

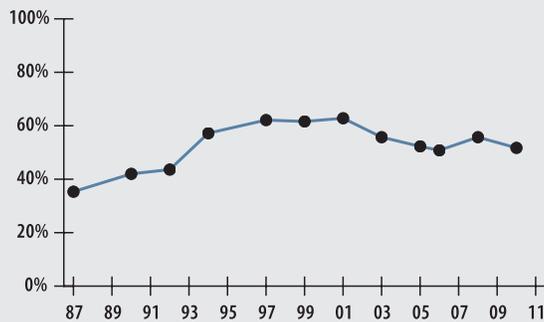
Salem

20 Central Street
Suite 110
Salem, MA 01970
Phone 978-745-8983
Fax 978-745-4216

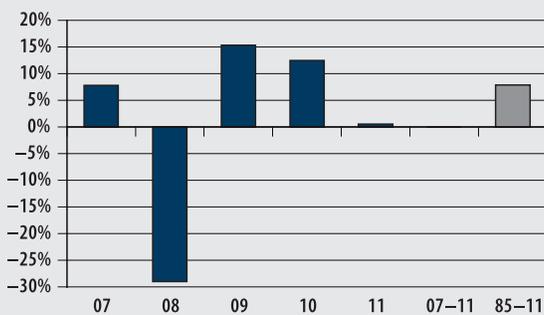
Board Members
John P. O'Leary (Chairperson),
John H. Burke, Jr., Kimberly Driscoll,
Robert Lutts, Richard J. Viscay

Board Administrator
Marcia A. Pelletier
Board Meeting
Last Thursday of each month

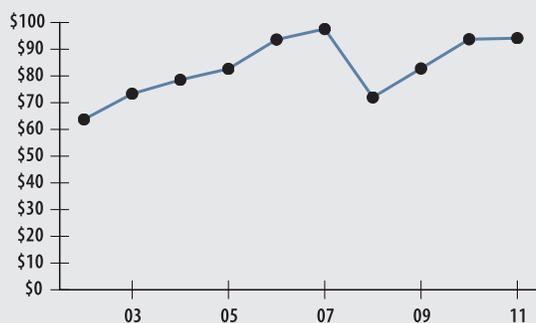
Funded Ratio (1987-2011)



Investment Return (2007-2011, 5 Year and 27 Year Averages)



Asset Growth (2002-2011) (Market Value in Millions)



Investment Return History

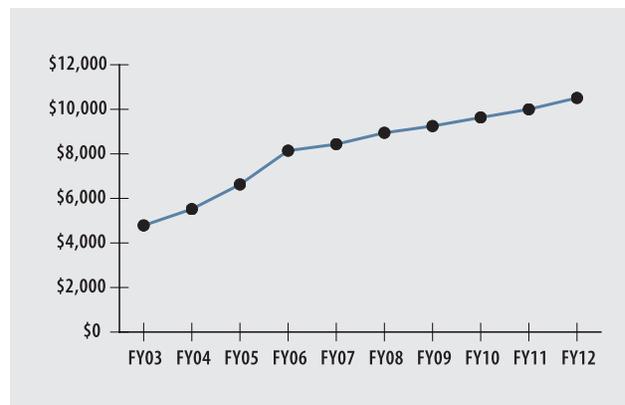
<u>27 years 2011</u>	<u>26 years 2010</u>	<u>25 years 2009</u>
7.90%	8.19%	8.02%
<u>10 years 2011</u>	<u>10 years 2010</u>	<u>10 years 2009</u>
3.84%	3.60%	2.74%
<u>5 years 2011</u>	<u>5 years 2010</u>	<u>5 years 2009</u>
0.00%	2.73%	1.53%

ACTUARIAL

• Funded Ratio	51.7%
• Date of Last Valuation	01/10
• Actuary	Segal
• Assumed Rate of Return	8.25%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2030
• Unfunded Liability	\$93.4 M
• Total Pension Appropriation (Fiscal 2012)	\$10.5 M

	Active	Retired
• Number of Members	827	594
• Total Payroll/Benefit	\$34.6 M	\$11.8 M
• Average Salary/Benefit	\$41,800	\$19,800
• Average Age	48	NA
• Average Service	11.5 years	NA

10-YEAR HISTORY OF APPROPRIATIONS (IN THOUSANDS)



AUDIT

Date of Last Audit	01/13/11
Period Covered	01/01/08-12/31/09

	2009	2008
Annual Receipts	\$24.45 M	\$(15.58 M)
Annual Disbursements	\$13.39 M	\$12.89 M

EARNED INCOME OF DISABILITY RETIREES (2010)

Number of Disability Retirees	64
Number Who Reported Earnings	10
Number of Excess Earners	0
Total Amount of Refund Due	\$0

▶ 2011 Return	.54%
▶ 2011 Target	8.25%
▶ 2011 Market Value	\$94.1 M
▶ 2007-2011 (Annualized)	0.00%
▶ 1985-2011 (Annualized)	7.90%