

***** FACSIMILE COVER SHEET *****

SEP 29 '06 13:04

Message To:

|
| 912016335168 |
|

Message From:

|
| BUCKCONSULTANTS |
|

42

Pages

Follow This Cover Page



Fax

To: David Driscoll

From: Christopher Clarke

Phone:

Fax: 201-633-5168

Date: September 29, 2006

Phone: 212-330-1256

Fax: 212-330-1298

Remarks:

 Urgent For your review Reply ASAP Please CommentTotal pages including cover: 41

Burlington 6/30/05 val

The information contained in this fax may be confidential and is intended solely for the use of the named addressee. Access, copying or re-use of the fax or any information contained therein by any other person is not authorized. If you are not the intended recipient, please notify us immediately by returning the fax to the originator.



**REPORT ON THE FIFTY-SECOND
ACTUARIAL VALUATION OF THE
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM
PREPARED AS OF JUNE 30, 2005**



April 14, 2006

Retirement Board
Burlington Employees' Retirement System
Burlington, Vermont 05401

Members of The Board:

Article II, Division 2, Section 24-60 of the ordinance in relation to the Burlington Employees' Retirement System provides for actuarial valuations of the assets and liabilities of the System at least once every three years and more often if the Retirement Board so directs.

The fifty-second actuarial valuation of the System, prepared as of June 30, 2005, has now been completed and the results are presented in this report, together with the determination of the amount of contributions payable by the City in accordance with the Retirement Board's funding policy and the disclosure information for accounting purposes required by the Governmental Accounting Standards Board.

The actuarial assumptions and methods used in this valuation are described in Schedule B.

The results of the valuation are based on the Plan provisions in effect on June 30, 2005. A summary of the System provisions is shown in Schedule C.

The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,

(Signed) CHRISTOPHER A. CLARKE

Christopher A. Clarke, F.S.A.
Director, Consulting Actuary

TABLE OF CONTENTS

<u>Section</u>	<u>Item</u>	<u>Page No.</u>
I	Summary of Principal Results	1
II	Employee Data	2
III	Assets	2
IV	Comments on Valuation	3
V	Appropriation to be Made by the City	4
VI	Accounting Information	6
VII	Experience	9
 <u>Schedule</u>		
A	Valuation Balance Sheet	10
B	Outline of Actuarial Assumptions and Methods	11
C	Brief Summary of Principal System Provisions Interpreted for Valuation Purposes	14
D	Tables of Employee Data	18
E	Past Service Amortization Schedule	35
F	Historical and Projected Contributions	36

**REPORT ON THE FIFTY-SECOND ACTUARIAL VALUATION OF THE
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM
PREPARED AS OF JUNE 30, 2005**

SECTION I - SUMMARY OF PRINCIPAL RESULTS

For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below.

Valuation Date	6/30/2005	6/30/2004
Class A:		
Number of active members	179	173
Earnable compensation	\$ 7,901,524	\$ 7,039,780
Number of retirees and beneficiaries	113	113
Annual retirement benefits	\$ 2,984,448	\$ 2,927,388
Number with vested rights	12	11
Class B:		
Number of active members	575	576
Earnable compensation	\$ 22,674,327	\$ 22,329,326
Number of retirees and beneficiaries	255	244
Annual retirement benefits	\$ 2,432,838	\$ 2,138,943
Number with vested rights	324	313
Actuarial Value of Assets		
Class A	\$ 52,854,548	\$ 54,376,370
Class B	52,570,123	53,272,570
Unfunded Past Service Cost		
Class A	\$ 10,407,724	\$ 3,698,048
Class B	13,201,399	6,322,451
Contributions for Fiscal Year	2007	2006
Class A:		
Normal Rate	16.81%	16.84%
Past Service Contribution	\$ 971,787	\$ 333,297
Class B:		
Normal Rate	9.49%	9.57%
Past Service Contribution	\$ 1,220,687	\$ 572,149

Comments on the valuation results as of June 30, 2005 are set forth in Section IV and further discussion of the contribution levels is set out in Section V. Section VI presents the referenced disclosure information for accounting purposes.

Schedule B of this report outlines the full set of actuarial assumptions and methods employed. All assumptions are the same as those used in the previous valuation.

Schedule C presents a summary of the principal System provisions as interpreted for the valuation. The valuation was based on the same Plan provisions as the previous valuation.

SECTION II - EMPLOYEE DATA

Employee data were furnished by the Retirement Administrator.

Tables 1 through 4 of Schedule D show the number and annual earnable compensation of active members who were included in the valuation, while Tables 5 through 14 of Schedule D show the number and annual retirement benefits of retirees and beneficiaries included in the valuation. In addition, there are 12 Class A former members and 324 Class B former members entitled to deferred vested benefits.

SECTION III - ASSETS

The amount of assets taken into account in this valuation is based on information reported by the Retirement Administrator.

Assets are valued on the basis of a five-year expected average market value method. The operation of this method is described in Schedule B. Based on this method, the actuarial value of assets amount to \$105,424,671. This may be compared to current book and market values of \$92,847,401 and \$100,505,408, respectively.

As part of the valuation procedure, investment earnings for the year ending June 30, 2005 have been analyzed. Based on the procedures used and certain approximations, the yield for the year is determined as being 6.9% based on market value of assets and 0.0% based on actuarial value of assets.

SECTION IV - COMMENTS ON VALUATION

The projected unit credit actuarial cost method was used for this valuation. Under this cost method, benefits for active participants are determined on the basis of projected compensation at the time of anticipated termination and service credited to the valuation date. The normal cost under this method is the value of the difference between the benefits accrued for service to the valuation date and the benefits based on service to one year after the valuation date.

Schedule A of this report contains the valuation balance sheet, which shows the present and prospective assets and liabilities of the Plan as of June 30, 2005. Since the Plan is valued on a unit credit cost method basis, the balance sheet does not take into account accruals after the valuation date.

The valuation balance sheet shows that as of June 30, 2005 the Plan has accrued liabilities of \$129,033,794. Of this amount \$61,498,652 represents the present value of benefits payable on account of retired members, beneficiaries and former members entitled to deferred vested benefits and \$67,535,142 represents the present value of prospective benefits payable on account of active members. Against these liabilities the Plan has actuarial assets of \$105,424,671. The difference between the total liabilities of \$129,033,794 and the assets of \$105,424,671 is \$23,609,123 which represents the unfunded past service cost as of June 30, 2005. The Plan's unfunded accrued liability increased by \$13,588,624 from the unfunded accrued liability of \$10,020,499 as of June 30, 2004. Schedule A contains a breakdown of the assets and liabilities described above by membership class.

SECTION V - APPROPRIATION TO BE MADE BY THE CITY

Article II, Division 1, Section 24-32 of the ordinance governing the operation of the System provides that the Retirement Board shall certify to the Board of Finance the amounts payable by the City to the System, including an estimated amount required for operating expenses.

The contribution by the City, excluding operating expenses, consists of

- (i) a normal contribution to cover the cost of benefits expected to accrue under the Plan during the fiscal year following the valuation date reduced by required Class A member contributions equal to 8.8% of compensation, plus
- (ii) a past service contribution to liquidate the unfunded past service cost over a 30 year period from the date of establishment in accordance with the policy adopted by the Retirement Board. The initial unfunded past service cost to be amortized over 30 years is as of June 30, 2004.

Based on the latest valuation results and the adopted funding policy, the following table sets forth the basis for determining the City's contributions, excluding an amount for operating expenses, for the fiscal year ending June 30, 2007.

**CONTRIBUTIONS PAYABLE BY THE CITY
TO THE SYSTEM**

CONTRIBUTION	AMOUNT	PERCENT OF COMPENSATION
Class A		
Normal	\$ 1,501,507*	16.81%
Past Service	<u>971,787</u>	10.88%*
Total	\$ 2,473,294	
Class B		
Normal	\$ 2,415,443*	9.49%
Past Service	<u>1,220,687</u>	4.80%*
Total	\$ 3,636,130	

* Estimated based on fiscal year end 2007 budget payrolls of \$8,932,223 and \$25,452,506 for Class A and Class B, respectively.

The recommended normal contribution rates in the table above should be applied to the respective earnable compensation of Class A and Class B members of the System for the fiscal year ending 2007 in order to determine the required appropriations for currently accruing benefits. In addition, the amount estimated to be required for operating expenses of the System is to be included in the certification of the Retirement Board.

Schedule E provides a development of the past service contribution for Class A and B members of the System for the fiscal year ending 2007.

Schedule F presents historical and projected required City contributions to the Retirement System assuming all actuarial assumptions are realized. No future liability gains or losses are reflected and assets are projected to earn 8% per annum. The projected payroll is assumed to increase 5% per annum. The actual annual contributions required by the City will be based upon future actuarial valuations.

SECTION VI - ACCOUNTING INFORMATION

Statement Nos. 25 and 27 of the Governmental Accounting Standards Board (GASB), issued November 1994, established standards of disclosure of pension information by public retirement systems. The Annual Pension Cost is determined as the Annual Required Contribution (ARC) under the Plan's regular funding method with adjustments made to reflect the employer's Net Pension Obligation (NPO). The NPO is the cumulative difference between the Annual Pension Cost and the actual contributions made since January 1, 1987. The Annual Pension Cost is adjusted for interest charged on the NPO at the valuation interest rate and amortization of the NPO.

The Annual Pension Cost for fiscal year 2005 was \$4,563,111, which was also equal to the ARC for the year. For fiscal year 2005 the City did not fund the Annual Required Contribution. The ARC was \$4,563,111 and the City contributed \$2,966,821. As a result a Net Pension Obligation of \$1,596,290 was established as of June 30, 2005. Based upon Statement No. 27 of the Governmental Accounting Standards Board, the contribution shortfall for fiscal year 2005 of \$1,596,290 must be amortized over a period no greater than 30 years. For fiscal year 2006, the 30-year amortization of the contribution shortfall results in an increase in the ARC for fiscal year 2006 of \$141,795 from the amount previously provided in our revised June 30, 2004 actuarial valuation report.

The calculation of the NPO as of June 30, 2006 and the fiscal year 2007 ARC will not be known until all fiscal year 2006 City contributions have been made.

The GASB statements also require the following supplementary information be furnished by the actuary. The Schedule of Funding Progress details the progress made over the last six years in accumulating sufficient assets to provide for benefits when they are due. The Schedule of Employer Contributions shows the Annual Required Contribution and actual contributions over the last six years. The Schedule of Annual Pension Cost shows the Annual Pension Cost and Net Pension Obligation for the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess as a percentage of Covered Payroll ((a-b)/c)
6/30/00	\$ 111,224,657	\$ 96,610,677	\$ 14,613,980	115.13%	\$ 23,914,477	61.11%
6/30/01	114,203,990	101,700,266	12,503,724	112.29%	24,730,357	50.56%
6/30/02	112,980,276	109,116,441	3,863,835	103.54%	26,050,313	14.83%
6/30/03	109,525,953	117,047,718	(7,521,765)	93.57%	27,776,329	-27.08%
6/30/04	107,648,941	117,669,439	(10,020,498)	91.48%	29,369,106	-34.12%
6/30/05	105,424,671	129,033,794	(23,609,123)	81.70%	30,575,851	-77.21%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/00	\$ 43,834	\$ 43,834	100.00%
6/30/01	274,878	274,878	100.00%
6/30/02	767,446	767,446	100.00%
6/30/03	1,079,911	1,079,911	100.00%
6/30/04	2,461,840	2,461,840	100.00%
6/30/05	4,563,111	2,966,821	65.02%

SCHEDULE OF ANNUAL PENSION COST

Year Ended	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
6/30/03	\$ 1,079,911	100.00%	\$ 0
6/30/04	2,461,840	100.00%	0
6/30/05	4,563,111	65.02%	1,596,290

SECTION VII - EXPERIENCE

Records are being maintained whereby the actual experience of active and retired members is being compared with that expected on the basis of the tables adopted by the Retirement Board. In this way, deviations in the experience from that anticipated will be noted and any adjustments believed necessary will be brought to the attention of the Retirement Board.

SCHEDULE A

**VALUATION BALANCE SHEET
SHOWING THE ASSETS AND LIABILITIES ACCRUED UNDER THE
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM
AS OF JUNE 30, 2005**

ASSETS

	<u>Class A Members</u>	<u>Class B Members</u>	<u>Total System</u>
Valuation Assets	\$ 52,854,548	\$ 52,570,123	\$ 105,424,671
Unfunded past service cost	<u>10,407,724</u>	<u>13,201,399</u>	<u>23,609,123</u>
Total Assets	<u>\$ 63,262,272</u>	<u>\$ 65,771,522</u>	<u>\$ 129,033,794</u>

LIABILITIES

Present value of benefits payable on account of retired members, beneficiaries and members entitled to deferred vested benefits	\$ 33,944,197	\$ 27,554,455	\$ 61,498,652
Present value of prospective benefits accrued to date on account of present active members	<u>29,318,075</u>	<u>38,217,067</u>	<u>67,535,142</u>
Total Liabilities	<u>\$ 63,262,272</u>	<u>\$ 65,771,522</u>	<u>\$ 129,033,794</u>

SCHEDULE B**OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS****FOR DETERMINATION OF CONTRIBUTION AMOUNTS**

INTEREST RATE: 8% per annum, compounded annually.

SEPARATIONS BEFORE NORMAL RETIREMENT: Representative values of the assumed annual rates of withdrawal and vesting, early service retirement, death, and disability are as follows:

<u>Class A Members</u>				
<u>Age</u>	<u>Withdrawal and Vesting</u>	<u>Early Service Retirement*</u>	<u>Death**</u>	<u>Disability**</u>
20	14.0%			
25	9.0		.1%	.2%
30	6.0		.1	.3
35	3.0		.1	.4
40	2.5		.1	.5
42	1.4	30.0%	.1	.6
45	2.0	30.0	.1	.7
50		25.0	.2	1.3
53		20.0	.3	1.8
54		20.0	.3	2.0

<u>Class B Members</u>				
<u>Age</u>	<u>Withdrawal and Vesting***</u>	<u>Early Service Retirement</u>	<u>Death**</u>	<u>Disability**</u>
25	12.0%		.1%	.1%
30	11.0		.1	.1
35	9.5		.1	.1
40	5.0		.1	.2
45	5.0		.1	.3
50	5.0		.2	.5
55		5.0%	.4	.9
60		3.0	.6	1.7
61		20.0	.7	2.1
62		30.0	.8	2.5
63		30.0	1.0	2.9
64		10.0	1.1	3.4

* Rates are assumed to be 100% higher when first eligible for unreduced benefits.

** Rates reflect both ordinary and accidental occurrences.

*** Rates are assumed to be 75% higher during the first year of membership, 50% higher during the second year and 25% higher during the third year.

NORMAL SERVICE RETIREMENT: The representative values of the assumed rates of normal service retirement are as follows:

<u>Age</u>	<u>Class A</u>	<u>Age</u>	<u>Class B</u>
55	20.0%	65	50.0%
56	20.0	66	25.0
57	20.0	67	25.0
58	20.0	68	25.0
59	20.0	69	50.0
60	100.0	70	100.0

BENEFIT COMMENCEMENT AFTER SEPARATION: Class A vested terminations are assumed to commence benefits at age 55. Class B vested terminations prior to June 30, 2000 are assumed to commence at age 65. Class B vested retirements after June 30, 2000 are assumed to commence at age 55 with a reduced benefit.

SALARY INCREASES: Representative values of the assumed annual rates of future salary increase are as follows:

<u>Age</u>	<u>Class A&B</u>
25	8.8%
30	7.0
35	5.6
40	4.9
45	4.6
50	4.3
55	4.0
59	3.9
60	3.9
65	3.8
69	3.8

DEATHS AFTER RETIREMENT: According to the 1995 GBB Mortality Table for males and females; RP-2000 Disability Mortality Table for the period after disability retirement.

FUTURE EXPENSES: No provisions made.

ADJUSTMENTS TO ALLOWANCES: Cost-of-living increases averaging 3% per year were assumed.

ACCRUAL RATE ELECTION: 85% of retiring members are assumed to elect the no-COLA accrual rate and 15% of retiring members are assumed to elect the full-COLA accrual rate.

FUNDING METHOD: Projected unit credit cost method. Gains (losses) as they occur, reduce (increase) the unfunded past service cost.

ASSET VALUATION METHOD: Based on a five-year expected value of assets method in which actuarial assets are set equal to the market value of assets as of the valuation date plus:

- i) four-fifths of the difference between the expected return on market assets and the actual return on market assets during the year preceding the valuation;
- ii) three-fifths of the difference between the expected return on market assets and the actual return on market assets during the second year preceding the valuation;
- iii) two-fifths of the difference between the expected return on market assets and the actual return on market assets during the third year preceding the valuation; and
- iv) one-fifth of the difference between the expected return on market assets and the actual return on market assets during the fourth year preceding the valuation.

Expected return is equal to a year of expected investment earnings (based on the valuation interest rate) on the market value of assets as of the beginning of the year and the cash flow (contributions minus benefit payments) during the year, assuming mid-year contributions and benefit payments.

MISCELLANEOUS: The valuation was prepared on an ongoing-plan basis. The valuation was based on members in the System as of the valuation date and did not take future members into account. No provision has been made for contingent liabilities with respect to nonvested terminated members who may be reemployed. The valuation assumptions anticipate future inflation of about 3% a year.

SCHEDULE C**BRIEF SUMMARY OF PRINCIPAL SYSTEM PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES**

System Name	Burlington Employees' Retirement System.
Effective Date	July 1, 1954.
Average Final Compensation (AFC)	Average earnable compensation during highest 3 non-overlapping 12-month periods.
Membership Eligibility	Regular employees of the City of Burlington excluding elective officers other than the mayor and excluding teachers other than certain teachers employed prior to July 1, 1947 provided age at employment is less than normal retirement age. Maximum age limitation does not apply to mayor or appointee working full time for the City.
Membership Classification	
Class A	Members of the Fire and Police Departments not including clerical employees.
Class B	All other members.
Service Retirement	
Eligibility	
Class A	Age 42 and 7 years of creditable service. Compulsory at age 60.
Class B	Age 55 and 7 years of creditable service.
Amount of Benefit	
Class A	Age 55 and older, 2.75% of AFC times creditable service not in excess of 25 years plus .5% of AFC times creditable service between 25 and 35 years. Benefit increased by Cost of Living Adjustment detailed below.
	In lieu of this benefit, at the time of retirement, a member may choose either an accrual rate of 3.25% for the first 25 years of creditable service plus an accrual of .5% for creditable service between 25 and 35 years and a Cost of Living Adjustment equal to one half of the Cost of Living Adjustment detailed below, or an accrual rate of 3.80% for the first 25 years plus an accrual of .5% for creditable service between 25 and 35 years and no Cost of Living Adjustment.

Prior to age 55, the above benefit based on AFC and creditable service at retirement reduced actuarially for the period of time by which retirement precedes the earlier of 25 years of creditable service and age 55. For employees who terminate with 20 to 25 years of creditable service the above benefit based on AFC and creditable service at retirement reduced by 1.82% for each year that creditable service is less than 25 years.

Class B

Age 65 and older, the greater of (i) 1.6% of AFC (at age 65) times creditable service not in excess of 25 years plus .5% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, a member may choose an accrual rate of 1.9% for the first 25 years of service plus an accrual of .5% for creditable service in excess of 25 years and a Cost of Living Adjustment equal to one-half of the Cost of Living Adjustment detailed below, or an accrual rate of 2.2% for the first 25 years of service plus an accrual of .5% for creditable service in excess of 25 years and no Cost of Living Adjustment.

Prior to age 65, the above benefit based on AFC and creditable service at retirement reduced by 2% for each year that retirement precedes age 65.

Cost of Living Adjustment

Benefits increase annually by changes in the Consumer Price Index of more than 1%. The maximum annual increase is 5%. Increase is not applicable to deferred vested benefit prior to commencement, survivor income benefit, disability benefit prior to normal retirement age or members who choose to have no cost of living adjustment.

Service Adjustment

Class A service for calculation of benefits shall be adjusted such that any Class A employee shall be granted 1.07 years of credit for each year in which the employee worked prior to July 1, 1996, and 1.17 years thereafter, in a position regularly assigned a workweek consisting on average of fifty-three or more hours of work per week.

Disability Retirement

Eligibility

All Members. Permanently disabled.

Amount of Benefit

A benefit payable until normal service retirement eligibility (Class A - age 55 and 7 years of creditable service, Class B - age 65 and 7 years of creditable service), equal to 75% of the member's earnable compensation less workmen's compensation and, in the case of Class B, less Social Security.

After normal service retirement eligibility, a service retirement benefit based on AFC at retirement and creditable service at normal service retirement eligibility, including the period while permanently disabled and receiving a disability benefit from the System.

Accidental Death

Eligibility	Class A only. Death due to accident while in the performance of duty.
Amount of Benefit	A benefit to the spouse until death or remarriage of 50% of AFC. Upon death or remarriage of the spouse, the benefit will be payable to children until age 21.

Survivor Income

Eligibility	All Members. Death in active service.
Amount of Benefit	
Class A	30% of compensation during the July preceding death payable to spouse until earlier of death or 2nd anniversary of remarriage. An additional 5% per unmarried child under 21 (maximum additional 10%) is payable until benefits cease or children no longer eligible. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.
Class B	30% of compensation during the July preceding death payable to spouse until earlier of death, 2nd anniversary of remarriage or age 62. Upon the spouse's attainment of age 62 (if not remarried) a benefit based on the 50% Joint and Survivor form of payment will be paid to the spouse for life. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.

Return of Contributions

Accumulated contributions returned upon separation with less than 3 years of service or upon death with no accidental death benefit payable.

Upon death of a retired Class B member, the excess of his contribution at retirement over the benefits paid will be paid to his beneficiary or estate.

Vested Retirement

Eligibility	All Members. 3 years of creditable service.
Amount of Benefit	
Class A	A percentage grading from 20% after 3 years to 100% after 7 years, of the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 55. Member may elect early receipt with reduction as for service retirement prior to age 55.
Class B	Same form as Class A except benefit is payable at age 65. Member may elect early receipt with reduction as for service retirement prior to age 65.

Survivor Spouse's Pension

Eligibility	All Members. Death of a terminated member entitled to a vested retirement benefit prior to commencement of such benefit.
Amount of Benefit	50% of reduced accrued benefit reflecting the 50% Joint and Survivor form of payment (ages as of date payments commence) payable at member's early retirement date. Spouse may elect to receive payments later than member's early retirement date with no reduction for receipt at member's 65th birthday.

Offsets on Benefits

Disability and accidental death benefits are offset by workmen's compensation paid for the same disability or death.

Contributions

By Members	
Class A	8.8% of earnable compensation for the first 35 years of creditable service, none thereafter.
Class B	None.
By City	Remainder necessary to fund for the benefits of the System on an actuarial basis.

SCHEDULE D

TABLE 1

THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS A MEMBERS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
21	1	\$ 32,561		
22	1	36,012		
23	3	80,440		
24	5	164,602	1	15,042
25	5	187,410	1	32,699
26	3	98,743	2	74,396
27	7	271,285	1	41,912
28	5	207,075		
29	6	251,178		
30	9	347,526		
31	7	279,781		
32	4	131,557		
33	7	291,619	1	46,266
34	9	372,802		
35	9	401,288		
36	7	310,619	1	57,468
37	10	382,946		
38	7	334,288	1	44,155
39	8	391,447		
40	6	267,634	1	58,558
41	8	412,761		
42	5	252,179		
43	4	195,710	1	46,404
44	7	386,703		
45	3	161,061		
46	3	140,183		
47	1	58,479		
48	3	145,984		

TABLE 1

THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2005CLASS A MEMBERS
(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
49	2	\$ 113,297	1	\$ 44,402
50	5	306,046		
52	1	59,782		
53	1	46,404		
54	1	59,664		
55	2	99,522		
56	1	62,024		
57				
58	2	99,611		
TOTAL	168	\$ 7,440,222	11	\$ 461,302

TABLE 2

THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS B MEMBERS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
20	1	\$ 33,891		
21			2	46,280
22	2	67,362		
23			1	34,007
24	3	77,488	3	70,360
25	3	107,302	3	99,786
26			5	128,640
27	4	93,980	3	73,618
28	8	212,659	5	142,650
29	2	69,065		
30	3	95,440	3	136,861
31	6	231,264	2	37,365
32	4	198,971	2	78,411
33	3	111,224	4	128,633
34	9	337,500	5	155,724
35	6	185,358	2	68,800
36	9	293,359	4	124,614
37	6	235,861	2	47,422
38	8	325,756	8	262,321
39	5	204,135	3	133,123
40	11	394,290	6	263,620
41	11	491,970	5	198,159
42	12	463,491	8	265,377
43	16	700,902	3	79,931
44	13	489,752	13	500,663
45	9	391,159	15	595,256
46	13	592,619	8	301,831
47	16	667,862	8	304,741
48	11	492,076	3	121,197
49	17	707,472	7	292,927
50	10	451,387	5	188,660

TABLE 2

THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS B MEMBERS
(CONTINUED)

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
51	12	\$ 574,157	4	\$ 167,549
52	16	773,419	6	229,380
53	23	1,096,731	7	261,682
54	11	410,782	12	450,685
55	18	869,402	6	272,860
56	15	734,725	11	424,119
57	9	381,294	3	109,324
58	12	402,928	4	139,035
59	6	201,841	4	212,205
60	2	138,477	1	28,214
61	3	127,060	1	36,872
62	4	133,675	4	107,395
63	2	74,476	6	209,588
64	2	120,422	3	104,900
65			3	66,390
66	1	53,274		
67			2	66,399
68	1	37,659	1	39,639
69			1	13,198
TOTAL	358	\$ 14,853,920	217	\$ 7,820,407

TABLE 3

THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY YEARS
OF SERVICE* AS OF JUNE 30, 2005

CLASS A MEMBERS

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	3	\$ 45,125	1	\$ 15,042
1	8	244,333	2	68,716
2	10	361,871		
3	13	505,096	1	38,379
4	13	519,945	1	44,155
5	12	460,331	1	41,912
6	6	243,872	1	44,402
7	16	672,090		
8	6	225,783		
9	4	164,854		
10	7	324,359		
11	3	138,087		
12	6	298,655	1	46,266
13	2	78,717		
14	1	54,175	1	57,468
15	4	195,023		
16	5	252,032	1	58,558
17	9	463,209	1	46,404
18	10	500,032		
19	6	326,571		
20	5	237,748		
21	3	176,018		
22	6	365,143		
24	3	168,901		
26	2	117,845		
30	1	58,552		
32	1	59,782		
33	2	130,899		
35	1	51,175		
TOTAL	168	\$ 7,440,222	11	\$ 461,302

*Excludes service adjustment for employees with a regularly assigned workweek of 53 or more hours

TABLE 4

THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY YEARS
OF CREDITABLE SERVICE AS OF JUNE 30, 2005

CLASS B MEMBERS

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	11	\$ 158,814	8	\$ 115,181
1	19	465,733	13	318,652
2	23	782,679	13	396,876
3	21	753,248	15	533,025
4	23	794,329	11	439,063
5	14	453,694	17	554,736
6	21	667,142	17	592,810
7	17	719,554	15	490,199
8	5	218,881	7	196,626
9	13	486,048	4	146,798
10	17	844,065	11	404,435
11	11	451,072	8	273,594
12	3	152,361	1	47,129
13	3	140,241	5	177,872
14	6	284,280	2	70,755
15	9	390,532	5	189,905
16	6	253,340	7	290,499
17	10	533,566	3	126,347
18	9	377,136	9	393,582
19	5	315,093	2	106,573
20	3	161,003	2	79,659
21	9	437,459	3	111,920
22	18	967,790	6	272,191
23	9	448,821	1	40,679
24	12	547,060	4	171,219
25	4	235,805	1	62,408
26	12	591,070	4	153,379
27	11	508,402	4	189,108
28	2	83,754	2	105,614
29	3	105,444	2	94,851
30	2	107,827	2	75,029

TABLE 4

THE NUMBER AND ANNUAL COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY YEARS
OF CREDITABLE SERVICE AS OF JUNE 30, 2005

CLASS B MEMBERS
(CONTINUED)

YEARS OF SERVICE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
31	1	\$ 47,348	2	\$ 78,040
32	3	185,693	4	188,453
33	2	103,623	1	36,855
34	3	150,804		
35	8	431,558		
36	2	81,692	3	136,458
37	1	52,933	1	36,035
38	3	150,648	1	70,755
39	3	166,725		
40	1	46,653		
43			1	53,095
TOTAL	358	\$ 14,853,920	217	\$ 7,820,407

TABLE 5
THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS A MEMBERS

SERVICE RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
45	1	\$ 37,738	1	\$ 30,952
46	3	120,261		
47	3	96,416		
48	2	43,995		
49	5	161,530		
50	1	34,703		
51	1	28,572		
52	3	116,104		
53	1	35,546		
54	3	80,523		
55	7	197,541	1	7,554
56	5	165,587		
57	7	205,112		
58	4	130,325		
59	6	165,093		
60	2	73,334		
61	7	244,008		
62	4	127,277		
63	2	50,240		
64	6	141,549		
65	1	16,470		
66	1	923		
69	1	43,668		
70	2	60,785		
71	1	28,341		
72	1	22,498		
73	1	22,041		
74	1	20,806		
75	4	71,289		
76	1	22,209		

TABLE 5

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS A MEMBERS

SERVICE RETIREMENTS CONTINUED

79	1	24,261			
80	1	18,177			
82	1	15,105			
84	1	19,313			
TOTAL	91	\$ 2,641,337	2	\$	38,506

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS B MEMBERS

SERVICE RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
55	3	\$ 18,140	1	\$ 7,951
56	2	41,379	1	10,352
57	1	23,097		
58	1	8,860	2	18,410
59	1	121		
60	3	35,121		
61	3	39,405		
62	2	35,719	1	231
63	6	93,965	3	9,192
64	7	124,656	3	33,286
65	2	34,812	4	46,254
66	7	49,160	1	1,357
67	9	99,155	2	19,956
68	5	78,651	3	20,913
69	5	72,151	5	41,413
70	11	86,440	6	35,503
71	4	47,869	3	12,959
72	1	15,921	1	11,050
73	6	68,709	3	42,446
74	4	28,859	3	3,233
75	1	26,442	5	52,965
76	2	8,718	3	38,253
77	5	70,910	1	363
78	1	9,152	1	4,516
79	6	42,087	2	19,512
80			1	1,660
81	1	2,594		
82	1	5,135	2	18,610
83	2	4,918	1	7,004
84	4	26,784	2	9,445
85	1	4,906	3	28,118
86			1	6,993
87	1	6,376	1	6,281

TABLE 6

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS B MEMBERS

SERVICE RETIREMENTS CONTINUED

88	1	16,372			
89	1	10,775	1		3,767
90	3	25,313			
91	2	20,799	1		3,381
94			1		7,808
99			1		10,680
TOTAL	115	\$ 1,283,471	69	\$	533,865

TABLE 7

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS A MEMBERS

DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
42	1	\$ 27,013		
44	1	33,188		
47	1	31,156		
50	1	25,191		
54	1	20,488		
58	1	13,521		
72	1	14,327		
73	1	14,309		
83	2	25,014		
TOTAL	10	\$ 204,206	-	\$ -

TABLE 8

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2005

CLASS B MEMBERS

DISABILITY RETIREMENTS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
43	1	\$ -		
45	2	35,072		
46			2	\$ 15,509
47	1	20,881		
49	1	9,282	1	16,121
50	2	15,453		
52	1	10,935	1	-
53	2	36,373		
54	2	17,076	2	21,371
55	1	11,638	2	37,964
57	1	13,081		
59	2	33,275		
60	2	20,232		
61	1	19,333		
63	2	39,353		
75	1	4,801		
78	1	4,734		
84	1	7,172		
TOTAL	24	\$ 298,690	8	\$ 90,965

TABLE 9

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF BENEFICIARIES OF RETIREES
DISTRIBUTED BY AGE AS OF JUNE 30, 2005

CLASS A MEMBERS

BENEFICIARIES OF DECEASED MEMBERS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
47			1	\$ 5,640
48			1	8,499
52			1	6,916
61			1	9,132
62			1	6,271
62			1	19,749
64			1	9,843
70			1	15,519
73			1	5,425
78			1	13,404
TOTAL			10	\$ 100,398

TABLE 10

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF BENEFICIARIES OF DECEASED MEMBERS
DISTRIBUTED BY AGE AS OF JUNE 30, 2005

CLASS B MEMBERS

BENEFICIARIES OF DECEASED MEMBERS

AGE	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
40			1	\$ 6,398
42	1	9,480		
52			2	15,117
56			2	14,591
58			1	7,580
60			2	9,142
63			1	7,026
65			5	30,248
66			1	5,023
67			2	8,071
69			1	6,752
71			2	12,443
72			1	8,317
73			1	4,917
74	1	1,239	2	7,854
75			2	6,331
78			2	11,370
80			1	8,991
79	1	5,804		
81			2	8,670
82			3	19,732
83			1	9,630
88			1	1,122
TOTAL	3	\$ 16,523	36	\$ 209,325

TABLE 11

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF SERVICE RETIREMENTS DISTRIBUTED
BY FORM OF ANNUITY AS OF JUNE 30, 2005

CLASS A MEMBERS

FORM	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
LIFE ANNUITY	42	\$ 1,373,229	1	\$ 30,952
CERTAIN & LIFE	14	394,250		
JOINT & SURVIVOR	29	739,011	1	7,554
J&S POP-UP	6	134,848		
TOTAL	85	\$ 2,506,489	2	\$ 38,506

TABLE 12

THE NUMBER OF RETIREES, DISABLED RETIREES AND BENEFICIARIES
DISTRIBUTED BY COLA TYPE AS OF JUNE 30, 2005

CLASS A MEMBERS

COLA TYPE	MEN	WOMEN
	NUMBER	NUMBER
NO COLA	51	7
HALF COLA	2	1
FULL COLA	48	4
TOTAL	101	12

TABLE 13

THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF SERVICE RETIREMENTS DISTRIBUTED
BY FORM OF ANNUITY AS OF JUNE 30, 2005

FORM	CLASS B MEMBERS			
	MEN		WOMEN	
	NUMBER	AMOUNT	NUMBER	AMOUNT
LIFE ANNUITY	45	\$ 462,912	47	\$ 373,579
CERTAIN & LIFE	22	275,969	9	81,628
JOINT & SURVIVOR	40	401,634	11	60,354
J&S POP-UP	8	142,957	2	18,304
TOTAL	107	\$ 1,140,514	67	\$ 515,561

TABLE 14

THE NUMBER OF RETIREES, DISABLED RETIREES AND BENEFICIARIES
DISTRIBUTED BY COLA TYPE AS OF JUNE 30, 2005

COLA TYPE	CLASS B MEMBERS	
	MEN NUMBER	WOMEN NUMBER
NO COLA	67	42
HALF COLA	8	3
FULL COLA	67	68
TOTAL	142	113

SCHEDULE E**BURLINGTON EMPLOYEES' RETIREMENT SYSTEM****PAST SERVICE
AMORTIZATION SCHEDULE****CLASS A EMPLOYEES**

<u>Description</u>	<u>Date Established</u>	<u>Original Base</u>	<u>7/1/2005 Outstanding Balance</u>	<u>FY 06 Past Svc Contribution</u>	<u>7/1/2006 Outstanding Balance</u>	<u>Years Remaining to Fund</u>	<u>FY 07 Past Svc Contribution</u>
Initial Amortization	7/1/2004	\$3,698,048	\$ 3,752,189	\$ 333,297	\$ 3,719,067	29	\$ 333,297
FY 05 Experience	7/1/2005	6,655,535	6,655,535	-	7,187,978	30	638,490
Total			\$10,407,724		\$10,907,045		\$ 971,787
Equivalent Single Amortization Period			30 Years				

CLASS B EMPLOYEES

<u>Description</u>	<u>Date Established</u>	<u>Original Base</u>	<u>7/1/2005 Outstanding Balance</u>	<u>FY 06 Past Svc Contribution</u>	<u>7/1/2006 Outstanding Balance</u>	<u>Years Remaining to Fund</u>	<u>FY 07 Past Svc Contribution</u>
Initial Amortization	7/1/2004	\$6,322,451	\$ 6,441,126	\$ 572,149	\$ 6,384,267	29	\$ 572,149
FY 05 Experience	7/1/2005	6,760,273	6,760,273	-	7,301,095	30	648,538
Total			\$13,201,399		\$13,685,362		\$1,220,687
Equivalent Single Amortization Period			30 Years				

SCHEDULE F**Burlington Employees' Retirement System
Historical and Projected Contributions****Class A & B Employees**

<u>Fiscal Year Ending</u>	<u>Projected Payroll</u>	<u>Normal Contribution</u>	<u>Past Service Contribution</u>	<u>Contribution Shortfall</u>	<u>Total City Contribution</u>
June 30, 2002	\$ 26,738,897	\$ 3,237,952	\$ (2,470,506)	\$	\$ 767,446
June 30, 2003	28,335,739	3,460,682	(2,380,771)		1,079,911
June 30, 2004	29,719,840	3,688,639	(1,226,800)		2,461,839
June 30, 2005	31,374,680	3,934,287	628,824	(1,596,290)	2,966,821
June 30, 2006	33,190,245	3,782,704	905,446		4,688,150
June 30, 2007	34,384,729	3,916,950	2,192,474		6,109,424
June 30, 2008	36,103,965	4,112,798	2,632,331		6,745,128
June 30, 2009	37,909,164	4,318,437	2,699,512		7,017,949
June 30, 2010	39,804,622	4,534,359	2,675,859		7,210,218
June 30, 2011	41,794,853	4,761,077	2,710,997		7,472,074

Notes:

No future liability gains or losses are assumed; assets are assumed to earn 8% per annum.

Projected payroll assumed to increase 5% per annum.

Unfunded accrued liability as of June 30, 2004 was amortized over 30 years.

All future changes in unfunded accrued liability amortized over 30 years.

Total projected City contributions represent the recommended contribution and does not reflect adjustments associated with contribution shortfalls for prior years. For FY 05, the City contributed \$1,596,290 less than the recommended contribution. As a result, future annual required contributions will be \$141,795 higher than the amounts shown above.

SCHEDULE F

**Burlington Employees' Retirement System
Historical and Projected Contributions**

Class B Employees

<u>Fiscal Year Ending</u>	<u>Projected Payroll</u>	<u>Normal Contribution</u>	<u>Past Service Contribution</u>	<u>Contribution Shortfall</u>	<u>Total City Contribution</u>
June 30, 2002	\$ 20,270,258	\$ 1,996,620	\$ (1,507,812)	\$	\$ 488,808
June 30, 2003	21,034,872	2,086,659	(1,446,635)		640,024
June 30, 2004	22,270,756	2,211,486	(986,606)		1,224,880
June 30, 2005	23,205,202	2,329,802	387,121	(949,793)	1,767,130
June 30, 2006	24,849,152	2,378,064	572,149		2,950,213
June 30, 2007	25,452,506	2,415,443	1,220,687		3,636,130
June 30, 2008	26,725,131	2,536,215	1,436,808		3,973,023
June 30, 2009	28,061,388	2,663,026	1,470,080		4,133,106
June 30, 2010	29,464,457	2,796,177	1,458,484		4,254,661
June 30, 2011	30,937,680	2,935,986	1,476,011		4,411,997
					14.3%

Notes:
 No future liability gains or losses are assumed; assets are assumed to earn 8% per annum.
 Projected payroll assumed to increase 5% per annum.
 Unfunded accrued liability as of June 30, 2004 was amortized over 30 years.
 All future changes in unfunded accrued liability amortized over 30 years.

Total projected City contributions represent the recommended contribution and does not reflect adjustments associated with contribution shortfalls for prior years. For FY 05, the City contributed \$949,793 less than the recommended contribution. As a result, future annual required contributions will be \$84,368 higher than the amounts shown above.

