

July 29, 2011

Nancy Ostrowski  
Senior Business Representative  
IFPTE, Local 21  
4 N. Second Street, Suite 430  
San Jose, CA 95113

John Mukhar  
President  
AEA, IFPTE Local 21  
c/o ESD  
700 Los Esteros Road  
San Jose, CA 95134

Dale Dapp  
President  
AMSP  
c/o DOT  
200 E. Santa Clara Street  
San Jose, CA 95113

Cay Denise MacKenzie  
President  
CAMP, IFPTE Local 21  
c/o OES  
855 N. San Pedro, Room 404  
San Jose, CA 95110

**RE: July 28, 2011, Letter from AEA, AMSP and CAMP**

Dear Nancy, John, Dale and Cay Denise:

We are in receipt of your letter dated July 28, 2011. We wanted to provide clarification on some of the points raised in your letter which are of concern.

Your letter states that your actuary "has provided his costing of the plan for your review," in reference to your "March 2011 retirement reform proposal." We wanted to clarify that you have not provided any such actuarial costing, only that your March 2011 proposal projects to a normal cost of 11.28%. To date, the City has not received any information from you regarding the data used to come to this conclusion or how it was analyzed. Nonetheless, as we communicated during our meeting on July 28, 2011, our actuary has validated your normal cost projection of 11.28%.

We would also like to note that, during our meeting on July 28, 2011, you raised concerns that the City has not evaluated the potential cost savings of your March 2011 proposal if current employees opted-in to your proposed retirement benefit. As we indicated during our meeting, such costing has been done for other unions' proposals with the assumption that all current employees represented by these bargaining units opted-in to the new plan. As we also stated during our meeting, an accurate estimation of any savings hinges on the number of employees estimated to opt-in as well as the demographics of the employees who opt-in (i.e. how many years of service, salary, etc.) If no current employee opts-in to the new plan, then it follows that there would be no savings realized or achieved. We would also like to remind you that any opt-in program would have to be approved by the Internal Revenue Service prior to implementation. Because of the uncertainty of when and if an opt-in program would receive IRS approval, it is difficult to determine when and if any savings may be achieved.

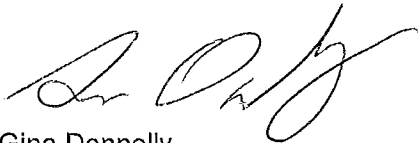
AEA, AMSP and CAMP  
RE: July 28, 2011, Letter from AEA, AMSP and CAMP  
July 29, 2011  
Page 2 of 2

At our meeting, we asked if you could provide us the savings you estimated would result from your proposed retirement plan and if any projected savings assumed that all employees represented by AEA, AMSP and/or CAMP will opt-in to this new plan. We did not receive a response from you and, accordingly, we would appreciate any clarification you can provide.

Your letter also refers to the City's perceived failure to evaluate a recommendation of a plan capping the City's normal cost at "50% of the current normal cost," instead evaluating 50% of the City's normal cost. While we haven't researched further whether your allegation is in fact correct, we are confused regarding the relationship between evaluating a specific recommendation which has not been proposed at the table, either by the unions or by the City, and current negotiations on retirement reform. Neither your proposal nor the City's involve this recommendation and we are at a loss as to how this affects current negotiations. Further, this proposal is not part of current City Council direction.

Regarding your request "for costing out validation of your (the City's) retirement reform proposals," please find attached the information the City has utilized in coming to its proposals. Additionally, per your request, a copy of the documents we provided in response to the POA's information request on July 26, 2011, are available for retrieval in our office's will-call at your convenience.

Sincerely,



Gina Donnelly  
Deputy Director of Employee Relations

Enclosure

	30-Jun-09	30-Jun-10	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Expected net return		-2.104%									
Standard deviation		0.139427									
Future contributions (1=yes; 2=no)											
Number of Trials											

**Federated**

Actual earnings last 12 months	7.750%	13.943%	7.980%	7.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%
Expected earnings next 12 months	7.850%	7.950%	7.950%	7.500%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%
Discount rate next 12 months	7.750%	7.950%	7.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%	6.750%
Market value - total retirement	1,442,202.000	1,412,802.000	1,585,722.705	1,697,980.815	1,794,640.757	1,833,553.366	1,867,221.098	1,891,291.798	1,905,869.488	1,911,932.341	1,908,218.469
Expected Market Value - retirement	1,421,345.713	1,421,345.713	1,585,722.705	1,697,980.815	1,794,640.757	1,833,553.366	1,867,221.098	1,891,291.798	1,905,869.488	1,911,932.341	1,908,218.469
Market Value Less	91,486.287	91,486.287	-	-	-	-	-	-	-	-	-

2 Investment gain (loss) for plan year ending:  
 a. Third prior year 16,639,000 117,878,000 (205,061,000) (432,764,000) 91,456,287 - - - - -  
 b. Second prior year 124,325,000 (205,061,000) (432,764,000) 91,456,287 - - - - -  
 c. First prior year (216,586,000) (432,764,000) 91,456,287 - - - - -  
 d. Most recent year (460,059,000) 91,456,287 - - - - -

3 Total deferred return (444,961,000) (244,942,170) (159,244,028) (49,970,285) 18,291,257 - - - - -

4 Preliminary smoothed value 1,897,163,000 1,757,744,170 1,744,966,734 1,737,261,100 1,776,349,500 1,833,553,366 1,867,221,098 1,891,291,798 1,905,869,488 1,911,932,341 1,908,218,469

5 Corridor limit  
 a. 80% of market value - N/A  
 b. 120% of market value - N/A

6 Smoothed market value 1,897,163,000 1,757,744,170 1,744,966,734 1,737,261,100 1,776,349,500 1,833,553,366 1,867,221,098 1,891,291,798 1,905,869,488 1,911,932,341 1,908,218,469

7 BOY market value - retirement 1,776,256,000 1,556,638,000 1,512,802,000 1,585,722,706 1,687,290,815 1,794,640,757 1,833,553,366 1,867,221,098 1,891,291,798 1,905,869,488 1,911,932,341

8 BOY smoothed value - retirement 1,894,298,120 1,756,588,000 1,757,744,170 1,744,966,734 1,737,261,100 1,776,349,500 1,833,553,366 1,867,221,098 1,891,291,798 1,905,869,488 1,911,932,341

9.1 Contributions - total retirement last 12 months - er 54,555,947 60,993,598 15,244,010 15,244,010 16,556,202 9,664,308 10,034,451 10,418,770 10,817,809 11,232,131 11,662,322

9.2 Contributions - total retirement last 12 months - ee 102,313,000 67,961,440 73,371,661 105,531,717 127,826,286 65,838,814 68,368,197 69,258,988 69,258,988 71,567,250 74,072,122

9.3 Contributions - total retirement last 12 months - ee (355,172,293) 198,114,560 141,400% 1,926,954,646 1,173,755,962 6,980,000 120,361,030 122,806,454 124,714,447 126,045,362 126,793,542 126,947,784

1 Investment income on market value -18,863,796 14,140,00% 8,120,00% 27,558,134 23,028,775 22,498,505 22,211,616 22,075,784 22,071,212 22,071,212 22,071,212 22,071,212 22,071,212

2 SRBP at BOY before distribution 19,933,389 1,583,389 1,985,486 1,724,129 1,451,406 1,442,500 1,442,500 1,442,500 1,442,500 1,442,500 1,442,500 1,442,500

3 SRBP regular interest 184,309 6,238,944 2,149,775 2,149,775 2,149,775 2,149,775 2,149,775 2,149,775 2,149,775 2,149,775 2,149,775 2,149,775

4 SRBP excess interest excludes COLA & Medical reserves 19,788,791 27,558,134 23,028,775 22,498,505 22,211,616 22,075,784 22,071,212 22,071,212 22,071,212 22,071,212 22,071,212 22,071,212

5 Total SRBP interest credited 19,788,791 27,558,134 23,028,775 22,498,505 22,211,616 22,075,784 22,071,212 22,071,212 22,071,212 22,071,212 22,071,212 22,071,212

6 Minimum SRBP (\$700 time before count) 20,503,000 21,777,000 20,503,000 20,503,000 20,503,000 20,503,000 20,503,000 20,503,000 20,503,000 20,503,000 20,503,000 20,503,000

7 SRBP distribution - paid next FY assume 12/31 5,761,134 3,423,717 1,966,505 1,708,616 1,708,616 1,572,784 1,572,784 1,572,784 1,572,784 1,572,784 1,572,784

8 PVB - Retirees 1,300,786,000 1,418,795,000 1,414,391,671 1,254,094,119 1,217,908,575 1,177,087,344 1,131,345,033 1,080,320,194 1,028,594,248 961,600,316 894,328,858

9 PVB - VTS 92,346,000 85,904,000 82,291,807 98,730,821 104,234,198 109,575,526 114,641,228 119,216,822 123,132,715 128,676,675 132,923,208

PVB - Actives 1,527,104,000 1,871,557,000 1,489,486,551 1,560,563,733 1,677,435,784 1,763,298,343 1,847,087,812 1,926,777,232 2,001,500,951 2,071,186,529 2,134,247,877

Total 2,920,216,000 2,892,256,000 2,996,140,029 2,943,388,673 2,999,638,557 3,049,939,214 3,099,074,133 3,126,313,918 3,148,227,964 3,158,501,943 3,158,501,943

Pension Benefit Payments - Retirees last 12 months 105,693,000 112,800,116 116,954,146 119,096,195 123,297,293 125,481,702 126,874,450 128,676,675 129,523,208 129,523,208

Pension Benefit Payments - VTS last 12 months 453,865 8,057,096 8,057,096 8,057,096 8,057,096 8,057,096 8,057,096 8,057,096 8,057,096 8,057,096 8,057,096

Pension Benefit Payments - Actives last 12 months 1,219,000 1,219,000 1,219,000 1,219,000 1,219,000 1,219,000 1,219,000 1,219,000 1,219,000 1,219,000 1,219,000

Pension Benefit Payments - Active new entrants last 12 months 108,912,000 121,320,066 129,509,254 137,852,305 147,285,235 157,506,919 169,902,732 183,034,922 194,802,810 207,541,533 207,541,533

Total Pension Benefit Payments - Total last 12 months 335,478,000 381,898,000 354,165,425 54,902,493 744,108,232 766,553,311 788,348,258 779,459,504 789,758,839 799,132,746 807,456,699

PVFNC - City 98,585,000 81,898,000 81,898,000 81,898,000 81,898,000 81,898,000 81,898,000 81,898,000 81,898,000 81,898,000 81,898,000

PVFNC - Employee 424,063,000 381,898,000 354,165,425 54,902,493 744,108,232 766,553,311 788,348,258 779,459,504 789,758,839 799,132,746 807,456,699

AAL - Retirees 1,300,786,000 1,418,795,000 1,414,391,671 1,254,094,119 1,217,908,575 1,177,087,344 1,131,345,033 1,080,320,194 1,028,594,248 961,600,316 894,328,858

AAL - VTS 92,346,000 85,904,000 82,291,807 98,730,821 104,234,198 109,575,526 114,641,228 119,216,822 123,132,715 128,676,675 132,923,208

AAL - Actives 1,089,041,000 1,008,659,000 1,135,311,126 1,155,861,240 1,165,660,073 1,177,764,890 1,188,616,366 1,199,113,194 1,209,113,194 1,219,113,194 1,229,113,194

Total 2,486,155,000 2,510,358,000 2,716,109,799 2,212,226,107 2,255,530,325 2,293,405,903 2,324,724,875 2,346,853,814 2,358,661,145 2,360,330,574 2,351,045,255

1,0383 NC - Actives City next 12 months - boy 44,092,283 39,124,824 42,492,659 49,316,031 56,754,125 64,200,508 71,764,669 79,459,504 87,291,798 95,182,504 103,163,529

1,0383 NC - Actives Employee next 12 months - boy 44,092,283 39,124,824 42,492,659 49,316,031 56,754,125 64,200,508 71,764,669 79,459,504 87,291,798 95,182,504 103,163,529

1,0383 NC - City total - boy 88,184,566 78,249,648 84,985,318 98,632,062 113,508,250 133,401,016 153,529,277 178,919,008 202,454,396 230,365,008 266,327,058

1,0383 NC - Changes in benefits or changes in assumptions 2,486,155,000 2,510,358,000 2,716,109,799 2,212,226,107 2,255,530,325 2,293,405,903 2,324,724,875 2,346,853,814 2,358,661,145 2,360,330,574 2,351,045,255

AAL - Total Pension & SRBP 1,887,163,000 1,757,744,170 1,744,966,734 1,737,261,100 1,776,349,500 1,833,553,366 1,867,221,098 1,891,291,798 1,905,869,488 1,911,932,341 1,908,218,469

AAL - SRBP 19,788,791 28,331,170 23,926,775 22,469,505 22,211,616 22,075,784 22,071,212 22,071,212 22,071,212 22,071,212 22,071,212

Expected AAL 774,857,674 822,400,139 1,022,034,585 431,532,495 503,089,355 481,069,677 479,123,035 476,159,966 476,159,966 476,159,966 476,159,966

	Actual UAAL	729,566,892	780,944,830	995,069,840	497,434,512	501,392,441	481,928,321	479,574,989	477,692,582	474,690,509	470,477,034	464,902,254
	Total Gains/loss		6,087,156	172,669,701	(524,600,073)	69,889,957	(21,161,034)	(1,494,689)	(1,490,453)	(1,479,477)	(1,492,509)	(1,499,582)
	Unexplained Gains/loss			(0)	33,556,441	(0)	0	(0)	(0)	(0)	0	0
Balance	June 30, 2009 - City over 30 years - declining	729,566,892	743,488,000	757,659,216	759,689,218	773,133,799	774,919,020	774,866,053	772,752,809	768,392,389	761,512,248	751,987,670
Balance	June 30, 2010 - City - New over 20 years - declining		37,436,000	37,593,596	37,561,258	37,033,229	36,259,078	35,486,696	34,456,715	33,282,959	31,745,159	30,934,056
Balance	June 30, 2012 - City - New over 20 years - declining			199,814,528	200,538,496	198,322,532	(501,644,207)	(494,699,443)	(485,124,161)	(474,320,914)	(460,974,637)	(444,151,259)
Balance	June 30, 2014 - City - New over 20 years - declining				(510,152,460)	(308,737,697)	(398,670)	(353,030)	(348,143)	(341,827)	(335,946)	(324,339)
Balance	June 30, 2015 - City - New over 20 years - declining					(395,078)	(22,976,109)	(22,764,371)	(22,535,639)	(22,283,897)	(21,974,372)	(21,617,312)
Balance	June 30, 2016 - City - New over 20 years - declining						(4,992,416)	(4,999,143)	(4,999,007)	(4,999,007)	(4,999,007)	(4,999,007)
Balance	June 30, 2017 - City - New over 20 years - declining						(3,599,434)	(3,599,434)	(3,599,434)	(3,599,434)	(3,599,434)	(3,599,434)
Balance	June 30, 2018 - City - New over 20 years - declining											
Balance	June 30, 2019 - City - New over 20 years - declining											
Balance	June 30, 2020 - City - New over 20 years - declining											
Balance	June 30, 2021 - City - New over 20 years - declining											
Balance	June 30, 2022 - City - New over 20 years - declining											
Balance	June 30, 2023 - City - New over 20 years - declining											
Balance	June 30, 2024 - City - New over 20 years - declining											
Balance	June 30, 2025 - City - New over 20 years - declining											
Balance	June 30, 2026 - City - New over 20 years - declining											
Balance	June 30, 2027 - City - New over 20 years - declining											
Balance	June 30, 2028 - City - New over 20 years - declining											
Balance	June 30, 2029 - City - New over 20 years - declining											
Balance	June 30, 2030 - City - New over 20 years - declining											
Balance	June 30, 2031 - City - New over 20 years - declining											
Balance	June 30, 2032 - City - New over 20 years - declining											
Balance	June 30, 2033 - City - New over 20 years - declining											
Balance	June 30, 2034 - City - New over 20 years - declining											
Total Balance		729,566,892	780,944,000	995,069,840	497,434,512	501,392,441	481,928,321	479,574,989	477,692,582	474,690,509	470,477,034	464,902,254

1,0390	June 30, 2009 - City over 30 years - declining	40,287,471	44,936,080	46,688,687	48,509,442	50,401,310	52,366,961	54,409,273	56,531,234	58,735,953	61,026,655	63,406,694
1,0390	June 30, 2010 - City - New over 20 years - declining		2,537,759	2,948,428	3,092,417	3,182,890	3,207,022	3,231,311	3,257,001	3,279,231	3,296,881	3,310,192
1,0393	June 30, 2012 - City - New over 20 years - declining			14,963,766	13,568,417	16,131,840	(40,604,679)	(42,597,484)	(43,990,169)	(45,672,892)	(47,424,344)	(49,240,697)
1,0393	June 30, 2014 - City - New over 20 years - declining				(37,949,854)	(26,657)	(1,700,389)	(1,769,482)	(1,833,111)	(1,903,956)	(1,976,219)	(2,051,905)
1,0393	June 30, 2015 - City - New over 20 years - declining							(394,590)	(384,590)	(389,320)	(384,614)	(380,499)
1,0393	June 30, 2016 - City - New over 20 years - declining							(287,781)	(278,037)	(272,634)	(263,076)	(253,076)
1,0393	June 30, 2017 - City - New over 20 years - declining									(262,576)	(257,054)	(247,350)
1,0393	June 30, 2018 - City - New over 20 years - declining											
1,0393	June 30, 2019 - City - New over 20 years - declining											
1,0393	June 30, 2020 - City - New over 20 years - declining											
1,0393	June 30, 2021 - City - New over 20 years - declining											
1,0393	June 30, 2022 - City - New over 20 years - declining											
1,0393	June 30, 2023 - City - New over 20 years - declining											
1,0393	June 30, 2024 - City - New over 20 years - declining											
1,0393	June 30, 2025 - City - New over 20 years - declining											
1,0393	June 30, 2026 - City - New over 20 years - declining											
1,0393	June 30, 2027 - City - New over 20 years - declining											
1,0393	June 30, 2028 - City - New over 20 years - declining											
1,0393	June 30, 2029 - City - New over 20 years - declining											
1,0393	June 30, 2030 - City - New over 20 years - declining											
1,0393	June 30, 2031 - City - New over 20 years - declining											
1,0393	June 30, 2032 - City - New over 20 years - declining											
1,0393	June 30, 2033 - City - New over 20 years - declining											
1,0393	June 30, 2034 - City - New over 20 years - declining											

UAAL - Amortization - City - boy	40,287,471	47,773,836	64,600,781	29,259,883	30,380,000	29,891,078	30,704,475	31,653,166	32,644,576	33,671,936	34,735,437
UAAL - Amortization - Member - boy	40,287,471	47,773,836	64,600,781	29,259,883	30,380,000	29,891,078	30,704,475	31,653,166	32,644,576	33,671,936	34,735,437
Valuation results											
\$ City Contribution = NC + Amort - boy	84,574,754	86,898,680	107,083,440	54,064,009	56,144,125	56,631,586	58,469,144	60,481,222	62,577,146	64,750,509	67,004,320
\$ Employee Contribution = NC - boy	15,765,395	14,671,809	15,994,747	9,301,548	9,657,797	10,021,690	10,411,751	10,810,521	11,224,964	11,654,465	12,100,851
\$ Total - boy	100,143,148	101,570,469	123,028,187	63,365,557	65,801,922	66,659,276	68,880,895	71,291,744	73,801,711	76,404,974	79,105,171
Payroll current actives	323,020,386	300,811,165	312,542,800	324,731,970	337,396,516	350,554,981	364,226,625	378,431,463	393,190,290	408,524,712	424,457,175
Payroll New entrants	323,020,386	300,811,165	312,542,800	324,731,970	337,396,516	350,554,981	364,226,625	378,431,463	393,190,290	408,524,712	424,457,175
Total payroll	323,020,386	300,811,165	312,542,800	324,731,970	337,396,516	350,554,981	364,226,625	378,431,463	393,190,290	408,524,712	424,457,175
Projected payroll at middle of Year	306,620,880	318,579,094	331,003,679	343,912,822	357,325,422	371,251,114	385,740,297	400,784,169	416,474,574	432,854,927	

Valuation results											
% City Contribution = NC	13.65%	12.76%	13.34%	7.49%	7.49%	7.48%	7.48%	7.48%	7.47%	7.47%	7.46%
% City Contribution = Amort	15.58%	15.58%	20.28%	8.84%	8.84%	8.37%	8.27%	8.21%	8.15%	8.09%	8.03%
% City Contribution = NC + Amort	26.12%	28.34%	33.62%	16.33%	16.33%	15.85%	15.75%	15.68%	15.62%	15.55%	15.49%
% Employee Contribution = NC	4.88%	4.88%	5.10%	2.86%	2.86%	2.86%	2.86%	2.86%	2.85%	2.85%	2.85%
% Total	31.00%	33.22%	38.72%	19.19%	19.19%	18.71%	18.61%	18.54%	18.47%	18.40%	18.34%

% City Contribution = NC + Amort  
% Employee Contribution = NC

Expected OPEB contribution % last 12 months - ee	4.65%	5.07%	5.75%	6.51%	7.26%	10.01%	10.01%	10.01%	10.01%	10.01%	10.01%	10.01%	10.01%	10.01%
Expected OPEB contribution % last 12 months - or	5.25%	5.70%	6.41%	7.15%	7.91%	10.95%	10.95%	10.95%	10.95%	10.95%	10.95%	10.95%	10.95%	10.95%
Expected OPEB contribution \$ last 12 months - ee	9,909	10,777	12,178	13,678	15,177	20,969	20,969	20,969	20,969	20,969	20,969	20,969	20,969	20,969
Expected OPEB contribution \$ last 12 months - or	14,285,381	16,377,134	17,320,723	20,246,536	23,555,541	33,773,391	33,773,391	33,773,391	33,773,391	33,773,391	33,773,391	33,773,391	33,773,391	33,773,391
Expected OPEB benefit payments last 12 months	16,123,659	18,412,162	19,281,996	22,219,085	25,089,289	36,044,919	36,044,919	36,044,919	36,044,919	36,044,919	36,044,919	36,044,919	36,044,919	36,044,919
Expected OPEB market value	30,414,037	34,769,286	36,608,719	42,724,801	49,281,840	70,176,310	70,176,310	70,176,310	70,176,310	70,176,310	70,176,310	70,176,310	70,176,310	70,176,310
Expected OPEB benefit payments last 12 months	21,725,000	22,811,230	24,391,102	27,429,865	31,691,262	43,691,262	43,691,262	43,691,262	43,691,262	43,691,262	43,691,262	43,691,262	43,691,262	43,691,262
Expected OPEB market value	85,564,000	108,010,991	118,501,935	133,612,914	151,471,606	189,459,413	189,459,413	189,459,413	189,459,413	189,459,413	189,459,413	189,459,413	189,459,413	189,459,413
Risk measures														
Benefit payments/AAL	13.9%	13.7%	12.2%	26.0%	27.5%	30.6%	30.6%	30.6%	30.6%	30.6%	30.6%	30.6%	30.6%	30.6%
Retired AAL/Total AAL	52.3%	56.5%	52.1%	56.7%	54.0%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%
Market Value Funded %	53.8%	59.1%	53.1%	69.2%	71.9%	70.7%	70.7%	70.7%	70.7%	70.7%	70.7%	70.7%	70.7%	70.7%
Actuarial Value Funded %	70.7%	68.9%	63.4%	77.5%	77.8%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%

Five-year budget

	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%
	Liability	Assets	Calculated	Bases for	Liability	Assets	Calculated	Bases for	Liability	Assets	Calculated	Bases for	Liability	Assets
BOY	2,510,358,000	1,729,413,170	780,944,830	780,944,000	2,346,853,814	1,869,221,232	477,632,582	477,632,582	2,346,853,814	1,869,221,232	477,632,582	477,632,582	2,346,853,814	1,869,221,232
Interest	199,573,461	137,488,347	62,085,114	62,085,048	158,412,632	128,172,433	32,240,199	32,240,199	158,412,632	128,172,433	32,240,199	32,240,199	158,412,632	128,172,433
Normal Cost	53,756,633	4,276,832	4,276,832	4,276,832	39,638,577	2,675,604	2,675,604	2,675,604	39,638,577	2,675,604	2,675,604	2,675,604	39,638,577	2,675,604
Interest	4,276,832	(121,320,066)	(121,320,066)	(121,320,066)	2,675,604	(183,034,922)	(183,034,922)	(183,034,922)	2,675,604	(183,034,922)	(183,034,922)	(183,034,922)	2,675,604	(183,034,922)
Benefit payments	(4,730,257)	73,371,661	(73,371,661)	(73,371,661)	(6,076,561)	71,567,250	(71,567,250)	(71,567,250)	(6,076,561)	71,567,250	(71,567,250)	(71,567,250)	(6,076,561)	71,567,250
Interest actual Contributions	5,833,047	-	(5,833,047)	(5,833,047)	4,830,789	-	(4,830,789)	(4,830,789)	4,830,789	-	(4,830,789)	(4,830,789)	4,830,789	-
Interest actual UAL Contributions prior	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest actual UAL Contributions additional needed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected	2,641,954,804	1,820,055,903	821,888,701	795,252,212	2,356,469,145	1,882,680,221	475,788,924	475,788,924	2,356,469,145	1,882,680,221	475,788,924	475,788,924	2,356,469,145	1,882,680,221
Assumption change	74,155,195	(89,015,944)	74,155,195	74,155,195	-	1,108,415	(1,108,415)	(1,108,415)	-	1,108,415	(1,108,415)	(1,108,415)	-	1,108,415
Asset Gain/Loss	-	1,820,055,903	89,015,944	89,015,944	2,356,469,145	1,882,680,221	475,788,924	475,788,924	2,356,469,145	1,882,680,221	475,788,924	475,788,924	2,356,469,145	1,882,680,221
Adjusted expected	2,716,109,799	1,721,039,959	995,089,840	968,426,352	2,356,469,145	1,883,788,636	474,680,509	474,680,509	2,356,469,145	1,883,788,636	474,680,509	474,680,509	2,356,469,145	1,883,788,636
Contribution shortfall	2,716,109,799	1,721,039,959	995,089,840	968,426,352	2,356,469,145	1,883,788,636	474,680,509	474,680,509	2,356,469,145	1,883,788,636	474,680,509	474,680,509	2,356,469,145	1,883,788,636
Actual	2,716,109,799	1,721,039,959	995,089,840	968,426,352	2,356,469,145	1,883,788,636	474,680,509	474,680,509	2,356,469,145	1,883,788,636	474,680,509	474,680,509	2,356,469,145	1,883,788,636

90,275,481

108,054,275

121,805,294

132,178,589

135,696,100

30-Jun-20  
6.750%  
6.750%  
6.750%  

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1,892,746,490  
1,892,746,490

-  
-  
-

1,892,746,490

1,892,746,490  
1,892,746,490

1,892,746,490

1,908,218,469  
1,908,218,469  
67,275,779  
12,108,989  
79,384,768

126,402,306  
6.8800%  
22,075,468  
1,437,890  
141,037  
1,578,927  
22,081,927  
20,593,000  
1,579,927

821,705,982  
132,802,682  
2,188,587,567  
3,143,096,211

128,716,815  
5,703,159  
86,839,079  
221,259,053

814,595,346  
821,705,982  
132,802,682  
1,373,982,221

2,328,500,865  
33,504,780  
33,504,780  
12,584,293

12,584,293  
46,069,073

1,892,746,490  
22,081,927  
1,870,664,563  
1,423,813,034  
1,869,180,928  
1,483,635  
459,519,937

457,838,302  
(1,483,635)  
(0)

739,233,383  
28,057,172  
159,287,758  
(423,327,480)  
(312,858)  
(20,704,590)  
(4,643,716)  
(3,436,418)  
(3,431,903)  
(3,599,969)  
(3,635,446)  
(3,711,417)

457,838,302  
65,873,555  
4,160,366  
20,985,618  
(31,126,619)  
(2,130,483)  
(446,961)  
(311,223)  
(283,918)  
(287,902)  
(281,951)  
(275,362)

35,837,630  
35,837,630

69,342,411  
12,664,283  
81,906,703

441,011,005  
441,011,005  
449,528,469

7.45%  
7.97%  
15.42%  
2.85%  
18.27%

Expected net return 7.00% 0.046434451  
 Standard deviation 10.50%  
 Future contributions (1=yes, 2=no) 1  
 Number of trials 100

Police & Fire  
 12 months ending 30-Jun-08 30-Jun-09 30-Jun-10 30-Jun-11 30-Jun-12 30-Jun-13 30-Jun-14 30-Jun-15 30-Jun-16  
 Actual earnings last 12 months 8.00% 8.00% 8.00% 7.50% 7.50% 7.50% 7.50% 7.50% 7.50%  
 Expected earnings next 12 months 8.00% 7.75% 7.50% 7.50% 7.50% 7.50% 7.50% 7.50% 7.50%  
 Discount rate for valuation 8.00%

1 Market value - total fund 2,560,221,000 2,044,242,000 2,314,869,976 2,944,920,932 2,710,209,897 2,976,553,215 3,174,768,201 3,388,591,697 3,611,564,954  
 Actual MV return 316,301,998 163,779,112 163,779,112 163,779,112 163,779,112 163,779,112 163,779,112 163,779,112 163,779,112  
 Expected MV return 316,301,998 164,261,985 164,261,985 164,261,985 164,261,985 164,261,985 164,261,985 164,261,985 164,261,985  
 c. First prior year (377,679,440) (504,803,409) 154,040,013 - - - - -  
 d. Most recent year (377,679,440) (504,803,409) 154,040,013 - - - - -  
 Market value loss 154,040,013

2 Investment gain (loss) for plan year ending:  
 a. Third prior year 51,992,440 64,952,360 262,870,000 (377,679,440) (504,803,409) 154,040,013 - - -  
 b. Second prior year 64,952,360 262,870,000 (377,679,440) (504,803,409) 154,040,013 - - -  
 c. First prior year 282,870,000 (377,679,440) (504,803,409) 154,040,013 - - -  
 d. Most recent year (377,679,440) (504,803,409) 154,040,013 - - -

3 Total deferred return (108,042,120) (658,241,460) (353,868,322) (235,513,584) (64,584,947) 30,808,003  
 4 Preliminary smoothed value 2,668,263,120 2,702,493,480 2,668,738,298 2,730,434,516 2,774,794,534 2,945,545,213 3,174,768,201 3,388,591,697 3,611,564,954

5 Corridor limit  
 a. 80% of market value 2,048,176,800 1,533,393,600 1,851,895,981 1,995,936,745 2,168,167,749 2,391,092,572 2,599,814,560 2,710,873,358 2,889,251,963  
 b. 120% of market value (130% for 2009) 3,072,266,200 2,857,514,600 2,777,843,972 2,993,905,118 3,252,251,624 3,571,623,858 3,809,721,841 4,066,310,037 4,333,877,944

6 Smoothed market value 2,668,263,120 2,657,514,600 2,668,738,298 2,730,434,516 2,774,794,534 2,945,545,213 3,174,768,201 3,388,591,697 3,611,564,954

7 BOY market value - total retirement & OPEB 2,560,221,000 2,044,242,000 2,314,869,976 2,944,920,932 2,710,209,897 2,976,553,215 3,174,768,201 3,388,591,697 3,611,564,954  
 8 BOY smoothed value - total retirement & OPEB 2,668,263,120 2,657,514,600 2,668,738,298 2,730,434,516 2,774,794,534 2,945,545,213 3,174,768,201 3,388,591,697 3,611,564,954  
 9 Contributions - total retirement last 12 months - employer 11,284,000 (52,315,000) 11,284,000 13,781,779 17,900,839 22,345,125 27,134,845 31,065,202 35,936,356  
 10 Contributions - total OPEB last 12 months - employer 53,569,000 114,468,544 114,468,544 144,529,835 180,984,370 220,172,514 264,954,582 309,914,000 352,811,584  
 11 Contributions - total retirement & OPEB last 12 months - employee 20,897,000 20,897,000 20,897,000 20,897,000 20,897,000 20,897,000 20,897,000 20,897,000 20,897,000  
 12 Contributions - total OPEB last 12 months - employee 10,959,000 10,959,000 10,959,000 10,959,000 10,959,000 10,959,000 10,959,000 10,959,000 10,959,000  
 13 Contributions - total retirement & OPEB last 12 months - employee 30,747,000 30,747,000 30,747,000 30,747,000 30,747,000 30,747,000 30,747,000 30,747,000 30,747,000  
 14 Contributions - total OPEB last 12 months - employee 12,316,000 12,316,000 12,316,000 12,316,000 12,316,000 12,316,000 12,316,000 12,316,000 12,316,000  
 15 Contributions - total retirement & OPEB last 12 months 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000  
 16 Benefits - total retirement last 12 months 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000 121,319,000  
 17 Benefits - total OPEB last 12 months 21,067,044 21,067,044 21,067,044 21,067,044 21,067,044 21,067,044 21,067,044 21,067,044 21,067,044  
 18 Benefits - total retirement & OPEB last 12 months 142,020,022 142,020,022 142,020,022 142,020,022 142,020,022 142,020,022 142,020,022 142,020,022 142,020,022  
 19 Net cashflow (3,728,157) (3,728,157) (3,728,157) (3,728,157) (3,728,157) (3,728,157) (3,728,157) (3,728,157) (3,728,157)

SRBR calculations  
 1 BOY market value 2,795,649,000 2,560,221,000 2,044,242,000 2,314,869,976 2,494,920,932 2,710,209,897 2,976,553,215 3,174,768,201 3,388,591,697  
 2 BOY smoothed value 2,668,263,120 2,657,514,600 2,668,738,298 2,730,434,516 2,774,794,534 2,945,545,213 3,174,768,201 3,388,591,697 3,611,564,954  
 3 Contributions Pension & Health last 12 months 94,346,000 92,532,000 92,532,000 92,532,000 92,532,000 92,532,000 92,532,000 92,532,000 92,532,000  
 4 Benefits - Pension & Health last 12 months 126,747,000 126,747,000 126,747,000 126,747,000 126,747,000 126,747,000 126,747,000 126,747,000 126,747,000  
 5 Investment income on smoothed value 2,420,020,022 2,420,020,022 2,420,020,022 2,420,020,022 2,420,020,022 2,420,020,022 2,420,020,022 2,420,020,022 2,420,020,022  
 6 Investment income on market value (159,466,000) (180,957,720) (180,957,720) (180,957,720) (180,957,720) (180,957,720) (180,957,720) (180,957,720) (180,957,720)  
 7 Unallocated market gains for year (402,368,032) (300,806,280) (258,404,278) (118,354,737) (170,928,737) (95,392,849) (30,608,003) (241,744,689) (257,696,574)  
 8 Rate of return on smoothed value 9.9822% -5.5722% 2.2107% 2.4037% 0.8009% 4.0420% 8.6180% 7.5089% 7.5087%  
 9 Investment income based on 8% 196,522,546 28,943,377 33,772,088 207,660,493 211,739,579 31,374,949 18,989,772 18,989,772 18,989,772  
 10 SRBR average remaining balance 28,943,377 33,772,088 31,415,664 32,110,172 31,891,349 31,374,949 31,374,949 31,374,949 31,374,949  
 11 SRBR interest credited in excess of 8% 573,716 45,805,770 (377,952,855) (154,238,669) (189,227,152) (103,265,000) 21,939,594 (10,692,230) (11,540,220)  
 12 Excess interest 4,580,577 9,9822% 0.0000% 2.2107% 0.8009% 4.0420% 8.6180% 7.5089% 7.5087%  
 13 10% of excess interest 458,057.7 998.22% 0.0000% 221.07% 80.09% 404.20% 861.80% 750.89% 750.87%  
 14 SRBR regular interest rate 2,889,186 7,469,763 6,94,508 7,71,832 7,71,832 7,71,832 7,71,832 7,71,832 7,71,832  
 15 SRBR regular interest 2,889,186 7,469,763 6,94,508 7,71,832 7,71,832 7,71,832 7,71,832 7,71,832 7,71,832  
 16 Total SRBR interest credited 2,889,186 7,469,763 6,94,508 7,71,832 7,71,832 7,71,832 7,71,832 7,71,832 7,71,832  
 17 SRBR benefits distributed during year ending on val date 32,327,475 32,327,475 32,119,517 31,119,517 31,119,517 31,119,517 31,119,517 31,119,517 31,119,517  
 18 Portion of SRBR interest available for distribution 2,889,186 7,469,763 6,94,508 7,71,832 7,71,832 7,71,832 7,71,832 7,71,832 7,71,832  
 19 SRBR rate distribution 32,327,475 32,327,475 31,119,517 31,119,517 31,119,517 31,119,517 31,119,517 31,119,517 31,119,517  
 20 SRBR rate distribution 32,327,475 32,327,475 31,119,517 31,119,517 31,119,517 31,119,517 31,119,517 31,119,517 31,119,517  
 21 Change to SRBR due to increase in City ctd rate 31,415,664 32,110,172 31,891,349 31,374,949 31,374,949 31,374,949 31,374,949 31,374,949 31,374,949  
 22 SRBR after City change 31,415,664 32,110,172 31,891,349 31,374,949 31,374,949 31,374,949 31,374,949 31,374,949 31,374,949

Seed money 35,216,660 33,535,432 34,229,940 34,011,117 33,494,718 34,507,458 37,059,763 36,848,159 36,848,133  
 PVB - Retirees 1,515,192,000 1,885,238,000 1,895,257,675 1,888,428,013 1,898,991,572 1,896,991,577 1,891,346,847 1,882,464,203  
 PVB - VTs 15,722,000 22,646,500 24,396,755 24,396,755 26,225,612 28,193,500 30,306,012 32,581,113 35,024,697  
 PVB - Actives 2,348,650,000 2,429,231,000 2,813,462,805 2,813,462,805 2,800,910,442 2,999,971,821 3,207,959,580 3,414,133,079 3,633,418,528  
 PVB - Other benefit changes or assumptions changes 4,674,277,450 4,674,277,450 4,725,564,966 4,824,066,894 5,128,407,169 5,338,060,040 5,550,927,428  
 Total 3,979,564,000 4,337,162,000 4,337,162,000 4,337,162,000 4,337,162,000 4,337,162,000 4,337,162,000 4,337,162,000 4,337,162,000

Pension Benefit Payments - Retirees last 12 months 121,093,821 196,000 196,000 196,000 196,000 196,000 196,000 196,000 196,000  
 Pension Benefit Payments - VT last 12 months 29,179 29,179 29,179 29,179 29,179 29,179 29,179 29,179 29,179  
 Pension Benefit Payments - Actives last 12 months 196,000 196,000 196,000 196,000 196,000 196,000 196,000 196,000 196,000  
 Pension Benefit Payments - Actives New Entrants last 12 months 108,708,000 121,319,000 135,039,669 142,296,415 150,378,208 159,106,126 168,761,519 180,830,704

Pension Benefit Payments - Total last 12 months 108,708,000 121,319,000 135,039,669 142,296,415 150,378,208 159,106,126 168,761,519 180,830,704

108,708,000 121,319,000 135,039,669 142,296,415 150,378,208 159,106,126 168,761,519 180,830,704





Table with columns for years (1,0425 to 1,0425) and rows for various metrics including City - New over 16 years, City - New over 16 years, City - New over 16 years, etc.

Table with columns for metrics like Valuation results, UAAI - Amortization - City, UAAI - Amortization - Member, and UAAI - Amortization Total. Rows include \$ City Contribution = NC, \$ City Contribution = Amort, etc.

Table with columns for metrics like % City Contribution = NC, % City Contribution = Amort, % Employee Contribution = NC + Amort, and % Total. Rows include % City Contribution = NC, % City Contribution = Amort, etc.

Table with columns for metrics like Risk measures, Benefit payments/AAL, Required City rate, Actual City rate, Shortfall \$, and Expenses. Rows include Risk measures, Benefit payments/AAL, Required City rate, etc.