	10.45%	1.83%	3.65%	2.74%	5.48%
49+	3.54%	7.09%	5.31%	10.63%	1.86%	3.72%	2.79%	5.58%

*52.48% of basic rates



1.2: Participant Data as of July 1, 2008

	General		Safety		Total	
	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08
Active Participants						
Number	3,683	3,757	683	737	4,366	4,494
Average Age	44.77	44.57	36.82	36.91	43.53	43.31
Average Service	9.39	9.60	8.07	8.46	9.18	9.41
Average Pay	\$ 49,503	\$ 51,897	\$ 58,311	\$ 61,065	\$ 50,881	\$ 53,401
Service Retired						
Number	1,610	1,773	231	243	1,841	2,016
Average Age	69.32	69.10	62.74	63.45	68.50	68.42
Average Annual Total Benefit	\$ 20,279	\$ 22,526	\$ 44,390	\$ 48,078	\$ 23,304	\$ 25,606
Beneficiaries						
Number	229	276	64	73	293	349
Average Age	73.62	72.65	61.83	64.62	71.04	70.97
Average Annual Total Benefit	\$ 11,827	\$ 12,837	\$ 22,471	\$ 23,229	\$ 14,152	\$ 15,010
Duty Disabled						
Number	121	115	102	105	223	220
Average Age	60.58	61.62	52.93	53.48	57.08	57.74
Average Annual Total Benefit	\$ 18,192	\$ 19,691	\$ 27,113	\$ 30,470	\$ 22,272	\$ 24,835
Ordinary Disabled						
Number	80	77	7	7	87	84
Average Age	62.38	62.96	49.90	51.90	61.37	62.04
Average Annual Total Benefit	\$ 12,157	\$ 12,144	\$ 14,450	\$ 15,492	\$ 12,341	\$ 12,423
Total In Pay						
Number	2,040	2,241	404	428	2,444	2,669
Average Age	69.01	68.94	59.90	61.01	67.51	67.67
Average Annual Total Benefit	\$ 18,888	\$ 20,831	\$ 36,037	\$ 38,987	\$ 21,722	\$ 23,742
Terminated Vested						
Number	N/A	583	N/A	103	N/A	686
Average Age	N/A	48.85	N/A	41.35	N/A	47.73
Average Service	N/A	7.59	N/A	6.48	N/A	7.43
Transfers						
Number	N/A	108	N/A	34	N/A	142
Average Age	N/A	48.32	N/A	35.31	N/A	45.21
Average Service	N/A	5.68	N/A	5.65	N/A	5.67
Total Inactive						
Number	N/A	691	N/A	137	N/A	828
Average Age	N/A	48.77	N/A	39.85	N/A	47.30
Average Service	N/A	7.29	N/A	6.27	N/A	7.13

**County, Ceres and Other Districts
 Active and Vested Participant Data as of July 1, 2008**

	County						Ceres and Other Districts						Total County, Ceres and Other Districts	
	General		Safety		Total		General		Safety		Total		7/1/06	7/1/08
	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08		
Active Participants														
Number	3,551	3,615	620	665	4,171	4,280	132	142	63	72	195	214	4,366	4,494
Average Age	44.85	44.62	36.94	36.97	43.67	43.43	42.54	43.24	35.65	36.33	40.31	40.92	43.52	43.31
Average Service	9.43	9.64	8.01	8.43	9.22	9.45	8.21	8.42	8.58	8.74	8.33	8.53	9.18	9.41
Average Pay*	\$ 49,577	\$ 51,837	\$ 57,628	\$ 59,714	\$ 50,774	\$ 53,060	\$ 47,541	\$ 53,439	\$ 65,026	\$ 73,539	\$ 53,190	\$ 60,202	\$ 50,881	\$ 53,401
Terminated Vested														
Number	N/A	563	N/A	88	N/A	651	N/A	20	N/A	15	N/A	35	N/A	686
Average Age	N/A	48.84	N/A	41.69	N/A	47.87	N/A	49.30	N/A	39.40	N/A	45.06	N/A	47.73
Average Service	N/A	7.65	N/A	6.64	N/A	7.51	N/A	5.99	N/A	5.56	N/A	5.81	N/A	7.42
Transfers														
Number	N/A	101	N/A	28	N/A	129	N/A	7	N/A	6	N/A	13	N/A	142
Average Age	N/A	48.82	N/A	35.12	N/A	45.85	N/A	41.08	N/A	36.21	N/A	38.83	N/A	45.21
Average Service	N/A	5.68	N/A	5.54	N/A	5.65	N/A	5.65	N/A	6.15	N/A	5.88	N/A	5.67
Total Inactive														
Number	N/A	664	N/A	116	N/A	780	N/A	27	N/A	21	N/A	48	N/A	828
Average Age	N/A	48.84	N/A	40.10	N/A	47.54	N/A	47.17	N/A	38.49	N/A	43.37	N/A	47.30
Average Service	N/A	7.35	N/A	6.37	N/A	7.20	N/A	5.90	N/A	5.73	N/A	5.83	N/A	7.12

*All payroll figures shown are annual



County
Active and Vested Participant Data as of July 1, 2008

	General										Safety			
	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5		Tier 1/4		Tier 2/5	
	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08
Active Participants														
Number	0	0	6	16	45	39	226	164	3,274	3,396	12	7	608	658
Average Age	0.00	0.00	48.45	46.70	47.25	47.76	55.06	56.19	44.11	44.02	52.04	52.84	36.64	36.80
Average Service	0.00	0.00	7.57	3.89	10.88	12.00	25.98	27.83	8.27	8.76	23.80	24.06	7.70	8.26
Average Pay*	\$ 0	\$ 0	\$ 30,002	\$ 49,604	\$ 45,629	\$ 47,751	\$ 65,772	\$ 66,242	\$ 48,549	\$ 51,198	\$ 76,137	\$ 85,484	\$ 57,263	\$ 59,440
Terminated Vested														
Number	N/A	68	N/A	214	N/A	35	N/A	4	N/A	242	N/A	7	N/A	81
Average Age	N/A	57.13	N/A	48.70	N/A	51.54	N/A	54.61	N/A	46.14	N/A	52.51	N/A	40.75
Average Service	N/A	10.38	N/A	5.06	N/A	10.75	N/A	8.74	N/A	8.70	N/A	7.92	N/A	6.53
Transfers														
Number	N/A	21	N/A	24	N/A	0	N/A	1	N/A	55	N/A	0	N/A	28
Average Age	N/A	56.55	N/A	54.28	N/A	0.00	N/A	48.83	N/A	43.49	N/A	0.00	N/A	35.12
Average Service	N/A	5.98	N/A	4.32	N/A	0.00	N/A	3.27	N/A	6.21	N/A	0.00	N/A	5.54
Total Inactive														
Number	N/A	89	N/A	238	N/A	35	N/A	5	N/A	297	N/A	7	N/A	109
Average Age	N/A	56.99	N/A	49.26	N/A	51.54	N/A	53.45	N/A	45.65	N/A	52.51	N/A	39.30
Average Service	N/A	9.34	N/A	4.99	N/A	10.75	N/A	7.65	N/A	8.24	N/A	7.92	N/A	6.28

*All payroll figures shown are annual

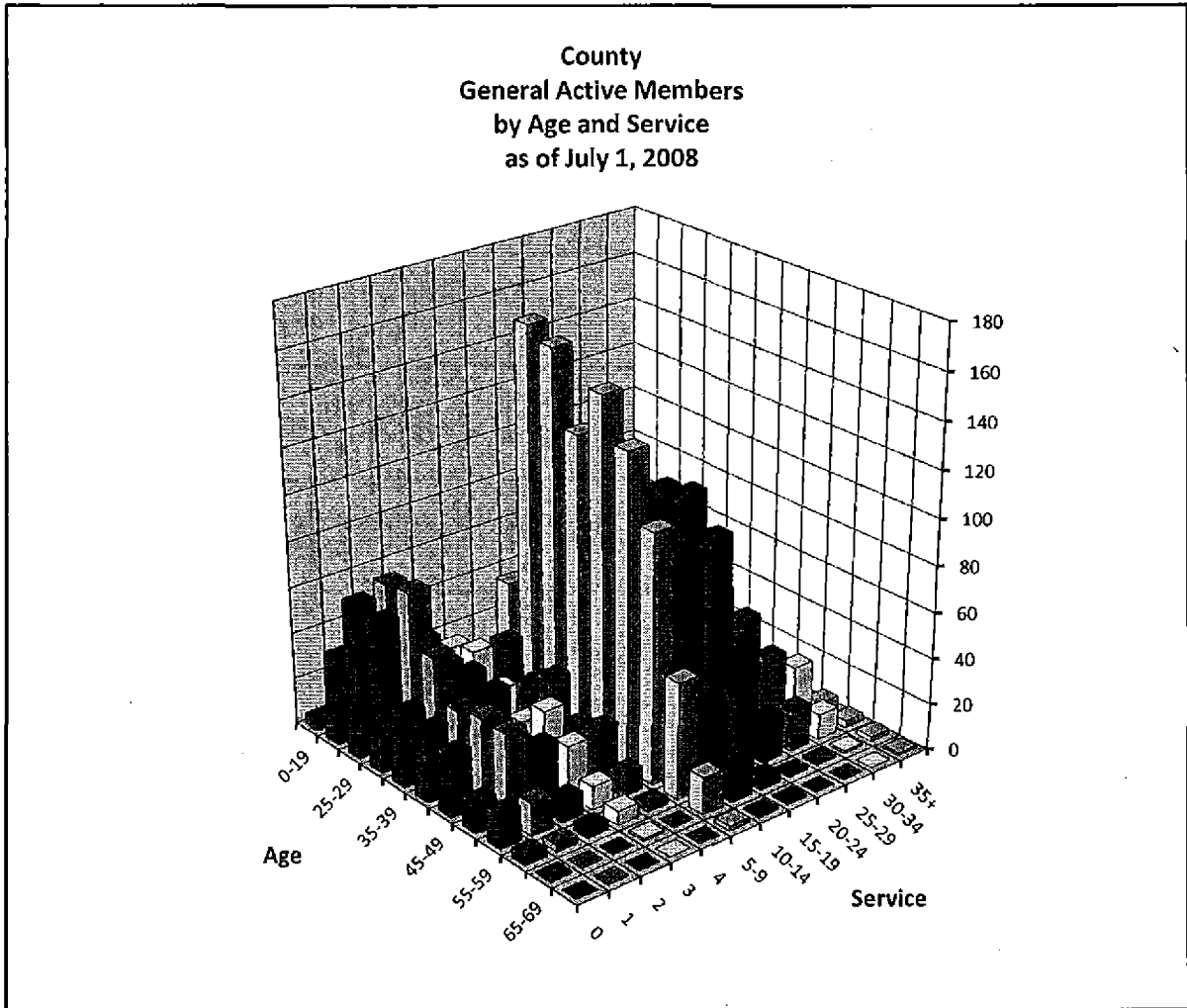


**Ceres and Other Districts
 Active and Vested Participant Data as of July 1, 2008**

	General										Safety			
	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5		Tier 1/4		Tier 2/5	
	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08	7/1/06	7/1/08
Active Participants														
Number	1	1	5	7	0	0	8	6	118	128	2	2	61	70
Average Age	68.28	70.28	45.13	39.88	0.00	0.00	55.26	56.49	41.35	42.59	50.66	52.66	35.16	35.86
Average Service	33.41	24.95	5.10	4.07	0.00	0.00	24.86	27.81	7.00	7.62	27.27	29.33	7.97	8.15
Average Pay*	\$ 45,594	\$ 48,024	\$ 32,593	\$ 37,989	\$ 0	\$ 0	\$ 66,566	\$ 56,594	\$ 46,901	\$ 54,178	\$ 87,969	\$ 121,594	\$ 64,274	\$ 72,166
Terminated Vested														
Number	N/A	2	N/A	11	N/A	0	N/A	1	N/A	6	N/A	1	N/A	14
Average Age	N/A	54.42	N/A	46.89	N/A	0.00	N/A	55.73	N/A	50.93	N/A	49.83	N/A	38.65
Average Service	N/A	7.20	N/A	5.27	N/A	0.00	N/A	6.66	N/A	6.81	N/A	7.42	N/A	5.43
Transfers														
Number	N/A	0	N/A	3	N/A	0	N/A	0	N/A	4	N/A	0	N/A	6
Average Age	N/A	0.00	N/A	47.49	N/A	0.00	N/A	0.00	N/A	36.28	N/A	0.00	N/A	36.21
Average Service	N/A	0.00	N/A	4.32	N/A	0.00	N/A	0.00	N/A	6.64	N/A	0.00	N/A	6.15
Total Inactive														
Number	N/A	2	N/A	14	N/A	0	N/A	1	N/A	10	N/A	1	N/A	20
Average Age	N/A	54.42	N/A	47.02	N/A	0.00	N/A	55.73	N/A	45.07	N/A	49.83	N/A	37.92
Average Service	N/A	7.20	N/A	5.07	N/A	0.00	N/A	6.66	N/A	6.74	N/A	7.42	N/A	5.65

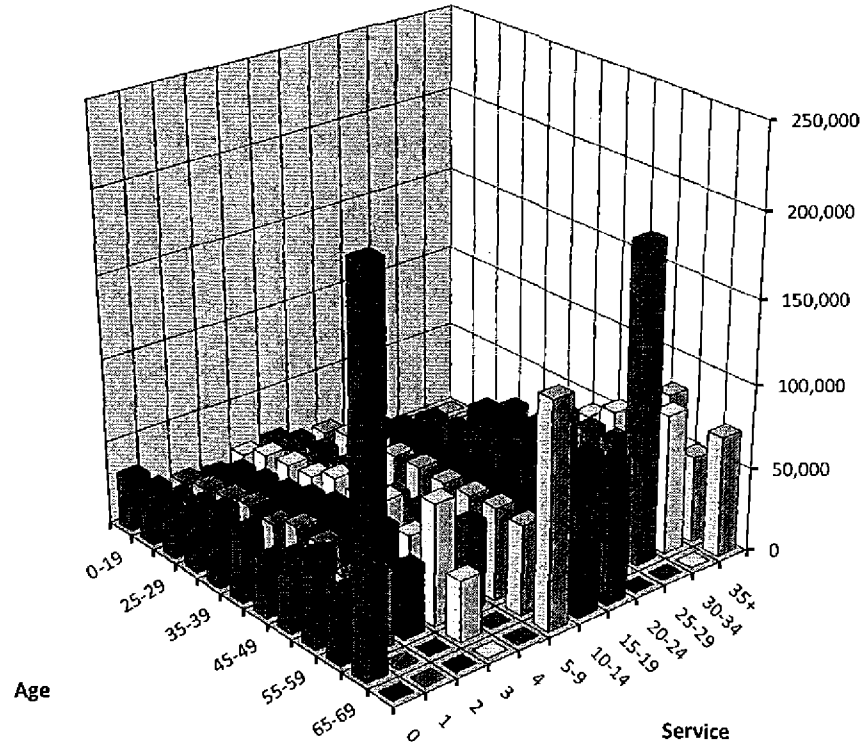
*All payroll figures shown are annual



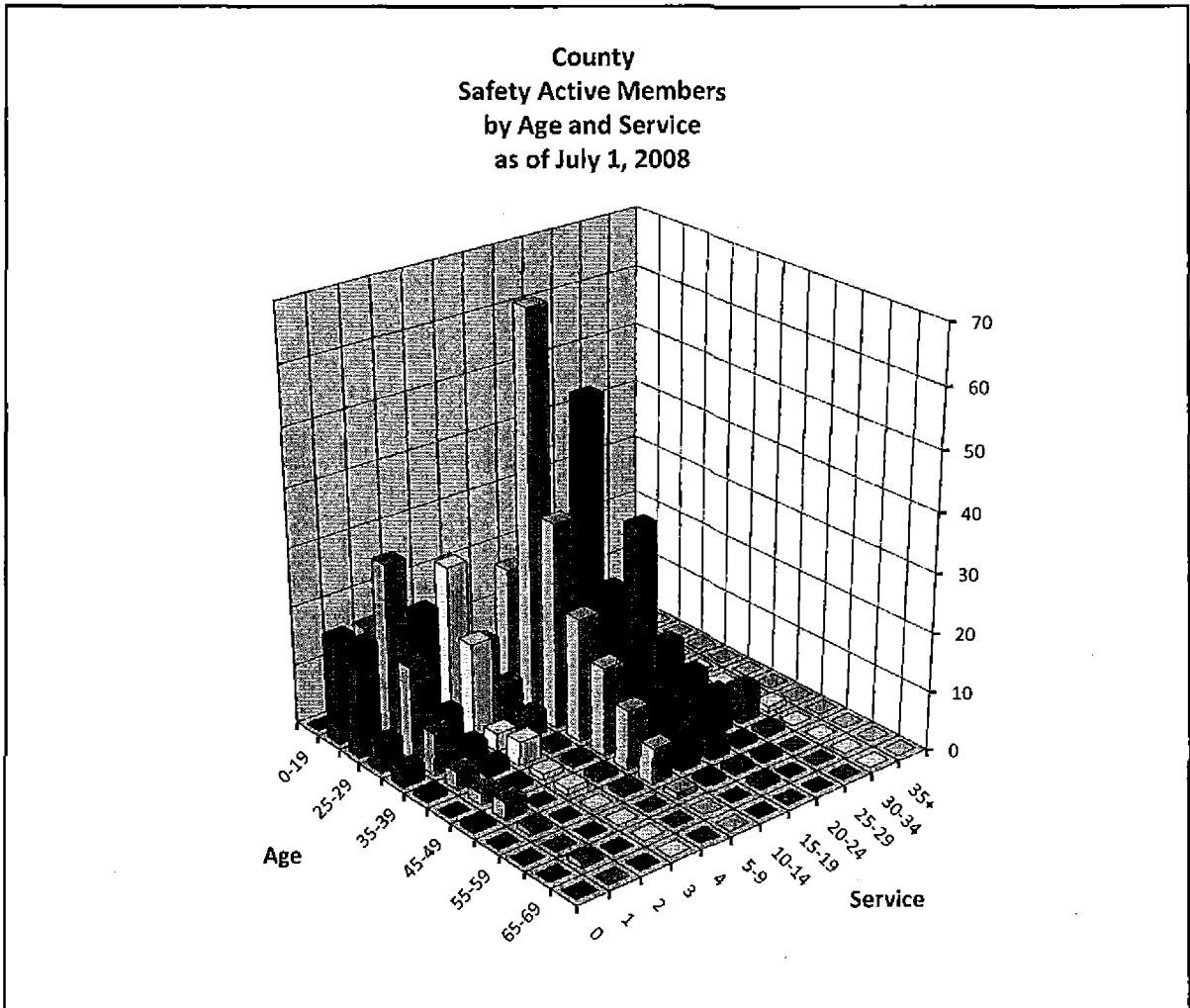


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	5	0	0	0	0	0	0	0	0	0	0	0	5
20-24	38	34	7	11	3	0	0	0	0	0	0	0	93
25-29	67	71	42	34	19	53	0	0	0	0	0	0	286
30-34	65	73	37	38	37	168	22	0	0	0	0	0	440
35-39	32	51	39	27	24	163	81	25	0	0	0	0	442
40-44	31	34	37	19	33	132	123	70	22	2	0	0	503
45-49	27	37	21	30	18	153	108	106	43	15	0	0	558
50-54	13	37	26	21	23	135	105	109	62	46	22	2	601
55-59	15	14	10	10	10	107	87	96	41	35	26	5	456
60-64	4	3	4	6	3	50	34	35	19	18	11	3	190
65-69	1	0	0	1	0	16	8	5	1	1	1	2	36
70+	0	0	0	0	0	2	1	1	0	0	0	1	5
Total	298	354	223	197	170	979	569	447	188	117	60	13	3,615

**County
 General Active Members
 Payroll by Age and Service
 as of July 1, 2008**

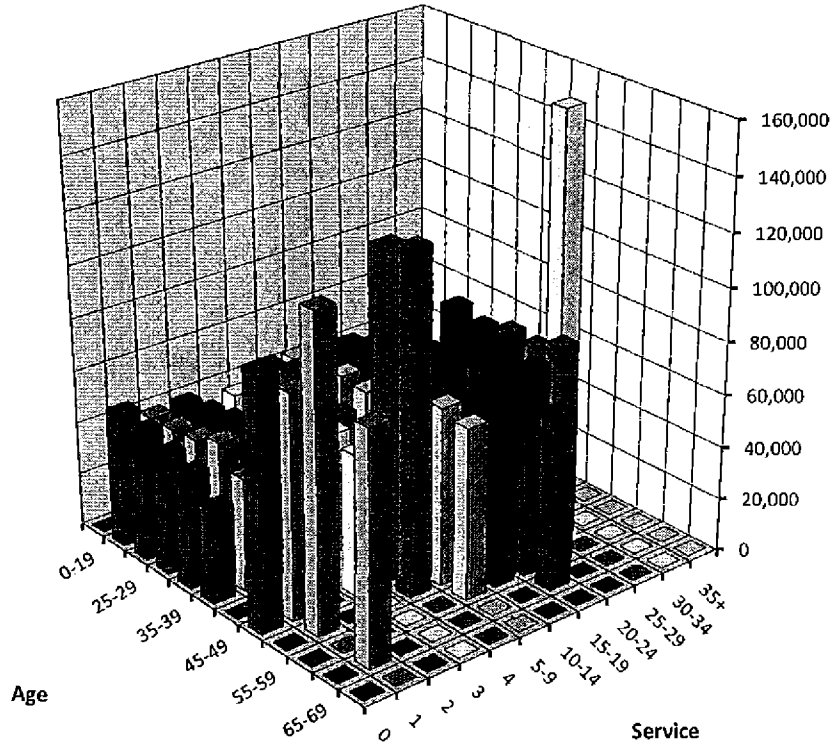


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	32,015	0	0	0	0	0	0	0	0	0	0	0	32,015
20-24	33,669	31,316	29,065	34,718	36,349	0	0	0	0	0	0	0	32,673
25-29	36,246	35,503	38,732	42,476	43,877	42,949	0	0	0	0	0	0	38,916
30-34	40,332	38,540	41,143	44,694	45,772	48,978	47,506	0	0	0	0	0	44,597
35-39	46,036	42,299	43,235	45,811	44,100	53,336	55,313	53,441	0	0	0	0	50,050
40-44	41,894	39,492	48,047	53,118	43,778	53,233	59,361	55,637	60,564	54,022	0	0	52,756
45-49	33,834	46,537	52,037	51,042	43,406	54,232	54,330	59,654	65,407	52,078	0	0	53,984
50-54	44,068	45,089	47,486	56,910	44,029	53,310	57,892	61,889	66,154	66,449	59,964	56,077	57,063
55-59	54,459	34,478	55,549	44,790	40,417	54,228	56,941	54,503	72,756	65,287	70,132	66,757	57,283
60-64	41,665	43,833	40,778	72,108	52,057	55,125	55,791	66,308	64,353	66,929	79,286	81,509	60,885
65-69	230,000	0	0	36,139	0	53,422	56,254	43,542	45,270	189,080	83,477	51,659	61,383
70+	0	0	0	0	0	134,106	40,156	82,536	0	0	0	72,094	92,600
Average	40,139	39,275	44,226	47,785	44,080	52,504	56,440	58,508	66,476	65,169	68,304	66,606	51,837

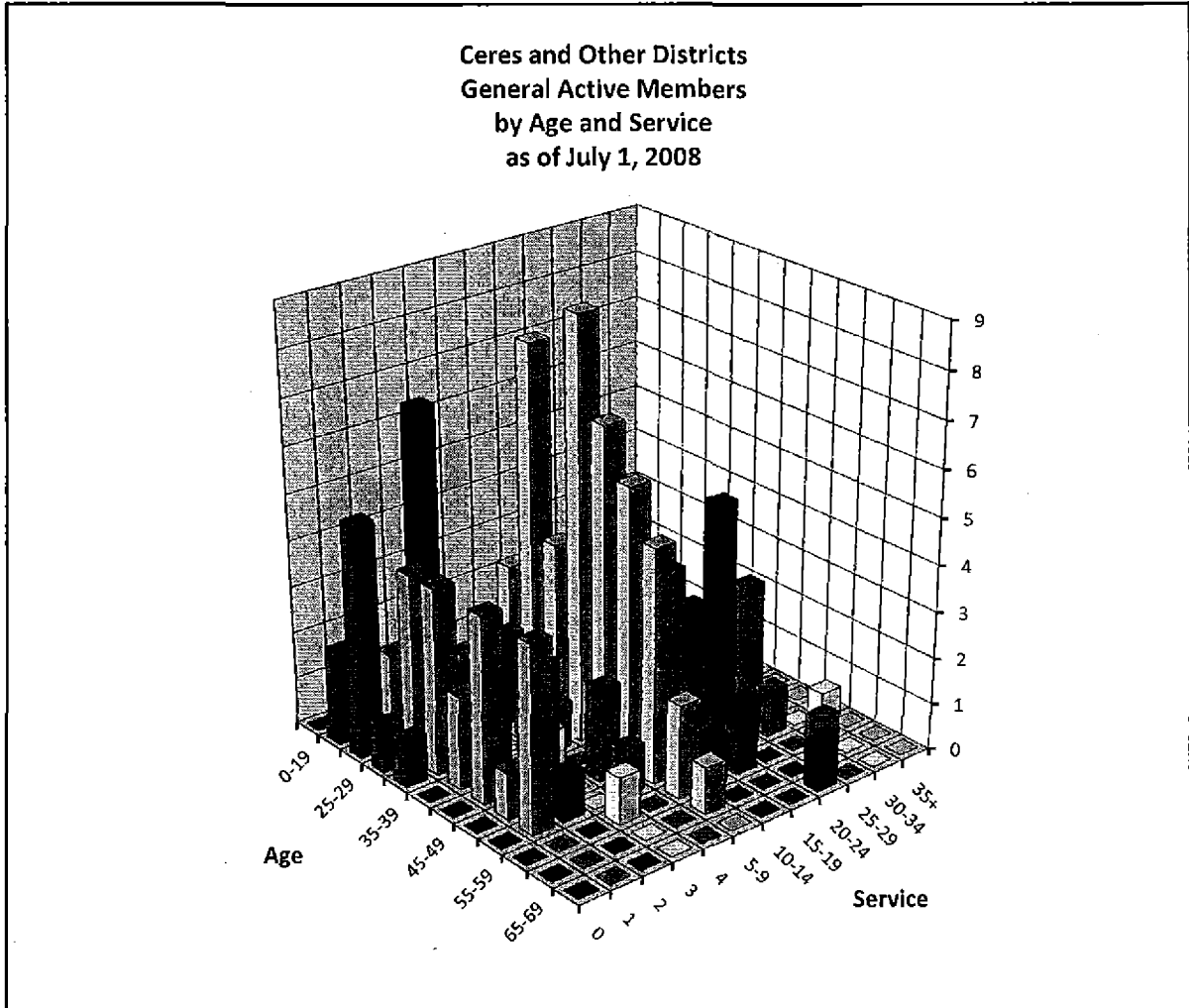


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	18	18	6	0	0	0	0	0	0	0	0	0	42
25-29	19	31	21	27	12	23	0	0	0	0	0	0	133
30-34	5	16	6	16	7	68	20	0	0	0	0	0	138
35-39	3	7	3	3	4	35	54	10	0	0	0	0	119
40-44	1	3	2	4	1	21	24	33	11	0	0	0	100
45-49	0	2	1	1	1	15	18	15	8	2	0	0	63
50-54	1	3	0	1	1	10	8	8	7	6	1	0	46
55-59	0	1	0	0	1	6	5	3	1	1	0	0	18
60-64	0	0	0	0	0	1	1	1	1	0	0	0	4
65-69	0	1	0	0	0	0	0	1	0	0	0	0	2
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	47	82	39	52	27	179	130	71	28	9	1	0	665

County
 Safety Active Members
 Payroll by Age and Service
 as of July 1, 2008

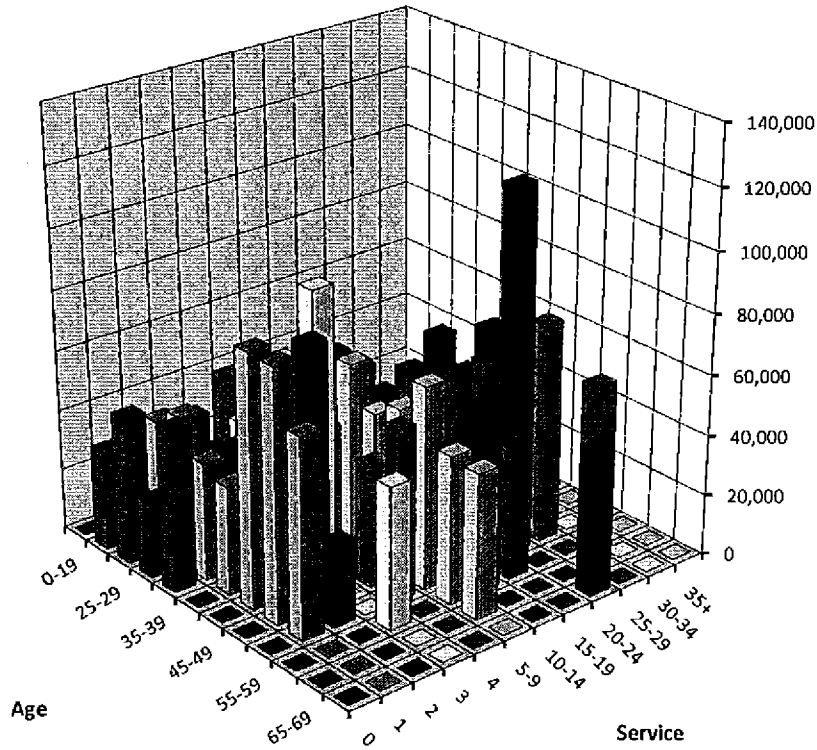


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	51,022	45,451	46,345	0	0	0	0	0	0	0	0	0	47,966
25-29	49,237	45,939	48,308	50,908	57,575	56,943	0	0	0	0	0	0	50,746
30-34	45,930	47,021	50,160	52,675	60,381	58,086	62,919	0	0	0	0	0	56,208
35-39	43,769	51,222	45,202	53,628	58,494	59,755	67,475	71,115	0	0	0	0	62,744
40-44	35,587	42,868	59,635	54,333	53,561	58,598	65,493	66,033	78,728	0	0	0	64,018
45-49	0	50,451	42,061	55,698	52,696	71,634	74,114	61,423	75,527	69,862	0	0	68,654
50-54	96,399	84,808	0	53,290	124,807	57,104	72,855	68,252	74,846	68,986	153,980	0	72,188
55-59	0	118,544	0	0	128,378	67,225	66,359	53,796	69,566	73,663	0	0	71,482
60-64	0	0	0	0	0	64,808	62,448	53,200	57,290	0	0	0	59,437
65-69	0	87,508	0	0	0	0	0	63,505	0	0	0	0	75,507
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Average	49,933	49,306	48,473	52,010	63,222	59,750	67,577	65,291	75,750	69,700	153,980	0	59,714

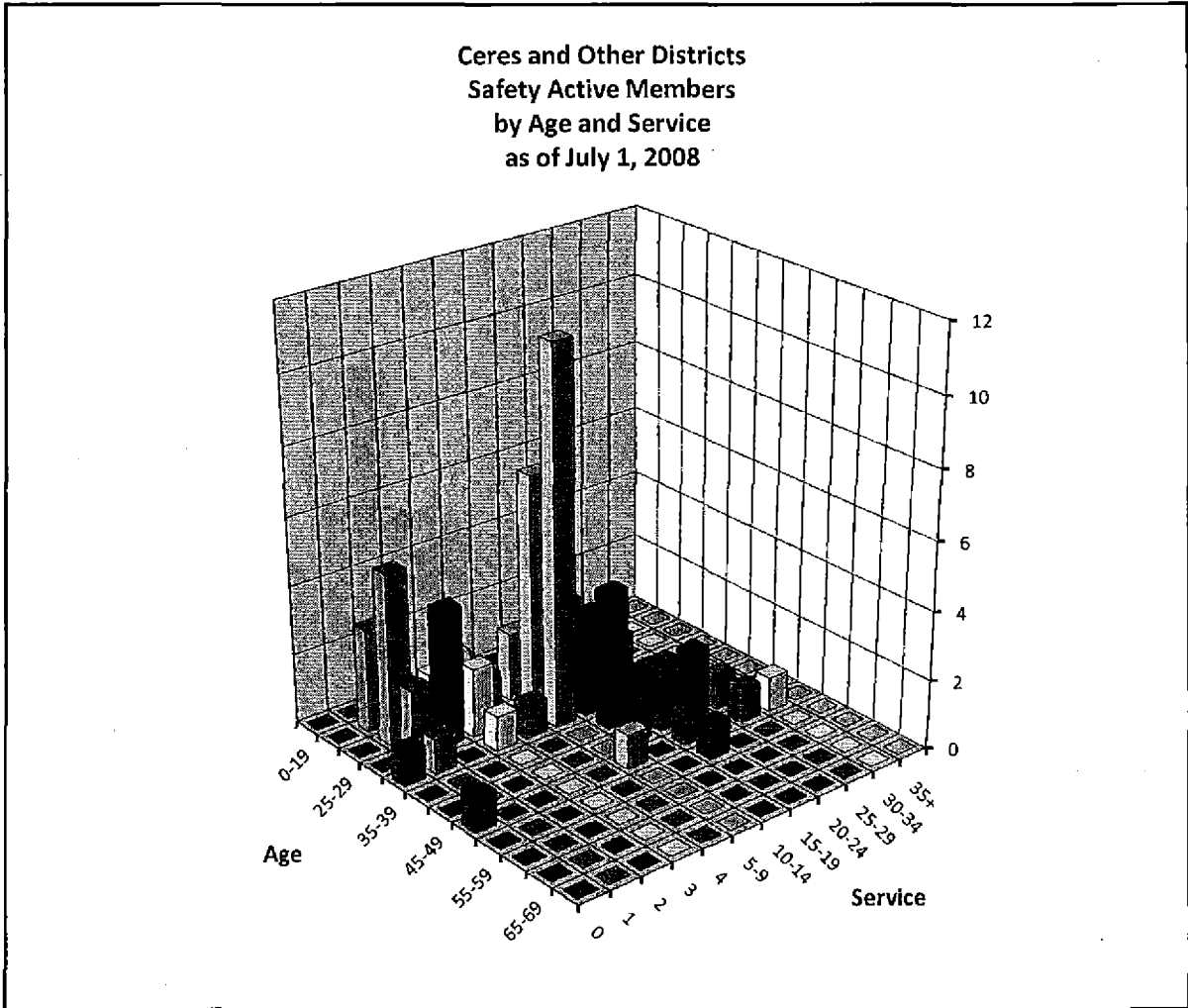


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	2	0	1	0	1	0	0	0	0	0	0	0	4
25-29	5	2	7	0	2	3	0	0	0	0	0	0	19
30-34	1	4	1	1	2	8	2	0	0	0	0	0	19
35-39	1	4	2	0	1	4	2	0	0	0	0	0	14
40-44	0	2	3	0	1	9	1	1	3	0	0	0	20
45-49	0	4	0	1	0	7	2	2	1	1	0	0	18
50-54	0	1	3	0	2	6	2	3	5	3	0	0	25
55-59	0	4	1	0	1	5	0	1	1	1	0	0	14
60-64	0	0	0	1	0	2	1	1	0	0	1	0	6
65-69	0	0	0	0	0	1	0	0	0	1	0	0	2
70+	0	0	0	0	0	0	0	0	1	0	0	0	1
Total	9	21	18	3	10	45	10	8	11	6	1	0	142

**Ceres and Other Districts
 General Active Members
 Payroll by Age and Service
 as of July 1, 2008**

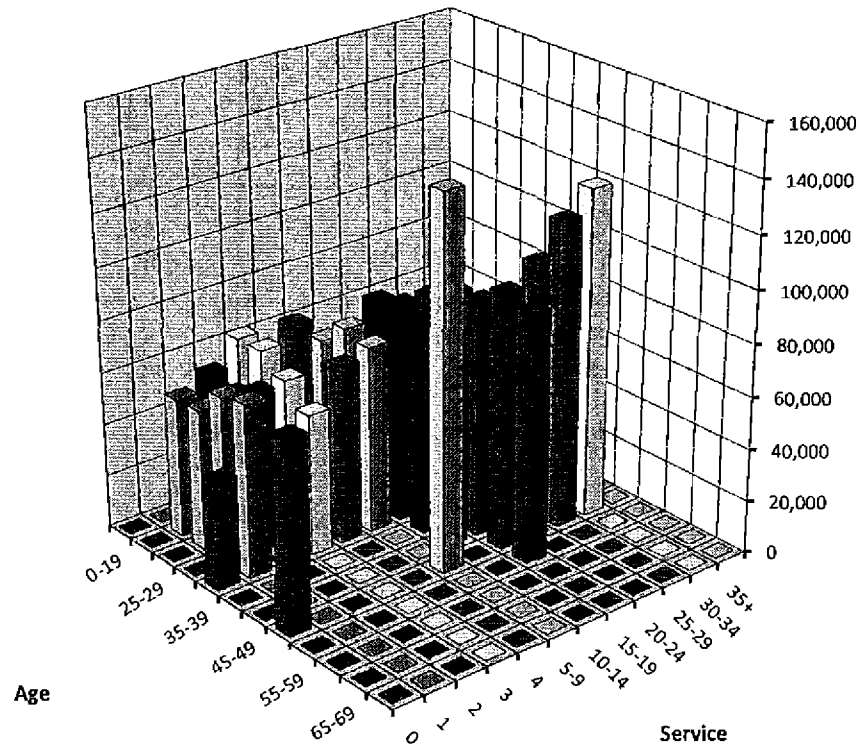


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Average
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	32,879	0	27,790	0	43,849	0	0	0	0	0	0	0	34,349
25-29	48,538	43,879	41,317	0	50,267	50,162	0	0	0	0	0	0	45,826
30-34	25,139	49,692	34,614	40,244	48,455	51,181	52,792	0	0	0	0	0	47,932
35-39	53,659	38,949	40,421	0	50,452	41,361	52,356	0	0	0	0	0	43,636
40-44	0	35,922	33,927	0	43,365	61,394	47,628	51,978	60,217	0	0	0	52,490
45-49	0	83,596	0	96,174	0	49,298	44,266	50,920	51,852	63,078	0	0	60,053
50-54	0	83,255	86,507	0	40,588	55,151	50,586	58,068	70,427	50,715	0	0	61,381
55-59	0	65,938	27,314	0	56,426	66,764	0	67,204	120,058	72,482	0	0	67,218
60-64	0	0	0	46,884	0	48,788	60,583	43,351	0	0	47,199	0	49,266
65-69	0	0	0	0	0	47,874	0	0	0	60,771	0	0	54,323
70+	0	0	0	0	0	0	0	0	48,024	0	0	0	48,024
Average	43,027	56,931	45,616	61,101	47,271	54,071	50,821	54,822	68,429	58,079	47,199	0	53,439



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	0	3	1	1	0	0	0	0	0	0	0	0	5
25-29	0	5	1	2	1	2	0	0	0	0	0	0	11
30-34	0	2	4	2	0	7	3	0	0	0	0	0	18
35-39	1	1	0	1	1	11	3	2	0	0	0	0	20
40-44	0	0	0	0	0	0	4	1	0	0	0	0	5
45-49	0	0	0	0	0	0	2	2	2	1	0	0	7
50-54	1	0	0	0	0	1	0	1	0	1	1	0	5
55-59	0	0	0	0	0	0	0	1	0	0	0	0	1
60-64	0	0	0	0	0	0	0	0	0	0	0	0	0
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	2	11	6	6	2	21	12	7	2	2	1	0	72

**Ceres and Other Districts
 Safety Active Members
 Payroll by Age and Service
 as of July 1, 2008**



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	0	53,218	58,807	68,818	0	0	0	0	0	0	0	0	57,456
25-29	0	53,886	55,598	68,854	74,850	65,128	0	0	0	0	0	0	60,713
30-34	0	63,959	61,309	62,274	0	74,263	80,906	0	0	0	0	0	70,015
35-39	41,439	66,258	0	54,104	68,388	71,697	84,037	83,609	0	0	0	0	71,909
40-44	0	0	0	0	0	0	82,047	88,951	0	0	0	0	83,428
45-49	0	0	0	0	0	0	72,191	90,374	75,212	97,263	0	0	81,831
50-54	73,244	0	0	0	0	141,931	0	97,878	0	117,244	125,944	0	111,248
55-59	0	0	0	0	0	0	0	95,047	0	0	0	0	95,047
60-64	0	0	0	0	0	0	0	0	0	0	0	0	0
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	57,342	56,660	59,940	64,196	71,619	75,271	80,617	89,977	75,212	107,254	125,944	0	73,539

Changes in Plan Membership: County General

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2006	3,551	53	346	375	80	116	1,592	229	6,342
New Entrants	846	-	-	-	-	-	-	-	846
Rehires	19	-	(11)	(8)	-	-	-	-	0
Duty Disabilities	(3)	-	-	-	-	3	-	-	0
Ordinary Disabilities	(6)	-	-	-	6	-	-	-	0
Retirements	(197)	-	-	(70)	-	-	267	-	0
Retirements from Safety with General Service							2		2
Vested Terminations	(102)	-	-	102	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(3)	-	-	-	(3)	(2)	(33)	41	0
Died, Without Beneficiary, and Other Terminations	(131)	-	116	(3)	(5)	(4)	(60)	-	(87)
Transfers	(45)	47	-	(1)					1
Beneficiary Deaths		-	-	-	-	-	-	(20)	(20)
Domestic Relations Orders		-	-	-	-	-	-	3	3
Withdrawals Paid	(314)	-	(52)	(30)	-	-	-		(396)
Member Reclassifications	-	1	(202)	198	(1)	(3)	(20)	23	(4)
July 1, 2008	3,615	101	197	563	77	110	1,748	276	6,687



Changes in Plan Membership: County Safety

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2006	620	2	53	46	7	97	229	64	1,118
New Entrants	170	-	-	-	-	-	-	-	170
Rehires	2	-	(1)	(1)	-	-	-	-	0
Duty Disabilities	(10)	-	-	-	-	10	-	-	0
Ordinary Disabilities	-	-	-	-	-	-	-	-	0
Retirements	(18)	-	-	(3)	-	-	21	-	0
Retirements from General with Safety Service	-	-	-	-	-	-	-	-	0
Vested Terminations	(13)	-	-	13	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(1)	-	-	-	-	(5)	(2)	8	0
Died, Without Beneficiary, and Other Terminations	(24)	-	24	-	-	(1)	(5)	-	(6)
Transfers	(26)	26	-	-	-	-	-	-	0
Beneficiary Deaths	-	-	-	-	-	-	-	(5)	(5)
Domestic Relations Orders	-	-	-	-	-	-	-	1	1
Withdrawals Paid	(36)	-	(9)	(5)	-	-	-	-	(50)
Member Reclassifications	1	-	(36)	38	-	(2)	(2)	5	4
July 1, 2008	665	28	31	88	7	99	241	73	1,232



Changes in Plan Membership: Ceres and Other Districts General

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2006	132	3	6	13	0	5	18	0	177
New Entrants	40	-	-	-	-	-	-	-	40
Rehires	1	-	-	-	-	-	-	-	1
Duty Disabilities	-	-	-	-	-	-	-	-	0
Ordinary Disabilities	-	-	-	-	-	-	-	-	0
Retirements	(5)	-	-	(2)	-	-	7	-	0
Retirements from General with Safety Service	-	-	-	-	-	-	-	-	0
Vested Terminations	(3)	-	-	3	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	(3)	-	1	-	-	-	-	-	(2)
Transfers	(3)	4	-	-	-	-	-	-	1
Beneficiary Deaths	-	-	-	-	-	-	-	-	0
Domestic Relations Orders	-	-	-	-	-	-	-	-	0
Withdrawals Paid	(15)	-	-	(1)	-	-	-	-	(16)
Member Reclassifications	(2)	-	(4)	7	-	-	-	-	1
July 1, 2008	142	7	3	20	0	5	25	0	202



Changes in Plan Membership: Ceres and Other Districts Safety

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2006	63	3	5	10	0	5	2	0	88
New Entrants	17	-	-	-	-	-	-	-	17
Rehires	-	-	-	-	-	-	-	-	0
Duty Disabilities	-	-	-	-	-	-	-	-	0
Ordinary Disabilities	-	-	-	-	-	-	-	-	0
Retirements	(1)	-	-	-	-	-	1	-	0
Retirements from General with Safety Service	-	-	-	-	-	-	-	-	0
Vested Terminations	(2)	-	-	2	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	-	-	-	-	-	-	-	-	0
Transfers	(2)	3	-	-	-	-	-	-	1
Beneficiary Deaths	-	-	-	-	-	-	-	-	0
Domestic Relations Orders	-	-	-	-	-	-	-	-	0
Withdrawals Paid	(3)	-	-	-	-	-	-	-	(3)
Member Reclassifications	-	-	(3)	3	-	1	(1)	-	0
July 1, 2008	72	6	2	15	0	6	2	0	103



Changes in Plan Membership: All Groups

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2006	4,366	61	410	444	87	223	1,841	293	7,725
New Entrants	1073	0	0	0	0	0	0	0	1,073
Rehires	22	0	(12)	(9)	0	0	0	0	1
Duty Disabilities	(13)	0	0	0	0	13	0	0	0
Ordinary Disabilities	(6)	0	0	0	6	0	0	0	0
Retirements	(221)	0	0	(75)	0	0	296	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	2	0	2
Vested Terminations	(120)	0	0	120	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	(4)	0	0	0	(3)	(7)	(35)	49	0
Died, Without Beneficiary, and Other Terminations	(158)	0	141	(3)	(5)	(5)	(65)	0	(95)
Transfers	(76)	80	0	(1)	0	0	0	0	3
Beneficiary Deaths	0	0	0	0	0	0	0	(25)	(25)
Domestic Relations Orders	0	0	0	0	0	0	0	4	4
Withdrawals Paid	(368)	0	(61)	(36)	0	0	0	0	(465)
Member Reclassifications	(1)	1	(245)	246	(1)	(4)	(23)	28	1
July 1, 2007	4,494	142	233	686	84	220	2,016	349	8,224



Service Retired

Age	County				Ceres and Other Districts				Total	
	General		Safety		General		Safety		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
35-39	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
40-44	0	0	1	21,069	0	0	0	0	1	21,069
45-49	0	0	3	51,035	0	0	0	0	3	51,035
50-54	74	17,602	30	46,657	1	605	0	0	105	25,742
55-59	235	29,416	58	54,578	7	35,127	2	63,743	302	34,608
60-64	393	28,533	56	54,886	7	35,219	0	0	456	31,872
65-69	343	21,699	44	44,351	5	20,027	0	0	392	24,220
70-74	222	18,788	25	48,417	5	32,285	0	0	252	21,995
75-79	192	19,198	11	28,599	0	0	0	0	203	19,707
80-84	140	16,652	12	20,963	0	0	0	0	152	16,992
85-89	106	15,244	1	14,485	0	0	0	0	107	15,237
90-94	32	12,232	0	0	0	0	0	0	32	12,232
95+	11	10,648	0	0	0	0	0	0	11	10,648
All Ages	1,748	\$ 22,416	241	\$ 47,948	25	\$ 30,184	2	\$ 63,743	2,016	\$25,606

Duty Disabled

Age	County				Ceres and Other Districts				Total	
	General		Safety		General		Safety		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
25-29	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
30-34	1	12,500	1	31,472	0	0	0	0	2	21,986
35-39	3	20,953	8	27,450	0	0	1	24,753	12	25,601
40-44	1	24,785	10	29,159	0	0	0	0	11	28,761
45-49	2	19,480	15	25,284	1	24,479	0	0	18	24,594
50-54	18	18,215	21	31,120	1	19,176	1	29,189	41	25,116
55-59	24	19,665	20	34,594	0	0	3	32,826	47	26,858
60-64	22	19,550	14	29,991	3	17,524	1	66,282	40	24,221
65-69	18	21,180	5	25,763	0	0	0	0	23	22,176
70-74	9	20,591	3	30,604	0	0	0	0	12	23,094
75-79	8	22,067	2	36,414	0	0	0	0	10	24,936
80-84	3	13,440	0	0	0	0	0	0	3	13,440
85-89	1	15,724	0	0	0	0	0	0	1	15,724
90-94	0	0	0	0	0	0	0	0	0	0
95+	0	0	0	0	0	0	0	0	0	0
All Ages	110	\$ 19,711	99	\$ 30,108	5	\$ 19,245	6	\$ 36,450	220	\$ 24,835



Ordinary Disabled

Age	County				Ceres and Other Districts				Total	
	General		Safety		General		Safety		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
35-39	0	0	1	18,538	0	0	0	0	1	18,538
40-44	4	12,444	0	0	0	0	0	0	4	12,444
45-49	5	12,987	1	21,147	0	0	0	0	6	14,347
50-54	8	14,313	3	13,392	0	0	0	0	11	14,061
55-59	15	11,744	1	11,839	0	0	0	0	16	11,750
60-64	19	15,304	1	16,742	0	0	0	0	20	15,376
65-69	10	10,579	0	0	0	0	0	0	10	10,579
70-74	5	8,331	0	0	0	0	0	0	5	8,331
75-79	5	10,162	0	0	0	0	0	0	5	10,162
80-84	2	8,585	0	0	0	0	0	0	2	8,585
85-89	3	5,928	0	0	0	0	0	0	3	5,928
90-94	1	5,761	0	0	0	0	0	0	1	5,761
95+	0	0	0	0	0	0	0	0	0	0
All Ages	77	\$ 12,144	7	\$ 15,492	0	\$ 0	0	\$ 0	84	\$ 12,423

Surviving Beneficiaries (all benefit types)

Age	County				Ceres and Other Districts				Total	
	General		Safety		General		Safety		Number	Annual Average Benefit
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit		
0-24	3	\$ 14,872	0	\$ 0	0	\$ 0	0	\$ 0	3	\$ 14,872
25-29	3	7,839	0	0	0	0	0	0	3	7,839
30-34	2	6,316	0	0	0	0	0	0	2	6,316
35-39	2	13,560	4	19,339	0	0	0	0	6	17,413
40-44	3	8,748	2	46,043	0	0	0	0	5	23,666
45-49	7	12,693	6	19,224	0	0	0	0	13	15,707
50-54	9	6,041	6	13,997	0	0	0	0	15	9,223
55-59	19	17,392	8	19,268	0	0	0	0	27	17,948
60-64	29	11,966	11	31,675	0	0	0	0	40	17,386
65-69	29	14,258	11	24,130	0	0	0	0	40	16,973
70-74	27	15,371	7	26,419	0	0	0	0	34	17,646
75-79	37	16,267	8	26,084	0	0	0	0	45	18,012
80-84	47	12,146	5	14,830	0	0	0	0	52	12,404
85-89	40	10,020	3	15,430	0	0	0	0	43	10,398
90-94	15	9,791	2	22,464	0	0	0	0	17	11,282
95+	4	9,800	0	0	0	0	0	0	4	9,800
All Ages	276	\$ 12,837	73	\$ 23,229	0	\$ 0	0	\$ 0	349	\$ 15,010



Benefit Form Elections

	County		Ceres and Other Districts		Total
	General	Safety	General	Safety	
Service Retired					
Option #0 Unmodified (60% to Spouse)	1514	222	22	2	1,760
Option #1 (Cash Refund)	102	0	1	0	103
Option #2 (100% Continuance)	117	19	2	0	138
Option #3 (50% Continuance)	15	0	0	0	15
Total Service Retired	1,748	241	25	2	2,016
Ordinary Disability					
Option #0 Unmodified (60% to Spouse)	73	5	0	0	78
Option #1 (Cash Refund)	2	2	0	0	4
Option #2 (100% Continuance)	2	0	0	0	2
Option #3 (50% Continuance)	0	0	0	0	0
Total Ordinary Disability	77	7	0	0	84
Duty Disability					
Option #0 Unmodified (60% to Spouse)	99	89	5	5	198
Option #1 (Cash Refund)	1	0	0	0	1
Option #2 (100% Continuance)	7	9	0	1	17
Option #3 (50% Continuance)	3	1	0	0	4
Total Duty Disability	110	99	5	6	220
Total	1,935	347	30	8	2,320

1.3: Actuarial Methods and Assumptions

Actuarial Method

Annual contributions to the Stanislaus County Employees' Retirement Association (the Plan) are computed under the Entry Age Normal Actuarial Cost Method.

Under this Cost Method, the Normal Cost is calculated as the amount necessary to fund Members' benefits as a level percentage of total payroll over their projected working lives. At each valuation date, the Actuarial Accrued Liability is equal to the difference between the liability for the Members' total projected benefit and the present value of future Normal Cost contributions.

The excess of the Actuarial Accrued Liability over Plan assets is the Unfunded Actuarial Accrued Liability, and the liability for each valuation group is amortized according to the amortization schedule for that entity.

Group	Amortization Period	Method	Period Type
County (Old Method)	20 years	Level Dollar	Open
County (New Method)	30 years	Level % of Pay	Open for 3 Years, Then Revisit
Ceres and Other Districts	20 years	Level % of Pay	Open

Amounts may be added to or subtracted from the Unfunded Actuarial Accrued Liability due to Plan amendments or changes in actuarial assumptions. Actuarial gains and losses currently only affect the County Unfunded Actuarial Accrued Liability.

The total Plan cost is the sum of the Normal Cost and the amortization of the Unfunded Actuarial Accrued Liability.

Actuarial Value of Plan Assets

The actuarial value of Plan assets is modified market-related value. The market value of assets is adjusted to recognize, over a five-year period, differences between actual investment earnings and the assumed investment return. The actuarial value of assets is limited to no less than 80% and no more than 120% of the market value.

The detailed calculations of the actuarial value of Plan assets are shown in Section 2.

Actuarial Assumptions

The assumptions shown below are based on experience studies conducted as of June 30, 2006 for the period covering July 1, 2003 till June 30, 2006, performed independently by Buck Consultants and Milliman.

Summary of Actuarial Assumptions

- Valuation Date** All assets and liabilities are computed as of June 30, 2008.
- Rate of Return** The annual rate of return on all Plan assets is assumed to be 8.16%, net of investment and administrative expenses.
- Interest Credited to Employee Accounts** The employee accounts are credited with 0.25% interest annually.
- Cost of Living** The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 4.00% per year.
- Increases in Pay** Current Rate: 4.00% Base salary increases
 Assumed pay increases for active Members consist of increases due to base salary adjustments (as noted above), plus age-based increases due to longevity and promotion, as shown below.

Age	General	Safety
20	4.66%	2.89%
25	3.51%	2.14%
30	2.23%	1.59%
35	0.48%	0.45%
40	0.47%	0.56%
45	0.45%	0.54%
50	0.56%	0.53%
55	0.54%	0.52%
60	0.53%	0.51%
65	0.52%	0.51%
70	0.51%	0.51%

- Active Member Mortality** Rates of mortality among Safety active Members are specified for male and female members combined; separate tables are used for General male and female active Members. Duty related mortality rates are only applicable for Safety Active Members. Sample rates are as follows:



Age	Duty Death		Ordinary Death		Death While Eligible		
	Safety		Safety	General	Safety	General	
	All	All	Female	Male	All	Female	Male
20	0.0150%	0.0151%	0.0200%	0.0300%	0.0000%	0.0000%	0.0000%
25	0.0189%	0.0190%	0.0300%	0.0300%	0.0130%	0.0075%	0.0100%
30	0.0254%	0.0254%	0.0300%	0.0400%	0.0130%	0.0075%	0.0100%
35	0.0357%	0.0357%	0.0500%	0.0500%	0.0130%	0.0075%	0.0200%
40	0.0564%	0.0564%	0.0600%	0.0600%	0.0260%	0.0150%	0.0300%
45	0.0885%	0.1178%	0.0700%	0.0900%	0.0520%	0.0225%	0.0500%
50	0.0703%	0.0937%	0.0800%	0.1000%	0.1300%	0.0600%	0.1100%
55	0.1055%	0.1406%	0.0900%	0.1200%	0.2990%	0.1275%	0.2000%
60	0.0000%	0.0000%	0.1100%	0.1700%	0.0000%	0.2100%	0.3100%
65	0.0000%	0.0000%	0.1700%	0.2200%	0.0000%	0.3225%	0.4500%
70	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Retired Member Mortality

Rates of mortality for retired Members and their beneficiaries are given by the 1994 GAM tables with no age adjustment. All Safety members use the Male table, and their beneficiaries are assumed to be Female. Sample rates are shown below.

Age	Female	Male
45	0.097%	0.158%
50	0.143%	0.258%
55	0.229%	0.443%
60	0.444%	0.798%
65	0.864%	1.454%
70	1.373%	2.373%
75	2.269%	3.721%
80	3.940%	6.203%
85	6.774%	9.724%
90	11.627%	15.293%



Disabled Member
 Mortality

Rates of mortality among disabled Members are given by the 1981 Disability Mortality Tables for General and Safety Members published by the Society of Actuaries. Sample rates are as follows:

Age	General	Safety
45	2.080%	0.696%
50	2.418%	0.901%
55	2.885%	1.483%
60	3.291%	2.830%
65	3.759%	3.685%
70	4.355%	4.355%
75	5.616%	5.514%
80	8.836%	8.836%
85	12.950%	12.950%
90	17.849%	17.849%

Service Retirement

Retirement is assumed to occur among eligible members in accordance with the table below.

Age	Current Rates			Proposed Rates		
	<u>Safety</u>	<u>General</u>		<u>Safety</u>	<u>General</u>	
	All	Female	Male	All	Female	Male
45	0.50%	0.00%	0.00%	25.00%	0.00%	5.00%
46	0.75%	0.00%	0.00%	25.00%	0.00%	5.00%
47	1.13%	0.00%	0.00%	25.00%	0.00%	5.00%
48	1.69%	0.00%	0.00%	25.00%	0.00%	5.00%
49	2.53%	0.00%	0.00%	25.00%	0.00%	5.00%
50	9.00%	4.75%	4.00%	25.00%	5.00%	5.00%
51	6.00%	2.85%	1.50%	20.00%	4.00%	4.00%
52	6.00%	2.85%	2.00%	20.00%	4.00%	4.00%
53	7.50%	2.85%	3.00%	20.00%	5.00%	5.00%
54	22.50%	4.28%	3.50%	20.00%	6.00%	6.00%
55	33.33%	4.75%	7.50%	30.00%	10.00%	10.00%
56	16.00%	4.75%	8.50%	25.00%	10.00%	10.00%
57	25.00%	5.70%	9.00%	25.00%	10.00%	10.00%
58	30.00%	6.65%	9.50%	30.00%	12.00%	12.00%
59	35.00%	8.55%	10.00%	35.00%	15.00%	15.00%
60	100.00%	9.50%	12.00%	100.00%	18.00%	18.00%
61	100.00%	16.15%	15.00%	100.00%	18.00%	18.00%
62	100.00%	33.25%	30.00%	100.00%	30.00%	30.00%
63	100.00%	23.75%	20.00%	100.00%	25.00%	25.00%
64	100.00%	23.75%	30.00%	100.00%	25.00%	25.00%
65	100.00%	38.00%	50.00%	100.00%	40.00%	40.00%
66	100.00%	28.50%	40.00%	100.00%	30.00%	30.00%
67	100.00%	33.25%	50.00%	100.00%	30.00%	30.00%
68	100.00%	38.00%	50.00%	100.00%	30.00%	30.00%
69	100.00%	47.50%	60.00%	100.00%	30.00%	30.00%
70	100.00%	100.00%	100.00%	100.00%	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:

Age	<u>Safety</u>	<u>General</u>	
	All	Female	Male
20	0.1012%	0.0013%	0.0065%
25	0.2576%	0.0025%	0.0153%
30	0.4609%	0.0050%	0.0316%
35	0.7079%	0.0141%	0.0426%
40	0.9283%	0.0335%	0.0602%
45	1.1297%	0.0606%	0.0920%
50	1.5092%	0.0971%	0.1345%
55	1.7230%	0.1492%	0.1840%
60	0.0000%	0.2096%	0.2456%
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:

Age	<u>Safety</u>	<u>General</u>	
	All	Female	Male
20	0.0173%	0.0025%	0.0130%
25	0.0409%	0.0050%	0.0307%
30	0.0421%	0.0100%	0.0316%
35	0.0568%	0.0281%	0.0426%
40	0.0802%	0.0446%	0.0602%
45	0.1227%	0.0808%	0.0920%
50	0.1793%	0.1295%	0.1345%
55	0.2453%	0.1990%	0.1840%
60	0.0000%	0.2794%	0.2456%
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. Current Rates are based on age while the proposed rates are based on service. The proposed rates do not overlap with the service retirement rates.

Current Rates

Age	<u>Safety</u>	<u>General</u>	
	All	Female	Male
20	9.49%	14.23%	14.30%
25	7.47%	10.10%	11.95%
30	5.63%	8.60%	10.41%
35	2.98%	6.68%	8.38%
40	1.66%	5.06%	6.46%
45	0.62%	3.89%	4.22%
50	0.19%	3.13%	2.35%
55	0.10%	2.35%	1.36%
60	0.00%	1.72%	0.72%
65	0.00%	0.00%	0.00%

Proposed Rates

Service	Safety	General
0	12.000%	18.000%
1	8.000%	12.000%
2	6.000%	8.500%
3	4.500%	6.500%
4	3.500%	5.500%
5	1.238%	2.025%
10	0.945%	1.470%
15	0.680%	0.850%
20	0.000%	0.336%
25	0.000%	0.072%
30	0.000%	0.000%



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 Tier 3 General Members are assumed to begin receiving benefits at age 65 while all other General Members are assumed to begin at age 62; terminated Safety Members are assumed to begin receiving benefits at age 55. 50% of vested terminated members are assumed to be reciprocal.

Separate rates of termination are assumed among Safety and General Members. The rates shown in the sample *proposed* table below are applied after five Years of Service, and do not overlap with the service retirement rates.

Current Rates

Age	<u>Safety</u>	<u>General</u>	
	All	Female	Male
20	0.00%	0.00%	0.00%
25	1.84%	1.30%	1.74%
30	2.79%	1.98%	2.89%
35	2.22%	2.29%	3.25%
40	1.64%	2.05%	3.08%
45	0.77%	1.92%	2.42%
50	0.28%	2.35%	1.62%
55	0.00%	2.05%	1.09%
60	0.00%	1.72%	0.66%
65	0.00%	0.00%	0.00%

Proposed Rates

Service	Safety	General
0 - 4	0.000%	0.000%
5	1.513%	2.475%
10	1.305%	2.030%
15	1.320%	1.650%
20	0.000%	1.264%
25	0.000%	1.128%
30 +	0.000%	1.200%

Family Composition

50% of female members and 90% of male members are assumed to be married at retirement. Male spouses are assumed to be three years older than their wives.

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, 2006, June 30, 2007 and June 30, 2008

	June 30, 2006	June 30, 2007	June 30, 2008
Cash and Equivalents	30,935,869	23,688,701	33,274,005
Receivables			
Interest	6,563,181	3,858,615	56,681
Dividends	0	2,442,263	5,536,099
Contributions	4,412,072	2,652,474	2,522,264
Income and Miscellaneous	9,171,575	8,194,947	8,680,094
Total Receivables	20,146,828	17,148,299	16,795,138
Fixed Assets			
Capitalized Software	739,533	789,682	775,980
Real Estate Occupied	1,737,956	1,607,712	1,840,736
Real Estate Leased	1,088,298	1,167,013	1,320,785
Total Receivables	3,565,787	3,564,407	3,937,501
Investments			
Government Bonds	423,963,190	276,428,939	251,846,251
Corporate Bonds	0	160,927,070	184,674,468
Equities	801,759,933	989,988,767	830,418,251
Real Estate	0	0	0
Collateral on Loaned Securities	165,417,766	271,317,033	201,710,234
Other	0	231	562
Total Investments	1,391,140,889	1,698,662,040	1,468,649,766
Liabilities			
Accounts Payable	(4,763,057)	(1,852,806)	(2,554,120)
Security Transactions Payable	0	(8,171,571)	(6,686,109)
Collateral Held for Loaned Securities	(165,417,766)	(271,317,033)	(201,710,234)
Other	0	0	(420,000)
Total Liabilities	(170,180,823)	(281,341,410)	(211,370,463)
Market Value	\$1,275,608,550	\$1,461,722,037	\$1,311,285,947

2.2: Computation of Actuarial Value of Assets as of June 30, 2007

	(a)	(b)	(c)	(d)	(e) = (d) - (c)	(f) Percentage	(g) = (e) x (f)
	Contributions	Benefits	Expected Return	Actual Return	Additional Earnings	Not Recognized	Unrecognized Dollars
2004	36,055,481	49,252,949	86,640,917	153,968,098	67,327,181	20%	13,465,436
2005	38,881,088	55,523,350	90,899,025	89,298,356	(1,600,669)	40%	(640,268)
2006	44,282,653	60,612,003	95,347,685	115,674,244	20,326,559	60%	12,195,935
2007	53,105,351	70,329,625	103,400,687	203,337,761	99,937,074	80%	79,949,660
(1) Total Unrecognized Dollars							104,970,763
(2) Market Value of Assets as of June 30, 2007							1,461,722,037
(3) Actuarial Value of Assets as of June 30, 2007							1,356,751,274
[(2) - (1)]							
(4) Corridor Limits							
a. 80% of Net Market Value							1,169,377,630
b. 120% of Net Market Value							1,754,066,445
(5) Actuarial Value of Assets after Corridor							1,356,751,274
(6) Ratio of Actuarial Value to Market Value							92.8%
[(5) ÷ (2)]							
(7) Special (Non Valuation) Reserves:							
\$5,000 Death Benefits							5,833,788
Health Insurance Reserve							165,180,419
Special COL Reserve							3,353,015
Legal Contingency Reserve							3,379,216
Tier 3 Disability Reserve							17,046
Contingency Reserve							<u>34,861,269</u>
Total Special Reserves							212,624,753
(8) Pension Reserves at Actuarial Value (Valuation Assets)							1,144,126,521
[(5) - (7)]							

2.3: Computation of Actuarial Value of Assets as of June 30, 2008

	(a)	(b)	(c)	(d)	(e) = (d) - (c)	(f)	(g) = (e) x (f)
	Contributions	Benefits	Expected Return	Actual Return	Additional Earnings	Percentage Not Recognized	Unrecognized Dollars
2005	38,881,088	55,523,350	90,899,025	89,298,356	(1,600,669)	20%	(320,134)
2006	44,282,653	60,612,003	95,347,685	115,674,244	20,326,559	40%	8,130,623
2007	53,105,351	70,329,625	103,400,687	203,337,761	99,937,074	60%	59,962,245
2008	43,244,855	70,227,537	118,197,211	(123,453,409)	(241,650,619)	80%	(193,320,496)
(1) Total Unrecognized Dollars							(125,547,761)
(2) Market Value of Assets as of June 30, 2008							1,311,285,947
(3) Actuarial Value of Assets as of June 30, 2008							1,436,833,709
[(2) - (1)]							
(4) Corridor Limits							
a. 80% of Net Market Value							1,049,028,758
b. 120% of Net Market Value							1,573,543,137
Actuarial Value of Assets after							
(5) Corridor							1,436,833,709
(6) Ratio of Actuarial Value to Market Value							109.6%
[(5) ÷ (2)]							
(7) Special (Non Valuation) Reserves:							
\$5,000 Death Benefits							5,563,788
Health Insurance Reserve (before Transfer)							157,851,377
Special COL Reserve							2,857,479
Legal Contingency Reserve							3,379,215
Tier 3 Disability Reserve							15,236
Contingency Reserve							0
Total Special Reserves							169,667,095
(8) Pension Reserves at Actuarial Value (Valuation Assets) [(5) - (7)]							1,267,166,614
(9) Transfer from Non Valuation to Valuation Reserves:							50,000,000
(10) Pension Reserves at Actuarial Value (Valuation Assets, Final) [(9) + (8)]							1,317,166,614

2.4: Income Statement**For the Years Ending June 30, 2008 and June 30, 2007**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
<u>Additions</u>		
Contributions		
Employer's Contribution	\$ 22,555,416	\$ 25,465,241
Members' Contributions	20,689,439	20,542,837
Other Contributions (Ventura)	<u>0</u>	<u>7,097,273</u>
Total Contributions	<u>\$43,244,855</u>	<u>\$53,105,351</u>
Investment Income		
Net Appreciation/(Depreciation) in Fair Value of Investments	(161,115,826)	168,870,674
Interest and Dividends	42,932,733	42,215,153
Commission Recapture	76,519	60,175
Other Investment Income	<u>117,351</u>	<u>177,775</u>
Total Investment Income	<u>(\$117,989,223)</u>	<u>\$211,323,777</u>
Investment Expenses	<u>(4,442,195)</u>	<u>(4,514,856)</u>
Net Investment Income	<u>(\$122,431,418)</u>	<u>\$206,808,921</u>
Securities Lending Activities		
Securities Lending Income	10,346,182	12,415,905
Expenses from Securities Lending Activities	<u>(9,323,887)</u>	<u>(12,032,914)</u>
Net Securities Lending Income	<u>\$1,022,295</u>	<u>\$382,991</u>
Total Net Investment Income	<u>(\$121,409,123)</u>	<u>\$207,191,912</u>
Total Additions	<u>(\$78,164,268)</u>	<u>\$260,297,263</u>
<u>Deductions</u>		
Benefits	67,784,275	63,999,366
Other Benefits (Ventura)	836	3,599,797
Refunds	2,442,426	2,730,463
Administrative Costs	2,044,286	1,975,242
Other Admin Costs (Ventura)	<u>0</u>	<u>5,684</u>
Total Deductions	<u>\$72,271,823</u>	<u>\$72,310,552</u>
Net increase (Decrease)	<u>(\$150,436,091)</u>	<u>\$187,986,711</u>
Net Assets Beginning of Year	<u>\$1,461,722,038</u>	<u>\$1,273,735,327</u>
Net Assets End of Year	<u>\$1,311,285,947</u>	<u>\$1,461,722,037</u>

2.5: Historical Returns

Year Ended June 30	Annualized Rate of Return (Market Value)	Annualized Rate of Return (Actuarial Value)	Annualized Rate of Return (Valuation Assets)	Increase in CPI*
1994				2.5%
1995				3.0%
1996				2.8%
1997	20.4%			2.3%
1998	13.4%			1.7%
1999	10.6%			2.0%
2000	6.3%			3.7%
2001	7.0%			3.2%
2002	-4.5%			1.1%
2003	5.2%		4.9%	2.1%
2004	6.1%		6.3%	3.3%
2005	8.2%		5.5%	2.5%
2006	9.9%		10.8%	4.3%
2007	16.0%	10.8%	0.6%	2.7%
2008	-8.5%	8.0%	16.7%	5.0%
Compounded 15 Year Average	N / A	N / A	N / A	2.8%
Compounded 10 Year Average	5.4%	N / A	N / A	3.0%
Compounded 5 Year Average	6.0%	N / A	7.8%	3.6%

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

Section 3:

Actuarial Computations

3.1: Computation of Annual Contribution Rate as of June 30, 2006 (Old Assumptions)

	Buck Report	EFI (Matching)	EFI (Valuation)
Active Fully Projected Liability		796,768,495	801,233,670
Active Entry Age Normal Accrued Liability		566,688,858	606,365,953
Inactive Fully Projected Liability		651,176,959	652,656,830
Total Fully Projected Liability	1,437,477,654	1,447,945,454	1,453,890,500
Total Actuarial Accrued Liability	1,194,904,252	1,189,869,758	1,259,022,783
Valuation Assets	1,154,048,207	1,154,048,207	1,154,048,207
Total Unfunded Accrued Liability (UAL)	40,856,045	35,821,550	104,974,576
Ceres / Other District Unfunded Accrued Liability	7,825,491	7,825,491	7,825,491
County Unfunded Accrued Liability	33,030,554	27,996,059	97,149,085
Projected Pay (Ceres / Other Districts)	10,430,405	9,880,569	9,880,569
Projected Pay (County)	209,337,260	200,980,925	200,980,925
Projected Pay (Total Current Members)	219,767,665	210,861,494	210,861,494
Total Normal Cost (% of Payroll)	15.91%	16.21%	12.19%
Employee Contribution	8.21%	7.64%	8.05%
Employer Normal Cost	7.78%	8.57%	4.15%
Ceres / Other District UAL Amortization	5.41%	5.48%	5.72%
County UAL Amortization	1.56%	1.32%	4.79%
Ceres / Other District Employer Contribution	1,556,809	1,677,875	1,092,958
County Employer Contribution	18,966,442	20,524,303	17,849,699
Total Employer Contribution	20,255,153	22,202,177	18,942,656
Total Employer Cost (% Pay)	9.22%	10.08%	8.98%

3.2: Computation of Annual Contribution Rate as of June 30, 2006 (Impact of Level 1 Assumption Changes)

	Old Assumptions	Remove Overlap	New Retirement Rates	New Termination Rates
Active Fully Projected Liability	801,233,670	876,653,768	869,682,550	949,464,495
Active Entry Age Normal Accrued Liability	606,365,953	653,897,290	662,366,456	676,718,201
Inactive Fully Projected Liability	652,656,830	652,656,830	652,656,830	652,656,830
Total Fully Projected Liability	1,453,890,500	1,529,310,598	1,522,339,380	1,602,121,325
Total Actuarial Accrued Liability	1,259,022,783	1,306,554,120	1,315,023,286	1,329,375,031
Valuation Assets	1,154,048,207	1,154,048,207	1,154,048,207	1,154,048,207
Total Unfunded Accrued Liability	104,974,576	152,505,913	160,975,079	175,326,824
Ceres / Other District Unfunded Accrued Liability	7,825,491	10,379,250	10,463,789	11,475,849
County Unfunded Accrued Liability	97,149,085	142,126,663	150,511,290	163,850,975
Projected Pay (Ceres / Other Districts)	9,880,569	9,900,568	9,846,703	9,921,627
Projected Pay (County)	200,980,925	201,781,288	200,976,020	202,089,803
Projected Pay (Total Current Members)	210,861,494	211,681,856	210,822,723	212,011,430
Total Normal Cost (% of Payroll)	12.19%	13.17%	13.35%	15.27%
Employee Contribution	8.05%	7.92%	8.08%	7.79%
Employer Normal Cost	4.15%	5.25%	5.27%	7.48%
Ceres / Other District UAL Amortization	5.72%	7.57%	7.67%	8.35%
County UAL Amortization	4.79%	6.99%	7.43%	8.04%
Ceres / Other District Employer Contribution	1,092,958	1,362,866	1,386,830	1,699,680
County Employer Contribution	17,849,699	24,594,315	25,404,575	31,241,228
Total Employer Contribution	18,942,656	25,957,182	26,791,404	32,940,907
Total Employer Cost (% Pay)	8.98%	12.26%	12.71%	15.54%

3.3: Computation of Annual Contribution Rate as of June 30, 2008

	Continuing, Expected Pay, Expected Assets ¹	Continuing, Actual Pay, Expected Assets	All Members, Actual Pay, Expected Assets	All Members, Actual Pay, Actual Assets	Funding Changes (Amortization and Transfer)
Active Fully Projected Liability	1,009,429,082	971,951,788	1,068,643,440	1,068,643,440	1,068,643,440
Active Entry Age Normal AL	777,995,117	744,111,515	769,751,646	769,751,646	769,751,646
Inactive Fully Projected Liability	779,072,258	779,072,258	779,072,258	779,072,258	779,072,258
Total Fully Projected Liability	1,788,501,340	1,751,024,046	1,847,715,698	1,847,715,698	1,847,715,698
Total Actuarial Accrued Liability	1,557,067,375	1,523,183,773	1,548,823,904	1,548,823,904	1,548,823,904
Valuation Assets	1,340,528,329	1,340,528,329	1,340,528,329	1,267,166,614	1,317,166,614
Total UAL	216,539,046	182,655,444	208,295,575	281,657,290	231,657,290
Ceres / Other District UAL	12,176,967	12,176,967	12,176,967	12,176,967	9,492,838
County Unfunded Accrued Liability	204,362,079	170,478,477	196,118,608	269,480,323	222,164,452
Projected Pay (Ceres /Other)	9,667,439	9,791,241	12,991,690	12,991,690	12,991,690
Projected Pay (County)	197,649,350	192,105,797	229,017,709	229,017,709	229,017,709
Projected Pay (Total Current)	207,316,789	201,897,038	242,009,399	242,009,399	242,009,399
Total Normal Cost (% of Pay)	13.92%	13.97%	14.71%	14.71%	14.71%
Employee Contribution	7.35%	7.34%	7.46%	7.46%	7.46%
Employer Normal Cost	6.57%	6.62%	7.25%	7.25%	7.25%
Ceres / Other UAL Amortization	9.09%	8.89%	6.76%	6.76%	5.27%
County UAL Amortization	10.25%	8.80%	8.49%	11.67%	5.50%
Ceres / Other Employer Contribution	1,629,678	1,646,387	1,983,296	1,983,296	1,789,913
County Employer Contribution	33,143,803	29,512,766	35,890,909	43,166,924	29,040,589
Total Employer Contribution	34,773,481	31,159,153	37,874,205	45,150,220	30,830,502
Total Employer Cost (% Pay)	16.77%	15.43%	15.65%	18.66%	12.74%

¹ Expected Assets include approximately \$37.9 million in additional contributions anticipated based on revised June 30, 2006 contribution rates (reflecting Level 1 changes)

3.4: Computation of Funding Ratios as of June 30, 2008

Valuation Date	Actuarial Accrued Liabilities For				Portion of Accrued Liabilities Covered by Assets			
	(1)	(2)	(3)	Actuarial Accrued Liabilities	Valuation Assets	(1)	(2)	(3)
	Active Member Contributions	Retirees and Beneficiaries	Active and Terminated Members					
6/30/2003	\$176,622,000	\$455,784,000	\$325,689,000	\$958,095,000	\$928,022,000	100%	100%	91%
6/30/2004	\$166,806,000	\$518,922,000	\$349,617,000	\$1,035,345,000	\$993,180,000	100%	100%	88%
6/30/2005	\$205,556,000	\$551,810,000	\$358,994,000	\$1,116,310,000	\$1,049,691,000	100%	100%	81%
6/30/2006	\$219,907,000	\$619,109,000	\$355,888,000	\$1,194,904,000	\$1,154,048,000	100%	100%	89%
6/30/2006 ²	\$219,907,000	\$614,576,000	\$494,892,000	\$1,329,375,000	\$1,154,048,000	100%	100%	65%
6/30/2008	\$272,657,000	\$739,838,000	\$536,329,000	\$1,548,824,000	\$1,267,167,000	100%	100%	47%
6/30/2008 ³	\$272,657,000	\$739,838,000	\$536,329,000	\$1,548,824,000	\$1,317,167,000	100%	100%	57%

² Results recalculated, reflecting Level 1 assumption changes (new retirement, termination and withdrawal decrements) & new EFI EAN methodology.

³ Reflects transfer as of June 30, 2008 of \$50 million from Non-Valuation to Valuation Reserves.

3.5: Detailed Calculation of Liabilities as of June 30, 2008 - By Class and Tier

Tier:	General Tiers					Safety Tiers		General	Safety	Total
	1	2	3	4	5	4	5			
Active Fully Projected Liability										
Retirement	351,540	2,160,897	1,402,033	95,140,175	638,436,054	8,825,389	196,764,555	737,490,684	205,589,935	943,080,619
Ordinary Disability	-	48,330	-	1,031,689	11,405,361	74,811	2,682,760	12,485,380	2,757,571	15,242,951
Duty Disability	-	67,077	-	935,863	12,946,041	631,965	34,083,853	13,948,981	34,715,818	48,664,799
Ordinary Death	-	9,565	-	75,746	2,012,633	4,982	504,399	2,097,944	509,381	2,607,325
Death While Eligible	-	25,843	-	708,944	6,197,591	52,741	1,011,982	6,932,378	1,064,723	7,997,101
Duty Death	-	-	-	-	-	34,586	2,150,976	-	2,185,562	2,185,562
Non-Vested Term	-	58,373	-	5,476	8,607,567	-	2,720,885	8,671,416	2,720,885	11,392,301
Vested Term	-	88,350	356	108,392	27,512,838	-	9,762,822	27,709,936	9,762,822	37,472,758
Total	351,540	2,458,435	1,402,389	98,006,285	707,118,085	9,624,474	249,682,232	809,336,734	259,306,706	1,068,643,440
EAN Accrued Liability										
Retirement	351,381	1,246,870	1,084,336	91,478,552	455,021,007	8,734,567	131,231,013	549,182,146	139,965,580	689,147,726
Ordinary Disability	-	25,209	-	990,235	7,774,334	74,098	1,690,439	8,789,778	1,764,537	10,554,315
Duty Disability	-	35,915	-	896,059	8,713,514	625,512	21,018,242	9,645,488	21,643,754	31,289,242
Ordinary Death	-	5,129	-	72,489	1,358,163	4,918	317,980	1,435,781	322,898	1,758,679
Death While Eligible	-	14,754	-	681,508	4,306,610	52,195	668,882	5,002,872	721,077	5,723,949
Duty Death	-	-	-	-	-	34,215	1,330,228	-	1,364,443	1,364,443
Non-Vested Term	-	22,677	-	4,658	5,044,296	-	1,520,611	5,071,631	1,520,611	6,592,242
Vested Term	-	36,379	263	97,010	17,340,022	-	5,847,376	17,473,674	5,847,376	23,321,050
Total	351,381	1,386,933	1,084,599	94,220,511	499,557,946	9,525,505	163,624,771	596,601,370	173,150,276	769,751,646
Inactive Liability										
Retirement	171,877,114	24,646,548	1,043,114	166,372,997	86,912,609	113,183,398	32,282,074	450,852,382	145,465,472	596,317,854
Ordinary Disability	3,485,227	4,212,682	-	334,829	3,146,135	364,302	1,125,659	11,178,873	1,489,961	12,668,834
Duty Disability	10,188,189	13,781,439	21,297	591,715	4,003,647	22,286,896	28,099,870	28,586,287	50,386,766	78,973,053
Ordinary Death	-	-	-	-	-	-	-	-	-	-
Death While Elig	23,477,358	3,643,008	10,848	3,785,969	2,769,531	16,706,164	3,968,516	33,686,714	20,674,680	54,361,394
Duty Death	-	-	-	-	-	-	-	-	-	-
Non-Vested Term	-	89,976	-	-	876,434	-	196,003	966,410	196,003	1,162,413
Vested Term	5,054,286	5,872,270	270,046	(472,653)	17,592,090	705,757	6,566,914	28,316,039	7,272,671	35,588,710
Total	214,082,174	52,245,923	1,345,305	170,612,857	115,300,446	153,246,517	72,239,036	553,586,705	225,485,553	779,072,258



3.6: Detailed Calculation of Costs as of June 30, 2008 - By Class and Tier

Tier:	General Tiers					Safety Tiers		General	Safety	Total
	1	2	3	4	5	4	5			
Total PVB	214,433,714	54,704,358	2,747,694	268,619,142	822,418,531	162,870,991	321,921,268	1,362,923,439	484,792,259	1,847,715,698
Total AAL	214,433,555	53,632,856	2,429,904	264,833,368	614,858,392	162,772,022	235,863,807	1,150,188,075	398,635,829	1,548,823,904
Assets								980,062,847	337,103,767	1,317,166,614
Total UAL								170,125,228	61,532,062	231,657,290
Ceres/Other UAL								4,819,546	4,673,291	9,492,838
County UAL								165,305,682	56,858,770	222,164,452
PV Payroll	24,135	8,251,070	15,100,160	53,026,154	1,565,240,820	2,404,009	370,432,977	1,641,642,338	372,836,986	2,014,479,324
Pay	25,100	1,057,571	1,889,131	10,971,376	182,554,934	779,440	44,731,847	196,498,112	45,511,287	242,009,399
PV Employee Cont	2,340	598,228	-	729,925	111,170,907	75,560	39,983,889	112,501,400	40,059,449	152,560,849
Employee Cont %	9.70%	7.25%	0.00%	1.38%	7.10%	3.14%	10.79%	6.72%	10.66%	7.46%
Exp. Employee Cont	2,434	76,677	-	151,025	12,965,927	24,498	4,828,277	13,196,062	4,852,776	18,048,838
PVFNC	159	1,071,502	317,790	3,785,774	207,560,139	98,969	86,057,461	212,735,364	86,156,430	298,891,794
Total NC	0.66%	12.99%	2.10%	7.14%	13.26%	4.12%	23.23%	12.81%	22.90%	14.71%
Employer NC (%)	0.00%	5.74%	2.10%	5.76%	6.16%	0.97%	12.44%	6.09%	12.24%	7.25%
Ceres Pay	25,100	268,018	-	333,415	7,017,598	225,665	5,121,894	7,644,131	5,347,559	12,991,690
Ceres UAL Payment								347,812	337,257	685,070
Ceres UAL %								4.55%	6.31%	5.27%
Ceres Total Rate	5.21%	17.54%	6.65%	11.69%	17.81%	10.42%	29.54%	17.36%	28.92%	21.24%
Ceres EECont	9.70%	7.25%	0.00%	1.38%	7.10%	3.14%	10.79%	6.72%	10.66%	7.46%
Ceres ER Cont	0.00%	10.29%	6.65%	10.31%	10.71%	7.28%	18.74%	10.64%	18.26%	13.78%
Ceres ER Cont	-	27,568	-	34,385	751,456	16,430	960,074	813,409	976,504	1,789,913
County Pay	-	789,553	1,889,131	10,637,961	175,537,336	553,775	39,609,953	188,853,981	40,163,728	229,017,709
County UAL Payment								9,375,808	3,224,916	12,600,723
County UAL %								4.96%	8.03%	5.50%
County Total Rate	5.62%	17.95%	7.07%	12.10%	18.23%	12.15%	31.26%	17.77%	30.97%	20.14%
County EECont	9.70%	7.25%	0.00%	1.38%	7.10%	3.14%	10.79%	6.72%	10.66%	7.46%
County ER Cont	0.00%	10.70%	7.07%	10.73%	11.12%	9.00%	20.47%	11.06%	20.31%	12.68%
County ER Cont	-	84,486	133,545	1,141,186	19,524,472	49,857	8,107,042	20,883,689	8,156,900	29,040,589
Total ER Contribution	-	112,054	133,545	1,175,571	20,275,928	66,287	9,067,117	21,697,099	9,133,404	30,830,502
Total ER Rate	0.00%	10.60%	7.07%	10.71%	11.11%	8.50%	20.27%	11.04%	20.07%	12.74%



3.7: Actuarial Balance Sheet

	Assets	
1.	Actuarial value of assets	\$ 1,436,834,000
2.	Present value of future contributions by members	152,561,000
3.	Present value of future employer contributions for normal cost	146,331,000
4.	Present value of other future employer contributions (UAAL)	231,657,000
5.	Total actuarial assets	\$1,967,383,000
	Liabilities	
6.	Present value of retirement allowances payable to retired/disabled members and their survivors	\$ 742,321,000
7.	Present value of service retirement allowances payable to presently active members and their survivors	943,081,000
8.	Present value of allowances payable to current and future vested terminated and their survivors	73,061,000
9.	Present value of disability retirement allowances payable to presently active members and their survivors	63,908,000
10.	Present value of death benefits payable on behalf of presently active members	12,790,000
11.	Present value of members' contributions to be returned upon withdrawal	12,555,000
12.	Special Reserves	119,667,000
13.	Total actuarial liabilities	\$1,967,383,000

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.

Schedule of Funding Status (Dollar Amounts in Thousands)						
Actuarial Valuation Date	Actuarial Value of Assets ⁴	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percent of Payroll
7/1/1999	638,180	610,280	(27,900)	104.6%	141,799	(19.7%)
7/1/2000	679,421	666,114	(13,307)	102.0%	157,010	(8.5%)
7/1/2001	784,114	781,495	(2,619)	100.3%	174,595	(1.5%)
7/1/2002	878,821	870,768	(8,053)	100.9%	196,471	(4.1%)
7/1/2003	937,797	958,095	20,298	97.9%	197,664	10.3%
7/1/2004	993,180	1,035,345	42,165	95.9%	199,963	21.1%
7/1/2005	1,049,691	1,116,310	66,619	94.0%	211,681	31.5%
7/1/2006	1,154,048	1,194,904	40,856	96.6%	219,768	18.6%
7/1/2006 (Revised)	1,154,048	1,329,375 ⁵	175,327	86.8%	212,011	82.7%
7/1/2008	1,317,167 ⁶	1,548,824	231,657	85.0%	242,009	95.7%

⁴ Excludes value of non-valuation reserves.

⁵ The Accrued Liability as of June 30, 2006 was recomputed to reflect the change in Actuary and in the retirement, termination and refund assumptions.

⁶ Includes \$50 million transferred from Non-Valuation to Valuation Reserves as of 6/30/2008.

Schedule of Employer Contributions (Dollar Amounts in Thousands)			
Year Ending	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/1999	5,338	5,338	100%
6/30/2000	5,899	5,899	100%
6/30/2001	7,509	7,509	100%
6/30/2002	11,341	11,341	100%
6/30/2003	16,208	16,208	100%
6/30/2004	17,114	17,114	100%
6/30/2005	19,793	19,793	100%
6/30/2006	22,549	22,549	100%
6/30/2007		32,563	
6/30/2008		22,555	

The table below summarizes certain information about this actuarial report.

Valuation date	June 30, 2008
Actuarial cost method	Entry Age Normal
Amortization method	Level % of Pay (Changed from Level \$ for County)
Remaining amortization period	30 Years County / 20 Years Ceres & Other Districts (County increased from 20 years as of 6/30/2008)
Asset valuation method	Actuarial value: Excess earnings smoothed over five years, 80%/120% corridor around market
Actuarial assumptions:	
Investment rate of return*	8.16%
Projected salary increases*	4.00%, plus service-based rates
*Includes inflation at	4.00%
Cost of living adjustments	100% of CPI to 3% annually with banking



Appendix:

Employer Contribution Rates

Employer Contribution Rates for County / Former County Members

Separate rates for General and Safety members by Tier are shown below.

	<u>General</u>					<u>Safety</u>	
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 4	Tier 5
Employer Normal Cost							
Basic	N / A	4.30%	2.11%	4.30%	4.08%	0.95%	8.89%
COL	N / A	1.44%	0.00%	1.47%	2.08%	0.02%	3.55%
Total	N / A	5.74%	2.11%	5.77%	6.16%	0.97%	12.44%
UAAL Amortization Cost							
Basic	N / A	3.75%	3.75%	3.75%	3.75%	5.83%	5.83%
COL	N / A	1.21%	1.21%	1.21%	1.21%	2.20%	2.20%
Total	N / A	4.96%	4.96%	4.96%	4.96%	8.03%	8.03%
Total Cost							
Basic	N / A	8.05%	5.85%	8.05%	7.82%	6.78%	14.72%
COL	N / A	2.65%	1.22%	2.68%	3.30%	2.22%	5.75%
Total	N / A	10.70%	7.07%	10.73%	11.12%	9.00%	20.47%



Employer Contribution Rates for Ceres / Other District Members

Separate rates for General and Safety members by Tier are shown below.

	<u>General</u>					<u>Safety</u>	
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 4	Tier 5
Employer Normal Cost							
Basic	0.00%	4.30%	N / A	4.30%	4.07%	0.94%	8.88%
COL	0.00%	1.44%	N / A	1.46%	2.09%	0.03%	3.55%
Total	0.00%	5.74%	N / A	5.76%	6.16%	0.97%	12.43%
UAAL Amortization Cost							
Basic	0.00%	3.01%	N / A	3.01%	3.01%	4.01%	4.01%
COL	0.00%	1.54%	N / A	1.54%	1.54%	2.30%	2.30%
Total	0.00%	4.55%	N / A	4.55%	4.55%	6.31%	6.31%
Total Cost							
Basic	0.00%	7.31%	N / A	7.31%	7.08%	4.95%	12.89%
COL	0.00%	2.98%	N / A	3.00%	3.63%	2.33%	5.85%
Total	0.00%	10.29%	N / A	10.31%	10.71%	7.28%	18.74%



StanCERA

\$10 million Transfer Applied to employer rates

of Earned Compen	Group	Tier 1/4	Tier 2	Tier 3	Tier 5	County	Tier 1/4	Tier 5	County
		County	County	County	County	Misc	County	County	Safety
		Misc	Misc	Misc	Misc	Total	Safety	Safety	Total
		12,955,728	93,893	2,132,492	173,430,471	188,612,584	665,002	38,655,039	39,320,041
09/10 Tier allocation		13,686,479	99,189	2,252,773	183,212,594	199,251,035	692,761	40,268,609	40,961,370
09/10 actuary rates		0.1073	0.107	0.0707	0.1112		0.09	0.2047	
Original est contributions		1,468,559	10,613	159,271	20,373,240	22,011,684	62,349	8,242,984	8,305,333
\$10 million discount		454,335	3,283	49,274	6,302,958	6,809,850	19,289	2,550,168	2,569,457
Revised est contributions		1,014,225	7,330	109,997	14,070,282	15,201,833	43,059	5,692,816	5,735,876
Revised Rates		7.41%	7.39%	4.88%	7.68%		6.22%	14.14%	
						14,189,391			5,735,876
						3,689,242			5,547,165

StanCERA 2009/10

TOTAL EMPLOYER CONTRIBUTION RATES - RECOMMENDED
BREAKDOWN BETWEEN BASIC AND COST-OF-LIVING

	COUNTY/FORMER COUNTY						OTHER AGENCIES & DISTRICTS				
	GENERAL				SAFETY		GENERAL			SAFETY	
	Tier 2	Tier 3	Tier 4	Tier 5	Tier 4	Tier 5	Tier 2	Tier 4	Tier 5	Tier 4	Tier 5
Basic %	5.56%	4.04%	5.56%	5.40%	4.69%	10.17%	5.05%	5.05%	4.89%	3.42%	8.78%
COL %	1.83%	0.84%	1.85%	2.28%	1.53%	3.97%	2.06%	2.07%	2.51%	1.61%	3.98%
Total %	7.39%	4.88%	7.41%	7.68%	6.22%	14.14%	7.11%	7.12%	7.40%	5.03%	12.76%