MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF
JUNE 30, 2009

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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December 14, 2009

Board of Trustees
Municipal Employees' Retirement System
7937 Office Park Blvd.
Baton Rouge, LA 70809

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Municipal Employees' Retirement System for the fiscal year ending June 30, 2009. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrative director and auditors. This report was prepared at the request of the Board of Trustees of the Municipal Employees' Retirement System. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2010, to recommend the net direct employer contribution rate for fiscal 2011, and to provide information for the system's financial statements. This report was prepared exclusively for the Municipal Employees’ Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief fairly reflects the actuarial present values and costs stated herein. The undersigned actuaries are members of the American Academy of Actuaries and have met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and are available to provide further information or answer any questions with respect to this valuation.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

By: ______________________________
Gary Curran, F.C.A., M.A.A.A., A.S.A.

By: ______________________________
Gregory M. Curran, F. C. A., M.A.A.A., A.S.A.

TABLE OF CONTENTS

SUMMARY OF VALUATION RESULTS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN A

		June 30, 2009	June 30, 2008
Valuation Date:		June 30, 2009	June 30, 2008
Census Summary:	Active Members	5,052	5,030
	Retirees and Beneficiaries	2,861	2,794
	Terminated Due a Deferred Benefit	172	184
	Terminated Due a Refund	2,596	2,561
Payroll:		$ 157,082,727	$ 148,644,512
Benefits in Payment:		$ 39,834,118	$ 37,650,335
Frozen Unfunded Actuarial Accrued Liability:		$ 74,616,607	$ 73,993,478
Market Value of Assets:		$ 568,167,813	$ 666,534,551
Actuarial Asset Value:		$ 670,910,030	$ 671,721,084
Actuarial Accrued Liability (as defined by GASB-25)		$ 745,526,637	$ 745,714,562
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability:		89.99%	90.08%

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	FISCAL 2010	FISCAL 2009
Employer Normal Cost (July 1):	$ 20,316,266	$ 13,494,664
Amortization Cost (July 1):	$ 5,112,448	$ 4,904,027
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	$ 27,098,834	$ 19,825,970
Projected Ad Valorem and Revenue Sharing Funds	$ 4,936,292	$ 4,276,524
Net Direct Employer Actuarially Required Contribution:	$ 22,162,542	$ 15,549,446
Actuarially Required Net Direct Employer Contribution Rate	13.78%	10.25%
Actual Net Direct Employer Contribution Rate:	13.50%	13.50%

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Minimum Recommended Net Direct Employer Contribution Rate Fiscal 2011: 13.75% Fiscal 2010: 13.50%

Employee Contribution Rate: 9.25% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 8% (Net of Investment Expense)

Exclusions from Census: None

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of investment securities adjusted to phase in asset earnings above or below the assumed rate of return over a five-year period with limits set at 85% and 115% of the market value of assets. When the adjusted value falls outside of the limits, the actuarial value is set equal to the average of the limited and adjusted value.

Changes in Valuation Methods, Assumptions, and/or Amortization Periods: Change in the method of calculating the actuarial value of assets from five year phase in of earning above or below the assumed rate of return subject to limits of 90% to 110% of the market value of assets to the above described method.

Method of Recognizing Gains and Losses: Under the Frozen Attained Age Normal Method, actuarial gains and losses are spread over future normal costs.

SUMMARY OF VALUATION RESULTS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN B

Valuation Date:		June 30, 2009	June 30, 2008
Census Summary:	Active Members	2,269	2,191
	Retirees and Beneficiaries	833	793
	Terminated Due a Deferred Benefit	67	68
	Terminated Due a Refund	1,022	998
Payroll:		$ 64,816,945	$ 59,233,705
Benefits in Payment:		$ 7,149,177	$ 6,625,934
Frozen Unfunded Actuarial Accrued Liability:		$ 4,912,541	$ 5,183,177
Market Value of Assets:		$ 117,258,410	$ 134,832,148
Actuarial Asset Value:		$ 138,441,127	$ 136,207,119
Actuarial Accrued Liability (as defined by GASB-25)		$ 143,353,668	$ 141,390,296
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability:		96.57%	96.33%

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	FISCAL 2010	FISCAL 2009
Employer Normal Cost (July 1):	$ 4,885,791	$ 3,354,236
Amortization Cost (July 1):	$ 621,837	$ 634,528
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	$ 6,001,204	$ 4,426,377
Projected Ad Valorem and Revenue Sharing Funds	$ 2,036,859	$ 1,704,162
Net Direct Employer Actuarially Required Contributions:	$ 3,964,345	$ 2,722,215
Actuarially Required Net Direct Employer Contribution Rate	5.95%	4.50%
Actual Net Direct Employer Contribution Rate:	6.00%	6.75%

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Minimum Recommended Net Direct Employer Contribution Rate Fiscal 2011: 6.00% Fiscal 2010: 4.50%

Employee Contribution Rate: 5.00% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 8% (Net of Investment Expense)

Exclusions from Census: None

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of investment securities adjusted to phase in asset earnings above or below the assumed rate of return over a five-year period with limits set at 85% and 115% of the market value of assets. When the adjusted value falls outside of the limits, the actuarial value is set equal to the average of the limited and adjusted value.

Changes in Valuation Methods, Assumptions, and/or Amortization Periods: Change in the method of calculating the actuarial value of assets from five year phase in of earning above or below the assumed rate of return subject to limits of 90% to 110% of the market value of assets to the above described method.

Method of Recognizing Gains and Losses: Under the Frozen Attained Age Normal Method, actuarial gains and losses are spread over future normal costs.

COMMENTS ON DATA

For the valuation, the administrative director of the system furnished a census on compact disk derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 5,052 active members in Plan A of whom 2,190 have vested retirement benefits including 177 participants in the Deferred Retirement Option Plan (DROP); 2,861 former Plan A members or their beneficiaries are receiving retirement benefits. An additional 2,768 Plan A members have contributions remaining on deposit with the system; of this number, 172 have vested rights for future retirement benefits. Census data on Plan B members may be found in Exhibit XXI. There are 2,269 active members in Plan B of whom 781 have vested retirement benefits including 65 participants in the Deferred Retirement Option Plan (DROP); 833 former Plan B members or their beneficiaries are receiving retirement benefits. An additional 1,089 Plan B members have contributions remaining on deposit with the system; of this number, 67 have vested rights for future retirement benefits. All individuals submitted were included in the valuation.

Census data submitted to our office is tested for errors. Several types of census data errors are possible; to ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. In order to minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records which have no corresponding current record are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as retirement rates, rates of withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas, such as age, service, salary, and current benefits. The records identified by this review as questionable are checked against data from prior valuations; those not recently verified are included in a detailed list of items sent to the system's administrative staff for verification and/or correction. Once the identified data has been researched and verified or corrected, it is returned to us for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record.

In addition to the statistical information provided on the system's participants, the system's administrative director furnished general information related to other aspects of the system's expenses, benefits and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P. As indicated in the system's audit report, the net market value of Plan A's assets was $568,167,813 as of June 30, 2009. Net investment income for fiscal 2009 measured on a market value basis for Plan A amounted to a loss of $91,424,041, inclusive of prior period adjustment in investment income of $5,956,114. Contributions to the Plan for the fiscal year totaled $40,353,024; benefits and expenses paid by Plan A amounted to $47,295,721. The net market value of Plan B's assets was $117,258,410 as of June 30, 2009. Net investment income for fiscal 2009 measured on a market value basis for Plan B amounted to a loss of $18,496,763.

Contributions to the Plan for the fiscal year totaled $9,618,344; benefits and expenses paid by Plan B amounted to $8,695,319. In addition to the two benefit trust funds the system maintains an expense fund for payment of certain investment and administrative expenses. The balance in this fund at the beginning of the year was $267,742 and at the end of the year the balance was $445,943.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Frozen Attained Age Normal actuarial cost method with the unfunded actuarial accrued liability frozen as of June 30, 1989. Under the provisions of Louisiana R.S. 11:103 the unfunded accrued liability for Plan A, which was determined to be $48,466,297 as of June 30, 1989, was amortized over forty years with payments increasing at 4.25% per year. The unfunded accrued liability for Plan B, which was determined to be $9,853,175 as of June 30, 1989, was amortized over forty years with payments decreasing at 2% per year. In accordance with R. S. 11:105, in any year in which the net direct employer contribution is scheduled to decrease, the board of trustees may freeze the net direct employer contribution rate and use the excess funds collected, if any, to reduce the frozen unfunded actuarial accrued liability. Effective with the June 30, 2009 valuation, any excess funds collected as a result of a freeze in employer contributions will be credited to the system's Funding Deposit Account. Such funds can be used to reduce the unfunded accrued liability, reduce future normal costs, or offset net direct employer contributions as determined by the board of trustees. In Plan B, the board elected to freeze the employer contribution rate in fiscal 2001. As a result of the additional contributions generated by this freeze in rates, the unfunded accrued liability will be fully amortized by June 30, 2023. In Plan A, payroll growth in excess of 4.25% per year will reduce future amortization payments as a percent of payroll. In Plan B, any payroll growth or payroll decline less than 2% per year will reduce future amortization payments as a percent of payroll. Under the Frozen Attained Age Normal Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions are also spread over future normal costs.

The actuarial assumptions utilized for the report are outlined on pages sixty-three through sixty-six. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. The assumptions are the same as those used for the prior year. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments to contribution levels will be required. Such differences will be revealed in future actuarial valuations. The method used to calculate the Actuarial Value of Assets was changed for this valuation. In the prior year, the actuarial value of assets was determined by smoothing all earnings above or below the assumed rate of return over a four year period with the resulting value constrained to a corridor of no less than 90% of the market value of assets and no more than 110% of the market value of assets. For this valuation, the smoothing period was increased to five years and the corridor was expanded to a range of 85% to 115% of the market value of assets; the actuarial value of assets was then set equal to the average of the applicable corridor limit and the smoothed value whenever the smoothed value falls outside of the corridor. The effect of this change was to reduce the fund's normal cost accrual rate by 4.1212% in Plan A and 1.9586% in Plan B.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2009 Regular Session of the Louisiana Legislature:

Act 59 permits a member to purchase service credit for any amount of service not certified as prior service credit in accordance with existing law, but which service was rendered while employed with such municipality prior to the agreement date. Purchased service credit must be purchased at full actuarial cost, and may be used for eligibility and calculation purposes. Purchased service cannot include military service.

Act 68 changes the interest rate collectible on delinquent contributions to the system's actuarial valuation interest rate. If an employer terminates its coverage of its employees, the employer must pay its share of the system's unfunded accrued liability existing on June 30th prior to the employer's termination which is attributable to the employer's participation in the system. The amount due must be determined by the actuary employed by the system and either be paid in a lump sum or amortized over 10 years in equal monthly payments with interest at the system's valuation interest rate, at the option of the employer. Any delinquent amount payable may be collected by the board through legal action against the employer together with interest at the system's valuation interest rate.

Act 270 provides that a member of a state or statewide retirement system, upon applying for retirement, may irrevocably elect a retirement payment option whereby his benefit is actuarially reduced, but he receives a 2.5% compounded increase in his benefit annually on each retirement anniversary date. This increase is also available to DROP participants and applied to the monthly benefit allowance. The adjustment is only payable to retirees who are 55 and older. The adjustment is not based on any other COLAs the system may grant. Any additional COLA granted by the system will be based on the retiree's monthly benefit as it exists when such COLA is granted. Spousal beneficiaries also receive the COLA upon the retiree's death if the retiree chose to have his benefits paid to his spouse upon his death.

Act 296 creates a funding deposit account. The beginning balance of each system's account was set equal to zero as of December 31, 2008. All surplus funds collected for the system are then credited to the account for any fiscal year ending on or after December 31, 2008, in which the board of trustees elects to set the direct employer contribution rate higher than the minimum recommended rate. The funds will earn interest at the board-approved actuarial valuation rate, and the interest will be credited at least once a year. Beginning with the first valuation on or after December 31, 2008, the system's board may direct the account funds be charged for the following purposes: (1) to reduce the unfunded accrued liability, (2) to reduce the present value of future normal costs, (3) to pay all or a portion of any future net direct employer contributions. The funds charged from the account may not exceed the outstanding balance. If the board elects to charge funds from the funding deposit account in order to reduce the employers' direct contributions, the percent reduction in the minimum recommended employer contribution rate will be determined by dividing the interest-adjusted value of the charges from the funding deposit account by the projected payroll for the fiscal year for which the contribution rate is to be reduced. For funding purposes, any asset value used in the calculation of the actuarial value of assets of a system will exclude the account balance as of the asset determination date for the calculation. For all purposes other than funding, the funds in the account will be considered assets of the system.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below. These rates of return on assets were determined by assuming a uniform distribution of income and expense throughout the fiscal year and are based on values provided by the system's auditors.

		Market Value	Actuarial Value
PLAN A	2000	9.1%	11.0%
	2001	-4.2%	4.5%
	2002	-1.8%	1.1%
	2003	4.4%	-1.0% *
	2004	9.6%	3.5%
	2005	7.2%	9.6% *
	2006	8.6%	10.7% *
	2007	18.1% †	10.8% †
	2008	1.1%	9.0%
	2009	-13.8% †*	0.9% †*

		Market Value	Actuarial Value
PLAN B	2000	8.4%	10.8%
	2001	-4.2%	4.2%
	2002	-2.8%	0.3%
	2003	3.8%	-1.8% *
	2004	9.7%	3.1%
	2005	7.2%	6.4% *
	2006	8.5%	13.7% *
	2007	17.4% †	10.6% †
	2008	1.3%	8.8%
	2009	-13.7% †*	0.9% †*

* Includes the effect of a change in asset valuation method.

† Includes the impact of inclusion of the prior period adjustment for investment income as income in fiscal year.

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2009, the fund earned $8,958,179 of dividends and interest and other recurring income for Plan A and $1,827,177 for Plan B. Net income was decreased by realized and unrealized capital losses of $103,863,941 for Plan A and $21,022,781 for Plan B and further reduced by net investment expenses of $2,474,393 for Plan A and $505,322 for Plan B. The geometric mean of the market value rates of return measured over the last ten years was 3.5% for Plan A and 3.2% for Plan B.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 8% used for the valuation. This rate is calculated based on the actuarial value of assets and all interest, dividends, other investment income, and capital gains or losses as given in Exhibit VI for Plan A and Exhibit XVII for Plan B, adjusted for any change in asset determination methodology. Investment income used to calculate this yield is based upon a smoothing of gains or losses over a five-year period. The difference between rates of return on an actuarial and market value basis results from the smoothing of gains or losses on investments relative to the valuation interest rate. In addition to the smoothing of investment returns above or below the assumed rate of return of 8.0%, the actuarial and market rates of return differ due to the allocation of expense fund assets and income to both Plan A and Plan B. Yields in excess of the 8% assumption will reduce future costs; yields below 8% will increase future costs. Plan A experienced net actuarial investment earnings of $93,474,520 less than the actuarial assumed earnings rate of 8%. Plan B experienced net actuarial investment earnings of $19,144,687 less than the actuarial assumed earnings rate of 8%. These actuarial losses increased the normal cost accrual rate by 8.4144% and 3.9953% respectively for Plan A and Plan B without regard to the change in asset valuation method.

At the end of each fiscal year, a review of the data is made to identify current members of Plan A and Plan B who have consecutive service credit in both plans that have not been addressed in previous transfers of assets and liabilities between the Plan A and Plan B trust funds pursuant to the provisions of R.S. 11: 1862(F). In the course of reviewing data for the June 30, 2009 valuation we found two members of Plan A and four member of Plan B with such service and therefore recommend a transfer of $56,582 be made from the Plan B trust to the Plan A trust for fiscal 2009.

PLAN A – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for Plan A is given in Exhibit X. The average active member is 48 years old with 10.35 years of service and an annual salary of $31,093. The Plan's active membership increased during the fiscal year by 22 members. The plan has experienced a decline in the active plan population of 273 members between 2004 and 2009. Should the five year trend in plan population continue, a change in the structure of the amortization of the frozen unfunded actuarial accrued liability will be required to prevent continual increases in contributions as a percentage of payroll. A review of the active census by age indicates that over the last ten years the population in the under-fifty age group has decreased while the proportion of active members over-fifty increased. Over the same ten-year period the plan showed a decrease in the percentage of members with service greater than five but less than ten years; the percentage of members with service over ten years has increased. The percentage of members with less than five years of service has remained the same.

The average retiree is 70 years old with a monthly benefit of $1,343. The number of retirees and beneficiaries receiving benefits from the system increased by 67 during the fiscal year. Over the last five years the number of retirees has increased by 413; during this same period, annual benefits in payment increased by $10,790,478.

Plan liability experience for fiscal 2009 was favorable. The primary factors contributing to the reduction in cost were retirements and disabilities below projected levels. Partially offsetting these factors were salary increases slightly above projected levels and withdrawals and retiree deaths which were below projections. DROP entries were at projected levels. The net effect of all of these elements was a decrease in costs. Plan liability gains decreased the normal cost accrual rate by 0.2367%.

PLAN B – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for Plan B is given in Exhibit XXI. The average active member is 47 years old with 8.86 years of service and an annual salary of $28,566. The Plan's active membership increased during the fiscal year by 78 members. Over the last five years the active population increased by 217 members. A review of the active census by age indicates that over the last ten years the population in the under 50 age group has decreased while the proportion of active members in the age group extending from 51 to 60 has increased. Over the same ten-year period the system showed a decrease in the percentage of members with service of five to fourteen years and a corresponding increase in the percentage of members with service under five years and over twenty-five years.

The average retiree is 73 years old with a monthly benefit of $804. The number of retirees and beneficiaries receiving benefits from the system increased by 40. Over the last five years this group increased by 99; during this same period, annual benefits in payment increased by $1,672,914.

Plan liability experience for fiscal 2009 was unfavorable. Other than salary increases, there was no one significant factor affecting liability experience. Salary increases were above projected levels. Retirements and DROP entries were above projected levels. Withdrawals, were below projected levels. Retiree deaths were below projected levels. All of these factors tend to increase costs. Plan liability losses increased the normal cost accrual rate by 0.0745%.

FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of two cost components, and the actuarially required contributions are based on the sum of these two components plus administrative expenses. These two components are the normal cost and the amortization payment on the unfunded actuarial accrued liability. The normal cost refers to the portion of annual cost based on the salary of active participants. The term unfunded accrued liability (UAL) refers to the excess of the present value of plan benefits over the sum of current assets and future normal costs. Each year the UAL grows with interest and is reduced by payments. Under the funding method used for both plans, changes in plan experience, benefits, or assumptions do not affect the unfunded actuarial accrued liability. These items increase or decrease future normal costs.

In order to establish the actuarially required contribution in any given year, it is necessary to define the assumptions, funding method, and method of amortizing the UAL. Thus, the determination of what contribution is actuarially required depends upon the funding method and amortization schedules employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

For Plan A, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2010 as of July 1, 2009, is $20,316,266. The amortization payment on the plan's frozen unfunded actuarial accrued liability as of July 1, 2009, is $5,112,448. The total actuarially required contribution is determined by adjusting these two values for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 15 of Exhibit I, the total actuarially required contribution for fiscal 2010 is $27,098,834. When this amount is reduced by projected tax contributions and revenue sharing funds the resulting employers' net direct actuarially required contribution for fiscal 2010 is $22,162,542. This is 13.78% of the projected Plan A payroll for fiscal 2010.

Liability and asset experience as well as changes in assumptions and benefits can increase or lower plan costs. In addition to these factors, any COLA granted in the prior fiscal year will increase required contributions. New entrants to the system can also increase or lower costs as a percent of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The effects of various factors on the cost structure for Plan A are outlined below:

Normal Cost Accrual Rate – Fiscal 2009	9.7496%
Factors Increasing the Normal Cost Accrual Rate:	
COLA Loss	0.3771%
Asset Experience	8.4144%
Factors Decreasing the Normal Cost Accrual Rate:	
New Members	-0.2601%
Liability Experience	-0.2367%
Change in AVA Method	-4.1212%
Normal Cost Accrual Rate – Fiscal 2010	13.9231%

For Plan B, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit XII. The normal cost for fiscal 2010 as of July 1, 2009, is $4,885,791. The amortization payment on the plan's frozen unfunded actuarial accrued liability as of July 1, 2009, is $621,837. The total actuarially required contribution is determined by adjusting these two values for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 15 of Exhibit XII, the total actuarially required contribution for fiscal 2010 is $6,001,204. When this amount is reduced by projected tax contributions and revenue sharing funds the resulting employers' net direct actuarially required contribution for fiscal 2010 is $3,964,345. This is 5.95% of the projected Plan B payroll for fiscal 2010.

The effects of various factors on the cost structure for Plan B are outlined below:

Normal Cost Accrual Rate – Fiscal 2009	6.1365%
Factors Increasing the Normal Cost Accrual Rate:	
COLA Loss	0.1465%
Liability Experience	0.0745%
Asset Experience	3.9953%
Factors Decreasing the Normal Cost Accrual Rate:	
New Members	-0.2169%
AVA Method	-1.9586%
Normal Cost Accrual Rate – Fiscal 2010	8.1773%

In addition to the above factors, payroll growth affects plan costs to the extent that payments on the system's unfunded liability are on a schedule that varies from actual trends in payroll growth or decline. If payroll changes at rates not consistent with the amortization schedule, the result will be costs that change as a percentage of payroll. For fiscal 2010, the net effect of the change in payroll on amortization costs was a reduction of 0.06% of payroll for Plan A; and .12% for Plan B. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds collected in fiscal 2010 will increase by 0.25% of payroll in Plan A and 0.24% of payroll in Plan B. Although the actuarially required net direct employer contribution rate for Plan A for fiscal 2010 is 13.78%, the actual employer contribution rate for fiscal 2010 is 13.50% of payroll. After accounting for the anticipated contribution shortfall in fiscal 2010 and rounding the result to the nearest 0.25% as required by R. S. 11:103, we recommend a minimum net direct employer contribution rate of 13.75% for fiscal 2011 for Plan A. Although the actuarially required net direct employer contribution rate in Plan B is 5.95%, the actual employer contribution rate for fiscal 2009 is 6.75% of payroll. Since any additional funds collected for Plan B during fiscal 2010 will be allocated to the Funding Deposit Account, the only adjustment to the 5.95% required contribution rate for Plan B in order to determine the minimum recommended rate for fiscal 2011 is the rounding stipulated in R. S. 11:103. Hence, we recommend a minimum net direct employer contribution rate of 6.00% for fiscal 2011 for Plan B.

Notwithstanding the allowable decrease in the employer contribution rate for fiscal 2011 for Plan B, under provisions of R. S. 11:105, the board of trustees may elect to maintain the net direct employer contribution rate at the current level of 6.75%. Any additional funds collected will be credited to the Funding Deposit Account.

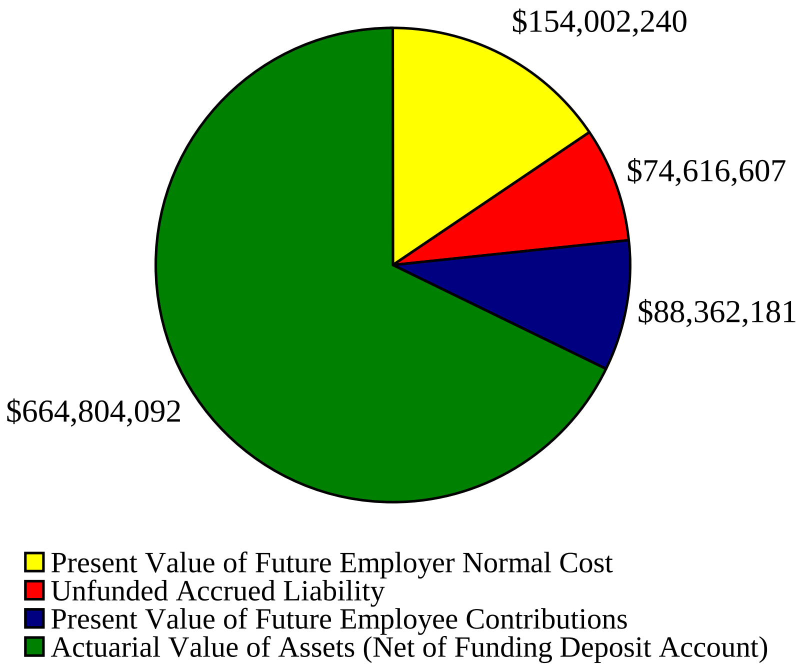
As a result of the freeze in the employer contribution rate for fiscal 2009, both Plan A and Plan B collected excess employer contributions. In accordance with Act 296 of the 2009 legislative session, the excess contributions were credited to the Funding Deposit Account. The account balance as of June 30, 2009 was $6,105,938 for Plan A and $1,806,555 for Plan B.

Recent capital market conditions have resulted in asset experience losses for the fund that will significantly increase its cost structure. These market conditions may be temporary or may indicate that future return expectations should be reduced. Contribution rates to the fund as given in this report are a function of the assumed long-term rate of return on assets used for the valuation. That rate of return should be consistent with long-term capital market expectations and the asset allocation utilized by the fund. The sensitivity of each plan’s contribution rate with regard to the assumed rate of return in unique. For the Municipal Employees’ Retirement System, we have determined that a decrease in the long-term assumed rate of return of 1% would lead to an increase in the required employer contribution rate of 8.70% of payroll; for Plan B the increase would be 4.40%. Please note that the above results are only intended to serve as an illustration of the impact of a change in the valuation interest rate. Any actual change in the valuation interest rate should only be effected with a review of all other plan assumptions. The impact of such other changes in assumptions are not reflected in the above the results.

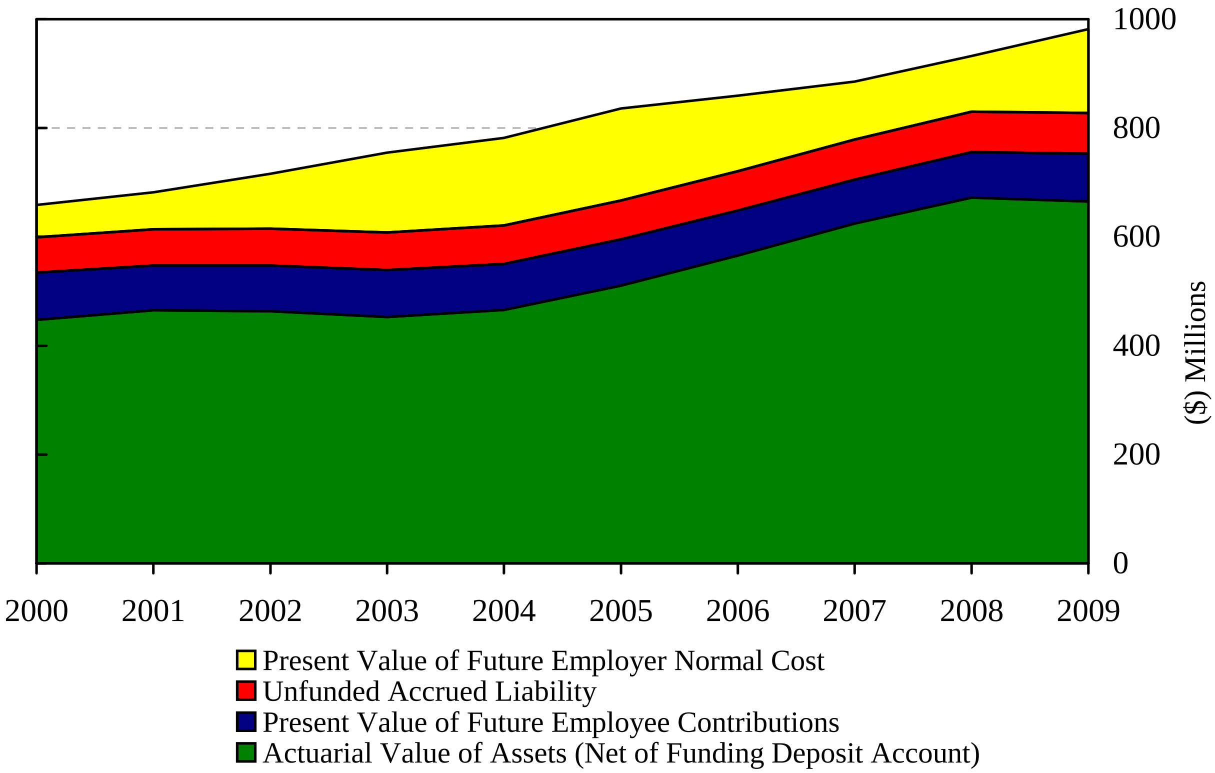
COST OF LIVING INCREASES

During fiscal 2009 the actual cost of living (as measured by the US Department of Labor CPI-U) decreased by 1.43%. Cost of living provisions for the system are detailed in R.S. 11:1761 and R.S. 11:246. The former statute allows the board to use interest earnings in excess of the normal requirements to grant annual cost of living increases of 2% of each retiree’s original benefit. R.S. 11:246 provides cost of living increases of retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date. R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $\$X \times (A+B)$ where X is at most \$1 and "A" represents the number of years of credited service accrued at retirement or at death of the member or retiree and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase. The provisions of this subpart do not repeal provisions relative to cost of living adjustments contained within the individual laws governing systems; however, they are to be controlling in cases of conflict. All of the above provisions require that the system earn sufficient excess interest earnings to fund the increases. In addition, the ratio of the plan’s assets to benefit obligations must meet the criteria established in R.S. 11:242. This section sets forth a minimum “target ratio” of the actuarial value of assets to the Pension Benefit Obligation. We have determined that for fiscal 2009, neither plan met the target ratio. In addition, neither plan had excess interest earnings; hence no cost of living increase is payable to regular retirees.

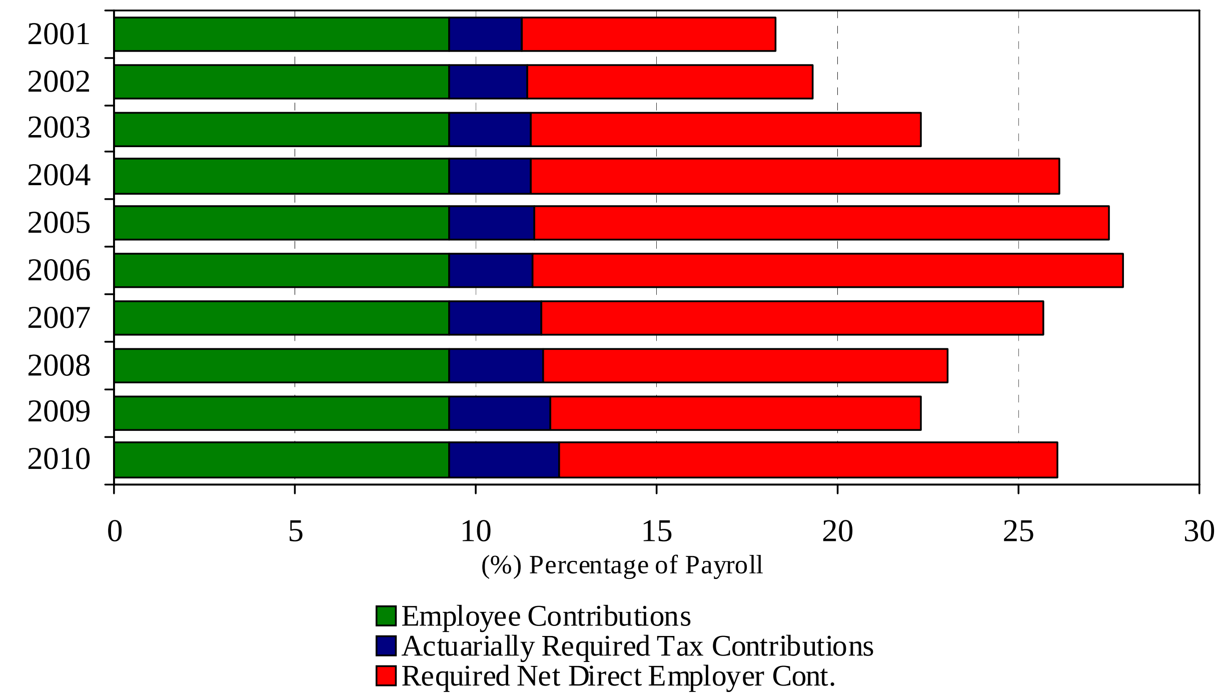
Plan A - Components of Present Value of Future Benefits
June 30, 2009



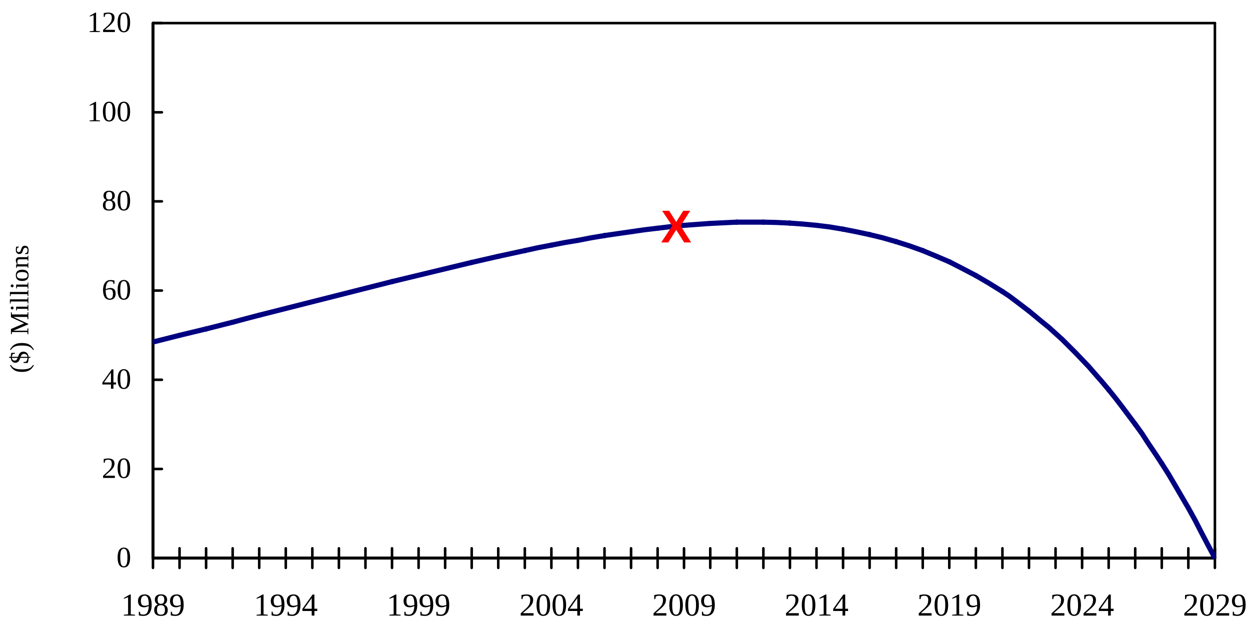
Plan A - Components of Present Value of Future Benefits



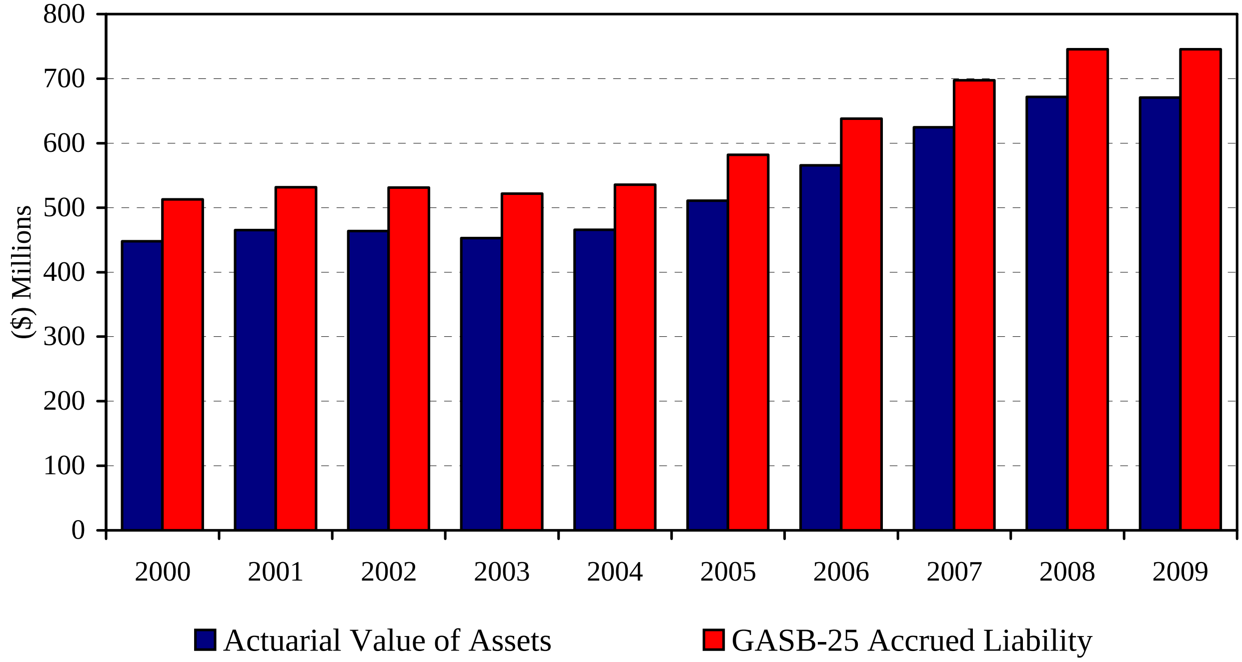
Plan A - Components of Actuarial Funding



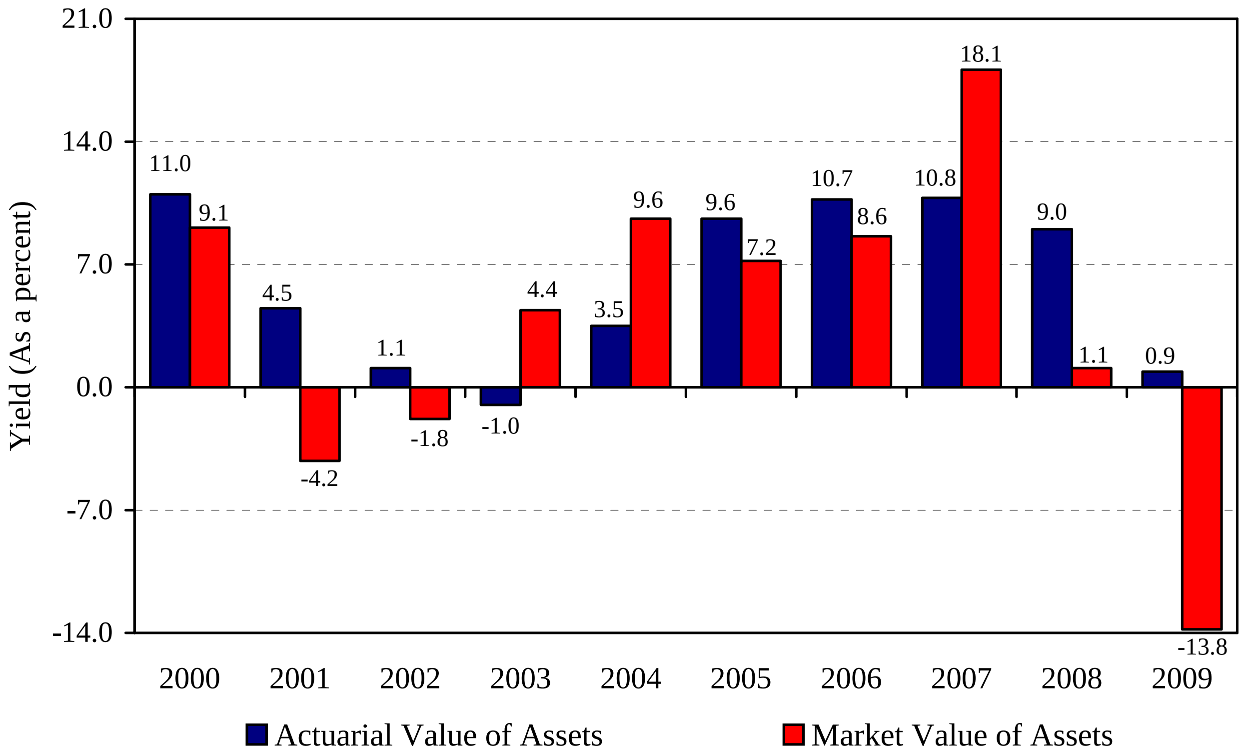
Plan A – Frozen Unfunded Accrued Liability



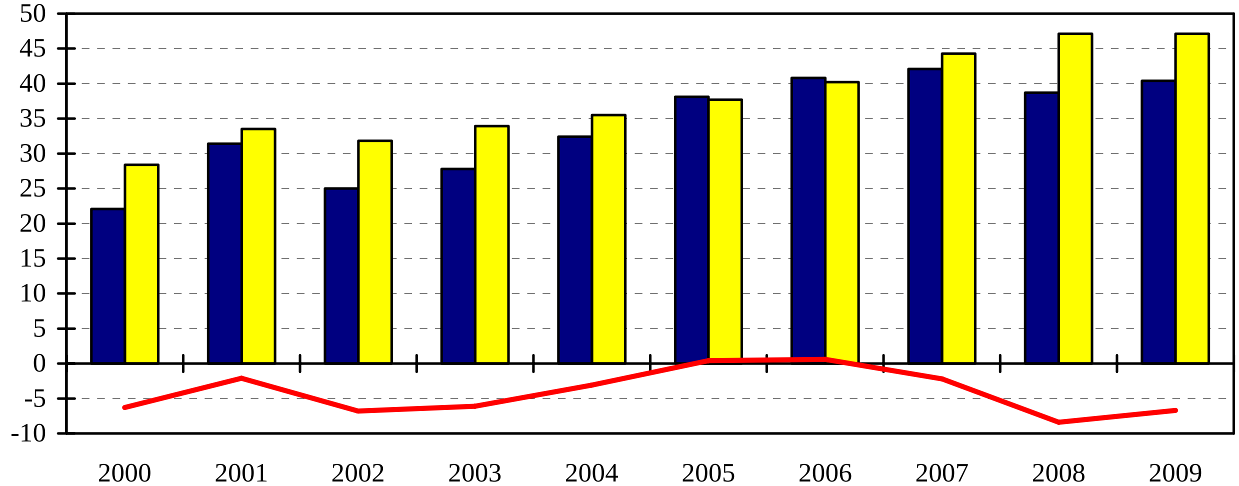
Plan A
Actuarial Value of Assets vs. GASB-25 Accrued Liability



Plan A – Historical Asset Yield

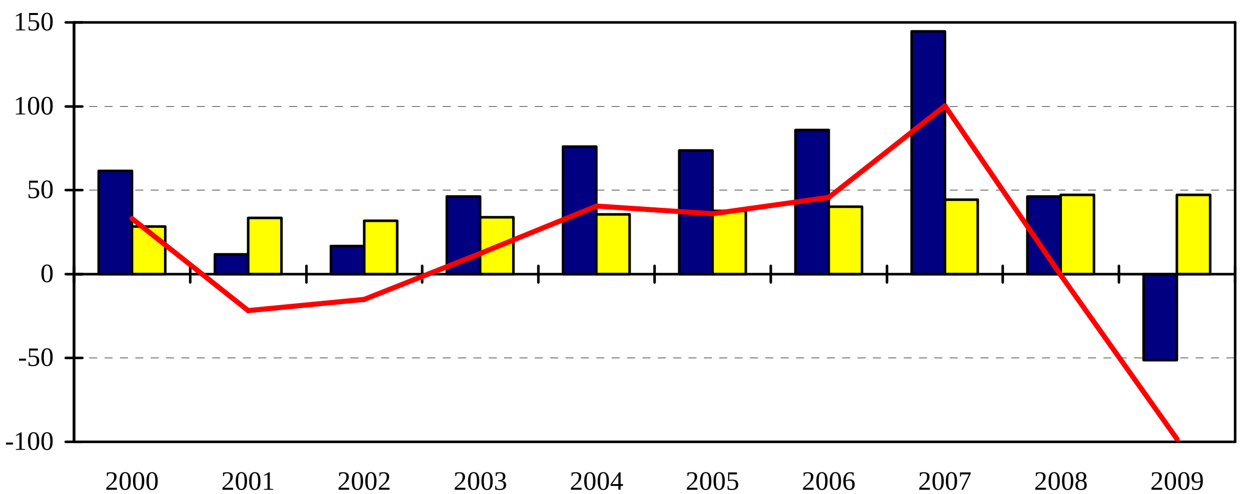


Plan A - Net Non-Investment Income



		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-Investment Income ($Mil)		22.1	31.4	25.0	27.8	32.4	38.1	40.8	42.1	38.7	40.4
Benefits and Expenses ($Mil)		28.4	33.5	31.8	33.9	35.5	37.7	40.2	44.3	47.1	47.1
Net Non-Investment Income ($Mil)		-6.3	-2.1	-6.8	-6.1	-3.1	0.4	0.6	-2.2	-8.4	-6.7

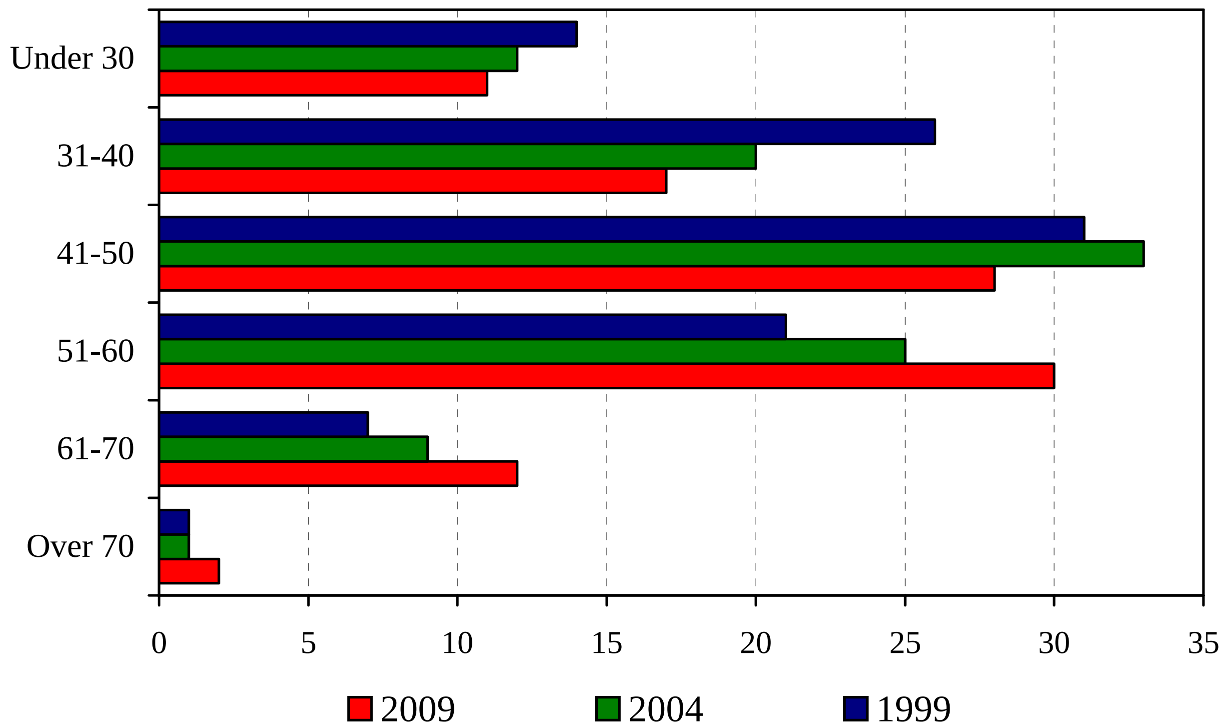
Plan A - Total Income vs. Expenses
(Based on Market Value of Assets)



		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Income ($Mil)		61.5	11.8	16.7	46.2	76.0	73.6	85.8	144.6	46.3	-51.3
Benefits and Expenses ($Mil)		28.4	33.5	31.8	33.9	35.5	37.7	40.2	44.3	47.1	47.1
Net Change in MVA ($Mil)		33.1	-21.7	-15.1	12.3	40.5	35.9	45.6	100.3	-0.8	-98.4

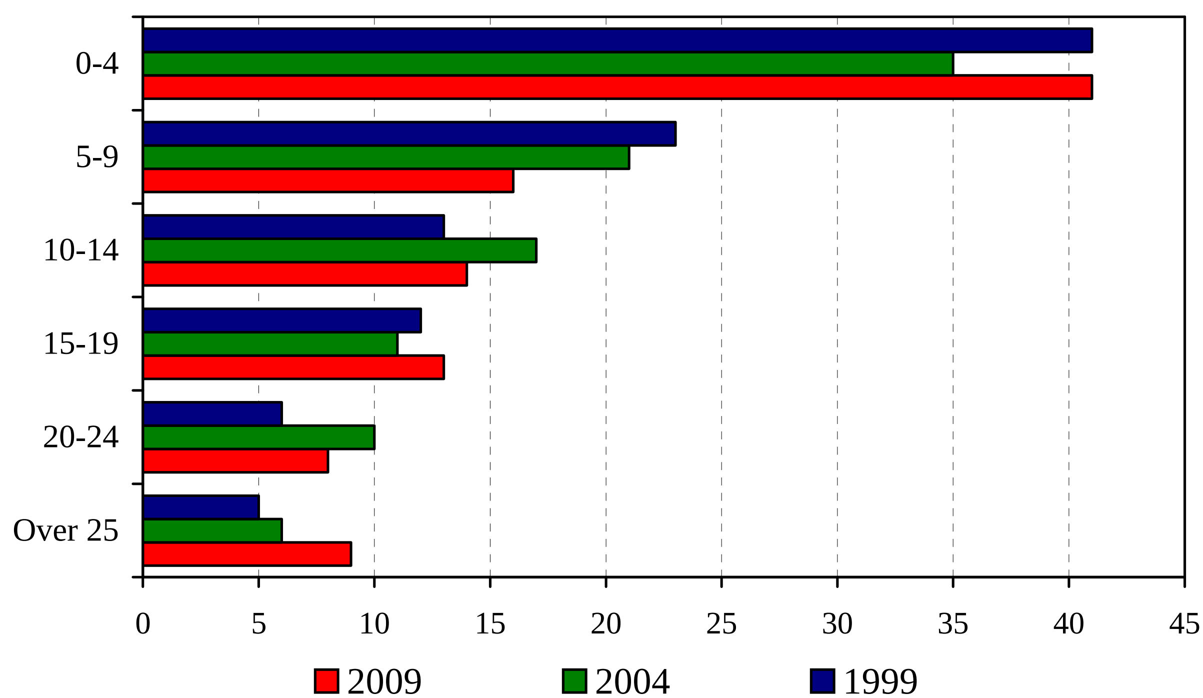
Plan A - Active – Census By Age

(as a percent)

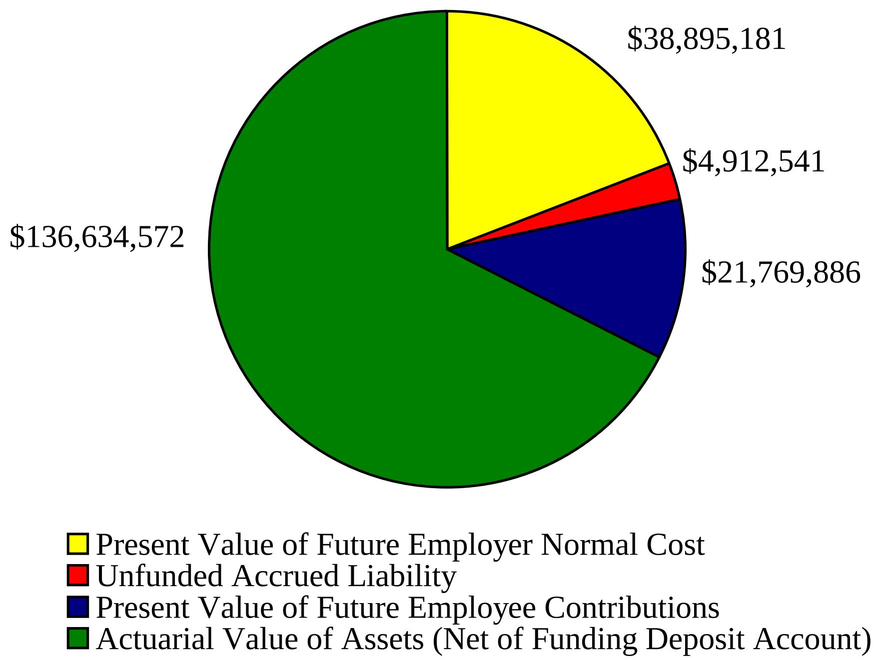


Plan A - Active – Census By Service

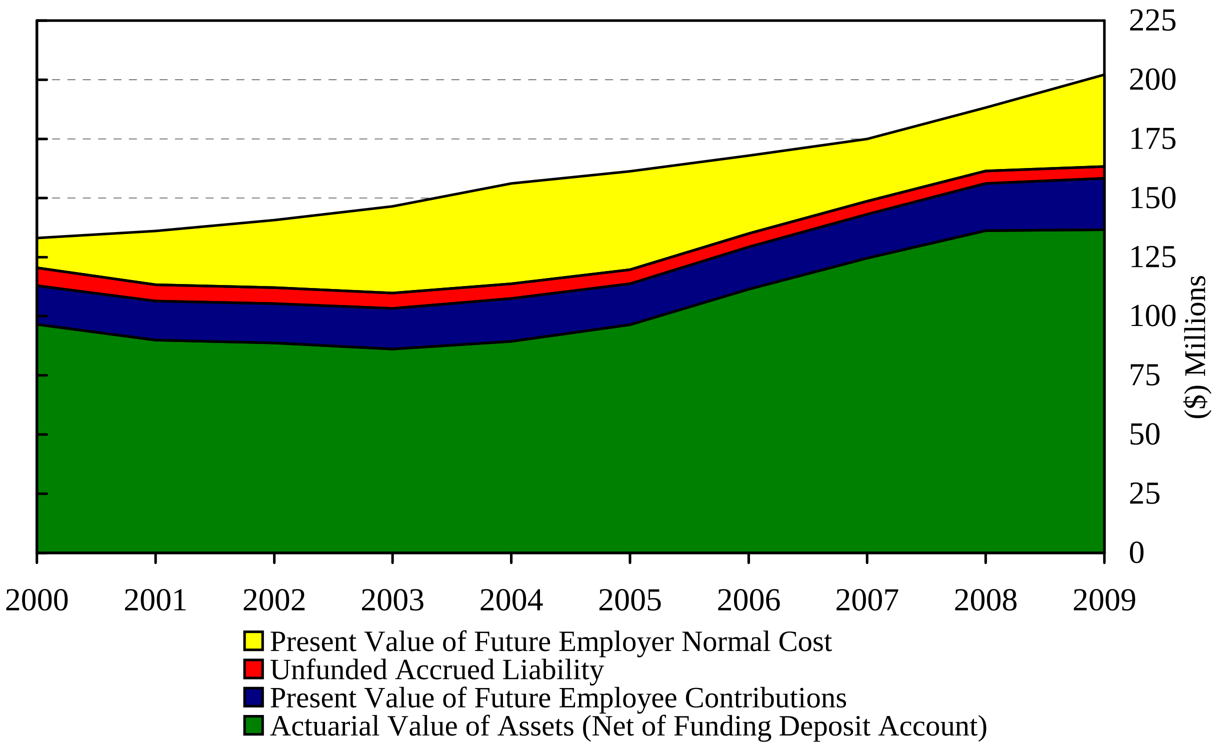
(as a percent)



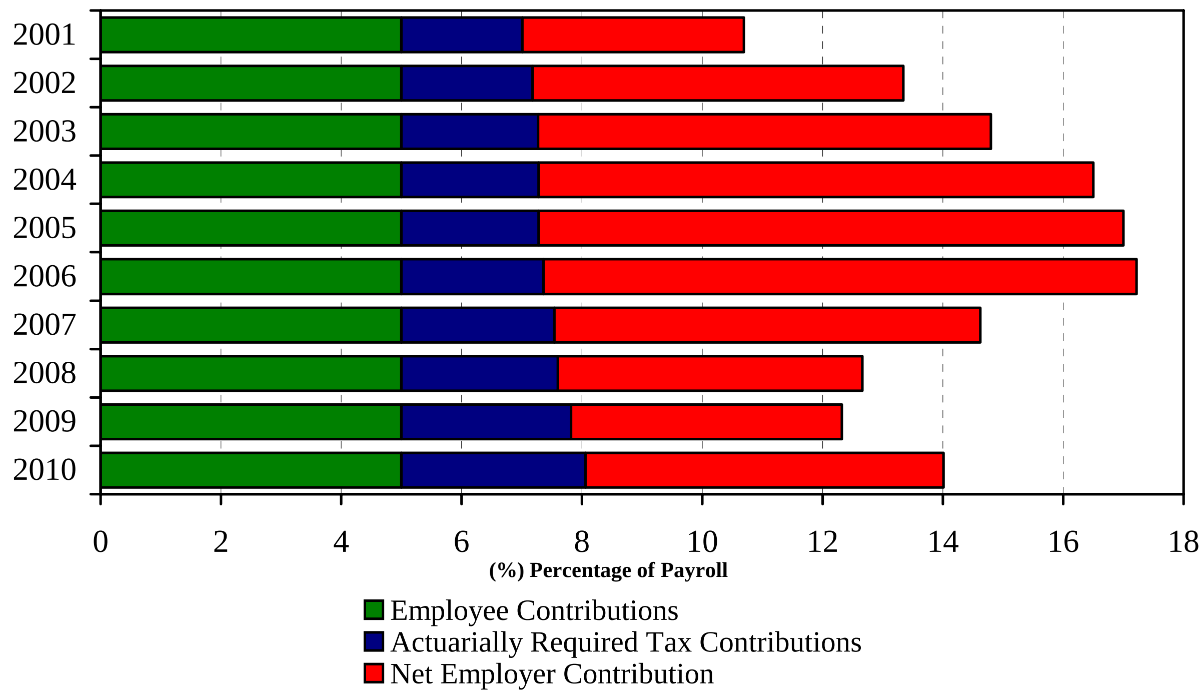
Plan B - Components of Present Value of Future Benefits
June 30, 2009



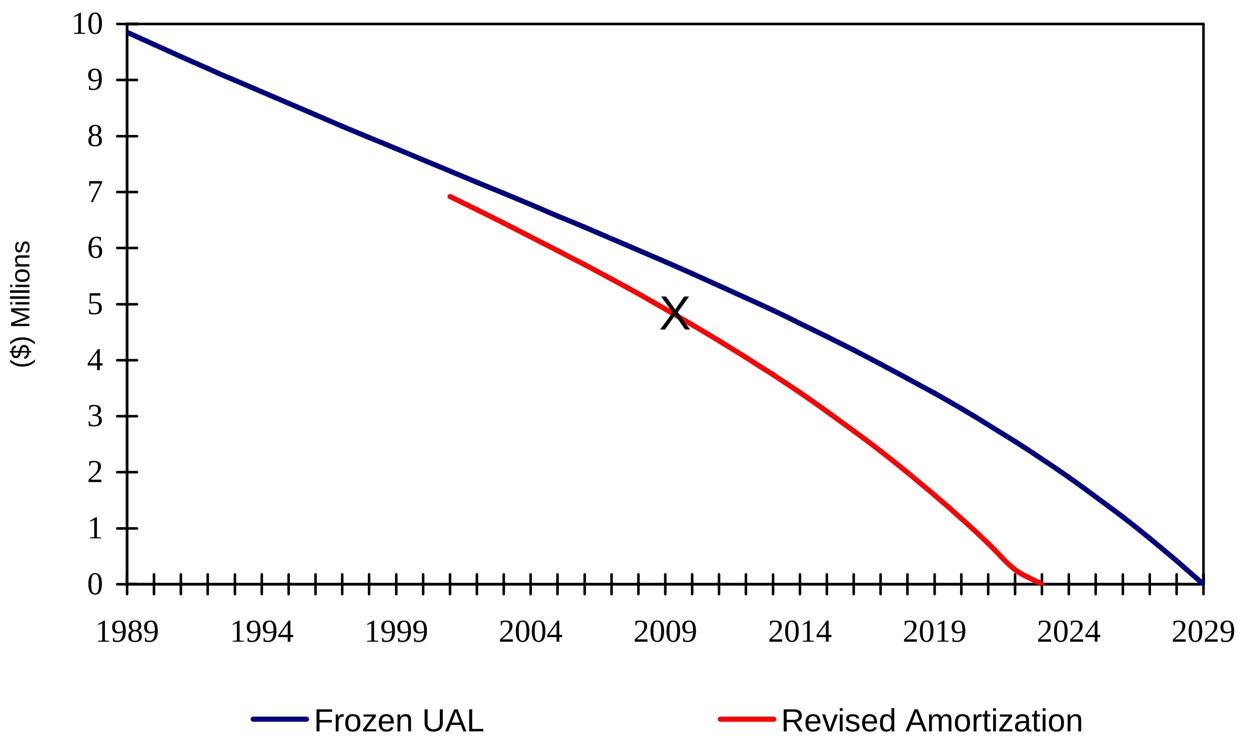
Plan B - Components of Present Value of Future Benefits



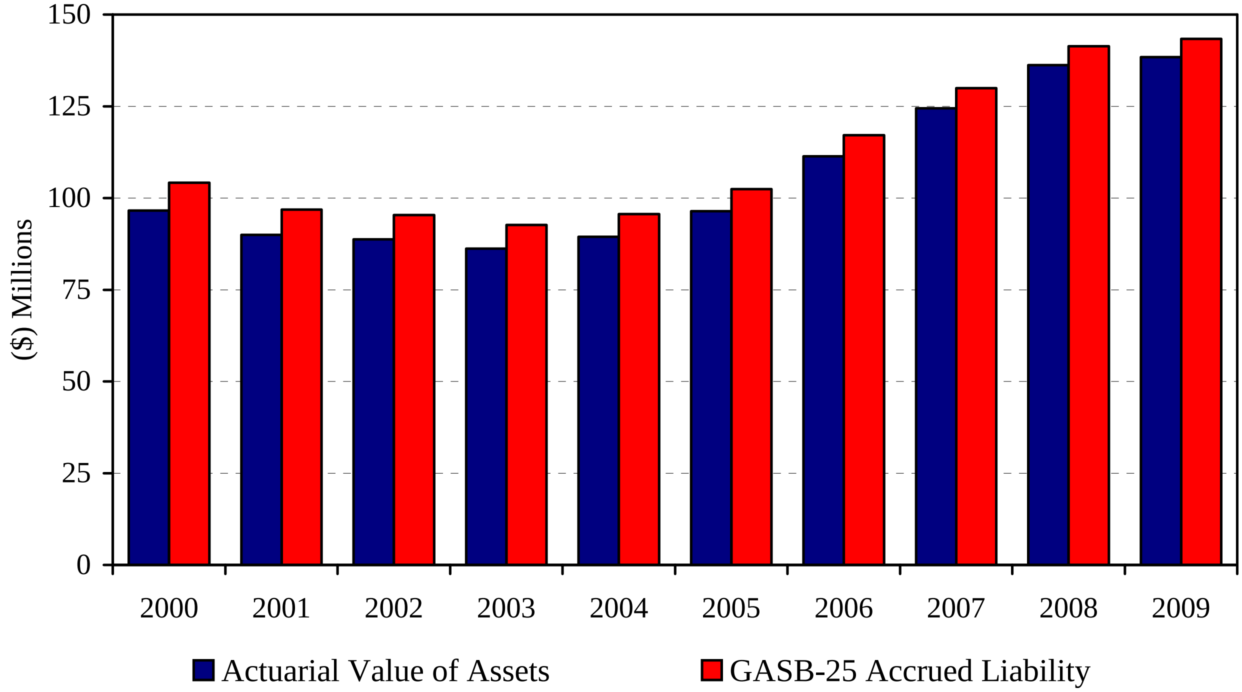
Plan B - Components of Actuarial Funding



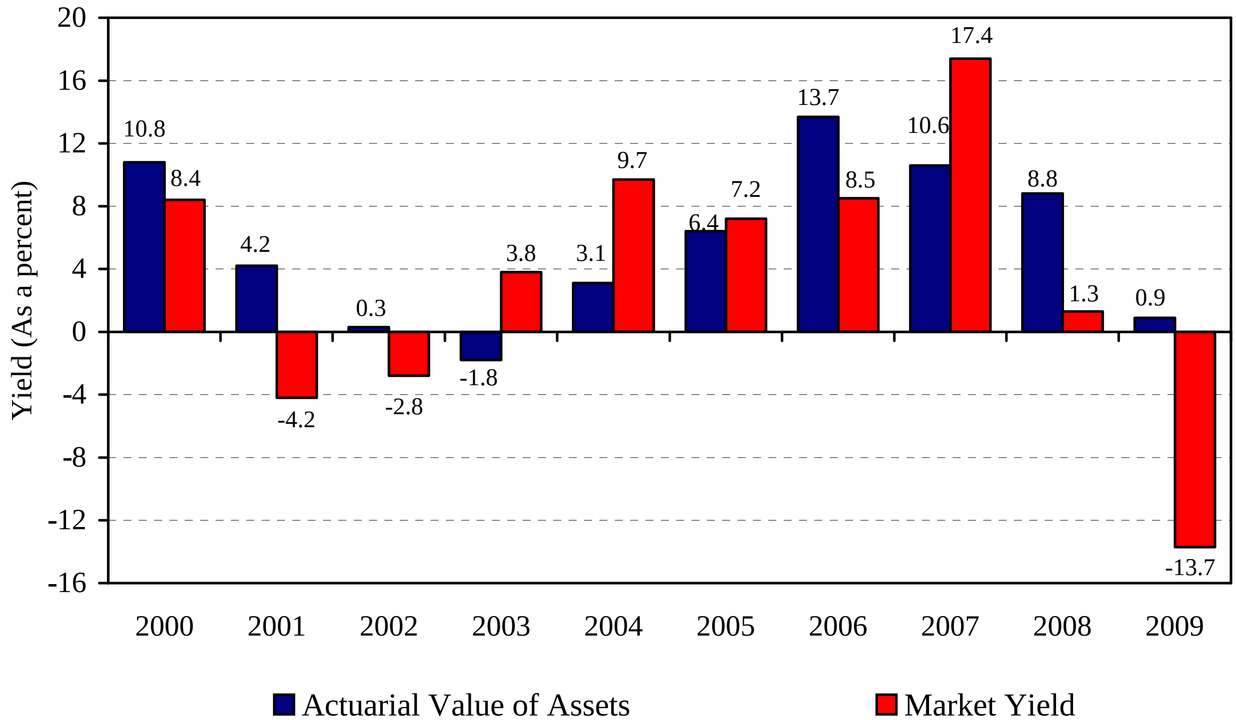
Plan B – Frozen Unfunded Accrued Liability



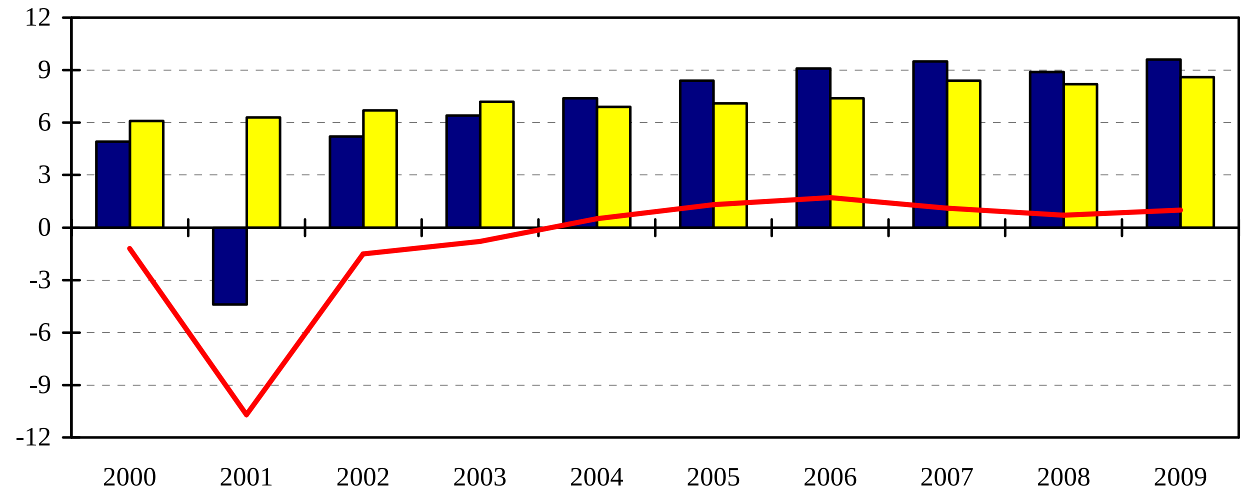
Plan B
Actuarial Value of Assets vs. GASB-25 Accrued Liability



Plan B – Historical Asset Yield

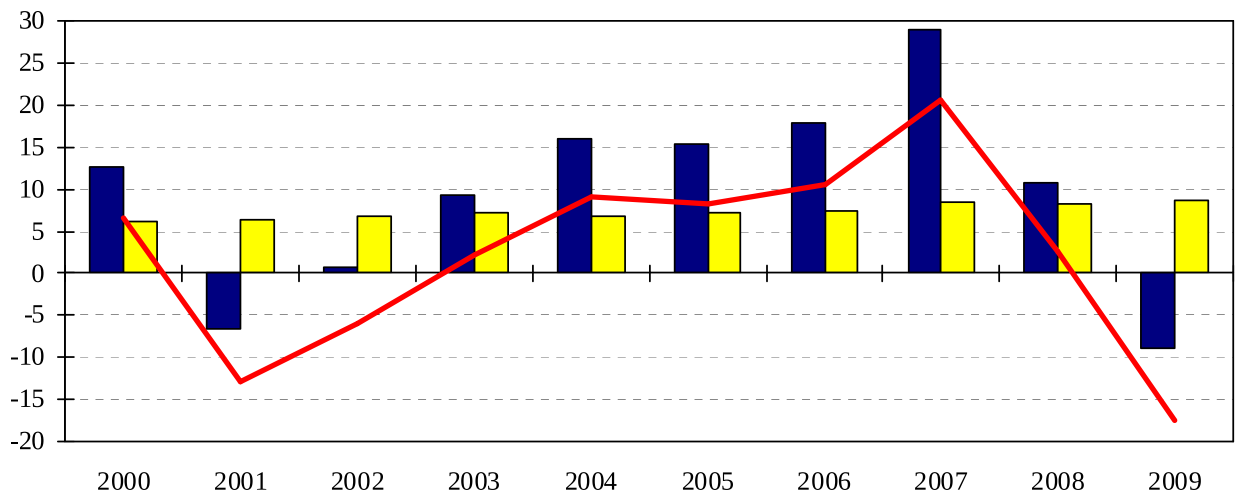


Plan B - Net Non-Investment Income



		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-Investment Income ($Mil)		4.9	-4.4	5.2	6.4	7.4	8.4	9.1	9.5	8.9	9.6
Benefits and Expenses ($Mil)		6.1	6.3	6.7	7.2	6.9	7.1	7.4	8.4	8.2	8.6
Net Non-Investment Income ($Mil)		-1.2	-10.7	-1.5	-0.8	0.5	1.3	1.7	1.1	0.7	1.0

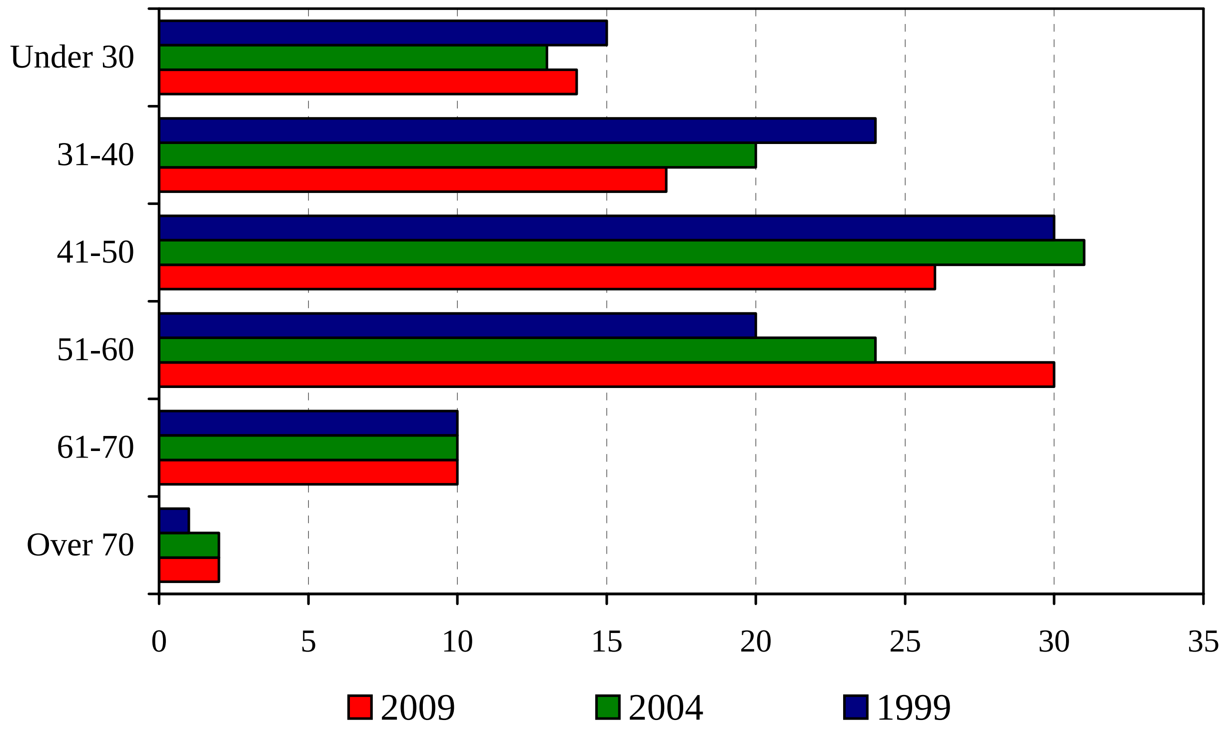
Plan B - Total Income vs. Expenses
(Based on Market Value of Assets)



		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Income ($Mil)		12.7	-6.6	0.8	9.3	16.0	15.3	17.9	29.1	10.7	-9.0
Benefits and Expenses ($Mil)		6.1	6.3	6.7	7.2	6.9	7.1	7.4	8.4	8.2	8.6
Net Change in MVA ($Mil)		6.6	-12.9	-5.9	2.1	9.1	8.2	10.5	20.7	2.5	-17.6

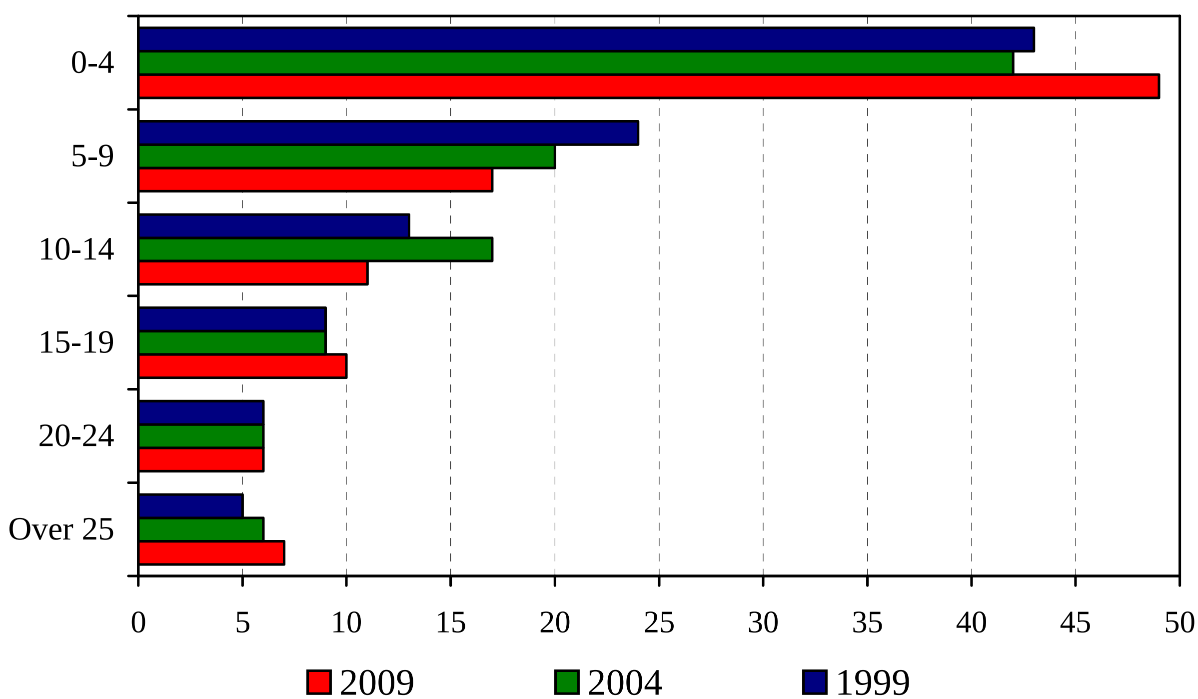
Plan B - Active – Census By Age

(as a percent)



Plan B - Active – Census By Service

(as a percent)



EXHIBITS

EXHIBIT I
PLAN A: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$ 981,785,120
2.	Frozen Unfunded Actuarial Accrued Liability	$ 74,616,607
3.	Actuarial Value of Assets	$ 670,910,030
4.	Present Value of Future Employee Contributions	$ 88,362,181
5.	Funding Deposit Account Credit Balance	$ 6,105,938
6.	Present Value of Future Employer Normal Costs (1-2-3-4+5)	$ 154,002,240
7.	Present Value of Future Salaries	$1,106,088,968
8.	Employer Normal Cost Accrual Rate (6 ÷ 7)	13.923133%
9.	Projected Fiscal 2010 Salary for Current Membership	$ 145,917,347
10.	Employer Normal Cost as of July 1, 2009 (8 x 9)	$ 20,316,266
11.	Amortization Payment on Frozen Unfunded Accrued Liability of $74,616,607 with Payments increasing at 4.25% per year	$ 5,112,448
12.	Total Employer Normal Cost & Amortization Payment (10 + 11)	$ 25,428,714
13.	Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	$ 26,426,295
14.	Estimated Administrative Cost for Fiscal 2010	$ 672,539
15.	Gross Employer Actuarially Required Contribution for Fiscal 2010 (13 + 14)	$ 27,098,834
16.	Projected Tax Contributions for Fiscal 2010	$ 4,821,749
17.	Projected Revenue Sharing Funds for Fiscal 2010	$ 114,543
18.	Net Direct Employer Actuarially Required Contribution for Fiscal 2009 (15 - 16 - 17)	$ 22,162,542
19.	Projected Payroll (July 1, 2009 through June 30, 2010)	$ 160,791,791
20.	Employers Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2010 (17 ÷18)	13.78%
21.	Actual Employer Contribution Rate for Fiscal 2010	13.50%
22.	Contribution Shortfall Excess as a % of Payroll (20 - 21)	0.28%
23.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)	0.04%
24.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2011 (19 Rounded to nearest .25%)	13.75%

EXHIBIT II
PLAN A: PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 562,876,513	
Survivor Benefits	16,819,695	
Disability Benefits	9,710,926	
Vested Deferred Termination Benefits	11,990,988	
Contribution Refunds	17,060,470	
TOTAL Present Value of Future Benefits for Active Members		$ 618,458,592

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 11,232,908	
Terminated Members with Reciprocals Due Benefits at Retirement	699,710	
Terminated Members Due a Refund	1,776,904	
TOTAL Present Value of Future Benefits for Terminated Members		$ 13,709,522

Present Value of Future Benefits for Retirees:

Regular Retirees	$ 286,808,050	
Disability Retirees	17,690,330	
Survivors & Widows	40,257,029	
Reserve for Accrued Retiree DROP Account Balances	4,861,597	
TOTAL Present Value of Future Benefits for Retirees & Survivors		$ 349,617,006

TOTAL Present Value of Future Benefits		$ 981,785,120

EXHIBIT III – Schedule A
PLAN A: MARKET VALUE OF ASSETS

Current Assets:		
Cash	$ 6,511,494	
Contributions Receivable from Employers	1,504,035	
Investment Receivable	148,275	
Contributions Receivable from Members	979,309	
Accrued Alternative Investments	2,652,698	
Accrued Interest and Dividends on Investments	857,798	
Due to Plan B	(38,969)	
Other Receivables	21,796	
Due From Plan B	56,582	
TOTAL CURRENT ASSETS		$ 12,693,018
Property Plant & Equipment		$ 707,944
Mitigation Bank Capitalized Project Costs		$ 687,306
Investments:		
Co-Mingled Funds	$ 162,839,250	
Mutual Fund – Equities	70,864,389	
Common Stock	44,636,238	
Limited Partnerships	84,207,511	
Cash Equivalents	53,255,038	
Mutual Fund – Fixed Income	37,794,977	
Mitigation Credits	38,104,696	
Limited Liability Companies	29,985,681	
Bonds	18,898,399	
Notes Receivable	10,596,244	
Line of Credit	3,245,148	
Real Estate-Mitigation Banks and LLC	12,037,672	
TOTAL INVESTMENTS		$ 566,465,243
TOTAL ASSETS		$ 580,553,511
Current Liabilities:		
Minority Interest in Land Mitigation Bank	$ 8,178,960	
Minority Interest in LLC	2,940,761	
Mitigation Bank Unearned Revenue	146,340	
Long-Term Mitigation Liability	68,005	
Due to Related Parties	305,832	
Investment Payable	217,750	
Refunds Payable	360,668	
Accounts Payable	167,382	
TOTAL CURRENT LIABILITIES		$ 12,385,698
MARKET VALUE OF ASSETS		$ 568,167,813

EXHIBIT III – SCHEDULE B
PLAN A - ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2009	$ (144,474,440)
Fiscal year 2008	(45,633,930)
Fiscal year 2007	56,997,359
Fiscal year 2006	2,926,741
Fiscal year 2005	(3,945,256)
Total for five years	$ (134,129,526)

Deferral of excess (shortfall) of invested income:

Fiscal year 2009 (80%)	$ (115,579,552)
Fiscal year 2008 (60%)	(27,380,358)
Fiscal year 2007 (40%)	22,798,944
Fiscal year 2006 (20%)	585,348
Fiscal year 2005 (0%)	0
Total deferred for year	$ (119,575,618)

Market value of plan net assets, end of year	$ 568,167,813
Preliminary actuarial value of plan assets, end of year	$ 687,743,431

Actuarial value of assets corridor

85% of market value, end of year	$ 482,942,641
115% of market value, end of year	$ 653,392,985

Allocated Share of the Expense Fund	$ 341,822
Final actuarial value of plan net assets, end of year (average of preliminary actuarial value of plan assets and 115% of market value plus allocated share of the expense fund)	$ 670,910,030

EXHIBIT IV

PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$ 88,362,181
Employer Normal Contributions to the Pension Accumulation Fund	154,002,240
Employer Amortization Payments to the Pension Accumulation Fund	74,616,607
Funding Deposit Account Credit Balance	(6,105,938)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$310,875,090

EXHIBIT V

PLAN A: CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability		$ 73,993,478
Interest on Frozen Unfunded Accrued Liability	$ 5,919,478	
Employer Normal Cost for Prior Year	13,494,664	
Interest on the Normal Cost	1,079,573	
Administrative Expenses	756,779	
Interest on Expenses	29,689	
Credit to Funding Deposit Account	6,105,938	
TOTAL Increases to Frozen Unfunded Accrued Liability		$ 27,386,121
Gross Regular Employer Contributions	$ 25,752,700	
Interest on Employer Contributions	1,010,292	
Contribution Shortfall (Excess)	(0)	
Interest on Contribution Shortfall (Excess)	(0)	
TOTAL Decreases to Frozen Unfunded Accrued Liability		$ 26,762,992
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY		$ 74,616,607

EXHIBIT VI
PLAN A: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2008)			$	671,721,084
Income:				
Member Contributions	$	13,756,531		
Employer Contributions		21,256,967		
Ad Valorem Taxes		4,377,972		
Revenue Sharing Funds		117,761		
Irregular Contributions		787,211		
Transfer From Plan B		56,582		
Total Contribution Income			$	40,353,024
Net Appreciation in Fair Value of Investments	$	(103,863,941)		
Interest and Dividend Income		5,300,270		
Income from Alternative Investments		3,407,586		
Securities Lending		250,323		
Investment Income Allocated from Expense Fund		2,987		
Investment Expense		(2,474,393)		
Prior Year Adjustment		5,956,114		
Net Investment Income			$	(91,421,054)
TOTAL Income			$	(51,068,030)
Expenses:				
Retirement Benefits	$	38,550,396		
Funds Transferred to Another System		1,532,324		
Refunds of Contributions		3,093,707		
DROP Disbursements		3,178,765		
Allocated Share of Administrative Expenses		720,576		
Transfer of Funds to Plan B		36,366		
Depreciation		19,272		
TOTAL Expenses			$	47,131,406
Net Market Income for Fiscal 2009(Income - Expenses)			$	(98,199,436)
Adjustment for Change in Allocated Expense Fund Balance			$	(16,931)
Adjustment for Actuarial Smoothing			$	97,405,313
Actuarial Value of Assets (June 30, 2009)			$	670,910,030

EXHIBIT VII
PLAN A: FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund	$	103,232,391
Annuity Reserve Fund		344,755,409
Pension Accumulation Fund		91,056,619
Deferred Retirement Option Plan Account		23,017,456
Funding Deposit Account		6,105,938
NET MARKET VALUE OF ASSETS	$	568,167,813
ADJUSTMENT FOR ACTUARIAL SMOOTHING		102,400,395
ALLOCATED SHARE OF THE EXPENSE FUND		341,822
ACTUARIAL VALUE OF ASSETS	$	670,910,030

EXHIBIT VIII
PLAN A: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	431,168,315
Present Value of Benefits Payable to Terminated Employees		13,709,522
Present Value of Benefits Payable to Current Retirees and Beneficiaries		349,617,006
TOTAL PENSION BENEFIT OBLIGATION		794,494,843
TOTAL ACTUARIAL VALUE OF ASSETS		670,910,030
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		84.44%

EXHIBIT IX
PLAN A: COST OF LIVING ADJUSTMENTS - TARGET RATIO

1.	Actuarial Value of Assets Divided by PBO as of Fiscal 1986:		65.05%
2.	Amortization of Unfunded Balance over 30 years:		26.80%
	Adjustments in Funded Ratio Due to Changes in Assumption(s):		
	Changes for Fiscal 1988	4.97%	
	Changes for Fiscal 1989	(1.98%)	
	Changes for Fiscal 1995	(1.38%)	
	Changes for Fiscal 1997	(3.44%)	
	Changes for Fiscal 1998	(3.63%)	
	Changes for Fiscal 2000	(1.35%)	
	Changes for Fiscal 2003	0.89%	
	Changes for Fiscal 2005	0.02%	
	Changes for Fiscal 2006	2.66%	
	Changes for Fiscal 2009	5.73%	
3.	TOTAL Adjustments		2.49%
	Amortization of Adjustments in Funded Ratio over 30 years:		
	Changes for Fiscal 1988	(3.48%)	
	Changes for Fiscal 1989	1.32%	
	Changes for Fiscal 1995	0.64%	
	Changes for Fiscal 1997	1.38%	
	Changes for Fiscal 1998	1.33%	
	Changes for Fiscal 2000	0.41%	
	Changes for Fiscal 2003	(0.18%)	
	Changes for Fiscal 2005	(0.00%)	
	Changes for Fiscal 2006	(0.27%)	
	Changes for Fiscal 2009	(0.00%)	
4.	TOTAL Amortization of Adjustments		1.15%
5.	Target Ratio for Current Fiscal Year (Lesser of 1+2+3+4 or 100%)		95.49%
6.	Actuarial Value of Assets Divided by PBO as of June 30, 2009		84.44%

EXHIBIT X
PLAN A: CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2008	4,792	2,745	238	2,794	10,569
Additions to Census					
Initial membership	593				572
Death of another member				38	35
Omitted in error last year	7				7
Adjustment for multiple records				2	2
Change in Status during Year					
Actives terminating service	(133)	133			
Actives who retired	(80)			80	
Actives entering DROP	(84)		84		
Term. members rehired	25	(25)			
Term. members who retire		(15)		15	
Retirees who are rehired					
Refunded who are rehired	17	19			36
DROP participants retiring			(48)	48	
DROP returned to work	50		(50)		
Eliminated from Census					
Refund of contributions	(343)	(70)			(413)
Deaths	(10)	(1)	(1)	(113)	(122)
Included in error last year		(21)			
Suspended Benefits		3		(3)	
Adjustment for multiple records	(5)				(5)
Number of members as of June 30, 2009	4,829	2,768	223	2,861	10,681

PLAN A - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	31	5	36	19,100	687,608
21 - 25	160	57	217	20,604	4,471,171
26 - 30	217	109	326	25,083	8,177,142
31 - 35	242	141	383	26,999	10,340,776
36 - 40	295	182	477	29,312	13,981,875
41 - 45	421	202	623	31,120	19,387,479
46 - 50	506	294	800	32,872	26,297,204
51 - 55	587	264	851	33,682	28,663,141
56 - 60	440	227	667	34,879	23,264,582
61 - 65	282	125	407	33,791	13,753,052
66 - 70	133	46	179	31,075	5,562,441
71 - 75	39	17	56	29,575	1,656,179
76 - 80	18	5	23	30,456	700,482
81 - 85	4	2	6	22,566	135,395
86 - 90	1	0	1	4,200	4,200
TOTAL	3,376	1,676	5,052	31,093	157,082,727

THE ACTIVE CENSUS INCLUDES 2,190 ACTIVES WITH VESTED BENEFITS, INCLUDING 223 DROP PARTICIPANTS AND 177 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	1	1	2	7,779	15,558
36 - 40	1	3	4	9,072	36,289
41 - 45	12	16	28	12,596	352,690
46 - 50	23	15	38	12,350	469,285
51 - 55	27	16	43	13,705	589,311
56 - 60	30	12	42	15,085	633,581
61 - 65	4	2	6	5,448	32,686
66 - 70	4	3	7	5,069	35,481
71 - 75	1	0	1	32,163	32,163
76 - 80	1	0	1	15,974	15,974
TOTAL	104	68	172	12,866	2,213,018

PLAN A - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	1,839	103,564
100	-	499	331	80,342
500	-	999	122	84,357
1000	-	1999	95	137,502
2000	-	4999	90	295,677
5000	-	9999	58	420,761
10000	-	19999	50	702,653
20000	-	99999	11	300,441
		TOTAL	2,596	2,125,297

PLAN A - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	3	2	5	22,646	113,228
46 - 50	43	23	66	20,633	1,361,783
51 - 55	81	36	117	22,679	2,653,425
56 - 60	129	35	164	23,361	3,831,263
61 - 65	218	98	316	18,253	5,767,988
66 - 70	285	103	388	16,048	6,226,502
71 - 75	308	85	393	15,044	5,912,406
76 - 80	197	62	259	12,314	3,189,337
81 - 85	129	56	185	12,013	2,222,492
86 - 90	68	29	97	10,909	1,058,188
91 - 99	23	9	32	7,649	244,759
TOTAL	1,484	538	2,022	16,113	32,581,371

PLAN A - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	0	1	1	11,249	11,249
36 - 40	2	0	2	10,023	20,045
41 - 45	4	1	5	14,588	72,940
46 - 50	15	2	17	10,791	183,441
51 - 55	27	9	36	12,072	434,605
56 - 60	39	9	48	10,920	524,179
61 - 65	27	9	36	10,293	370,538
66 - 70	18	4	22	7,770	170,936
71 - 75	12	2	14	7,377	103,280
76 - 80	5	2	7	6,382	44,671
81 - 85	2	1	3	5,431	16,292
TOTAL	151	40	191	10,221	1,952,176

PLAN A - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	2	5	7	5,282	36,975
31 - 35	2	0	2	3,450	6,899
36 - 40	0	3	3	7,811	23,434
41 - 45	7	12	19	4,980	94,613
46 - 50	3	15	18	7,314	131,654
51 - 55	4	28	32	7,822	250,293
56 - 60	2	36	38	7,604	288,944
61 - 65	5	57	62	9,382	581,707
66 - 70	5	84	89	9,946	885,167
71 - 75	5	86	91	8,518	775,142
76 - 80	1	116	117	8,839	1,034,201
81 - 85	4	82	86	8,824	758,868
86 - 90	2	46	48	5,999	287,972
91 - 99	0	36	36	4,020	144,702
TOTAL	42	606	648	8,180	5,300,571

PLAN A - ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	27	8	1									36
21 - 25	88	67	31	18	6	7						217
26 - 30	92	73	40	38	23	59	1					326
31 - 35	56	83	53	35	18	84	51	3				383
36 - 40	68	54	38	38	24	82	85	85	3			477
41 - 45	69	71	46	41	21	91	103	110	58	13		623
46 - 50	72	52	53	35	34	128	113	118	92	95	8	800
51 - 55	62	63	46	42	26	126	146	120	85	95	40	851
56 - 60	45	52	38	19	31	96	87	114	84	57	44	667
61 - 65	24	20	24	11	17	88	64	48	58	33	20	407
66 - 70	8	7	10	8	8	35	29	35	14	13	12	179
71 & Over	3	2	3	5	4	15	15	11	10	11	7	86
Totals	614	552	383	290	212	811	694	644	404	317	131	5052

PLAN A - AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20	18,695	20,344	20,094									19,100
21 - 25	19,778	19,485	21,258	23,817	26,445	25,553						20,604
26 - 30	21,816	25,110	25,364	24,413	27,814	29,268	28,245					25,083
31 - 35	20,944	25,028	28,659	23,975	27,824	30,619	30,119	41,216				26,999
36 - 40	21,353	24,417	29,552	25,133	28,684	28,339	33,990	36,468	44,032			29,312
41 - 45	22,625	24,349	25,070	23,978	26,533	29,195	33,262	38,780	44,029	38,612		31,120
46 - 50	22,514	25,200	25,335	26,192	30,321	30,613	33,091	36,147	41,892	41,643	42,761	32,872
51 - 55	20,783	26,439	25,920	25,951	34,834	28,996	31,731	35,153	43,697	46,402	47,347	33,682
56 - 60	25,521	26,325	30,921	27,529	32,625	29,629	33,791	38,200	40,994	41,588	47,379	34,879
61 - 65	21,943	26,189	32,993	32,834	27,459	34,130	31,705	33,187	39,540	37,984	45,523	33,791
66 - 70	22,944	25,971	30,718	30,098	39,367	32,169	28,457	27,150	33,562	40,527	36,334	31,075
71 & Over	24,949	23,402	20,059	23,740	24,285	24,920	26,809	29,702	34,032	35,818	37,374	29,026
Average	21,631	24,499	27,044	25,462	30,055	30,059	32,346	36,021	41,587	42,306	45,258	31,093

PLAN A - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 30												0
31 - 35										2		2
36 - 40									4			4
41 - 45								28				28
46 - 50							38					38
51 - 55						42	1					43
56 - 60	5	9	8	8	11	1						42
61 - 65	5					1						6
66 - 70	7											7
71 - 75	1											1
76 - 80	1											1
81 & Over												0
Totals	19	9	8	8	11	44	39	28	4	2	0	172

PLAN A - AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 30												0
31 - 35										7,779		7,779
36 - 40									9,072			9,072
41 - 45								12,596				12,596
46 - 50							12,350					12,350
51 - 55						13,971	2,520					13,705
56 - 60	11,114	18,832	11,041	15,283	16,947	11,525						15,085
61 - 65	6,342					976						5,448
66 - 70	5,069											5,069
71 - 75	32,163											32,163
76 - 80	15,974											15,974
81 & Over												0
Average	8,995	18,832	11,041	15,283	16,947	13,620	12,098	12,596	9,072	7,779	0	12,866

PLAN A - SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50	17	19	8	9	6	12						71
51 - 55	15	21	25	16	16	24						117
56 - 60	21	20	25	20	15	60	1		2			164
61 - 65	48	42	58	32	41	77	16	1	1			316
66 - 70	22	22	38	28	27	173	50	25	2	1		388
71 - 75	12	3	16	15	18	110	129	55	30	5		393
76 - 80	2	1	7	1	5	37	66	98	33	8	1	259
81 - 85			2	3	4	12	26	53	68	14	3	185
86 - 90			2		2	5	4	10	40	30	4	97
91 & Over						1		4	3	15	9	32
Totals	137	128	181	124	134	511	292	246	179	73	17	2022

AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 50	25,705	21,785	19,676	20,295	16,253	15,545						20,775
51 - 55	24,179	23,071	22,147	25,741	19,554	21,994						22,679
56 - 60	24,899	23,599	24,491	19,617	25,746	23,326	33,734		6,160			23,361
61 - 65	15,929	16,310	16,089	19,142	18,089	20,901	24,339	26,062	6,109			18,253
66 - 70	13,796	11,493	15,301	15,063	11,443	15,385	21,915	22,952	9,599	7,680		16,048
71 - 75	12,610	11,094	11,781	15,440	12,711	11,657	14,206	21,575	23,765	12,894		15,044
76 - 80	4,805	11,793	7,224	5,615	9,685	11,321	11,718	11,596	17,350	19,533	5,807	12,314
81 - 85			6,624	22,168	9,285	9,380	11,934	12,310	11,668	14,352	11,987	12,013
86 - 90			7,195		8,419	14,115	10,176	13,872	10,924	9,751	11,865	10,909
91 & Over						3,637		8,213	4,603	10,120	4,740	7,649
Average	18,625	18,385	17,153	18,749	16,257	16,190	15,328	15,231	14,343	11,968	7,758	16,113

PLAN A - DISABILITY RETIREES:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
						Completed Years Since Retirement						
0 - 30												0
31 - 35				1								1
36 - 40						1	1					2
41 - 45		1	2				1	1				5
46 - 50	1	2	3	2		3	4	1	1			17
51 - 55	1	2	2	4	4	11	9	2	1			36
56 - 60	1	3	4	3	2	11	16	7	1			48
61 - 65		1		1	3	11	6	10	1	1	2	36
66 - 70	2	1	1	2		2	6	6		1	1	22
71 - 75	1	1				3		6		2	1	14
76 - 80						1	1	5				7
81 - 85								2			1	3
86 & Over												0
Totals	6	11	12	13	9	43	44	40	4	4	5	191

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
						Completed Years Since Retirement						
0 - 30												0
31 - 35				11,249								11,249
36 - 40						8,496	11,550					10,023
41 - 45		29,707	10,156				14,652	8,268				14,588
46 - 50	11,268	13,204	14,607	13,310		8,945	8,509	8,158	6,293			10,791
51 - 55	17,801	16,195	14,363	17,116	12,664	11,042	8,917	13,330	8,189			12,072
56 - 60	8,338	12,398	8,175	19,729	9,516	9,835	11,628	9,607	6,242			10,920
61 - 65		6,576		20,832	6,089	9,455	11,137	12,834	8,115	11,274	3,154	10,293
66 - 70	5,317	5,321	4,190	4,637		7,205	9,047	9,969		7,137	5,876	7,770
71 - 75	8,158	8,014				6,572		7,115		9,284	6,133	7,377
76 - 80						4,223	5,433	7,003				6,382
81 - 85								4,941			6,410	5,431
86 & Over												0
Average	9,366	13,237	10,813	15,048	9,773	9,473	10,297	9,652	7,210	9,245	4,945	10,221

PLAN A - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20		1				4	1					6
21 - 25						1						1
26 - 30												0
31 - 35						2						2
36 - 40						2	1					3
41 - 45		1		1	1	2	4	2	1	2	5	19
46 - 50		1	1			9	1	5	1			18
51 - 55		1	1	2	4	6	7	6	5			32
56 - 60	1	1	1	1	1	8	12	6	7			38
61 - 65	2	3	2	3	2	16	16	10	8			62
66 - 70	1	1	1	4	2	16	25	16	15	7	1	89
71 - 75		3			3	11	20	30	16	6	2	91
76 - 80					1	5	11	34	43	13	10	117
81 - 85						1	6	14	30	21	14	86
86 - 90						1		3	5	17	22	48
91 & Over									2	5	29	36
Totals	4	12	6	11	14	84	104	126	133	71	83	648

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 20		5,620				4,355	4,138					4,530
21 - 25						9,798						9,798
26 - 30												0
31 - 35						3,449						3,449
36 - 40						8,135	7,164					7,811
41 - 45		9,715		8,406	4,069	13,353	6,538	3,200	1,900	3,592	817	4,980
46 - 50		5,329	4,021			9,141	11,039	4,786	5,066			7,314
51 - 55		9,348	1,051	8,973	12,096	10,270	5,629	6,763	6,393			7,822
56 - 60	11,416	4,665	1,905	9,500	21,145	9,335	8,965	5,341	3,715			7,604
61 - 65	9,706	7,684	17,125	6,247	13,718	12,098	10,534	6,129	4,428			9,382
66 - 70	15,113	8,317	12,820	8,451	26,386	13,812	10,394	8,470	6,249	5,903	10,908	9,946
71 - 75		9,656			6,107	7,557	8,040	9,985	8,250	5,583	9,442	8,518
76 - 80					1,530	9,221	7,709	8,930	10,588	8,744	2,922	8,839
81 - 85						11,848	9,843	8,444	9,211	11,177	4,194	8,824
86 - 90						3,218		11,335	6,842	6,869	4,535	5,999
91 & Over									5,803	4,192	3,867	4,020
Average	11,485	7,918	9,008	8,036	12,404	10,173	8,928	8,374	8,297	8,002	4,021	8,180

EXHIBIT XI
PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Number of Active Members	5,052	5,030	4,965	5,109
Number of Retirees and Survivors	2,861	2,794	2,721	2,588
Number Terminated Due Deferred Benefits	172	184	209	179
Number Terminated Due Refund	2,596	2,561	2,553	2,148
Active Lives Payroll	$ 157,082,727	$ 148,644,512	$ 141,232,448	$ 140,773,796
Retiree Benefits in Payment	$ 39,834,118	$ 37,650,335	$ 34,978,923	$ 32,315,373
Market Value of Assets	$ 568,167,813	$ 666,534,551	$ 667,345,480	$ 567,015,013
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability	89.99%	90.08%	89.51%	88.67%
Actuarial Accrued Liability (As defined by GASB– 25)	$ 745,526,637	$ 745,714,562	$ 697,658,641	$ 637,909,978
Actuarial Value of Assets	$ 670,910,030	$ 671,721,084	$ 624,442,059	$ 565,604,518
Unfunded Actuarial Accrued Liability	$ 74,616,607	$ 73,993,478	$ 73,216,582	$ 72,305,460
Present Value of Future Employer Normal Cost	$ 154,002,240	$ 102,751,307	$ 106,821,650	$ 138,753,419
Present Value of Future Employee Contributions	$ 88,362,181	$ 84,164,497	$ 81,084,751	$ 82,859,110
Funding Deposit Account Credit Balance	$ 6,105,938	N/A	N/A	N/A
Present Value of Future Benefits	$ 981,785,120	$ 932,630,366	$ 885,565,042	$ 859,522,507

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	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Employee Contribution Rate	9.25%	9.25%	9.25%	9.25%
Proj. Tax Contribution as % of Projected Payroll	3.07%	2.82%	2.62%	2.56%
Actuarially Req'd Net Direct Employer Cont. Rate	13.78%	10.25%	11.17%	13.89%
Actual Employer Direct Contribution Rate	13.50%	13.50%	13.50%	16.25%

Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
5,289	5,325	5,533	5,481	5,455	5,558
2,512	2,448	2,372	2,316	2,255	2,213
186	193	192	193	189	187
2,263	2,266	2,185	2,158	2,122	2,108
$ 140,020,164	$ 135,925,550	$ 135,876,426	$ 130,191,230	$ 125,304,827	$ 124,683,590
$ 30,555,460	$ 29,043,640	$ 27,431,127	$ 26,145,224	$ 24,838,273	$ 23,418,404
$ 521,411,279	$ 485,539,046	$ 444,996,698	$ 432,669,352	$ 447,796,046	$ 469,525,372
87.75%	86.90%	86.79%	87.26%	87.53%	87.33%
$ 581,801,281	$ 535,579,287	$ 521,766,411	$ 531,127,529	$ 531,562,970	$ 512,465,288
$ 510,523,409	$ 465,429,341	$ 452,830,104	$ 463,477,324	$ 465,259,344	$ 447,557,888
$ 71,277,872	$ 70,149,946	$ 68,936,307	$ 67,650,205	$ 66,303,626	$ 64,907,400
$ 169,264,548	$ 161,387,026	$ 146,656,618	$ 100,815,782	$ 67,974,883	$ 59,512,163
$ 84,762,421	$ 85,111,124	$ 86,226,350	$ 83,902,996	$ 82,237,210	$ 83,646,334
N/A	N/A	N/A	N/A	N/A	N/A
$ 835,828,250	$ 782,077,437	$ 754,649,379	$ 715,846,307	$ 681,775,063	$ 655,623,785

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Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
2.34%	2.38%	2.29%	2.28%	2.17%	2.02%
16.30%	15.87%	14.61%	10.78%	7.89%	7.03%
16.00%	15.00%	11.00%	8.00%	7.00%	6.25%

EXHIBIT XII
PLAN B: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$	202,212,180
2.	Frozen Unfunded Actuarial Accrued Liability	$	4,912,541
3.	Actuarial Value of Assets	$	138,441,127
4.	Present Value of Future Employee Contributions	$	21,769,886
5.	Funding Deposit Account Credit Balance	$	1,806,555
6.	Present Value of Future Employer Normal Costs (1 – 2 – 3 – 4 + 5)	$	38,895,181
7.	Present Value of Future Salaries	$	475,644,177
8.	Employer Normal Cost Accrual Rate (6 ÷ 7)		8.177369%
9.	Projected Fiscal 2010 Salary for Current Membership	$	59,747,710
10.	Employer Normal Cost as of July 1, 2009 (8 x 9)	$	4,885,791
11.	Amortization Payment on Frozen Unfunded Accrued Liability of $4,912,541 with Payments decreasing at 2% per year	$	621,837
12.	TOTAL Employer Normal Cost & Amortization Payment (10 + 11)	$	5,507,628
13.	Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	$	5,723,695
14.	Estimated Administrative Cost for Fiscal 2010	$	277,509
15.	TOTAL Employer Actuarially Required Contribution for Fiscal 2010 (13 + 14)	$	6,001,204
16.	Projected Tax Contributions for Fiscal 2010	$	1,989,595
17.	Projected Revenue Sharing Funds for Fiscal 2010	$	47,264
18.	Net Direct Employer Actuarially Required Contribution for Fiscal 2010 (15-16-17)	$	3,964,345
19.	Projected Payroll (July 1, 2009 through June 30, 2010)	$	66,635,558
20.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2010 (18 ÷ 19)		5.95%
21.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2011 (20 Rounded to nearest .25%)		6.00%

EXHIBIT XIII
PLAN B: PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 120,363,069	
Survivor Benefits	5,373,989	
Disability Benefits	2,734,536	
Vested Deferred Termination Benefits	6,215,485	
Contribution Refunds	5,196,584	
TOTAL Present Value of Future Benefits for Active Members		$ 139,883,663

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 2,676,556	
Terminated Members with Reciprocals Due Benefits at Retirement	253,751	
Terminated Members Due a Refund	398,264	
TOTAL Present Value of Future Benefits for Terminated Members		$ 3,328,571

Present Value of Future Benefits for Retirees:

Regular Retirees	$ 44,301,483	
Disability Retirees	4,259,462	
Survivors & Widows	9,499,826	
Reserve for Accrued Retiree DROP Account Balances	939,175	
TOTAL Present Value of Future Benefits for Retirees & Survivors		$ 58,999,946

TOTAL Present Value of Future Benefits		$ 202,212,180

EXHIBIT XIV – Schedule A
PLAN B: MARKET VALUE OF ASSETS

Current Assets:		
Cash	$ 2,607,997	
Contributions Receivable from Members	269,608	
Contributions Receivable from Employers	364,255	
Accrued Interest on Investments	168,070	
Due From Other Funds	38,969	
Dividends Receivable	7,253	
Investments Receivable	30,335	
Accrued Alternative Investments	520,567	
Other	15,932	
TOTAL CURRENT ASSETS		$ 4,022,986
Property, Plant & Equipment		$ 236,294
Mitigation Bank Capitalized Project Costs		$ 140,615
Investments:		
Co-Mingled Funds	$ 33,342,319	
Mutual Fund – Equities	14,498,018	
Limited Partnerships	17,204,665	
Common Stock	9,132,049	
Cash Equivalents	10,469,615	
Mutual Fund – Fixed Income	7,732,408	
Real Estate-Mitigation Banks and LLC	2,462,766	
Limited Liability Companies	6,132,679	
Bonds	3,866,390	
Notes Receivable	2,167,867	
Line of Credit	663,914	
Mitigation Credits	7,795,773	
TOTAL INVESTMENTS		$ 115,468,463
TOTAL ASSETS		$ 119,868,358
Current Liabilities:		
Minority Interest in Land Mitigation Bank	$ 1,673,319	
Minority Interest in LLC	601,645	
Mitigation Bank Unearned Revenue	29,940	
Long-Term Mitigation Liability	13,913	
Due to Related Parties	62,570	
Investments Payable	44,549	
Refunds Payable	96,060	
Accounts Payable	31,370	
Due to Plan A	56,582	
TOTAL CURRENT LIABILITIES		$ 2,609,948
MARKET VALUE OF ASSETS		$ 117,258,410

EXHIBIT XIV – SCHEDULE B
PLAN B - ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2009	$	(29,319,546)
Fiscal year 2008		(8,919,684)
Fiscal year 2007		10,509,451
Fiscal year 2006		545,437
Fiscal year 2005		(751,106)
Total for five years	$	(27,935,448)

Deferral of excess (shortfall) of invested income:

Fiscal year 2009 (80%)	$	(23,455,637)
Fiscal year 2008 (60%)		(5,351,810)
Fiscal year 2007 (40%)		4,203,780
Fiscal year 2006 (20%)		109,087
Fiscal year 2005 (0%)		0
Total deferred for year	$	(24,494,580)

Market value of plan net assets, end of year	$	117,258,410
Preliminary actuarial value of plan assets, end of year	$	141,752,990

Actuarial value of assets corridor

85% of market value, end of year	$	99,669,649
115% of market value, end of year	$	134,847,172

Allocated Share of the Expense Fund	$	141,046
Final actuarial value of plan net assets, end of year (average of preliminary actuarial value of plan assets and 115% of market value plus allocated share of the expense fund)	$	138,441,127

EXHIBIT XV
PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	21,769,886
Employer Normal Contributions to the Pension Accumulation Fund		38,895,181
Employer Amortization Payments to the Pension Accumulation Fund		4,912,541
Funding Deposit Credit Account		(1,806,555)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	63,771,053

EXHIBIT XVI
PLAN B: CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability			$	5,183,177
Interest on Frozen Unfunded Accrued Liability	$	414,654		
Employer Normal Cost for Prior Year		3,354,236		
Interest on the Normal Cost		268,339		
Administrative Expenses		286,675		
Interest on Expenses		11,247		
Credit to Funding Deposit Account		1,806,555		
TOTAL Increases to Frozen Unfunded Accrued Liability			$	6,141,706
Gross Employer Contributions	$	6,170,279		
Interest on Employer Contributions		242,063		
Contribution Shortfall (Excess)		(0)		
Interest on Contribution Shortfall (Excess)		(0)		
TOTAL Decreases to Frozen Unfunded Accrued Liability			$	6,412,342
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY			$	4,912,541

EXHIBIT XVII
PLAN B: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2008)		$ 136,207,119
Income:		
Member Contributions	$ 3,129,956	
Employer Contributions	4,378,281	
Ad Valorem Taxes	1,745,066	
Irregular Contributions	281,743	
Revenue Sharing Funds	46,932	
Transfer of Funds From Plan A	36,366	
Total Contribution Income		$ 9,618,344
Net Appreciation in Fair Value of Investments	$ (21,022,781)	
Prior Year Adjustment	1,204,163	
Interest and Dividend Income	1,084,248	
Income from Alternative Investments	691,966	
Securities Lending	50,963	
Investment Income Allocated from Expense Fund	1,233	
Allocated Share of Investment Expense	(505,322)	
Net Investment Income		$ (18,495,530)
TOTAL Income		$ (8,877,186)
Expenses:		
Retirement Benefits	$ 6,854,518	
Refunds of Contributions	837,817	
Funds Transferred	118,507	
Funds Transferred to Another System	40,008	
DROP Disbursements	437,690	
Allocated Share of Administrative Expenses	297,331	
Transfer to Plan A	56,582	
Depreciation	6,275	
TOTAL Expenses		$ 8,648,728
Net Market Income for Fiscal 2009 (Income - Expenses)		$ (17,525,914)
Adjustment for Change in Allocated Expense Fund Balance		$ 16,931
Adjustment for Actuarial Smoothing		$ 19,742,991
Actuarial Value of Assets (June 30, 2009)		$ 138,441,127

EXHIBIT XVIII
PLAN B: FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund	$	20,570,181
Annuity Reserve Fund		58,060,771
Pension Accumulation Fund		32,772,037
Deferred Retirement Option Plan Account		4,048,866
Funding Deposit Account		1,806,555
NET MARKET VALUE OF ASSETS	$	117,258,410
ADJUSTMENT FOR ACTUARIAL SMOOTHING		21,041,671
ALLOCATION OF EXPENSE FUND		141,046
ACTUARIAL VALUE OF ASSETS	$	138,441,127

EXHIBIT XIX
PLAN B: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	89,654,223
Present Value of Benefits Payable to Terminated Employees		3,328,571
Present Value of Benefits Payable to Current Retirees and Beneficiaries		58,999,946
TOTAL PENSION BENEFIT OBLIGATION	$	151,982,740
NET ACTUARIAL VALUE OF ASSETS	$	138,441,127
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		91.09%

EXHIBIT XX
PLAN B: COST OF LIVING ADJUSTMENTS - TARGET RATIO

1. Actuarial Value of Assets Divided by PBO as of Fiscal 1986:.................................. 63.44%

2. Amortization of Unfunded Balance over 30 years:.. 28.03%

Adjustments in Funded Ratio Due to Changes in Assumption(s):

Changes for Fiscal 1988	2.40%
Changes for Fiscal 1989	(2.94%)
Changes for Fiscal 1995	(1.22%)
Changes for Fiscal 1997	(3.84%)
Changes for Fiscal 1998	(3.71%)
Changes for Fiscal 2000	(2.29%)
Changes for Fiscal 2001	1.21%
Changes for Fiscal 2003	0.53%
Changes for Fiscal 2005	(1.12%)
Changes for Fiscal 2006	5.18%
Changes for Fiscal 2009	6.13%

3. TOTAL Adjustments .... (0.33%)

Amortization of Adjustments in Funded Ratio over 30 years:

Changes for Fiscal 1988	(1.68%)
Changes for Fiscal 1989	1.96%
Changes for Fiscal 1995	0.57%
Changes for Fiscal 1997	1.54%
Changes for Fiscal 1998	1.36%
Changes for Fiscal 2000	0.69%
Changes for Fiscal 2001	(0.32%)
Changes for Fiscal 2003	(0.11%)
Changes for Fiscal 2005	0.15%
Changes for Fiscal 2006	(0.52%)
Changes for Fiscal 2009	0.00%

4. TOTAL Amortization of Adjustments 3.64%

5. Target Ratio for Current Fiscal Year (Lesser of 1+2+3+4 or 100%).......................... 95.44%

6. Actuarial Value of Assets Divided by PBO as of June 30, 2009 .... 91.09%

EXHIBIT XXI
PLAN B - CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2008	2,134	1,066	57	793	4,050
Additions to Census					
Initial membership	366	5			371
Death of another member				18	18
Omitted in error last year	2	1			(3)
Adjustment for multiple records				1	1
Change in Status during Year					
Actives terminating service	(65)	65			
Actives who retired	(36)			36	
Actives entering DROP	(30)	(1)	31		
Term. members rehired	4	(4)			
Term. members who retire		(10)		10	
Retirees who are rehired					
Refunded who are rehired	6	2			8
DROP participants retiring			(15)	15	
DROP returned to work	8		(8)		
Eliminated from Census					
Refund of contributions	(182)	(35)			(217)
Deaths	(3)			(33)	(36)
Included in error last year				(7)	
Adjustment for multiple records					
Moved to Plan A					
Number of members as of June 30, 2009	2,204	1,089	65	833	4,191

PLAN B - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	27	0	27	18,483	499,042
21 - 25	97	25	122	20,095	2,451,567
26 - 30	121	53	174	23,656	4,116,074
31 - 35	112	52	164	26,204	4,297,501
36 - 40	140	89	229	26,079	5,972,008
41 - 45	160	83	243	29,938	7,275,016
46 - 50	237	113	350	30,137	10,547,794
51 - 55	251	120	371	30,894	11,461,811
56 - 60	225	85	310	31,757	9,844,550
61 - 65	105	47	152	31,711	4,820,127
66 - 70	69	15	84	28,362	2,382,386
71 - 75	19	7	26	26,734	695,079
76 - 80	11	0	11	32,744	360,183
81 - 85	6	0	6	15,635	93,807
TOTAL	1,580	689	2,269	28,566	64,816,945

THE ACTIVE CENSUS INCLUDES 781 ACTIVES WITH VESTED BENEFITS, INCLUDING 65 DROP PARTICIPANTS AND 48 ACTIVE FORMER DROP PARTICIPANTS.

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	1	0	1	7,419	7,419
41 - 45	5	1	6	5,744	34,463
46 - 50	6	5	11	7,921	87,127
51 - 55	16	9	25	8,908	222,706
56 - 60	14	5	19	7,464	141,821
61 - 65	1	0	1	3,489	3,489
66 - 70	4	0	4	1,790	7,160
TOTAL	47	20	67	7,525	504,185

PLAN B - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	712	20,303
100	-	499	172	38,273
500	-	999	42	28,590
1000	-	1999	28	41,364
2000	-	4999	41	132,538
5000	-	9999	19	123,324
10000	-	19999	8	109,932
		TOTAL	1,022	494,324

PLAN B - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	2	0	2	11,445	22,890
51 - 55	4	0	4	17,976	71,902
56 - 60	11	3	14	19,695	275,734
61 - 65	70	22	92	11,659	1,072,600
66 - 70	74	28	102	9,863	1,005,993
71 - 75	105	40	145	9,794	1,420,171
76 - 80	70	25	95	8,460	803,678
81 - 85	45	16	61	7,995	487,675
86 - 90	23	15	38	6,142	233,387
91 - 99	9	3	12	4,612	55,347
TOTAL	413	152	565	9,645	5,449,377

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	1	0	1	6,872	6,872
41 - 45	1	0	1	7,217	7,217
46 - 50	6	2	8	10,852	86,812
51 - 55	7	1	8	8,122	64,972
56 - 60	14	3	17	9,138	155,353
61 - 65	7	2	9	7,868	70,816
66 - 70	1	1	2	8,755	17,509
71 - 75	2	1	3	6,125	18,375
76 - 80	1	0	1	10,484	10,484
81 - 85	0	1	1	4,033	4,033
TOTAL	40	11	51	8,675	442,443

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	0	1	1	4,280	4,280
41 - 45	0	2	2	2,500	4,999
46 - 50	2	4	6	6,835	41,008
51 - 55	2	11	13	6,732	87,520
56 - 60	0	14	14	6,083	85,159
61 - 65	0	16	16	6,600	105,592
66 - 70	1	29	30	6,082	182,468
71 - 75	1	32	33	5,633	185,899
76 - 80	1	35	36	7,004	252,155
81 - 85	1	31	32	5,921	189,459
86 - 90	0	28	28	4,024	112,661
91 - 99	0	6	6	1,026	6,157
TOTAL	8	209	217	5,794	1,257,357

PLAN B - ACTIVE MEMBERS:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
	Completed Years of Service											
0 - 20	23	4										27
21 - 25	60	35	19	5	3							122
26 - 30	58	30	22	14	10	35	5					174
31 - 35	33	30	24	16	9	29	21	2				164
36 - 40	40	19	22	28	17	47	30	24	2			229
41 - 45	36	20	33	12	19	52	36	23	9	3		243
46 - 50	43	39	33	19	18	53	43	45	20	32	5	350
51 - 55	35	31	30	20	10	59	47	55	29	33	22	371
56 - 60	27	21	27	16	17	58	29	45	36	8	26	310
61 - 65	9	5	13	8	11	32	21	23	17	5	8	152
66 - 70	7	8	3	8	1	12	13	9	11	9	3	84
71 & Over	1	1	2		2	5	6	9	7	4	6	43
Totals	372	243	228	146	117	382	251	235	131	94	70	2269

PLAN B - AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
	Completed Years of Service											
0 - 20	18,168	20,296										18,483
21 - 25	19,459	20,507	19,941	24,114	22,282							20,095
26 - 30	20,489	21,998	28,648	24,087	23,697	26,147	29,632					23,656
31 - 35	19,414	24,125	28,968	24,303	29,738	29,256	31,944	31,067				26,204
36 - 40	21,029	24,332	23,056	25,379	24,778	25,912	33,929	29,906	38,004			26,079
41 - 45	21,978	24,282	30,706	31,793	24,757	29,459	33,337	37,249	43,674	50,396		29,938
46 - 50	24,254	20,735	30,920	30,883	27,502	29,762	28,174	36,734	34,717	39,712	37,409	30,137
51 - 55	21,595	21,729	29,603	26,275	27,667	29,626	29,035	33,901	37,654	41,969	40,368	30,894
56 - 60	21,144	24,649	29,792	26,105	28,291	31,165	31,985	34,786	38,163	38,738	41,105	31,757
61 - 65	23,446	36,963	31,337	22,122	31,781	29,023	31,806	34,228	34,049	36,843	42,925	31,711
66 - 70	18,540	18,437	19,938	35,421	28,865	32,777	21,958	35,752	21,786	35,895	56,605	28,362
71 & Over	22,239	25,500	34,167		38,698	19,891	6,004	27,937	29,303	34,304	37,725	26,723
Average	20,913	22,585	28,391	26,911	27,107	28,973	30,000	34,383	35,518	40,014	41,192	28,566

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility										
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 35												0
36 - 40									1			1
41 - 45								6				6
46 - 50							11					11
51 - 55	1					24						25
56 - 60	2	2	6	7	2							19
61 - 65	1											1
66 - 70	4											4
71 & Over												0
Totals	8	2	6	7	2	24	11	6	1	0	0	67

PLAN B - AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility										
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 35												0
36 - 40									7,419			7,419
41 - 45								5,744				5,744
46 - 50							7,921					7,921
51 - 55	3,142					9,149						8,908
56 - 60	6,480	22,246	4,929	5,847	6,934							7,464
61 - 65	3,489											3,489
66 - 70	1,790											1,790
71 & Over												0
Average	3,344	22,246	4,929	5,847	6,934	9,149	7,921	5,744	7,419	0	0	7,525

PLAN B - SERVICE RETIREES:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
	Completed Years Since Retirement											
0 - 50	1			1								2
51 - 55			1	1		2						4
56 - 60	3	1	3	2	1	4						14
61 - 65	33	16	16	10	4	13						92
66 - 70	9	6	8	19	12	36	11	1				102
71 - 75	5	8	5	2	7	60	51	5	2			145
76 - 80	3	1	3		2	21	37	22	6			95
81 - 85	1			1		2	4	26	25	2		61
86 - 90			1			1	2	4	18	12		38
91 & Over								1	2	6	3	12
Totals	55	32	37	36	26	139	105	59	53	20	3	565

AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
	Completed Years Since Retirement											
0 - 50	13,978			8,911								11,445
51 - 55			25,375	17,853		14,337						17,975
56 - 60	14,110	28,820	21,139	26,666	18,825	17,252						19,695
61 - 65	10,575	9,754	15,065	11,979	10,175	12,772						11,659
66 - 70	9,538	8,492	8,330	9,090	9,885	10,031	11,019	28,894				9,863
71 - 75	7,023	9,170	9,938	16,860	10,197	10,137	9,421	12,647	2,504			9,794
76 - 80	3,466	6,812	6,397		4,390	8,145	8,959	7,638	14,653			8,460
81 - 85	11,986			1,192		5,532	5,673	8,160	8,184	11,995		7,995
86 - 90			4,396			3,699	4,191	7,883	6,260	6,058		6,142
91 & Over								12,169	4,886	4,153	2,830	4,612
Average	9,975	9,875	12,696	11,320	9,934	10,207	9,183	8,746	7,924	6,080	2,830	9,645

PLAN B - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 35												0
36 - 40			1									1
41 - 45					1							1
46 - 50	1	2	2			2	1					8
51 - 55	1	1	2		1	2		1				8
56 - 60	4	1	2			7	1	2				17
61 - 65		2	1			2	1	2			1	9
66 - 70						1	1					2
71 - 75								2	1			3
76 - 80								1				1
81 - 85										1		1
86 & Over												0
Totals	6	6	8	0	2	14	4	8	1	1	1	51

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 35												0
36 - 40			6,872									6,872
41 - 45					7,217							7,217
46 - 50	24,444	9,405	10,268			9,128	4,766					10,851
51 - 55	9,734	7,646	9,822		7,678	7,600		5,071				8,122
56 - 60	12,345	11,577	14,021			6,936	7,415	5,194				9,138
61 - 65		14,285	5,132			5,947	4,056	7,490			6,183	7,868
66 - 70						7,002	10,507					8,755
71 - 75								7,380	3,616			6,125
76 - 80								10,484				10,484
81 - 85										4,033		4,033
86 & Over												0
Average	13,926	11,101	10,028	0	7,448	7,207	6,686	6,960	3,616	4,033	6,183	8,675

PLAN B - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 30												0
31 - 35							1					1
36 - 40												0
41 - 45				1			1					2
46 - 50	1					2	1		2			6
51 - 55	1			1	1	5		4	1			13
56 - 60		1	1			4	4	2		2		14
61 - 65				3	1	6	4	2				16
66 - 70			3	1	4	8	7	6	1			30
71 - 75					2	6	9	12	4			33
76 - 80			1			2	9	9	13	2		36
81 - 85				2		2		4	15	7	2	32
86 - 90						1	1	1	4	9	12	28
91 & Over											6	6
Totals	2	1	5	8	8	36	37	40	40	20	20	217

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 30												0
31 - 35							4,280					4,280
36 - 40												0
41 - 45				2,757			2,242					2,499
46 - 50	5,675					10,435	8,406		3,029			6,835
51 - 55	2,684			11,673	12,825	4,932		8,211	2,836			6,732
56 - 60		8,078	17,065			6,568	4,908	3,148		3,908		6,083
61 - 65				4,808	11,683	7,014	6,924	4,851				6,600
66 - 70			5,147	5,991	3,927	4,515	8,955	6,672	6,493			6,082
71 - 75					8,685	3,743	6,503	5,075	6,662			5,633
76 - 80			966			3,251	7,823	7,883	6,017	12,561		7,004
81 - 85				6,648		10,236		6,641	6,697	3,484	2,140	5,921
86 - 90						2,131	2,725	430	9,064	5,149	2,065	4,024
91 & Over											1,026	1,026
Average	4,180	8,078	6,694	6,018	7,198	5,599	6,935	6,193	6,424	5,183	1,761	5,794

EXHIBIT XXII
PLAN B: YEAR-TO-YEAR COMPARISON

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Number of Active Members	2,269	2,191	2,153	2,060
Number of Retirees and Survivors	833	793	794	763
Number Terminated Due Deferred Benefits	67	68	74	77
Number Terminated Due Refund	1,022	998	928	777
Active Lives Payroll	$ 64,816,945	$ 59,233,705	$ 54,572,935	$ 51,055,201
Retiree Benefits in Payment	$ 7,149,177	$ 6,625,934	$ 6,328,157	$ 5,872,330
Market Value of Assets	$ 117,258,410	$ 134,832,148	$ 132,326,073	$ 111,581,452
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability	96.57%	96.33%	95.81%	95.13%
Actuarial Accrued Liability (As defined by GASB– 25)	$ 143,353,668	$ 141,390,296	$ 129,930,047	$ 117,108,583
Actuarial Value of Assets	$ 138,441,127	$ 136,207,119	$ 124,483,332	$ 111,404,638
Unfunded Actuarial Accrued Liability	$ 4,912,541	$ 5,183,177	$ 5,446,715	$ 5,703,945
Present Value of Future Employer Normal Cost	$ 38,895,181	$ 26,827,388	$ 26,365,299	$ 32,959,966
Present Value of Future Employee Contributions	$ 21,769,886	$ 19,992,613	$ 18,627,179	$ 17,883,419
Funding Deposit Account Credit Balance	$ 1,806,555	N/A	N/A	N/A
Present Value of Future Benefits	$ 202,212,180	$ 188,210,297	$ 174,922,525	$ 167,951,968

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	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Employee Contribution Rate	5.00%	5.00%	5.00%	5.00%
Proj. Tax Contribution as % of Projected Payroll	3.06%	2.82%	2.60%	2.54%
Actuarially Req'd Net Direct Employer Cont. Rate	5.95%	4.50%	5.06%	7.08%
Actual Employer Direct Contribution Rate	6.75%	6.75%	6.75%	9.75%

Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
2,038	2,052	2,064	2,066	2,069	2,068
745	734	720	705	700	689
79	74	63	60	53	52
806	820	790	761	713	715
$ 48,690,316	$ 47,676,817	$ 45,260,679	$ 43,560,002	$ 42,572,472	$ 41,586,147
$ 5,649,984	$ 5,476,263	$ 5,216,962	$ 5,039,462	$ 4,855,154	$ 4,579,320
$ 101,109,899	$ 92,904,743	$ 83,836,074	$ 81,767,131	$ 87,702,933	$ 100,649,110
94.18%	93.51%	93.04%	92.99%	92.86%	92.73%
$ 102,373,290	$ 95,618,087	$ 92,615,633	$ 95,381,233	$ 96,857,576	$ 104,176,006
$ 96,417,685	$ 89,415,704	$ 86,170,714	$ 88,697,416	$ 89,937,940	$ 96,602,212
$ 5,955,605	$ 6,202,383	$ 6,444,919	$ 6,683,817	$ 6,919,636	$ 7,573,794
$ 41,742,178	$ 42,458,765	$ 36,670,550	$ 28,532,252	$ 22,615,159	$ 12,529,147
$ 17,253,376	$ 18,040,618	$ 17,184,709	$ 16,666,322	$ 16,496,208	$ 16,317,771
N/A	N/A	N/A	N/A	N/A	N/A
$ 161,368,844	$ 156,117,470	$ 146,470,892	$ 140,579,807	$ 135,968,943	$ 133,022,924

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Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2.36%	2.37%	2.28%	2.27%	2.18%	2.01%
9.86%	9.72%	9.22%	7.53%	6.16%	3.68%
9.75%	9.50%	7.75%	6.25%	4.50%	4.50%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

All members of the Municipal Employees' Retirement System are participants in either Plan A or B according to the provisions of the agreement entered into by their employer. All employees of a participating employer must participate in the same plan. The principal provisions of each plan are given below. The following summary of plan provisions as of June 30, 2008, is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP - All persons who are actively employed by a participating employer on a permanent, regularly scheduled basis of at least an average of thirty-five hours per week are members of this system. Excluded from membership are members of city councils, alderman, town councilmen, and constables; the exclusion does not apply to persons serving in excluded positions on January 1, 1997.

PLAN A PROVISIONS:

CONTRIBUTION RATES - Employee contributions in Plan A are 9.25% of the member's earnings. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish, and remits the money to the system on an annual basis. Taxes are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Taxes received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The system also receives revenue sharing funds each year as appropriated by the legislature. The remaining employer contributions are determined according to actuarial requirements and are set annually.

RETIREMENT BENEFITS - Members with ten years of creditable service may retire at age sixty; members with twenty-five years of service may retire regardless of age. The monthly retirement allowance is equal to three percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service. However, the accrued retirement benefits for those employees who were members of only the supplemental plan prior to October 1, 1978, are based on one percent of final compensation plus two dollars per month for each year of service credited prior to October 1, 1978. The retirement allowance may not exceed the greater of final annual salary or one hundred percent of the member's final average compensation. Members with twenty years of service credit, not otherwise eligible for normal retirement, are eligible for a modified actuarially reduced early retirement.

DISABILITY BENEFITS - Five years of creditable service are required in order to be eligible for disability benefits. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement, he receives a disability benefit equal to the lesser of:

1) Forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or
2) Three percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

SURVIVOR BENEFITS - Five years of creditable service are required in order to be eligible for survivor benefits. If the member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option two benefit. If the member is not eligible for a normal retirement, the surviving spouse with minor children receives sixty percent of final compensation payable until no child in her care satisfies the definition of minor child. The surviving spouse with no minor children receives forty percent of final compensation payable upon attainment of age sixty by the spouse, or the actuarial equivalent of this amount payable immediately (such equivalent not to be less than 20% of final compensation). Minor children with no surviving unmarried parent receive thirty percent of final compensation each not to exceed a total of sixty percent of final compensation. Survivor benefits are also payable to the surviving spouse's of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the member survived until that date, elected Option 2, and died at that time.

PLAN B PROVISIONS:

CONTRIBUTION RATES - Employee contributions in Plan B are 5.00% of the member's earnings. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish, and remits the money to the system on an annual basis. Taxes are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Taxes received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The system also receives revenue sharing funds each year as appropriated by the legislature. The remaining employer contributions are determined according to actuarial requirements and are set annually.

RETIREMENT BENEFITS - Members with ten years of creditable service may retire at age sixty; members with thirty years of service may retire at any age. The monthly retirement allowance is equal to two percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service.

DISABILITY BENEFITS - Ten years of creditable service are required in order to be eligible for disability benefits. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement allowance, he receives a disability benefit equal to the lesser of:

1) Thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; and
2) Two percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

SURVIVOR BENEFITS - The surviving spouse of a member who was eligible for normal retirement at the time of death receives an automatic option two benefit. The surviving spouse of a member with five or more years of creditable service and not eligible for normal retirement at the time of death receives either 30% of the member’s final compensation payable to the spouse when they attain age 60 or an actuarial equivalent of 30% of the deceased member’s final compensation, but not less than 15% of such final compensation. Survivor benefits are also payable to the surviving spouse's of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the member survived until that date, elected Option 2, and died at that time.

PROVISIONS APPLICABLE TO BOTH PLAN A AND B:

FINAL AVERAGE COMPENSATION – For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve month period within the thirty-six month period shall not exceed 125% of the preceding twelve month period.

For a member whose first employment making him eligible for membership in the system began after June 30, 2006, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve month period within the thirty-six month period shall not exceed 125% of the preceding twelve month period.

UNUSED SICK & ANNUAL LEAVE – All unused sick and annual leave is credited at the time of retirement to the member if the employer so elects for his employees. The actuarial cost of providing this conversion is borne solely by the employer and must be paid to the board within thirty days of the member’s retirement date.

OPTIONAL ALLOWANCES - Members may receive their benefits as a life annuity, or in lieu of such a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

Option 2 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 - Upon retirement, the member elects to receive a board-approved benefit which is actuarially equivalent to the maximum benefit.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 ½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

DEFERRED RETIREMENT OPTION PLAN - In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible for a normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP account. After a member terminates his participation in DROP his account will earn interest at the actual rate of return earned on the funds left on deposit as certified by the custodian of the system's assets. This interest will be credited to the individual member's account balance on a daily basis beginning July 1, 2006. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to, or at the end of, the specified period of participation, a participant in the plan may receive, at his option, a lump sum payment from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the DROP account will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system. For any member hired prior to July 1, 2006, additional accrued benefits are based on final average compensation used to calculate the member's original benefit unless the additional period of service is at least thirty-six months. For any member hired on or after July 1, 2006, whose period of additional service after their DROP participation period ends is less than sixty months, the final compensation figure used to calculate the additional benefit will be that used to calculate the original benefit. If their period of additional service is sixty months or more, the final compensation figure used to calculate the additional benefit will be based on their compensation during the period of additional service.

COST OF LIVING INCREASES - The board of trustees is authorized to grant retired members, and widows of members, who have been retired for at least one full year an annual cost of living increase of two percent of their original benefit and all retired members and widows who are sixty-five years of age and older a two percent increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings on investments. In lieu of other cost of living increases the board may grant an increase to retirees in the form "X×(A&B)" where "A" is equal to the number of years of credited service accrued as retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of $1.00.

ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The effect of emerging experience on the fund is illustrated by the following chart.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

ACTUARIAL COST METHOD: Frozen Attained Age Normal Actuarial Cost Method with allocation based on earnings. The frozen actuarial accrued liabilities were calculated on the projected unit credit cost method.

ACTUARIAL ASSET VALUES: Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

VALUATION INTEREST RATE: 8% (Net of Investment Expense)

ANNUAL SALARY INCREASE RATE: 6% (3.25% Inflation / 2.75% Merit)

ANNUITANT MORTALITY: 1994 Uninsured Pensioners' Table set forward 2 years (male mortality is based on 2 year set forward of the male table and female mortality is based on 2 year set forward of the female table)

RETIREE COST OF LIVING INCREASES: The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

RATES OF RETIREMENT: The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. Members are assumed to retire no earlier than normal retirement age. In the first year of eligibility the tabular rates are multiplied by 1.5.

RETIREMENT LIMITATIONS: Projected retirement benefits are not subjected to IRS Section 415 limits.

DROP ENTRY RATES: The table of these rates is included later in the report. These rates apply only to those individuals eligible to participate in DROP. In the first year of eligibility the tabular rates are multiplied by 1.5.

DROP PARTICIPATION PERIOD: All DROP participants are assumed to participate for 3 years and retire at the end of this participation period.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS: Retirement rates for active former DROP participants are as follows:

Ages	Retirement Rates
Below 89	0.21
90	1.00

RATES OF WITHDRAWAL: The rates of withdrawal are applied based upon completed years of service according to the following table:

Service	Plan A	Plan B
0	0.24	0.26
1	0.19	0.20
2	0.16	0.15
3	0.12	0.15
4	0.10	0.10
5	0.08	0.10
6	0.08	0.09
7	0.08	0.09
8	0.06	0.06
9	0.06	0.05

10	0.06	0.05
11	0.05	0.05
12	0.05	0.05
13	0.05	0.05
14	0.03	0.05
15	0.03	0.05
16	0.03	0.03
17	0.01	0.03
18	0.01	0.03
19	0.01	0.03
20	0.01	0.02
over 20	0.01	0.02

Note: The withdrawal rate for individuals eligible to retire is assumed to be zero.

RATES OF DISABILITY: 25% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10 – 19 years of service.

MARRIAGE STATISTICS: 80% of the members are assumed to be married; husbands are assumed to be three years older than wives.

FAMILY STATISTICS: Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2000 U. S. Census:

Member's Age	% With Children	Number of Children	Average Age
25	62%	1.7	6
35	82%	2.1	10
45	66%	1.8	13
55	19%	1.4	15
65	2%	1.4	15

DISABLED LIVES MORTALITY: RP-2000 Disabled Lives Mortality Tables for Males and Females

VESTING ELECTING PERCENTAGE: 30% of those members under age 40 who are terminated vested elect deferred benefits in lieu of contribution refunds. 45% of those who are between the ages of 40 - 49 who are terminated vested elect deferred benefits in lieu of contribution refunds. 60% of those who are at least age 50 who are terminated vested elect deferred benefits in lieu of contribution refunds.

ACTUARIAL TABLES AND RATES

Age	Male Mortality Rates	Female Mortality Rates	Plan A Retirement Rates	Plan B Retirement Rates	Plan A DROP Entry Rates	Plan B DROP Entry Rates	Base Disability	Remarriage Rates Rates
18	0.00054	0.00031	0.00000	0.00000	0.00000	0.00000	0.00150	0.05665
19	0.00057	0.00031	0.00000	0.00000	0.00000	0.00000	0.00150	0.05665
20	0.00060	0.00031	0.00000	0.00000	0.00000	0.00000	0.00150	0.05665
21	0.00063	0.00031	0.00000	0.00000	0.00000	0.00000	0.00150	0.05213
22	0.00067	0.00031	0.00000	0.00000	0.00000	0.00000	0.00150	0.04834
23	0.00071	0.00031	0.00000	0.00000	0.00000	0.00000	0.00150	0.04522
24	0.00075	0.00032	0.00000	0.00000	0.00000	0.00000	0.00150	0.04270
25	0.00078	0.00032	0.00000	0.00000	0.00000	0.00000	0.00150	0.04070
26	0.00081	0.00034	0.00000	0.00000	0.00000	0.00000	0.00150	0.03915
27	0.00084	0.00036	0.00000	0.00000	0.00000	0.00000	0.00150	0.03799
28	0.00086	0.00038	0.00000	0.00000	0.00000	0.00000	0.00150	0.03714
29	0.00088	0.00040	0.00000	0.00000	0.00000	0.00000	0.00150	0.03654
30	0.00090	0.00043	0.00000	0.00000	0.00000	0.00000	0.00150	0.03611
31	0.00091	0.00045	0.00000	0.00000	0.00000	0.00000	0.00150	0.03578
32	0.00091	0.00048	0.00000	0.00000	0.00000	0.00000	0.00150	0.03549
33	0.00091	0.00051	0.00000	0.00000	0.00000	0.00000	0.00150	0.03515
34	0.00093	0.00055	0.00000	0.00000	0.00000	0.00000	0.00150	0.03471
35	0.00096	0.00059	0.00000	0.00000	0.00000	0.00000	0.00170	0.03409
36	0.00101	0.00064	0.00000	0.00000	0.00000	0.00000	0.00190	0.03286
37	0.00107	0.00070	0.00000	0.00000	0.00000	0.00000	0.00210	0.03139
38	0.00115	0.00076	0.00000	0.00000	0.00000	0.00000	0.00240	0.02973
39	0.00124	0.00083	0.00000	0.00000	0.00000	0.00000	0.00270	0.02787
40	0.00135	0.00089	0.00000	0.00000	0.00000	0.00000	0.00310	0.02585
41	0.00145	0.00094	0.06000	0.00000	0.27000	0.00000	0.00350	0.02352
42	0.00157	0.00099	0.06000	0.00000	0.27000	0.00000	0.00390	0.02111
43	0.00170	0.00105	0.06000	0.00000	0.27000	0.00000	0.00440	0.01868
44	0.00185	0.00111	0.06000	0.00000	0.27000	0.00000	0.00500	0.01629
45	0.00204	0.00120	0.06000	0.00000	0.27000	0.00000	0.00570	0.01400
46	0.00226	0.00130	0.06000	0.06000	0.27000	0.19000	0.00650	0.01208
47	0.00250	0.00141	0.06000	0.06000	0.27000	0.19000	0.00730	0.01034
48	0.00277	0.00154	0.06000	0.06000	0.27000	0.19000	0.00830	0.00879
49	0.00309	0.00169	0.06000	0.06000	0.27000	0.19000	0.00940	0.00744
50	0.00345	0.00186	0.06000	0.06000	0.27000	0.19000	0.01070	0.00629
51	0.00385	0.00205	0.06000	0.06000	0.27000	0.19000	0.01220	0.00551
52	0.00428	0.00224	0.06000	0.06000	0.27000	0.19000	0.01380	0.00493
53	0.00476	0.00247	0.06000	0.06000	0.27000	0.19000	0.01570	0.00451
54	0.00532	0.00276	0.06000	0.06000	0.27000	0.19000	0.01780	0.00423
55	0.00600	0.00314	0.06000	0.36000	0.27000	0.30000	0.02020	0.00406
56	0.00677	0.00361	0.06000	0.22000	0.27000	0.30000	0.02300	0.00000
57	0.00762	0.00415	0.06000	0.22000	0.27000	0.30000	0.02610	0.00000
58	0.00858	0.00477	0.06000	0.22000	0.27000	0.30000	0.02960	0.00000
59	0.00966	0.00548	0.06000	0.22000	0.27000	0.12500	0.03370	0.00000
60	0.01091	0.00627	0.14000	0.12000	0.27000	0.12500	0.04880	0.00000
61	0.01233	0.00718	0.14000	0.12000	0.12000	0.12500	0.05300	0.00000
62	0.01391	0.00819	0.14000	0.12000	0.12000	0.12500	0.05780	0.00000
63	0.01563	0.00929	0.14000	0.12000	0.12000	0.12500	0.05550	0.00000
64	0.01746	0.01042	0.14000	0.12000	0.12000	0.12500	0.03510	0.00000
65	0.01939	0.01157	0.14000	0.12000	0.12000	0.12500	0.00630	0.00000

GLOSSARY

Accrued Benefit – The pension benefit that an individual has earned as of a specific dated based on the provisions of the plan and the individual's age, service, and salary as of that date.

Actuarial Accrued Liability – The actuarial present value of benefits payable to members of the fund less the present value of future normal costs attributable to the members.

Actuarial Assumptions - Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

Actuarial Cost Method – A procedure for determining the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

Actuarial Equivalence – Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

Actuarial Gain (Loss) – The financial effect on the fund of the difference between the expected and actual experience of the fund. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

Actuarial Present Value - The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability of payments. For example: if $600 invested today will be worth $1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of $1,000 payable to that person if he should survive 10 years is $300.

Actuarial Value of Assets - The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to the book value, market value, or some modification involving either or both book and market value. Adjustments to market values are often made to reduce the volatility of asset values.

Asset Gain (Loss) - That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization Payment - That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Contribution Shortfall (Excess) - The difference between contributions recommended in the prior valuation and the actual amount received.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Employer Normal Cost - That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing and revenues related to taxes.

Funded Ratio – A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

Normal Cost - That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

Pension Benefit Obligation - The actuarial present value of benefits earned or credited to date based on the members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

Projected Benefits – The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

Unfunded Actuarial Accrued Liability - The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefits - Benefits that the members are entitled to even if they withdraw from service.

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