

**REPORT ON THE FIFTY-THIRD
ACTUARIAL VALUATION OF THE
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM
PREPARED AS OF JUNE 30, 2006**

December 19, 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-third actuarial valuation of the System, prepared as of June 30, 2006, 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, 2006. 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,

David L. Driscoll, F.S.A.
Principal, Consulting Actuary

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December 19, 2006

Ms. Marina Ushakova
Retirement Administrator
Burlington Employees' Retirement System
Retirement Office
City Hall, 149 Church Street
Burlington, Vermont 05401

Dear Ms. Ushakova:

Enclosed herewith are ten copies (one signed) of our "Report on the Fifty-Third Actuarial Valuation of the Burlington Employees' Retirement System Prepared as of June 30, 2006."

If you have any questions concerning the report, please do not hesitate to contact us.

Sincerely,

David L. Driscoll, F.S.A.
Principal, Consulting Actuary

**REPORT ON THE FIFTY-SECOND ACTUARIAL VALUATION OF THE
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM
PREPARED AS OF JUNE 30, 2006**

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	6/30/2006	6/30/2005
Class A:		
Number of active members	173	179
Earnable compensation for employees below maximum retirement age	\$ 8,132,478	\$ 7,901,524
Number of retirees and beneficiaries	117	113
Annual retirement benefits	\$ 3,168,125	\$ 2,984,448
Number with vested rights	12	12
Class B:		
Number of active members	571	575
Earnable compensation for employees below maximum retirement age	\$ 22,822,233	\$ 22,674,327
Number of retirees and beneficiaries	276	255
Annual retirement benefits	\$ 2,955,135	\$ 2,432,838
Number with vested rights	339	324
Actuarial Value of Assets:		
Class A	\$ 53,582,555	\$ 52,854,548
Class B	54,761,243	52,570,123
Unfunded Past Service Cost:		
Class A	\$ 13,496,004	\$ 10,407,724
Class B	18,775,843	13,201,399
Contributions for Fiscal Year	2008	2007
Class A:		
Normal Contribution Rate	14.14%	16.81%
Past Service Contribution	\$ 1,220,155	\$ 971,787
Class B:		
Normal Contribution Rate	7.57%	9.49%
Past Service Contribution	\$ 1,709,035	\$ 1,220,687

Comments on the valuation results as of June 30, 2006 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 339 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 \$108,343,798. This may be compared to current book and market values of \$99,585,127 and \$108,568,208, respectively.

As part of the valuation procedure, investment earnings for the year ending June 30, 2006 have been analyzed. Based on the procedures used and certain approximations, the yield for the year is determined as being 10.0% based on market value of assets and 4.6% 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, 2006. 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, 2006 the Plan has accrued liabilities of \$140,615,645. Of this amount \$67,891,097 represents the present value of benefits payable on account of retired members, beneficiaries and former members entitled to deferred vested benefits and \$72,724,548 represents the present value of prospective benefits payable on account of active members. Against these liabilities the Plan has actuarial assets of \$108,343,798. The difference between the total liabilities of \$140,615,645 and the assets of \$108,343,798 is \$32,271,847 which represents the unfunded past service cost as of June 30, 2006. The Plan's unfunded accrued liability increased by \$8,662,724 from the unfunded accrued liability of \$23,609,123 as of June 30, 2005. Schedule A contains a breakdown of the assets and liabilities described above by membership class.

Several changes have been made to the Plan that take effect in the 2006 year. Effective July 1, 2006, the amount contributed by employees through salary deduction increased in Class A from 8.8% to 10.8%, and

changed in Class B from no contribution to 2.0% of salary. In Class A, the accrual factor for the first 25 years of service for those electing the no COLA option reduced from 3.8% to 3.6% for service after June 30, 2006; similarly, the accrual factor for Class B employees reduced from 2.2% to 2.0%. Commencing July 1, 2006, the maximum annual full COLA adjustment increased from 5% to 6% for all retired employees. Finally, the existing accidental death benefit for Class A has been modified; the benefit remains the same, except that it is now calculated as if the employee had completed 20 years of service at time of death, or actual years of service, if greater.

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 10.8% of compensation and required Class B member contributions equal to 2.0% 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, 2008.

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

CONTRIBUTION	AMOUNT	PERCENT OF COMPENSATION
Class A		
Normal	\$ 1,306,993*	14.14%
Past Service	<u>1,220,155</u>	13.20%*
Total	\$ 2,527,148	
Class B		
Normal	\$ 1,994,304*	7.57%
Past Service	<u>1,709,035</u>	6.49%*
Total	\$ 3,703,339	

* Estimated based on fiscal year end 2008 budget payrolls of \$9,244,851 and \$26,343,344 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 2008 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 2008.

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 3.5% 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 2006 was \$4,815,854, which was also equal to the ARC for the year. For fiscal year 2006 the City did not fund the Annual Required Contribution. The ARC was \$4,829,945 and the City contributed \$3,782,704. As a result, a Net Pension Obligation of \$2,629,440 was established as of June 30, 2006. Based upon Statement No. 27 of the Governmental Accounting Standards Board, the contribution shortfall for fiscal year 2006 of \$2,629,440 must be amortized over a period no greater than 30 years. For fiscal year 2007, the 30-year amortization of the contribution shortfall results in an increase in the ARC for fiscal year 2007 of \$233,566 from the amount previously provided in our revised June 30, 2005 actuarial valuation report.

The calculation of the NPO as of June 30, 2007 and the fiscal year 2008 ARC will not be known until all fiscal year 2007 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 for the last 3 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)
6/30/01	\$ 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%
6/30/06	108,343,798	140,615,645	(32,271,847)	77.05%	30,954,711	-104.26%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
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%
6/30/06	4,829,945	3,782,704	78.32%

SCHEDULE OF ANNUAL PENSION COST

Year Ended	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
6/30/04	\$ 2,461,840	100.00%	0
6/30/05	4,563,111	65.02%	1,596,290
6/30/06	4,815,854	78.32%	2,629,440

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, 2006**

ASSETS

	<u>Class A Members</u>	<u>Class B Members</u>	<u>Total System</u>
Valuation Assets	\$ 53,582,555	\$ 54,761,243	\$ 108,343,798
Unfunded past service cost	<u>13,496,004</u>	<u>18,775,843</u>	<u>32,271,847</u>
Total Assets	<u>\$ 67,078,559</u>	<u>\$ 73,537,086</u>	<u>\$ 140,615,645</u>

LIABILITIES

Present value of benefits payable on account of retired members, beneficiaries and members entitled to deferred vested benefits	\$ 35,731,753	\$ 32,159,344	\$ 67,891,097
Present value of prospective benefits accrued to date on account of present active members	<u>31,346,806</u>	<u>41,377,742</u>	<u>72,724,548</u>
Total Liabilities	<u>\$ 67,078,559</u>	<u>\$ 73,537,086</u>	<u>\$ 140,615,645</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 Buck Mortality Tables 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 (i) 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 (ii) an accrual rate of 3.8% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 3.6% for all years of service commencing July 1, 2006 for the first 25 years, plus an

accrual rate 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 (i) an accrual rate of 1.9% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 1.8% for all years of service commencing July 1, 2006 for the first 25 years, 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 (ii) an accrual rate of 2.2% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 2.0% for all years of service commencing July 1, 2006 for the first 25 years, 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 6%. 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 the greater of (i) 55% of AFC, and (ii) the participant's current accrued retirement benefit. 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

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 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

10.8% of earnable compensation for the first 35 years of creditable service, none thereafter.

Class B 2.0% of earnable compensation for the first 35 years of creditable service, none thereafter.

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, 2006****CLASS A MEMBERS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
23	1	\$ 37,666		
24	3	109,956		
25	4	116,641	1	\$ 36,797
26	6	206,949	1	39,218
27	5	197,113	1	43,576
28	7	286,848	1	45,073
29	6	271,653		
30	4	180,612	1	33,431
31	6	276,199		
32	8	312,637		
33	5	223,671		
34	7	302,832	1	50,506
35	2	86,565		
36	9	388,040		
37	12	556,870		
38	6	265,242	1	58,448
39	9	426,543		
40	6	321,281	1	47,544
41	5	256,244	1	59,231
42	7	332,904		
43	7	383,499		
44	5	254,830		
45	4	218,712	1	47,925
46	7	412,814		
47	1	52,912		
48	4	205,249		
49	2	100,033		
50	2	110,295	1	47,807
51	1	83,433		
52	4	246,131		
54	1	61,691		
55	2	115,180		

TABLE 1
THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006

CLASS A MEMBERS
(CONTINUED)

	MALE		FEMALE	
AGE	NUMBER	AMOUNT	NUMBER	AMOUNT
57	1	\$ 53,645		
58	1	62,258		
59	2	105,774		
TOTAL	162	\$ 7,622,922	11	\$ 509,556

TABLE 2
THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006

CLASS B MEMBERS

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
21	1	\$ 41,656		
22			1	\$ 31,648
23	2	73,393	2	17,598
24			1	34,798
25	2	81,427	1	37,191
26	4	96,316	2	48,396
27	2	72,005	3	108,331
28	2	73,901	6	176,128
29	7	161,357	5	132,320
30	4	119,401	1	31,045
31	2	74,829	3	117,173
32	3	126,253	2	65,241
33	8	363,943	1	34,145
34	1	21,136	5	175,975
35	8	257,967	5	130,770
36	4	116,066	3	74,315
37	9	342,891	2	73,481
38	8	339,329	3	126,417
39	6	261,521	2	56,242
40	7	254,029	9	325,873
41	5	200,365	5	218,174
42	14	579,243	6	254,257
43	14	584,079	4	192,114
44	20	842,027	8	269,630
45	8	365,688	4	161,936
46	16	571,683	19	782,129
47	14	657,104	7	227,444
48	7	286,306	10	343,276
49	17	747,194	8	347,214
50	12	555,396	3	146,667
51	14	666,943	10	344,106
52	14	601,177	3	140,785
53	13	592,954	6	207,014
54	17	896,540	8	339,113

TABLE 2
THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED
BY AGE AS OF JUNE 30, 2006

CLASS B MEMBERS
(CONTINUED)

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
55	19	\$ 909,294	7	\$ 252,969
56	13	546,011	9	370,752
57	16	779,528	7	227,318
58	15	597,922	10	418,609
59	7	262,237	1	32,762
60	13	435,102	5	171,214
61	3	103,588	2	136,628
62	3	152,907		
63	1	34,570	1	11,476
64			6	239,579
65	2	85,165	3	102,281
66			1	35,857
67	1	53,572		
68			1	37,070
69			1	30,757
70			1	20,045
TOTAL	358	\$14,984,015	213	\$ 7,858,263

TABLE 3

**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY YEARS
OF SERVICE* AS OF JUNE 30, 2006**

CLASS A MEMBERS

YEARS OF SERVICE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
0	3	\$ 25,058		
1	7	244,266	2	\$ 70,227
2	11	431,408	1	39,218
3	6	242,776	1	43,576
4	14	559,107	1	47,545
5	10	433,955	1	45,073
6	11	484,620		
7	10	467,406	1	47,807
8	10	424,252		
9	5	238,262		
10	4	200,760		
11	7	335,796		
12	1	50,133	1	50,506
13	5	257,018		
14	1	26,462		
15	2	102,431	1	58,448
16	5	260,048	1	59,231
17	9	481,704		
18	7	384,143	1	47,925
19	10	562,634		
20	9	485,393		
21	1	48,733		
22	5	290,742		
23	1	90,012		
24	1	62,341		
25	1	62,258		
26	1	66,298		
27	1	68,683		
30	1	68,759		
33	2	114,602		
35	1	52,862		
TOTAL	162	\$ 7,622,922	11	\$ 509,556

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

TABLE 4
THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY YEARS
OF SERVICE* AS OF JUNE 30, 2006

CLASS B MEMBERS

YEARS OF SERVICE	NUMBER	MALE		FEMALE	
		NUMBER	AMOUNT	NUMBER	AMOUNT
0	22		\$ 372,139	15	\$ 197,302
1	25		840,931	16	493,915
2	20		697,241	7	240,754
3	20		671,635	19	660,553
4	18		670,607	5	167,259
5	25		929,393	19	794,587
6	7		214,318	16	559,615
7	22		779,939	17	591,876
8	9		450,598	8	305,240
9	9		346,848	6	197,130
10	14		713,823	6	195,235
11	15		612,507	15	556,833
12	6		263,389	1	47,996
13	3		203,266	2	56,476
14	1		38,587	1	36,170
15	9		413,915	2	67,564
16	7		339,883	5	190,751
17	7		371,207	3	163,881
18	13		647,493	7	304,190
19	6		286,888	5	244,873
20	4		318,464	2	102,216
21	4		175,531	3	135,909
22	16		767,322	5	223,434
23	15		796,931	2	100,179
24	5		237,852	3	135,746
25	8		417,464	3	126,888
26	8		415,637	2	98,878
27	11		527,476	2	104,206
28	6		340,726	5	213,746
29	2		73,870		
30	2		95,578	2	92,106
31	1		47,815	1	40,829
32	1		43,706	1	41,438
33				3	154,754

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

TABLE 4

**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS DISTRIBUTED BY YEARS
OF SERVICE AS OF JUNE 30, 2006**

**CLASS B MEMBERS
(CONTINUED)**

YEARS OF SERVICE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
34	4	\$ 207,769		
35	4	203,820		
36	3	147,798		
37	1	54,085	2	\$ 86,190
38	3	158,467		
39	2	89,097	1	75,370
40			1	54,174
TOTAL	358	\$14,984,015	213	\$ 7,858,263

TABLE 5

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

CLASS A MEMBERS

SERVICE RETIREMENTS

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
39	1	\$ 34,800		
44	1	48,578		
46			1	\$ 30,952
47	3	120,237		
48	1	37,761		
49	5	141,237		
50	4	137,176		
51	2	71,903		
52	1	34,703		
53	1	28,572		
54	3	117,030		
55	3	79,681		
56	5	184,756	1	7,652
57	8	220,221		
58	5	120,664		
59	6	207,145		
60	4	122,090		
61	4	127,875		
62	3	97,547		
63	8	263,363		
64	3	97,951		
65	4	96,414		
66	2	47,949		
67	2	17,821		
70	1	43,668		
71	2	62,365		
72	1	29,078		
73	1	23,082		
75	1	22,614		
76	2	37,231		
77	3	57,258	1	11,393
80	1	24,894		

TABLE 5

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

CLASS A MEMBERS

**SERVICE RETIREMENTS
(CONTINUED)**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
81	1	\$ 18,649		
84	1	15,498		
86	1	19,815		
TOTAL	94	\$ 2,809,626	3	\$ 49,997

TABLE 6

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

CLASS B MEMBERS**SERVICE RETIREMENTS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
48	1	\$ 36,580		
56	1	19,170	1	\$ 7,951
57	5	72,154	3	54,675
58	4	84,337		
59	1	8,860		
60	2	15,553	2	34,687
61	3	75,491		
62	1	23,418	2	15,447
63	5	51,045	3	36,946
64	11	184,728	3	5,500
65	7	67,587	7	45,736
66	8	126,001	4	46,190
67	4	45,977	2	26,739
68	6	29,070	2	6,263
69	12	190,799	2	19,196
70	2	39,475	5	83,581
71	9	96,872	4	20,549
72	8	64,885	6	46,535
73	2	31,880	3	13,215
74	5	57,471	1	18,627
75	3	38,487	3	26,139
76	3	42,552	5	8,991
77	1	6,236	5	85,069
78	3	28,106	1	373
79	2	30,901		
80	4	36,947	1	9,706
81	3	15,625	1	10,313
82	1	2,662	1	1,703
83	1	5,269	2	19,094
84	1	3,550		
85	3	25,203	2	7,977
86	1	2,277	3	27,710

TABLE 6

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

CLASS B MEMBERS

**SERVICE RETIREMENTS
(CONTINUED)**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
87	1	\$ 5,033	1	\$ 10,036
88			2	13,619
89	1	6,542		
90	2	27,853		
92	2	21,359		
TOTAL	129	\$ 1,619,955	77	\$ 702,567

TABLE 7

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

CLASS A MEMBERS

DISABILITY RETIREMENTS

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
44	1	\$ 27,013		
45	1	29,998		
49	1	31,467		
51	1	25,191		
56	1	23,205		
60	1	13,872		
74	1	14,700		
75	1	14,680		
84	1	11,898		
85	1	13,766		
TOTAL	10	\$ 205,790		

TABLE 8

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF RETIREES DISTRIBUTED
BY AGE AS OF JUNE 30, 2006**

CLASS A MEMBERS

DISABILITY RETIREMENTS

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
45	1	\$ 6,037		
46	1	27,105		
47	1	7,966		
48			1	\$ 15,509
50	1	9,282	1	16,121
51	1	6,956		
52	1	8,496		
54	3	49,469	1	5,010
55	2	17,076	1	7,850
56			2	22,323
57	1	11,638	1	30,362
58	1	13,081		
60	2	33,711		
61	1	14,502		
62	1	10,998		
63	1	29,650		
65	2	40,219		
76	1	4,926		
79	1	4,858		
86	1	7,359		
TOTAL	23	\$ 303,329	7	\$ 97,175

TABLE 9

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF BENEFICIARIES OF RETIREES
DISTRIBUTED BY AGE AS OF JUNE 30, 2006**

CLASS A MEMBERS**BENEFICIARIES OF DECEASED MEMBERS**

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
14			1	\$ 6,434
48			1	6,782
50			1	8,499
54			1	6,916
63			1	9,132
64			1	19,749
65			1	10,099
71			1	15,923
75			1	5,426
79			1	13,752
TOTAL			10	\$ 102,712

TABLE 10

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF BENEFICIARIES OF RETIREES
DISTRIBUTED BY AGE AS OF JUNE 30, 2006**

CLASS B MEMBERS

BENEFICIARIES OF DECEASED MEMBERS

AGE	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
41			1	\$ 6,398
44	1	\$ 9,480		
53			1	12,618
54			1	2,564
57			1	6,370
58			1	8,220
60			1	7,580
61			2	9,151
65			1	7,026
66			3	18,606
67			2	12,184
68			2	9,536
69			1	3,623
71			1	6,928
72			1	1,728
73			2	3,885
74			2	13,578
75			2	8,058
76	1	1,271	2	6,496
79			2	11,666
80	1	5,955		
81			1	9,225
82			1	5,931
83			2	13,871
84			3	19,218
89			1	1,151
TOTAL	3	\$ 16,706	37	\$ 205,611

TABLE 11

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF SERVICE RETIREMENTS DISTRIBUTED
BY FORM OF ANNUITY AS OF JUNE 30, 2006**

CLASS A MEMBERS

FORM	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
LIFE ANNUITY	46	\$ 1,547,330	1	\$ 30,952
CERTAIN & LIFE	14	399,086		
JOINT & SURVIVOR	28	727,733	2	19,045
J&S POP-UP	6	135,477		
TOTAL	94	\$ 2,809,626	3	\$ 49,997

TABLE 12**THE NUMBER OF RETIREES, DISABLED RETIREES, AND BENEFICIARIES
DISTRIBUTED BY COLA TYPE AS OF JUNE 30, 2006****CLASS A MEMBERS**

COLA TYPE	MALE	FEMALE
NO COLA	52	7
HALF COLA	3	1
FULL COLA	49	5
TOTAL	104	13

TABLE 13

**THE NUMBER AND ANNUAL RETIREMENT
BENEFITS OF SERVICE RETIREMENTS DISTRIBUTED
BY FORM OF ANNUITY AS OF JUNE 30, 2006**

CLASS B MEMBERS

FORM	MALE		FEMALE	
	NUMBER	AMOUNT	NUMBER	AMOUNT
LIFE ANNUITY	53	\$ 682,180	54	\$ 528,943
CERTAIN & LIFE	22	262,278	9	83,666
JOINT & SURVIVOR	44	472,810	12	71,654
J&S POP-UP	10	202,687	2	18,304
TOTAL	129	\$ 1,619,955	77	\$ 702,567

TABLE 14**THE NUMBER OF RETIREES, DISABLED RETIREES, AND BENEFICIARIES
DISTRIBUTED BY COLA TYPE AS OF JUNE 30, 2006****CLASS B MEMBERS**

COLA TYPE	MALE	FEMALE
NO COLA	80	49
HALF COLA	9	3
FULL COLA	66	69
TOTAL	155	121

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>7/1/2006 Outstanding Balance</u>	<u>FY 2007 Past Service Contribution</u>	<u>7/1/2007 Outstanding Balance</u>	<u>Years Remaining to Fund</u>	<u>FY 2008 Past Service Contribution</u>
Initial Amortization	7/1/2004	\$ 3,698,048	\$ 3,719,067	\$ 333,297	\$ 3,683,295	28	\$ 333,297
FY 05 Experience	7/1/2005	6,655,535	7,187,978	638,490	7,124,526	29	638,490
FY 06 Experience	7/1/2006	2,588,959	2,588,959	-	2,796,076	30	248,368
Total			\$ 13,496,004	\$ 971,787	\$ 13,603,897		\$ 1,220,155

Equivalent Single Amortization Period 30 Years

CLASS B EMPLOYEES

<u>Description</u>	<u>Date Established</u>	<u>Original Base</u>	<u>7/1/2006 Outstanding Balance</u>	<u>FY 2007 Past Service Contribution</u>	<u>7/1/2007 Outstanding Balance</u>	<u>Years Remaining to Fund</u>	<u>FY 2008 Past Service Contribution</u>
Initial Amortization	7/1/2004	\$ 6,322,451	\$ 6,384,267	\$ 572,149	\$ 6,322,859	28	\$ 572,149
FY 05 Experience	7/1/2005	6,670,273	7,301,095	648,538	7,236,645	29	648,538
FY 06 Experience	7/1/2006	5,080,481	5,090,481	-	5,497,719	30	488,348
Total			\$ 18,775,843	\$ 1,220,687	\$ 19,057,223		\$ 1,709,035

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	12.1%	(\$2,470,506)		\$767,446	2.9%
June 30, 2003	28,335,739	3,460,682	12.2%	(2,380,771)		1,079,911	3.8%
June 30, 2004	29,719,840	3,688,639	12.4%	(1,226,799)		2,461,840	8.3%
June 30, 2005	31,374,680	3,934,287	12.5%	628,824	(1,596,290)	2,966,821	9.5%
June 30, 2006	33,190,245	3,782,704	11.4%	905,446	(756,403)	3,931,747	11.8%
June 30, 2007	34,384,729	3,916,950	11.4%	2,192,474		6,109,424	17.8%
June 30, 2008	35,588,195	3,301,297	9.3%	2,929,190		6,230,487	17.5%
June 30, 2009	36,833,782	3,416,843	9.3%	2,929,190		6,346,033	17.2%
June 30, 2010	38,122,965	3,536,433	9.3%	2,929,190		6,465,623	17.0%
June 30, 2011	39,457,269	3,660,208	9.3%	2,929,190		6,589,398	16.7%
June 30, 2012	40,838,274	3,788,315	9.3%	2,929,190		6,717,505	16.4%

Notes:

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

Projected payroll assumed to increase 3.5% per annum.

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

All future changes in unfunded liability will be amortized over 30 years.

SCHEDULE F**Burlington Employees' Retirement System
Historical and Projected Contributions****Class A 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	\$6,468,639	\$1,241,332	19.2%	(\$962,694)		\$278,638	4.3%
June 30, 2003	7,300,867	1,374,023	18.8%	(934,136)		439,887	6.0%
June 30, 2004	7,449,084	1,477,153	19.8%	(240,193)		1,236,960	16.6%
June 30, 2005	8,169,478	1,604,485	19.6%	241,703	(646,497)	1,199,691	14.7%
June 30, 2006	8,341,093	1,404,640	16.8%	333,297	(306,343)	1,431,594	17.2%
June 30, 2007	8,932,223	1,501,507	16.8%	971,787		2,473,294	27.7%
June 30, 2008	9,244,851	1,306,993	14.1%	1,220,155		2,527,148	27.3%
June 30, 2009	9,568,421	1,352,738	14.1%	1,220,155		2,572,893	26.9%
June 30, 2010	9,903,316	1,400,084	14.1%	1,220,155		2,620,239	26.5%
June 30, 2011	10,249,932	1,449,087	14.1%	1,220,155		2,669,242	26.0%
June 30, 2012	10,608,680	1,499,805	14.1%	1,220,155		2,719,960	25.6%

Notes:

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

Projected payroll assumed to increase 3.5% per annum.

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

All future changes in unfunded liability will be amortized over 30 years.

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	9.8%	(\$1,507,812)		\$488,808	2.4%
June 30, 2003	21,034,872	2,086,659	9.9%	(1,446,635)		\$640,024	3.0%
June 30, 2004	22,270,756	2,211,486	9.9%	(986,606)		\$1,224,880	5.5%
June 30, 2005	23,205,202	2,329,802	10.0%	387,121	(949,793)	\$1,767,130	7.6%
June 30, 2006	24,849,152	2,378,064	9.6%	572,149	(450,060)	\$2,500,153	10.1%
June 30, 2007	25,452,506	2,415,443	9.5%	1,220,687		\$3,636,130	14.3%
June 30, 2008	26,343,344	1,994,304	7.6%	1,709,035		\$3,703,339	14.1%
June 30, 2009	27,265,361	2,064,105	7.6%	1,709,035		\$3,773,140	13.8%
June 30, 2010	28,219,649	2,136,349	7.6%	1,709,035		\$3,845,384	13.6%
June 30, 2011	29,207,337	2,211,121	7.6%	1,709,035		\$3,920,156	13.4%
June 30, 2012	30,229,594	2,288,510	7.6%	1,709,035		\$3,997,545	13.2%

Notes:

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

Projected payroll assumed to increase 3.5% per annum.

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

All future changes in unfunded liability will be amortized over 30 years.