



CITY OF AURORA
HEALTH INSURANCE PLAN FOR RETIRED EMPLOYEES

Actuarial Valuation Report
For the Year
Beginning January 1, 2010
And Ending December 31, 2010

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

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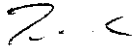
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INTRODUCTION

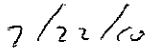
The City of Aurora provides limited health care insurance coverage for its eligible retired employees. The purpose of this report is to disclose the GASB Statements No. 43 & 45 financial information and related actuarial information for the year beginning January 1, 2010, and ending December 31, 2010.

The valuation results reported herein are based on the plan provisions, the employee data and the actuarial methods and assumptions described later in this report. I hereby certify that this report is complete and accurate and fairly presents the actuarial position of the plan as of December 31, 2009, in accordance with generally accepted actuarial principles and procedures. In my opinion, the assumptions used are reasonably related to expectations.

Respectfully submitted,



Timothy W. Sharpe, EA, MAAA
Enrolled Actuary No. 08-4384



Date

GASB STATEMENTS NO. 43 & 45 DISCLOSURE INFORMATION

The Governmental Accounting Standards Board (GASB) issued Statements No. 43 & 45 that established generally accepted accounting principles for the annual financial statements for postemployment benefit plans other than pension plans. The required information is as follows:

Membership in the plan consisted of the following as of:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Retirees and beneficiaries receiving benefits	414	355
Terminated plan members entitled to but not yet receiving benefits	0	0
Active vested plan members	618	623
Active nonvested plan members	<u>325</u>	<u>347</u>
Total	<u>1,357</u>	<u>1,325</u>
Number of participating employers	1	1

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	15,608,508	155,475,378	139,866,870	10.0%	66,557,105	210.1%
12/31/08	18,831,066	157,770,027	138,938,961	11.9%	72,246,059	192.3%
12/31/09	22,378,004	173,681,516	151,303,512	12.9%	72,367,412	209.1%

GASB STATEMENTS NO. 43 & 45 DISCLOSURE INFORMATION (Continued)

ANNUAL OPEB COST AND NET OPEB OBLIGATION

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Annual required contribution	11,951,819	13,052,085
Interest on net OPEB obligation	3,002,519	2,498,735
Adjustment to annual required contribution	<u>(1,854,856)</u>	<u>(1,543,635)</u>
Annual OPEB cost	13,099,482	14,007,185
Contributions made	<u>6,911,969</u>	<u>6,810,269</u>
Increase (decrease) in net OPEB obligation	6,187,513	7,196,916
Net OPEB obligation beginning of year	<u>42,893,128</u>	<u>35,696,212</u>
Net OPEB obligation end of year	<u>49,080,641</u>	<u>42,893,128</u>

THREE-YEAR TREND INFORMATION

Fiscal Year <u>Ending</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
12/31/07	17,653,132	100.8%	35,696,212
12/31/08	14,007,185	48.6%	42,893,128
12/31/09	13,099,482	52.8%	49,080,641

ANNUAL REQUIRED CONTRIBUTION

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Service Cost	5,010,096	5,161,696
Amortization	6,542,917	6,008,228
Interest	<u>808,711</u>	<u>781,895</u>
Annual required contribution	<u>12,361,724</u>	<u>11,951,819</u>

GASB STATEMENTS NO. 43 & 45 DISCLOSURE INFORMATION (Continued)

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

Contribution rates:

City	9.55%
Plan members	0.00%

Actuarial valuation date 12/31/2009

Actuarial cost method Entry age

Amortization period Level percentage of pay, open

Remaining amortization period 30 years

Asset valuation method Market

Actuarial assumptions:

Investment rate of return* 7.00%

Projected salary increases 5.00%

Healthcare inflation rate 7.50% initial
5.00% ultimate

Mortality, Turnover, Disability, Retirement Ages Same rates utilized for IMRF, Police and Firefighter Pension Funds

Percentage of Active Employees Assumed to Elect Benefit 100%

Employer Provided Benefit Explicit: \$1,600/month to age 65, \$800/month after age 65
Implicit: Included in Explicit Benefit

* Includes inflation at 3.00%

CITY OF AURORA
 GASB 45 Summary as of December 31, 2009

Division	Service Cost	Active Liability	Retired Liability	Total Liability	Assets	2010 Annual Required Contribution	Expected Payments	Actives	Retirees	Total
1002	38,214	218,542	206,315	424,857	54,741	58,014	19,200	6	1	7
1004	29,807	132,422	568,697	701,119	90,336	60,155	48,000	4	5	9
1005	0	0	236,950	236,950	30,530	9,551	19,200	0	2	2
1006	0	0	437,453	437,453	56,364	17,633	38,400	0	3	3
1009	0	0	434,691	434,691	56,008	17,522	28,800	0	2	2
1010	16,948	207,536	350,220	557,756	71,864	40,817	28,800	3	2	5
1102	15,524	423,758	0	423,758	54,599	33,692	0	3	0	3
1103	2,229	103,845	0	103,845	13,390	6,571	0	1	0	1
1202	43,055	691,999	0	691,999	89,161	73,963	0	8	0	8
1210	14,399	158,211	0	158,211	20,395	21,784	0	3	0	3
1212	14,099	243,224	0	243,224	31,338	24,890	0	3	0	3
1215	3,883	40,826	0	40,826	5,260	5,801	0	1	0	1
1216	16,471	155,614	0	155,614	20,050	23,897	0	2	0	2
1220	19,813	479,102	0	479,102	61,730	40,512	0	4	0	4
1221	4,144	121,251	0	121,251	15,623	9,321	0	1	0	1
1230	4,424	154,467	0	154,467	19,902	10,960	0	1	0	1
1231	22,006	53,299	0	53,299	6,867	25,695	0	2	0	2
1232	43,972	703,540	0	703,540	90,648	75,409	0	9	0	9
1233	27,913	77,965	0	77,965	10,045	33,010	0	6	0	6
1302	32,381	598,519	236,248	834,765	107,555	68,297	19,200	7	1	8
1314	6,394	155,681	299,228	454,887	58,610	25,179	28,800	2	2	4
1320	4,807	16,477	0	16,477	2,123	5,808	0	1	0	1
1330	12,012	220,169	0	220,169	28,368	21,728	0	3	0	3
1340	43,045	185,454	0	185,454	23,895	53,534	0	5	0	5
1346	0	0	660,753	660,753	85,135	26,634	57,600	0	3	3
1370	6,365	29,266	0	29,266	3,771	7,990	0	1	0	1
1516	0	0	512,524	512,524	66,036	20,659	38,400	0	3	3
1628	0	0	1,273,968	1,273,968	164,144	51,352	96,000	0	8	8
1630	0	0	62,110	62,110	8,003	2,504	9,600	0	1	1
1631	0	0	487,188	487,188	62,772	19,638	38,400	0	2	2
1702	0	0	221,357	221,357	28,521	8,923	19,200	0	1	1
1727	0	0	818,194	818,194	105,420	32,981	67,200	0	5	5
1765	0	0	132,889	132,889	17,135	5,361	9,600	0	1	1
1802	36,600	487,712	0	487,712	62,839	58,821	0	7	0	7
1810	2,017	61,138	0	61,138	7,877	4,622	0	1	0	1
1820	67,486	1,094,301	0	1,094,301	140,995	116,320	0	13	0	13
1840	20,381	207,435	0	207,435	26,727	30,148	0	5	0	5
1841	4,417	187,379	0	187,379	24,143	12,279	0	1	0	1
1850	101,051	2,104,774	0	2,104,774	271,190	192,966	0	22	0	22
1851	148,146	2,514,359	0	2,514,359	323,963	259,867	0	29	0	29
2502	39,371	593,073	122,357	715,430	92,180	70,965	9,600	8	1	9
2521	44,712	646,505	838,270	1,484,775	191,306	107,691	67,200	10	4	14
2522	3,598	7,988	0	7,988	1,029	4,171	0	1	0	1
2523	44,571	549,774	426,087	975,861	125,735	87,027	28,800	7	2	9
2526	17,227	168,245	512,524	680,769	87,714	45,874	38,400	3	3	6
2527	0	0	462,804	462,804	59,630	18,655	28,800	0	2	2
2528	0	0	149,453	149,453	19,256	6,024	9,600	0	1	1
2560	45,599	610,457	784,362	1,394,819	179,715	105,015	57,600	10	5	15
2802	0	0	117,163	117,163	15,096	4,723	9,600	0	1	1
3033	1,305,439	25,285,880	21,278,226	46,564,106	5,999,556	3,273,770	1,593,600	201	105	306
3536	1,722,007	31,632,388	35,169,643	66,802,031	8,607,111	4,535,268	2,419,200	334	157	491
3537	113,019	1,914,409	656,440	2,570,849	331,241	224,559	48,000	31	3	34
3538	7,089	194,538	0	194,538	25,065	15,405	0	2	0	2
4039	0	0	662,231	662,231	85,325	26,694	57,600	0	4	4
4040	0	0	924,449	924,449	119,111	37,264	86,400	0	5	5
4054	0	0	279,642	279,642	36,030	11,272	19,200	0	1	1
4058	0	0	2,635,016	2,635,016	339,509	106,215	192,000	0	14	14
4062	0	0	824,466	824,466	106,228	33,233	57,600	0	3	3
4063	0	0	2,412,196	2,412,196	310,800	97,233	182,400	0	16	16
4402	51,118	1,302,348	0	1,302,348	167,801	107,192	0	12	0	12
4410	31,243	514,986	0	514,986	66,353	54,188	0	7	0	7
4420	41,803	672,155	0	672,155	86,604	71,824	0	7	0	7
4430	41,083	294,411	0	294,411	37,933	55,827	0	6	0	6
4431	81,221	1,509,627	0	1,509,627	194,508	147,758	0	16	0	16
4432	11,164	253,531	0	253,531	32,656	22,165	0	2	0	2
4433	33,336	488,629	0	488,629	62,983	55,374	0	4	0	4
4434	16,405	189,863	0	189,863	24,463	25,206	0	3	0	3
4440	68,875	1,490,567	0	1,490,567	192,052	133,779	0	13	0	13
4441	14,536	147,006	0	147,006	18,941	21,480	0	4	0	4
4442	4,782	83,304	0	83,304	10,733	8,474	0	1	0	1
4443	19,543	217,389	0	217,389	28,009	29,674	0	4	0	4
4450	92,002	2,218,756	0	2,218,756	285,876	187,877	0	23	0	23
4451	7,520	42,036	0	42,036	5,416	9,741	0	2	0	2
4460	198,292	3,483,357	0	3,483,357	448,613	352,583	0	41	0	41
4470	137,411	3,196,143	0	3,196,143	411,807	275,863	0	33	0	33
4471	15,167	328,201	0	328,201	42,287	29,459	0	4	0	4
4502	0	0	457,603	457,603	58,960	18,445	38,400	0	2	2
4541	0	0	160,681	160,681	20,703	6,477	9,600	0	1	1
4542	0	0	675,550	675,550	74,157	23,200	48,000	0	3	3
4548	0	0	2,413,910	2,413,910	311,020	97,302	192,000	0	14	14
4553	0	0	221,357	221,357	28,521	8,923	19,200	0	1	1
4554	0	0	265,406	265,406	34,196	10,698	19,200	0	1	1
4566	0	0	809,542	809,542	104,305	32,832	57,600	0	3	3
4590	0	0	1,545,957	1,545,957	199,189	62,316	144,000	0	9	9
5043	0	0	750,059	750,059	96,641	30,234	57,600	0	4	4
5044	0	0	422,967	422,967	54,497	17,049	19,200	0	1	1
5067	0	0	600,817	600,817	77,412	24,218	48,000	0	3	3
5068	0	0	399,445	399,445	51,467	16,101	28,800	0	3	3
Total	5,010,096	89,864,012	83,817,504	173,681,516	22,378,004	12,361,724	6,153,600	943	414	1,357

Discount Rate: 7.0%
 Medical Inflation Rate: 7.5% initial, 5.0% ultimate
 Future Payroll Increases: 5.0%