



**CITY OF STOCKTON  
RETIREE HEALTHCARE PLAN**

**GASB 45 Actuarial Valuation  
June 30, 2007  
Preliminary Results**

**JOHN E. BARTEL**

**BARTEL  
ASSOCIATES, LLC**

November 9, 2007

**Agenda**

<u>Topic</u>	<u>Page</u>
Benefit Summary	1
Data Summary	6
Claims Summary	15
Actuarial Assumptions	19
Actuarial Methods	21
Definitions	22
Simplified Example	25
Results	29
Bartel Associates GASB 45 Database	41
Other Issues	45



## BENEFIT SUMMARY

<b>■ Eligibility</b>	<ul style="list-style-type: none"><li>• Service retirement:<ul style="list-style-type: none"><li>➢ Age 50 and 5 years CalPERS service</li><li>➢ Age 50 and 15 years City service for SCEA, Trades &amp; Maintenance</li></ul></li><li>• Disability retirement:<ul style="list-style-type: none"><li>➢ 5 years CalPERS service</li><li>➢ Immediate for Safety for Industrial (in service) disability</li><li>➢ No disability healthcare benefit for Trades &amp; Maintenance</li></ul></li><li>• Retire directly from City</li></ul>
<b>■ Medical Benefit</b>	<ul style="list-style-type: none"><li>• Non-Medicare eligible:<ul style="list-style-type: none"><li>➢ City pays for retiree plus 1 dependent</li></ul></li><li>• Medicare eligible:<ul style="list-style-type: none"><li>➢ City pays for retiree plus 1 dependent (spouse for Firefighters and Trades &amp; Maintenance)</li></ul></li></ul>



## BENEFIT SUMMARY

	<ul style="list-style-type: none"><li>➢ City Medicare eligible contribution for retirements on or after:<ul style="list-style-type: none"><li>▪ 1/1/85 for Mgt &amp; Confid, Mid-Mgt &amp; Super, Law Dept</li><li>▪ 1/1/90 for Police Mgt</li><li>▪ 1/1/96 for Fire</li><li>▪ 1/1/97 for Fire Mgt, SCEA, Trades &amp; Maintenance</li><li>▪ 8/1/98 for Police</li></ul></li><li>• Dependent coverage for 15 years maximum</li><li>• Retiree pays monthly contribution for additional dependents:<ul style="list-style-type: none"><li>➢ 1/1/08 proposed: \$121 per additional dependent</li></ul></li><li>• Disability retiree pays monthly contribution for years &lt; 65 and greater than 15 years payments<ul style="list-style-type: none"><li>➢ 1/1/08 proposed: \$259 single, \$453 2-party, &amp; \$574 family</li></ul></li><li>• Trades &amp; Maintenance can participate in OEHW (pre-Medicare only) with City contribution equal to average cost per enrollee (actives &amp; retirees)</li><li>• Police &amp; Police Management hired <math>\geq</math> 7/1/07 in pooled defined contribution plan</li></ul>
--	--



## BENEFIT SUMMARY

<p>■ <b>Dental Benefit</b></p>	<ul style="list-style-type: none"> <li>• City-paid for City Manager, Unrepresented Department Heads, and Executive Plan Law Department employees and spouses, each to age 65</li> </ul>
<p>■ <b>Vision &amp; Life Benefits</b></p>	<ul style="list-style-type: none"> <li>• None for retiree or surviving spouse of retiree</li> </ul>
<p>■ <b>Surviving Spouse Benefit</b></p>	<ul style="list-style-type: none"> <li>• <b>Active Death:</b> Medical benefit for surviving spouse of active employee eligible to retiree, to age 65. Also dental and vision for Mid-Management &amp; Supervisory.</li> <li>• <b>Active Safety Death:</b> Medical, dental, vision benefits for surviving spouse and children of active employee who dies in line of duty, to age 65, paid by City, reimbursed by State</li> <li>• <b>Retiree Death:</b> Medical for surviving spouse of retiree, to age 65, paid by spouse, for those without lifetime benefits</li> </ul>



## BENEFIT SUMMARY

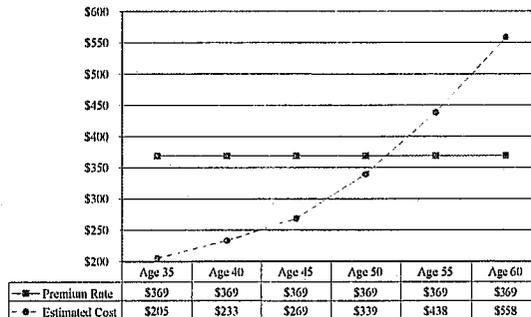
<p>■ <b>Pay-As-You-Go (000s)</b></p>	<table border="1"> <thead> <tr> <th><u>Year</u></th> <th><u>Retirees</u></th> <th><u>PayGo</u></th> </tr> </thead> <tbody> <tr> <td>2006/07 Est</td> <td>716 Est</td> <td>\$ 7,816</td> </tr> <tr> <td>2005/06 CAFR</td> <td>694</td> <td>7,162</td> </tr> <tr> <td>2004/05 CAFR</td> <td>656</td> <td>8,179</td> </tr> <tr> <td>2003/04 CAFR</td> <td>525</td> <td>7,303</td> </tr> </tbody> </table>	<u>Year</u>	<u>Retirees</u>	<u>PayGo</u>	2006/07 Est	716 Est	\$ 7,816	2005/06 CAFR	694	7,162	2004/05 CAFR	656	8,179	2003/04 CAFR	525	7,303
<u>Year</u>	<u>Retirees</u>	<u>PayGo</u>														
2006/07 Est	716 Est	\$ 7,816														
2005/06 CAFR	694	7,162														
2004/05 CAFR	656	8,179														
2003/04 CAFR	525	7,303														
<p>■ <b>Funding Rates</b></p>	<table border="1"> <thead> <tr> <th><u>Date</u></th> <th><u>Act &amp; Ret &lt; 65</u></th> <th><u>Retiree ≥ 65</u></th> </tr> </thead> <tbody> <tr> <td>7/1/07</td> <td>\$ 1,054</td> <td>\$ 396</td> </tr> <tr> <td>7/1/06</td> <td>890</td> <td>501</td> </tr> </tbody> </table>	<u>Date</u>	<u>Act &amp; Ret &lt; 65</u>	<u>Retiree ≥ 65</u>	7/1/07	\$ 1,054	\$ 396	7/1/06	890	501						
<u>Date</u>	<u>Act &amp; Ret &lt; 65</u>	<u>Retiree ≥ 65</u>														
7/1/07	\$ 1,054	\$ 396														
7/1/06	890	501														



## BENEFIT SUMMARY

### ■ Implied Subsidy

- Participating retirees pay active/retiree aggregate rates vs. actual cost



- Value expected retiree claims less retiree contributions
- Implied subsidy is the pay-as-you-go cost less retiree funding and retiree contributions. The estimated funding was determined excluding subsidies among coverage elections.



## DATA SUMMARY

### Participant Statistics – 1/1/2007

	Mgt & Confid	Mid Mgt & Super	Trades & SCEA	Trades & Maint	Law Dept	Police	Police Mgt	Fire	Fire Mgt	Total
<b>■ Actives<sup>1</sup></b>										
• Count	113	145	435	148	18	359	21	256	8	1,503
• Average age	47.3	50.3	46.0	51.3	47.5	37.0	44.3	38.1	46.4	43.5
• Average service	11.3	16.2	11.2	14.8	12.0	9.8	18.8	9.9	21.5	11.7
• Average pay	\$87,370	\$75,233	\$49,940	\$43,975	\$94,901	\$62,317	\$106,997	\$74,807	\$109,227	\$63,450
• Total payroll (000's)	9,873	10,909	21,724	6,508	1,708	22,372	2,247	19,151	874	95,365
<b>■ Retirees</b>										
➢ Count < 65	41	64	68	60	4	153	16	109	10	525
➢ Count ≥ 65	35	74	32	25	1	2	7	13	2	191
• Total	76	138	100	85	5	155	23	122	12	716
• Average age	65.4	67.1	62.6	61.6	63.1	53.9	61.5	60.3	61.9	61.3
• Average retire age	58.3	58.8	58.4	58.0	57.0	47.9	53.3	53.9	54.5	55.1

<sup>1</sup> 22 actives and 36 retirees were City Managers (#00), Department Heads (#01), or EP Law Dept (#40). No Police Management and 57 Police employees (pay of \$2,693,000) were hired after 7/1/05 and will participate in DC plan.



## DATA SUMMARY

### Participant Statistics – 1/1/2007

	<u>Misc</u>	<u>Safety</u>	<u>Total</u>
<b>■ Actives</b>			
• Count	855	648	1,503
• Average age	47.7	38.1	43.5
• Average service	12.5	10.5	11.7
• Average pay	\$58,144	\$70,451	\$63,450
• Total payroll (000's)	49,713	45,652	95,365
<b>■ Retirees</b>			
> Count < 65	236	289	525
> Count ≥ 65	<u>173</u>	<u>18</u>	<u>191</u>
• Total	409	307	716 <sup>2</sup>
• Average age	64.5	57.0	61.3
• Average retirement age	58.4	50.7	55.1

<sup>2</sup> Includes 9 surviving spouses and 4 spouses paying for coverage until age 65.



November 9, 2007

7



## DATA SUMMARY

### Coverage

<u>Original Plan</u>	<u>EE</u>	<u>EE+Spouse</u>	<u>EE+Child</u>	<u>Family</u>	<u>Total</u>
■ Actives	-	-	-	-	-
■ Retirees < 65	15	4	-	2	21
■ Retirees > 65	<u>21</u>	<u>28</u>	-	<u>4</u>	<u>53</u>
■ Total	36	32	-	6	74
<u>Modified Plan</u>	<u>EE</u>	<u>EE+Spouse</u>	<u>EE+Child</u>	<u>Family</u>	<u>Total</u>
■ Actives	279	306	130	784	1,499
■ Retirees < 65	96	323	26	55	500
■ Retirees > 65	<u>31</u>	<u>97</u>	-	<u>10</u>	<u>138</u>
■ Total	406	726	156	849	2,137
<u>OEHW<sup>3</sup></u>	<u>EE</u>	<u>EE+Spouse</u>	<u>EE+Child</u>	<u>Family</u>	<u>Total</u>
■ Actives	n/a	n/a	n/a	n/a	4
■ Retirees < 65	n/a	n/a	n/a	n/a	4
■ Retirees > 65	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	-
■ Total	n/a	n/a	n/a	n/a	8

<sup>3</sup> One OEHW<sup>3</sup> premium for all coverage elections.



November 9, 2007

8



**DATA SUMMARY**

**Retirees - Miscellaneous  
Age & Coverage**

Age	EE	EE+Spouse	EE+Child	Family	OEHWT	Total
Under 45	1	-	2	-	-	3
45-49	1	-	-	-	-	1
50-54	3	17	1	2	1	24
55-59	22	67	6	7	1	103
60-64	32	66	1	4	2	105
65-69	20	48	-	9	-	77
70-74	12	37	-	3	-	52
75-79	10	18	-	1	-	29
80-84	7	6	-	-	-	13
85 & Over	2	-	-	-	-	2
<b>Total</b>	<b>110</b>	<b>259</b>	<b>10</b>	<b>26</b>	<b>4</b>	<b>409</b>
<b>Average Age</b>	<b>65.9</b>	<b>64.5</b>	<b>54.0</b>	<b>63.8</b>	<b>58.3</b>	<b>64.5</b>



**DATA SUMMARY**

**Retirees - Safety  
Age & Coverage**

Age	EE	EE+Spouse	EE+Child	Family	OEHWT	Total
Under 45	-	17	4	11	-	32
45-49	4	3	3	3	-	13
50-54	7	23	3	13	-	46
55-59	10	61	2	11	-	84
60-64	31	73	4	6	-	114
65-69	1	16	-	1	-	18
70-74	-	-	-	-	-	-
75-79	-	-	-	-	-	-
80-84	-	-	-	-	-	-
85 & Over	-	-	-	-	-	-
<b>Total</b>	<b>53</b>	<b>193</b>	<b>16</b>	<b>45</b>	<b>-</b>	<b>307</b>
<b>Average Age</b>	<b>59.3</b>	<b>57.9</b>	<b>52.3</b>	<b>52.2</b>	<b>-</b>	<b>57.0</b>



## DATA SUMMARY

### Actives – Miscellaneous – 1/1/2007

Age		Service							Total
		Under 1	1-4	5-9	10-14	15-19	20-24	25 & Over	
Under 25	Count	2	4	-	-	-	-	-	6
	Average Pay	40,002	44,709	-	-	-	-	-	43,140
25-29	Count	11	22	11	-	-	-	-	44
	Average Pay	40,685	50,081	51,197	-	-	-	-	48,011
30-34	Count	15	17	22	3	-	-	-	57
	Average Pay	39,832	46,957	54,508	46,764	-	-	-	47,986
35-39	Count	8	22	36	13	5	-	-	84
	Average Pay	45,369	55,726	59,799	62,306	51,432	-	-	57,248
40-44	Count	8	12	37	21	22	12	1	113
	Average Pay	47,129	48,899	57,588	62,157	70,034	52,529	40,992	58,513
45-49	Count	9	22	39	29	29	14	14	156
	Average Pay	60,657	78,780	61,947	64,575	52,666	56,320	52,101	61,621
50-54	Count	3	16	28	19	36	21	48	171
	Average Pay	59,748	57,047	57,285	53,436	59,301	66,760	57,034	58,396
55-59	Count	2	13	27	31	37	14	39	163
	Average Pay	73,380	82,774	52,398	58,653	61,727	63,762	63,367	61,986
60-64	Count	1	3	16	6	9	6	12	53
	Average Pay	72,900	57,660	55,396	50,520	54,946	69,938	56,648	57,156
65 & Over	Count	-	2	1	-	4	1	-	8
	Average Pay	-	86,034	32,255	-	49,610	51,072	-	56,730
Total	Count	59	133	217	122	142	68	114	855
	Average Pay	47,624	59,840	57,139	59,548	59,415	61,532	58,414	58,144



November 9, 2007

11



## DATA SUMMARY

### Actives – Safety – 1/1/2007

Age		Service							Total
		Under 1	1-4	5-9	10-14	15-19	20-24	25 & Over	
Under 25	Count	19	12	-	-	-	-	-	31
	Average Pay	46,573	56,716	-	-	-	-	-	50,499
25-29	Count	20	65	14	1	-	-	-	100
	Average Pay	45,922	57,616	64,883	89,388	-	-	-	56,612
30-34	Count	5	33	54	12	-	-	-	104
	Average Pay	47,892	58,522	72,648	66,985	-	-	-	66,322
35-39	Count	3	33	39	70	14	-	-	159
	Average Pay	45,090	58,370	69,085	74,410	79,957	-	-	69,710
40-44	Count	-	6	19	42	42	8	-	117
	Average Pay	-	56,123	72,668	74,716	80,239	99,641	-	77,117
45-49	Count	-	3	2	14	21	29	9	78
	Average Pay	-	60,273	84,060	75,849	79,405	81,449	95,127	80,724
50-54	Count	-	-	1	7	5	15	15	43
	Average Pay	-	-	78,732	72,869	86,080	88,637	96,682	88,349
55-59	Count	-	1	-	3	1	6	5	16
	Average Pay	-	60,960	-	77,714	65,023	87,052	88,932	82,881
60-64	Count	-	-	-	-	-	-	-	-
	Average Pay	-	-	-	-	-	-	-	-
65 & Over	Count	-	-	-	-	-	-	-	-
	Average Pay	-	-	-	-	-	-	-	-
Total	Count	47	153	129	149	83	58	29	648
	Average Pay	46,342	57,919	70,955	74,128	80,149	86,397	94,863	70,451



November 9, 2007

12



**DATA SUMMARY**

**Actives – Total – 1/1/2007**

Age		Service							Total
		Under 1	1-4	5-9	10-14	15-19	20-24	25 & Over	
Under 25	Count	21	16	-	-	-	-	-	37
	Average Pay	45,947	53,714	-	-	-	-	-	49,306
25-29	Count	31	87	25	1	-	-	-	144
	Average Pay	44,064	55,710	58,861	89,388	-	-	-	53,984
30-34	Count	20	50	76	15	-	-	-	161
	Average Pay	41,847	54,590	67,397	62,941	-	-	-	59,831
35-39	Count	11	55	75	83	19	-	-	243
	Average Pay	45,293	57,312	64,627	72,514	72,450	-	-	65,402
40-44	Count	8	18	56	63	64	20	1	230
	Average Pay	47,129	51,307	62,705	70,530	76,731	71,374	40,992	67,977
45-49	Count	9	25	41	43	50	43	23	234
	Average Pay	60,657	76,560	63,026	68,245	63,896	73,267	68,937	67,989
50-54	Count	3	16	29	26	41	36	63	214
	Average Pay	59,748	57,047	58,024	58,668	62,567	75,875	66,474	64,415
55-59	Count	2	14	27	34	38	20	44	179
	Average Pay	73,380	81,216	52,398	60,335	61,814	70,749	66,272	63,854
60-64	Count	1	3	16	6	9	6	12	53
	Average Pay	72,900	57,660	55,396	50,520	54,946	69,938	56,648	57,156
65 & Over	Count	-	2	1	-	4	1	-	8
	Average Pay	-	86,034	32,255	-	49,610	51,072	-	56,730
Total	Count	106	286	346	271	225	126	143	1,503
	Average Pay	47,055	58,812	62,290	67,564	67,063	72,977	65,806	63,450



November 9, 2007



**DATA SUMMARY**

**This page intentionally blank**

BA



November 9, 2007



## CLAIMS SUMMARY

### Original Plan – Retirees < 65

FYE	Medical ('000s)	Rx ('000s)	Stop/Loss ('000s)	Net Claims ('000s)	Number Enrolled	Number Covered	Ave Mo Claim Per Enrollee	Ave Mo Claim Per Covered
6/30/04	\$1,626	\$128	\$339	\$1,415	31	42	\$3,867	\$2,800
6/30/05	1,403	129	348	1,184	30	41	3,306	2,394
6/30/06	523	216	0	739	29	39	2,159	1,563

### Original Plan – Retirees ≥ 65

FYE	Medical ('000s)	Rx ('000s)	Stop/Loss ('000s)	Net Claims ('000s)	Number Enrolled	Number Covered	Ave Mo Claim Per Enrollee	Ave Mo Claim Per Covered
6/30/04	\$105	\$187	\$0	\$292	61	103	\$396	\$236
6/30/05	93	186	0	279	61	102	385	229
6/30/06	112	237	0	349	60	100	488	291

Note: Claims were provided by the City. Number of enrollees and covered persons were separately provided by Zenith Administrators.



November 9, 2007



## CLAIMS SUMMARY

### Modified Plan – Actives

FYE	Medical ('000s)	Rx ('000s)	Stop/Loss ('000s)	Net Claims ('000s)	Number Enrolled	Number Covered	Ave Mo Claim Per Enrollee	Ave Mo Claim Per Covered
6/30/04	\$9,856	\$2,233	\$0	\$12,089	1,372	3,196	\$734	\$315
6/30/05	9,752	2,190	41	11,901	1,437	3,345	690	296
6/30/06	10,497	2,531	1,060	11,968	1,491	3,473	674	289

### Modified Plan – Retirees < 65

FYE	Medical ('000s)	Rx ('000s)	Stop/Loss ('000s)	Net Claims ('000s)	Number Enrolled	Number Covered	Ave Mo Claim Per Enrollee	Ave Mo Claim Per Covered
6/30/04	\$4,614	\$1,064	\$0	\$5,678	548	1,056	\$864	\$448
6/30/05	4,504	1,395	197	5,702	543	1,047	875	454
6/30/06	5,487	1,568	403	6,652	538	1,036	1,031	535

### Modified Plan – Retirees ≥ 65

FYE	Medical ('000s)	Rx ('000s)	Stop/Loss ('000s)	Net Claims ('000s)	Number Enrolled	Number Covered	Ave Mo Claim Per Enrollee	Ave Mo Claim Per Covered
6/30/04	\$90	\$170	\$0	\$260	121	225	\$178	\$96
6/30/05	78	186	0	264	122	227	180	97
6/30/06	455	221	87	589	121	224	406	219



November 9, 2007



## ACTUARIAL ASSUMPTIONS

<p>■ Valuation Date</p>	<ul style="list-style-type: none"> <li>• June 30, 2007 measurement date</li> <li>• 2007/08 fiscal year ARC as of year-end</li> </ul>																														
<p>■ Discount Rate</p>	<ul style="list-style-type: none"> <li>• 4.5% Not pre-funded Assets invested in General Fund</li> <li>• 7% Pre-funded Diversified &amp; invested in separate trust</li> </ul> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Average Returns</u></th> <th style="text-align: center;"><u>LAIF</u> <u>10-Yr</u></th> <th style="text-align: center;"><u>LAIF</u> <u>15-Yr</u></th> <th style="text-align: center;"><u>City</u> <u>10-Yr</u></th> <th style="text-align: center;"><u>City</u> <u>15-Yr</u></th> </tr> </thead> <tbody> <tr> <td>General Fund Return</td> <td style="text-align: center;">4.16%</td> <td style="text-align: center;">4.54%</td> <td style="text-align: center;">4.32%</td> <td style="text-align: center;">4.53%</td> </tr> <tr> <td>CA CPI</td> <td style="text-align: center;"><u>3.02%</u></td> <td style="text-align: center;"><u>2.76%</u></td> <td style="text-align: center;"><u>3.02%</u></td> <td style="text-align: center;"><u>2.76%</u></td> </tr> <tr> <td>General Fund Real Return</td> <td style="text-align: center;">1.14%</td> <td style="text-align: center;">1.78%</td> <td style="text-align: center;">1.30%</td> <td style="text-align: center;">1.77%</td> </tr> <tr> <td>Inflation Assumption</td> <td style="text-align: center;"><u>3.00%</u></td> <td style="text-align: center;"><u>3.00%</u></td> <td style="text-align: center;"><u>3.00%</u></td> <td style="text-align: center;"><u>3.00%</u></td> </tr> <tr> <td>Discount Rate</td> <td style="text-align: center;">4.14%</td> <td style="text-align: center;">4.78%</td> <td style="text-align: center;">4.30%</td> <td style="text-align: center;">4.77%</td> </tr> </tbody> </table>	<u>Average Returns</u>	<u>LAIF</u> <u>10-Yr</u>	<u>LAIF</u> <u>15-Yr</u>	<u>City</u> <u>10-Yr</u>	<u>City</u> <u>15-Yr</u>	General Fund Return	4.16%	4.54%	4.32%	4.53%	CA CPI	<u>3.02%</u>	<u>2.76%</u>	<u>3.02%</u>	<u>2.76%</u>	General Fund Real Return	1.14%	1.78%	1.30%	1.77%	Inflation Assumption	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	Discount Rate	4.14%	4.78%	4.30%	4.77%
<u>Average Returns</u>	<u>LAIF</u> <u>10-Yr</u>	<u>LAIF</u> <u>15-Yr</u>	<u>City</u> <u>10-Yr</u>	<u>City</u> <u>15-Yr</u>																											
General Fund Return	4.16%	4.54%	4.32%	4.53%																											
CA CPI	<u>3.02%</u>	<u>2.76%</u>	<u>3.02%</u>	<u>2.76%</u>																											
General Fund Real Return	1.14%	1.78%	1.30%	1.77%																											
Inflation Assumption	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>																											
Discount Rate	4.14%	4.78%	4.30%	4.77%																											
<p>■ General Inflation</p>	<ul style="list-style-type: none"> <li>• 3%</li> </ul>																														



November 9, 2007



## ACTUARIAL ASSUMPTIONS

<p>■ Aggregate Payroll Increases</p>	<ul style="list-style-type: none"> <li>• 3.25%</li> </ul>																																																						
<p>■ Claims Cost Per Covered Person</p>	<ul style="list-style-type: none"> <li>• Based on national population data and coverage elections</li> </ul> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;"><u>Monthly Benefit</u></th> <th colspan="2" style="text-align: center;"><u>Eligible for Medicare</u></th> <th colspan="2" style="text-align: center;"><u>Not Eligible for Medicare</u></th> </tr> <tr> <th style="text-align: center;"><u>M</u></th> <th style="text-align: center;"><u>F</u></th> <th style="text-align: center;"><u>M</u></th> <th style="text-align: center;"><u>F</u></th> </tr> </thead> <tbody> <tr> <td>Medical &amp; Rx</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">50-54</td> <td style="text-align: center;">\$524</td> <td style="text-align: center;">\$588</td> <td style="text-align: center;">\$524</td> <td style="text-align: center;">\$588</td> </tr> <tr> <td style="padding-left: 20px;">55-59</td> <td style="text-align: center;">767</td> <td style="text-align: center;">702</td> <td style="text-align: center;">767</td> <td style="text-align: center;">702</td> </tr> <tr> <td style="padding-left: 20px;">60-64</td> <td style="text-align: center;">930</td> <td style="text-align: center;">816</td> <td style="text-align: center;">930</td> <td style="text-align: center;">816</td> </tr> <tr> <td style="padding-left: 20px;">65-69</td> <td style="text-align: center;">459</td> <td style="text-align: center;">403</td> <td style="text-align: center;">909</td> <td style="text-align: center;">791</td> </tr> <tr> <td style="padding-left: 20px;">70-74</td> <td style="text-align: center;">473</td> <td style="text-align: center;">417</td> <td style="text-align: center;">939</td> <td style="text-align: center;">820</td> </tr> <tr> <td style="padding-left: 20px;">75-79</td> <td style="text-align: center;">483</td> <td style="text-align: center;">427</td> <td style="text-align: center;">961</td> <td style="text-align: center;">843</td> </tr> <tr> <td style="padding-left: 20px;">Dental<sup>4</sup></td> <td style="text-align: center;">90</td> <td style="text-align: center;">90</td> <td style="text-align: center;">90</td> <td style="text-align: center;">90</td> </tr> <tr> <td style="padding-left: 20px;">Vision<sup>4</sup></td> <td style="text-align: center;">20</td> <td style="text-align: center;">20</td> <td style="text-align: center;">20</td> <td style="text-align: center;">20</td> </tr> </tbody> </table>	<u>Monthly Benefit</u>	<u>Eligible for Medicare</u>		<u>Not Eligible for Medicare</u>		<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>	Medical & Rx					50-54	\$524	\$588	\$524	\$588	55-59	767	702	767	702	60-64	930	816	930	816	65-69	459	403	909	791	70-74	473	417	939	820	75-79	483	427	961	843	Dental <sup>4</sup>	90	90	90	90	Vision <sup>4</sup>	20	20	20	20
<u>Monthly Benefit</u>	<u>Eligible for Medicare</u>		<u>Not Eligible for Medicare</u>																																																				
	<u>M</u>	<u>F</u>	<u>M</u>	<u>F</u>																																																			
Medical & Rx																																																							
50-54	\$524	\$588	\$524	\$588																																																			
55-59	767	702	767	702																																																			
60-64	930	816	930	816																																																			
65-69	459	403	909	791																																																			
70-74	473	417	939	820																																																			
75-79	483	427	961	843																																																			
Dental <sup>4</sup>	90	90	90	90																																																			
Vision <sup>4</sup>	20	20	20	20																																																			

<sup>4</sup> City's estimate.



November 9, 2007



## ACTUARIAL ASSUMPTIONS

<b>■ Medical Trend</b>	<u>Increase from Prior Year</u>														
	<u>Year</u>	<u>Non-Medicare</u>	<u>Medicare</u>												
	2008	11.3%	11.7%												
	2009	10.5%	10.9%												
	↓	↓	↓												
	2017+	4.5%	4.5%												
<b>■ Dental/Vision Trend</b>	<ul style="list-style-type: none"> <li>• 4.5%</li> </ul>														
<b>■ Mortality, Withdrawal, Disability</b>	<ul style="list-style-type: none"> <li>• CalPERS 1997-2002 Experience Study</li> <li>• Assume current retirees who retired before age 50 are all disabled retirees. (Misc: 9 out of 409, Safety: 83 out of 307)</li> </ul>														
<b>■ Retirement</b>	<ul style="list-style-type: none"> <li>• CalPERS 1997-2002 Experience Study</li> </ul> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Misc</u></th> <th style="text-align: center;"><u>Safety</u></th> </tr> </thead> <tbody> <tr> <td>Benefit</td> <td style="text-align: center;">2%@55</td> <td style="text-align: center;">3%@50</td> </tr> <tr> <td>Hire Age</td> <td style="text-align: center;">35</td> <td style="text-align: center;">28</td> </tr> <tr> <td>Exp Ret Age</td> <td style="text-align: center;">60 Male 59 Female</td> <td style="text-align: center;">54</td> </tr> </tbody> </table>				<u>Misc</u>	<u>Safety</u>	Benefit	2%@55	3%@50	Hire Age	35	28	Exp Ret Age	60 Male 59 Female	54
	<u>Misc</u>	<u>Safety</u>													
Benefit	2%@55	3%@50													
Hire Age	35	28													
Exp Ret Age	60 Male 59 Female	54													
<b>■ Retiree Contribution</b>	<ul style="list-style-type: none"> <li>• Non-Medicare healthcare trend</li> </ul>														



November 9, 2007

19



## ACTUARIAL ASSUMPTIONS

<b>■ Participation at Retirement</b>	<ul style="list-style-type: none"> <li>• Currently covered – 100%</li> <li>• Not currently covered – none reported</li> </ul>																
<b>■ Medicare Eligibility</b>		<table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Misc</u></th> <th style="text-align: center;"><u>Safety</u></th> </tr> </thead> <tbody> <tr> <td>Actives Hired &lt; 4/1/86</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">85%</td> </tr> <tr> <td>Actives Hired ≥ 4/1/86</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Current Retirees &lt; 65</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">90%</td> </tr> <tr> <td>Current Retirees ≥ 65</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">85%</td> </tr> </tbody> </table>		<u>Misc</u>	<u>Safety</u>	Actives Hired < 4/1/86	75%	85%	Actives Hired ≥ 4/1/86	100%	100%	Current Retirees < 65	80%	90%	Current Retirees ≥ 65	75%	85%
	<u>Misc</u>	<u>Safety</u>															
Actives Hired < 4/1/86	75%	85%															
Actives Hired ≥ 4/1/86	100%	100%															
Current Retirees < 65	80%	90%															
Current Retirees ≥ 65	75%	85%															
	<ul style="list-style-type: none"> <li>• Everyone eligible for Medicare will elect Part B coverage</li> </ul>																
<b>■ Marital Status</b>	<ul style="list-style-type: none"> <li>• Actives – based on coverage election</li> <li>• Retirees – actual marital status</li> <li>• Males 3 years older than females</li> </ul>																
<b>■ Spousal Coverage</b>	<ul style="list-style-type: none"> <li>• Based on current election</li> </ul>																
<b>■ Dependent Coverage</b>	<ul style="list-style-type: none"> <li>• Misc – 10% dependent coverage &lt; 70</li> <li>• Safety – 20% dependent coverage &lt; 70</li> </ul>																



November 9, 2007

20



## ACTUARIAL METHODS

■ Plan Assets	• None
■ Cost Method	• Entry Age Normal (same as CalPERS)
■ Amortization Period	• 30 years • 20 years (for sensitivity analysis)
■ Amortization Method	• Level percent of payroll (same as CalPERS)
■ Future New Entrants	• None – closed group
■ "Implied Subsidy"	• Employer cost for allowing retirees to participate irrespective of employer contribution • Value expected retiree claims less retiree contributions



November 9, 2007



## DEFINITIONS

<b>GASB Terminology</b>	<b>Definition</b>
■ Annual Required Contribution (ARC)	■ Actuarially determined contribution, using funding method, amortization period, assumptions, etc.
■ Annual Other Post Employment Benefit (OPEB) Cost (AOC)	■ Similar to GASB 27 Annual Pension Cost ■ ARC, adjusted for: <ul style="list-style-type: none"> <li>• Interest on NOO and</li> <li>• Amortization of NOO</li> </ul>
■ Net OPEB Obligation (NOO)	■ Historical difference between actual contribution and AOC ■ $NOO \text{ (end of year)} =$ $NOO \text{ (beginning of year)}$ $+ AOC \text{ (for year)}$ $- \text{actual contributions (made during year)}$



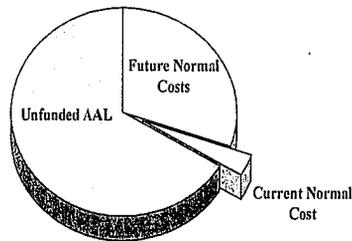
November 9, 2007



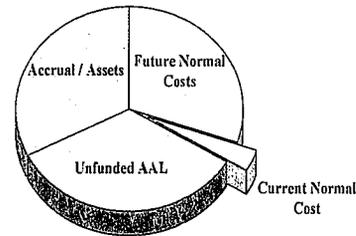
## DEFINITIONS

### Present Value of Projected Benefits (PVPB)

#### Without Assets



#### With Assets



#### ■ PVPB - Present Value of all Projected Benefits

- Discounted value, at measurement (valuation date – 6/30/2007), of all future expected benefit payments.  
Expected benefit payments based on various (actuarial) assumptions

## DEFINITIONS

#### ■ AAL – Actuarial Accrued Liability / Actuarial Obligation

- Discounted value, at measurement (valuation date – 6/30/2007), of benefits “earned” (based on actuarial cost method) through measurement.
- Portion of PVPB “earned” at measurement.

#### ■ NC - Normal Cost

- Value of benefits “earned” during current year.
- Portion of PVPB allocated to current year.

#### ■ Actuarial Cost Method

- Determines how benefits are “earned” (or allocated) to each year of service.
- Has no effect on PVPB.
- Has significant effect on Actuarial Obligations and Normal Cost

**SIMPLIFIED EXAMPLE**

**Active Employee**

(Assumes 0% Discount Rate and Other Simplifying Assumptions)

<b>If:</b>	<u>Age</u>	<u>Service</u>	<u>Pay</u>
■ At Hire:	35	0	-
■ Current:	45	10	\$ 60,000
■ At Retirement:	60	25	-
 <b>Then:</b>			
■ PVPB <sub>45</sub>	=		\$ 100,000
■ AAL <sub>45</sub>	=	(10/25) x 100,000 =	40,000
■ Assets	=		<u>0</u>
■ UAAL	=		40,000
■ NC <sub>45/46</sub>	=	(1/25) x 100,000 =	4,000



November 9, 2007



**SIMPLIFIED EXAMPLE**

**Active Employee**

(Assumes 0% Discount Rate and Other Simplifying Assumptions)

**Annual Required Contribution**

■ Normal Cost	=		\$ 4,000
■ UAAL Amortization	=	(1/20) x 40,000 =	<u>2,000</u>
■ ARC - \$	=		6,000
■ ARC - %	=	6,000 / 60,000 =	10%
■ Pay as You Go Cost			0

**Net OPEB Obligation**

		<u>Pay-As-You-Go Without Trust</u>	<u>Pre-Fund With Trust</u>
■ BoY NOO	=	\$ 0	\$ 0
■ + ARC	=	6,000	6,000
■ - Payments	=	<u>0</u>	<u>(6,000)</u>
■ EoY NOO	=	6,000	0



November 9, 2007



**SIMPLIFIED EXAMPLE**

**Retiree**

(Assumes 0% Discount Rate and Other Simplifying Assumptions)

If:	Age	Service	Annual Payment
■ At Retirement:	60	25	-
■ Current Age:	62	25	\$ 4,000
Then:			
■ PVPB <sub>62</sub>	=		\$ 100,000
■ AAL <sub>62</sub>	=	(25/25) x 100,000 =	100,000
■ Assets	=		<u>0</u>
■ UAAL	=		100,000
■ NC <sub>62/63</sub>	=	(0/25) x 100,000 =	0



November 9, 2007



**SIMPLIFIED EXAMPLE**

**Retiree**

(Assumes 0% Discount Rate and Other Simplifying Assumptions)

**Annual Required Contribution**

■ Normal Cost	=		\$ 0
■ UAAL Amortization	=	(1/20) x 100,000 =	<u>5,000</u>
■ ARC - \$	=		5,000
■ ARC - %	=		N/A
■ Pay as You Go Cost			4,000

Net OPEB Obligation		<u>Pay-As-You-Go Without Trust</u>	<u>Pre-Fund With Trust</u>
■ BoY NOO	=	\$ 0	\$ 0
■ + ARC	=	5,000	5,000
■ - Payments	=	<u>(4,000)</u>	<u>(5,000)</u>
■ EoY NOO	=	1,000	0



November 9, 2007



**RESULTS**

**Actuarial Obligations**  
**4.5% Discount Rate – 6/30/07**  
**(000's Omitted)**

	Mgt & Confid	Mid Mgt & Super	SCEA	Trades & Maint	Law Dept	Police	Police Mgt	Fire	Fire Mgt	Total
■ PVB										
• Actives	\$ 30,501	\$ 41,730	\$ 101,695	\$ 35,286	\$ 4,982	\$ 118,368	\$ 8,240	\$ 64,820	\$ 3,023	\$ 408,645
• Retirees	<u>16,611</u>	<u>27,315</u>	<u>25,195</u>	<u>22,435</u>	<u>1,117</u>	<u>50,640</u>	<u>5,713</u>	<u>31,280</u>	<u>3,204</u>	<u>183,509</u>
• Total	47,112	69,045	126,890	57,721	6,099	169,008	13,953	96,100	6,227	592,154
■ AAL										
• Actives	15,131	25,072	48,736	22,219	2,359	48,091	5,481	35,205	2,501	204,794
• Retirees	<u>16,611</u>	<u>27,315</u>	<u>25,195</u>	<u>22,435</u>	<u>1,117</u>	<u>50,640</u>	<u>5,713</u>	<u>31,280</u>	<u>3,204</u>	<u>183,509</u>
• Total	31,742	52,387	73,931	44,654	3,476	98,731	11,194	66,485	5,705	388,303
■ Normal Cost	1,543	1,876	4,300	1,378	242	5,268	320	2,779	78	17,784
■ Pay-As-You-Go Cost	1,110	1,885	1,435	1,352	96	2,184	334	1,871	225	10,492
■ Implied Subsidy	478	814	501	542	45	390	117	542	100	3,528



November 9, 2007



**RESULTS**

**Actuarial Obligations**  
**4.5% Discount Rate – 6/30/07**  
**(000's Omitted)**

	Claims	Retiree Contributions	City Cost
■ Present Value of Benefits			
• Actives	\$ 411,775	\$ 3,130	\$ 408,645
• Retirees	<u>187,460</u>	<u>3,951</u>	<u>183,509</u>
• Total	599,235	7,081	592,154
■ Actuarial Accrued Liability			
• Actives	205,071	277	204,794
• Retirees	<u>187,460</u>	<u>3,951</u>	<u>183,509</u>
• Total	392,531	4,228	388,303
■ Normal Cost	18,006	222	17,784
■ Pay-As-You-Go Cost	10,612	120	10,492



November 9, 2007



**RESULTS**

~~SHOULD BE~~

**Annual Required Contribution**  
**4.5% Discount Rate - 2007/08 Fiscal Year**  
 (000's Omitted)

	Mgt & Confid	Mid Mgt & Super	SCEA	Trades & Maint	Law Dept	Police	Police Mgt	Fire	Fire Mgt	Total
■ ARC										
• Normal Cost	\$ 1,543	\$ 1,876	\$ 4,300	\$ 1,378	\$ 242	\$ 5,268	\$ 320	\$ 2,779	\$ 78	\$ 17,784
• UAAL Amort <sup>5</sup>	<u>1,309</u>	<u>2,161</u>	<u>3,050</u>	<u>1,842</u>	<u>143</u>	<u>4,073</u>	<u>462</u>	<u>2,742</u>	<u>235</u>	<u>16,017</u>
• ARC	2,852	4,037	7,350	3,220	385	9,341	782	5,521	313	33,801
■ Payroll	10,194	11,263	22,430	6,720	1,764	23,099	2,320	19,773	902	98,464
■ ARC %										
• Normal Cost	15.1%	16.7%	19.2%	20.5%	13.7%	22.8%	13.8%	14.1%	8.6%	18.1%
• UAAL Amort	<u>12.8%</u>	<u>19.2%</u>	<u>13.6%</u>	<u>27.4%</u>	<u>8.1%</u>	<u>17.6%</u>	<u>19.9%</u>	<u>13.9%</u>	<u>26.1%</u>	<u>16.3%</u>
• ARC	28.0%	35.8%	32.8%	47.9%	21.8%	40.4%	33.7%	27.9%	34.7%	34.4%

<sup>5</sup> Amortized as a level percent of payroll over 30 years.



**RESULTS**

~~SHOULD BE~~

**Annual Required Contribution**  
**4.5% Discount Rate - 2007/08 Fiscal Year**  
 (000's Omitted)

	Claims	Retiree Contributions	City Cost
■ ARC \$			
• Normal Cost	\$ 18,006	\$ 222	\$ 17,784
• UAAL Amortization <sup>6</sup>	<u>16,192</u>	<u>175</u>	<u>16,017</u>
• ARC	34,198	397	33,801
■ Payroll	98,464	98,464	98,464
■ ARC %			
• Normal Cost	18.3%	0.2%	18.1%
• UAAL Amortization	<u>16.5%</u>	<u>0.2%</u>	<u>16.3%</u>
• ARC	34.8%	0.4%	34.4%

<sup>6</sup> Amortized as a level percent of payroll over 30 years.



**RESULTS**

**Discount Rate & Amortization Period Sensitivity**

(000's Omitted)

■ Discount Rate	4.5%		7%	
	30 Yrs	20 Yrs	30 Yrs	20 Yrs
■ Amortization Period				
■ PVPB	\$ 592,154	\$ 592,154	\$ 381,958	\$ 381,958
■ Funded Status				
• AAL	388,303	388,303	284,115	284,115
• Assets	0	0	0	0
• Unfunded AAL	388,303	388,303	284,115	284,115
• UAAL as % of Pay	395%	395%	289%	289%
■ 2007/08 ARC				
• Normal Cost	17,784	17,784	10,573	10,573
• UAAL Amort	16,017	22,691	16,215	20,888
• ARC	33,801	40,475	26,788	31,461
• ARC as % of payroll	34.4%	41.1%	27.2%	32.0%



November 9, 2007



**RESULTS**

**Estimated Net OPEB Obligation**

**30-Year Amortization**

(000's Omitted)

	No PreFunding 4.5%	PreFunding 7%
	■ NOO 6/30/2007	\$ 0
• 2007/08 Annual Required Contribution	33,801	26,788
• Estimated Contribution	(10,492)	(26,788)
■ Estimated NOO 6/30/2008 <sup>7</sup>	23,309	0

<sup>7</sup> Actual NOO will depend on actual benefit payments.



November 9, 2007



**RESULTS**

**Benefit Payout/AOC Illustration**  
**4.5% Discount Rate / 30-Year Amortization**  
**No Pre-Funding**  
**(000's Omitted)**

<b>FYE June 30,</b>	<b>Beginning of Year Net OPEB Obligation</b>	<b>Benefit Payout</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Payroll</b>	<b>Benefit% of Payroll</b>
2008	\$ -	\$10,492	\$33,801	\$98,464	10.7%
2009	23,310	11,973	34,987	101,664	11.8%
2010	46,324	13,653	36,208	104,968	13.0%
2011	68,879	15,413	37,464	108,380	14.2%
2012	90,929	17,254	38,756	111,902	15.4%
2013	112,431	19,253	40,085	115,539	16.7%
2014	133,263	21,297	41,452	119,294	17.9%
2015	153,418	23,305	42,858	123,171	18.9%
2016	172,971	25,360	44,306	127,174	19.9%
2017	191,917	27,501	45,796	131,307	20.9%



November 9, 2007



**RESULTS**

**Benefit Payout/AOC Illustration**  
**7% Discount Rate / 30-Year Amortization**  
**Pre-Funding**  
**(000's Omitted)**

<b>FYE June 30,</b>	<b>Beginning of Year Net OPEB Obligation</b>	<b>Benefit Payout</b>	<b>Contrib</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Payroll</b>	<b>Contrib % of Payroll</b>
2008	\$ 0	\$10,492	\$26,788	\$26,788	\$98,464	27.2%
2009	0	11,973	27,658	27,658	101,664	27.2%
2010	0	13,653	28,557	28,557	104,968	27.2%
2011	0	15,413	29,485	29,485	108,380	27.2%
2012	0	17,254	30,443	30,443	111,902	27.2%
2013	0	19,253	31,433	31,433	115,539	27.2%
2014	0	21,297	32,454	32,454	119,294	27.2%
2015	0	23,305	33,509	33,509	123,171	27.2%
2016	0	25,360	34,598	34,598	127,174	27.2%
2017	0	27,501	35,723	35,723	131,307	27.2%



November 9, 2007



## RESULTS

### Phase-In Pre-Funding Illustration

- Contribution formulas:

FYE	5-Year Phase-In	10-Year Phase-In	12-Year Phase-In
2008	PayGo	PayGo	PayGo
2009	PayGo + 1/5 (Full ARC – PayGo)	PayGo + 1/10 (Full ARC – PayGo)	PayGo + 1/12 (Full ARC – PayGo)
2010	PayGo + 2/5 (Full ARC – PayGo)	PayGo + 2/10 (Full ARC – PayGo)	PayGo + 2/12 (Full ARC – PayGo)
↓	↓	↓	↓
2013	Full ARC	PayGo + 5/10 (Full ARC – PayGo)	PayGo + 5/12 (Full ARC – PayGo)
↓	↓	↓	↓
2018	Full ARC	Full ARC	PayGo + 10/12 (Full ARC – PayGo)
↓	↓	↓	↓
2020	Full ARC	Full ARC	Full ARC

- Discount Rate: 7% for all years
- Amortization: UAAL and NOO are amortized over a closed 30-year period.



## RESULTS

### Phase-In Pre-Funding Illustration 7% Discount Rate / 30-year Amortization (000's Omitted)

FYE June 30,	Pay-As- You-Go Cost	Full ARC Contribution	5-Year Phase-In Contribution	10-Year Phase-In Contribution	12-Year Phase-In Contribution
2008	\$10,492	\$26,788	\$10,492	\$10,492	\$10,492
2009	11,973	27,658	15,295	13,634	13,357
2010	13,653	28,557	20,313	17,003	16,447
2011	15,413	29,485	25,302	20,450	19,624
2012	17,254	30,443	30,122	23,943	22,864
2013	19,253	31,433	34,627	27,486	26,192
2014	21,297	32,454	35,753	30,969	29,502
2015	23,305	33,509	36,915	34,337	32,742
2016	25,360	34,598	38,114	37,601	35,940
2017	27,501	35,723	39,353	40,730	39,085
2018	29,564	36,884	40,632	43,680	42,115
2019	31,563	38,082	41,952	45,100	45,042
2020	33,875	39,320	43,316	46,565	47,868



## RESULTS

### Phase-In Pre-Funding Illustration 7% Discount Rate / 30-year Amortization (Percent of Pay)

FYE June 30,	Pay-As- You-Go Cost	Full ARC Contribution	5-Year Phase-In Contribution	10-Year Phase-In Contribution	12-Year Phase-In Contribution
2008	10.7%	27.2%	10.7%	10.7%	10.7%
2009	11.8%	27.2%	15.0%	13.4%	13.1%
2010	13.0%	27.2%	19.4%	16.2%	15.7%
2011	14.2%	27.2%	23.3%	18.9%	18.1%
2012	15.4%	27.2%	26.9%	21.4%	20.4%
2013	16.7%	27.2%	30.0%	23.8%	22.7%
2014	17.9%	27.2%	30.0%	26.0%	24.7%
2015	18.9%	27.2%	30.0%	27.9%	26.6%
2016	19.9%	27.2%	30.0%	29.6%	28.3%
2017	20.9%	27.2%	30.0%	31.0%	29.8%
2018	21.8%	27.2%	30.0%	32.2%	31.1%
2019	22.5%	27.2%	30.0%	32.2%	32.2%
2020	23.4%	27.2%	30.0%	32.2%	33.1%

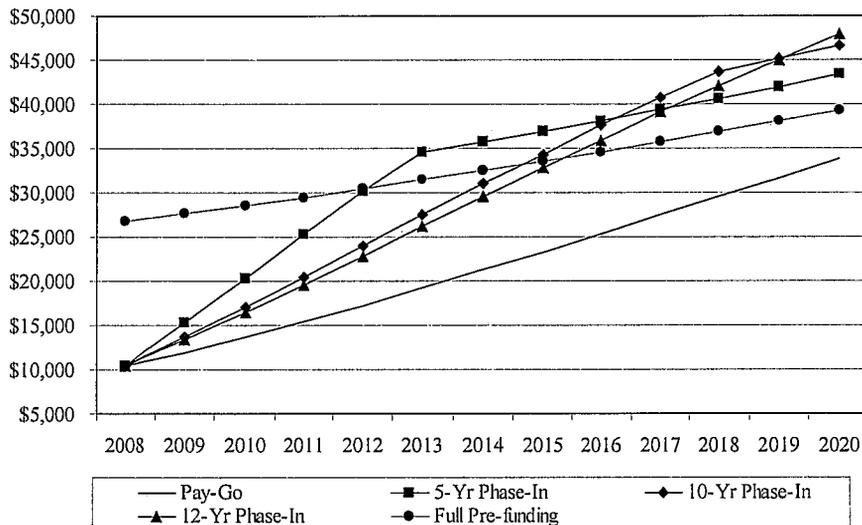


November 9, 2007



## RESULTS

### Phase-In Pre-Funding Illustration 7% Discount Rate - 30-Year Amortization (000's Omitted)

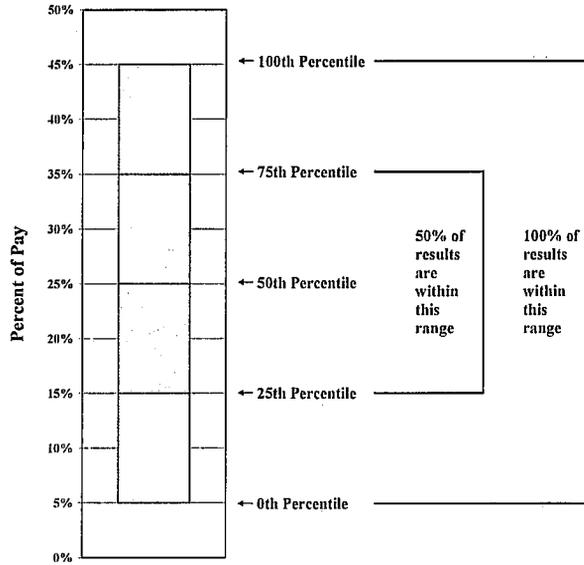


November 9, 2007



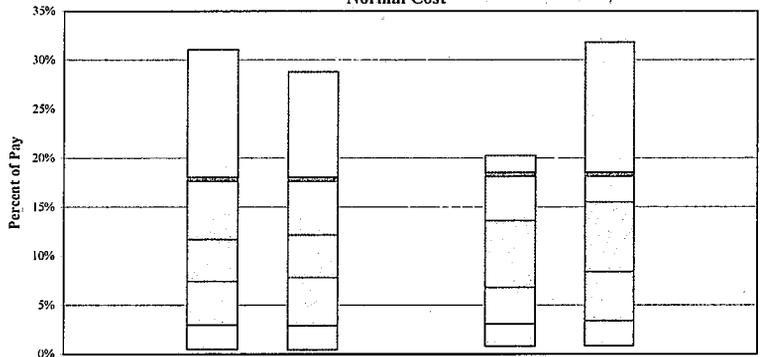
**BARTEL ASSOCIATES GASB 45 DATABASE**

**GASB 45  
Retiree Medical Benefits Comparison  
Sample Percentile Graph**



**BARTEL ASSOCIATES GASB 45 DATABASE**

**GASB 45  
Retiree Medical Benefits Comparison  
Normal Cost**

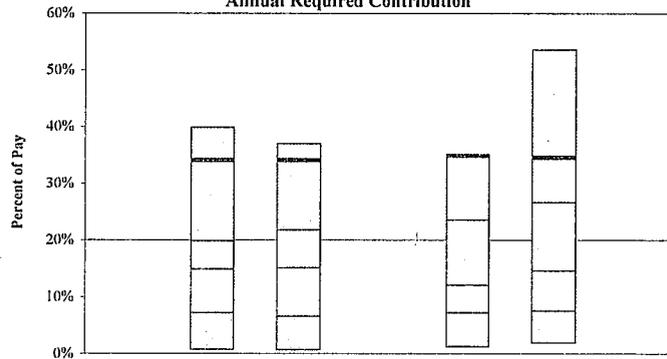


	Miscellaneous		Safety	
	Actual	Normalized	Actual	Normalized
100th Percentile	31.1%	28.8%	20.3%	31.8%
75th Percentile	11.7%	12.1%	13.6%	15.5%
50th Percentile	7.4%	7.8%	6.8%	8.4%
25th Percentile	3.0%	2.9%	3.1%	3.4%
0th Percentile	0.5%	0.4%	0.8%	0.8%
City of Stockton Percentile	17.8%	17.8%	18.3%	18.3%
	98%	96%	97%	87%



## BARTEL ASSOCIATES GASB 45 DATABASE

### GASB 45 Retiree Medical Benefits Comparison Annual Required Contribution



	Miscellaneous		Safety	
	Actual	Normalized	Actual	Normalized
100th Percentile	39.9%	37.0%	34.6%	53.6%
75th Percentile	19.9%	21.8%	23.6%	26.7%
50th Percentile	14.9%	15.1%	12.1%	14.6%
25th Percentile	7.2%	6.6%	7.2%	7.5%
0th Percentile	0.7%	0.7%	1.3%	1.9%
City of Stockton Percentile	34.1% 99%	34.1% 99%	34.6% 100%	34.6% 89%

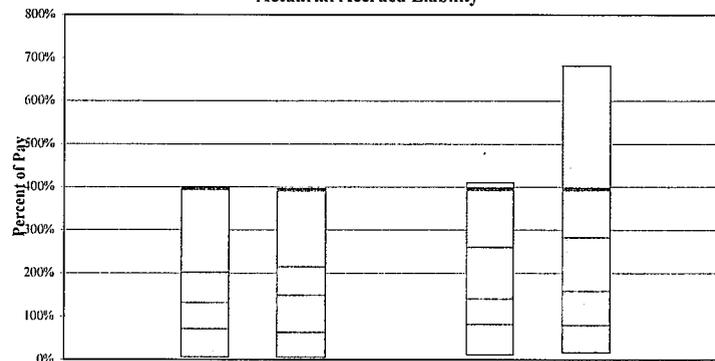


November 9, 2007



## BARTEL ASSOCIATES GASB 45 DATABASE

### GASB 45 Retiree Medical Benefits Comparison Actuarial Accrued Liability



	Miscellaneous		Safety	
	Actual	Normalized	Actual	Normalized
100th Percentile	394%	397%	411%	682%
75th Percentile	203%	215%	261%	283%
50th Percentile	132%	149%	141%	159%
25th Percentile	71%	63%	82%	79%
0th Percentile	6%	6%	11%	17%
City of Stockton Percentile	394% 100%	394% 99%	395% 98%	395% 87%



November 9, 2007



## OTHER ISSUES

### ■ Timing:

- Discuss methods and assumptions May 8, 2007
- Present preliminary results June 8, 2007
- Add phase-in contribution projections June 27, 2007
- Meeting November 9, 2007

