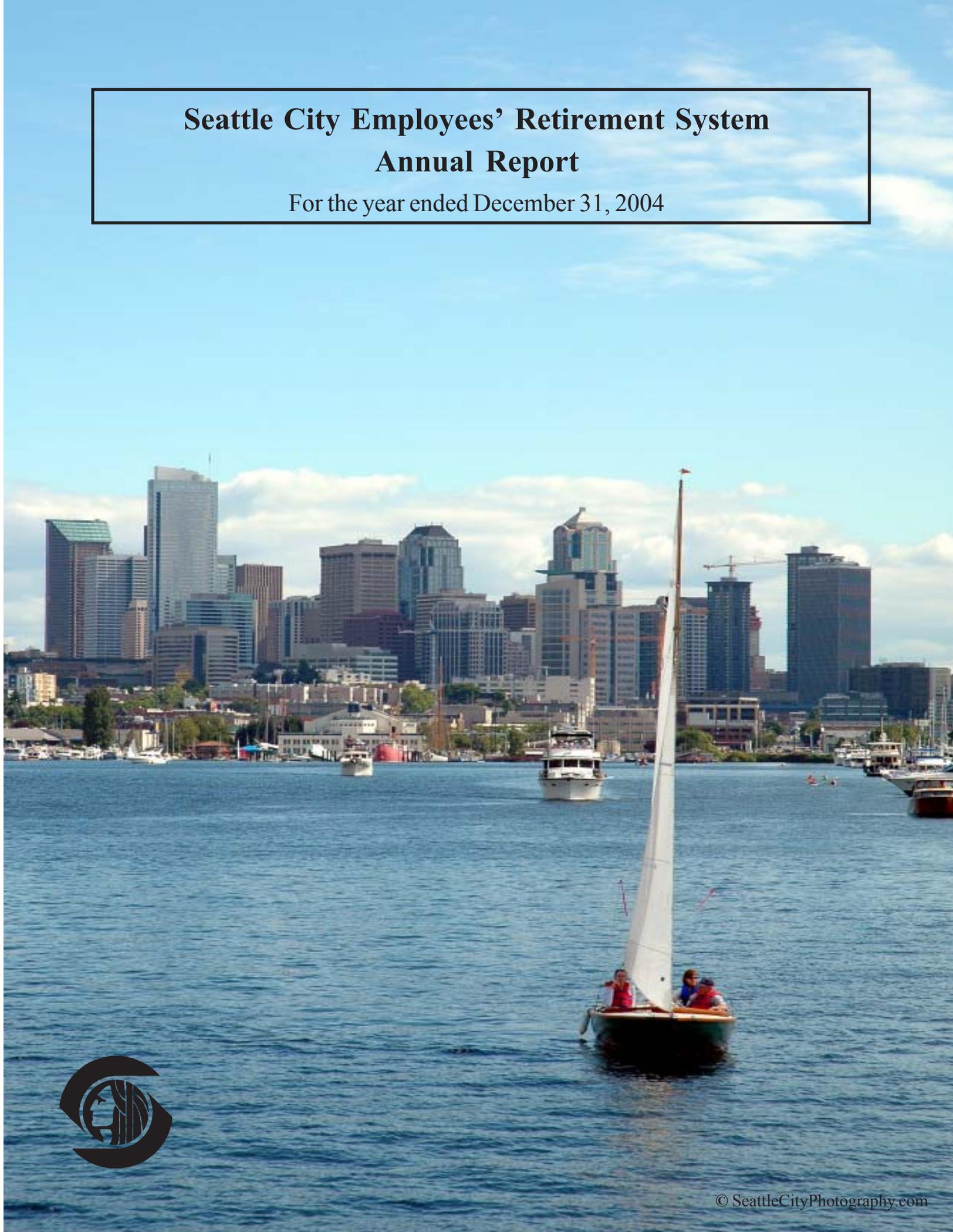


# Seattle City Employees' Retirement System Annual Report

For the year ended December 31, 2004



# SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

## ANNUAL REPORT

For The Year Ended December 31, 2004

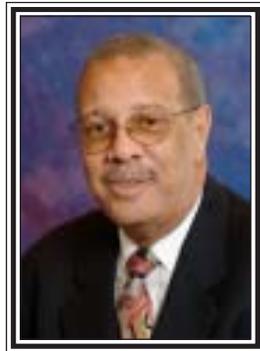
**Prepared by:** Seattle City Employees' Retirement System Staff

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**Board of Administration**



**Norma McKinney**



**Richard McIver**



**Dwight Dively**



**Lou Walter**



**Mary Norris**



**Paul Berry**



**Frank Mathews**

**Administrative Staff**



**Kathleen Bryant**



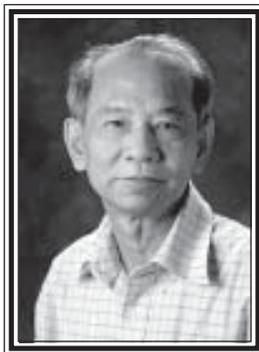
**Roberta Blayney**



**Katherine Bursett**



**Rondelle Cabiles**



**Hieu Le**



**Jean LeMaster**



**Sheila Moss**



**Jeannette Ocampo**



**Lindsay Reid**



**Mel Robertson**



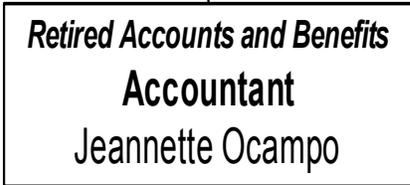
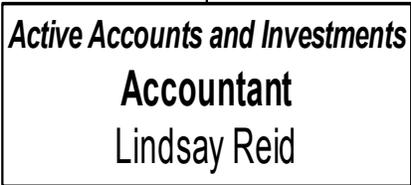
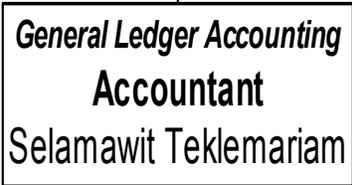
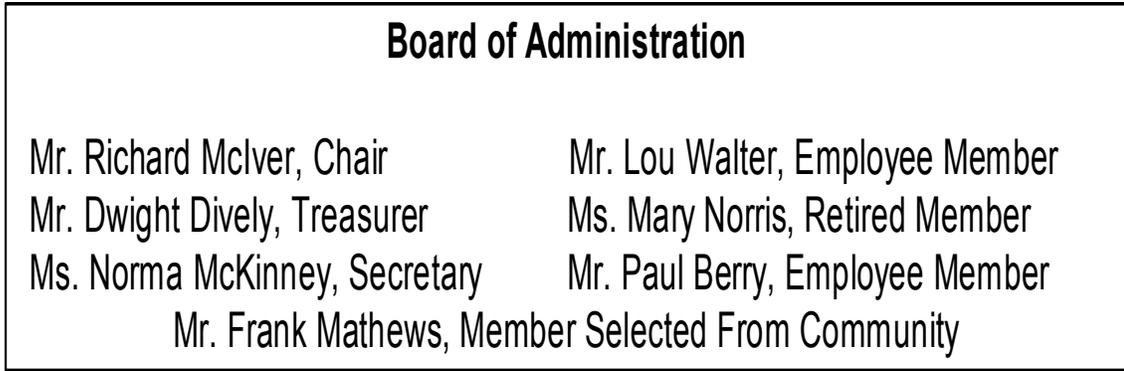
**Norm Ruggles**



**Selam Teklemariam**



**Truong Tran**





# City of Seattle

Gregory J. Nickels, Mayor

## Seattle City Employees' Retirement System

Board of Administration

Norman L. Ruggles, Executive Director

April 18, 2005

To the Honorable Mayor and  
Seattle City Council  
Seattle, Washington 98104

This Annual Report consists of six sections: the Introductory Section contains the Executive Director's letter of transmittal and the identification of the administrative organization of the System; the Financial Statements Section contains the financial statements of the System as well as a letter from the System's certified public accountants; the Actuarial Section contains the independent consulting actuary's opinion along with related actuarial data and statements; the Statistical Section contains tables of significant data pertaining to the operation of the System; the next section contains information on the Death Benefit System and the Unused Sick Leave Plan administered by the Retirement System; and the last section is the Retirement Estimate Section including eligibility requirements, a percentage of average salary chart and a sample calculation.

The compilation of this report reflects the combined effort of the staff under the leadership of the Retirement Board. The intention is to provide complete and reliable information to assist in management decisions, to present evidence of compliance with legal provisions and to demonstrate responsible stewardship for the assets contributed by the members and their employers.

The Executive Director and staff have reviewed the internal accounting controls and the financial statements, supporting schedules and statistical tables, and we are of the opinion that they fairly present the condition of the Retirement System.

The accuracy and completeness of the data contained in this report are the sole responsibility of the management of the Seattle City Employees' Retirement System.

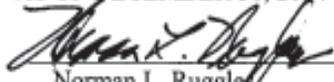
The Retirement System was created and established by amendment to the Charter of the City of Seattle (Article XXII - Section 13) submitted to the voters at the municipal election of March 8, 1927. The System, known thereafter as the Seattle City Employees' Retirement System, is to provide retirement income to maintain the quality of life for its former employees. The retirement plan is a defined benefit plan, which means the employee's salary, years of service and age at the time of retirement are used to determine the amount of retirement benefits.

The Retirement System covers employees of the City of Seattle, and certain employees of King County, METRO and the Seattle City Library. The year ended December 31, 2004, concludes our 76<sup>th</sup> year of operations. This longevity is a tribute to the hard work and conscientious efforts of the past and present Board members, staff, advisors and elected officials who have made the Retirement System the strong, exemplary system it is today.

The report is being mailed to all departments of the City. They form the link between the Seattle City Employees' Retirement System and its membership. Their cooperation contributes significantly to the success of the Retirement System. We trust the employers and Retirement System members will find this report both informative and helpful.

We would like to express our gratitude to the staff, the advisors, and to the many people who have worked so diligently to assure the successful operation of the System.

Respectfully submitted,  
BOARD OF ADMINISTRATION,  
SEATTLE CITY EMPLOYEES'  
RETIREMENT SYSTEM  
AS OF DECEMBER 31, 2004

  
Norman L. Ruggles  
Executive Director

---

City Employees' Retirement System, 801 Third Avenue, Suite 300, Seattle, WA 98104

Tel: (206) 386-1292, Fax: (206) 386-1506

An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.

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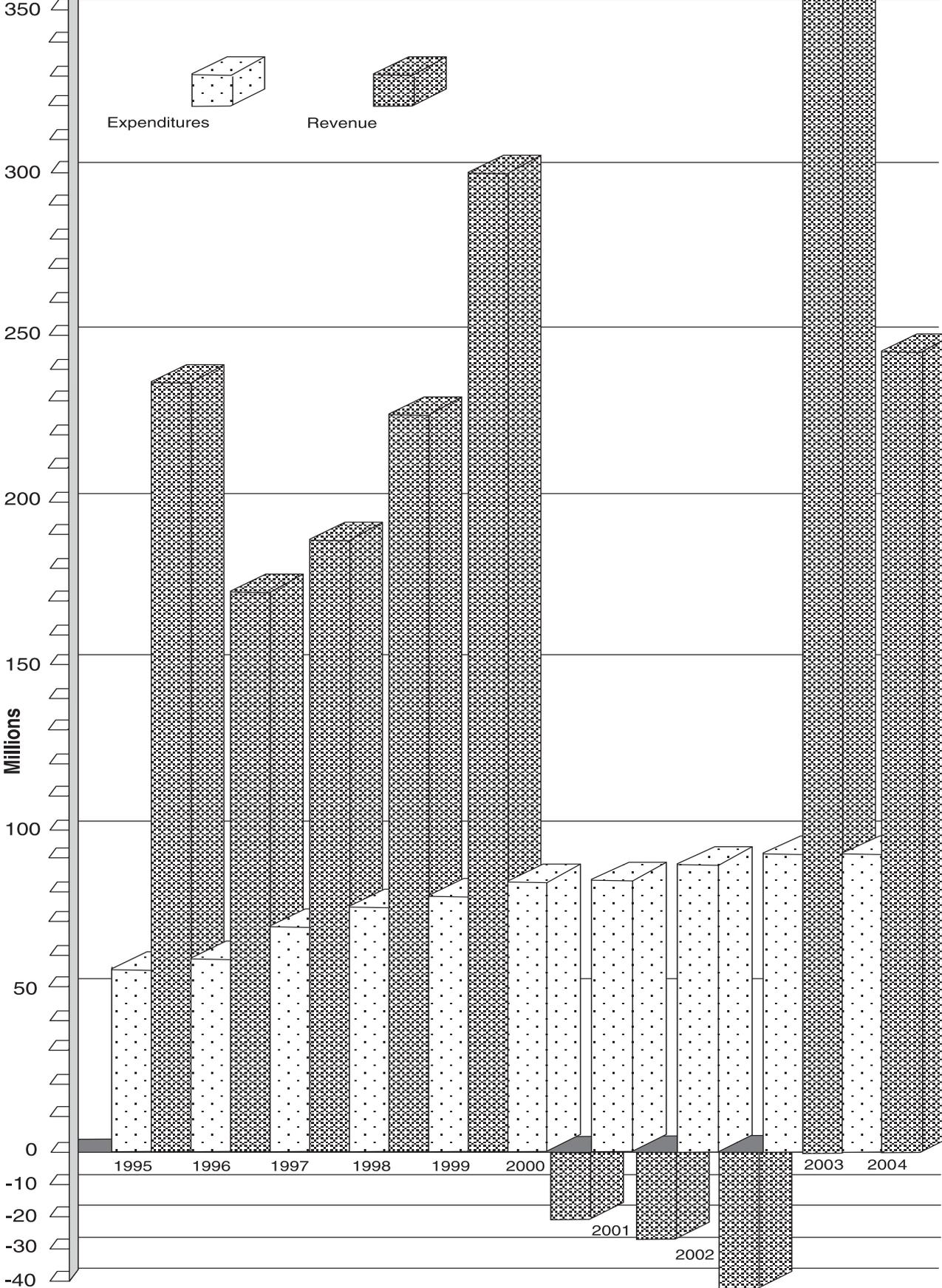
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# Operating Revenue and Expense





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## INDEPENDENT AUDITORS' REPORT

Board of Administration  
Seattle City Employees' Retirement System  
Seattle, Washington

We have audited the accompanying statements of plan net assets of the Seattle City Employees' Retirement System (the "System") as of December 31, 2004 and 2003, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the System as of December 31, 2004 and 2003, and the changes in net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis, the schedule of funding progress, and the schedule of employer contributions are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. This supplementary information is the responsibility of the System's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory, actuarial, statistical, death benefit and unused sick leave, and retirement estimates sections, and the schedules of administrative expenses, investment expenses, and investment cash and securities listed in the table of contents as additional information in the financial section are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of the System's management. The schedules of administrative expenses, investment expenses, and investment cash and securities have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory, actuarial, statistical, death benefit and unused sick leave, and retirement estimates sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*Deloitte & Touche LLP*

May 3, 2005

## Management's Discussion and Analysis

This section presents management's discussion and analysis of the Seattle City Employees' Retirement System's (SCERS or the System) financial performance during the year ending on December 31, 2004. Please read it in conjunction with the transmittal letter in the Introductory Section and the accompanying financial statements and the related notes.

The City of Seattle is responsible for establishing and maintaining an internal control structure designed to ensure the protection of assets from loss, theft, or misuse, and to ensure the accounting information generated is adequate to prepare financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, though not absolute, assurance of achieving these objectives.

As a department of the City of Seattle, the Seattle City Employees' Retirement System is subject to this internal control structure. In addition, section 4.36.140.D of the Seattle Municipal Code requires the Board of Administration to annually transmit a report of the financial condition of the retirement system to the City Council.

This report is prepared in accordance with the principles of governmental accounting and reporting promulgated by the Governmental Accounting Standards Board (GASB). Investments are stated at fair market value, and revenues include the recognition of unrealized gains or losses. The accrual basis of accounting is used to record assets, liabilities, revenues and expenses. Revenue recognition occurs when earned without regard to the date of collection. Expense recognition occurs when the corresponding liabilities are incurred, regardless of payment date. The basis of contributions to the System follows the principles of level cost financing, with current service financed on a current basis. Buck Consultants, the consulting actuary, evaluates the funding status of the System.

### The Financial Section contains the following information:

1. **Basic Financial Statements** including:
  - a. Statement of Plan Net Assets
  - b. Statement of Changes in Plan Net Assets
  - c. Notes to the Financial Statements
2. **Required Supplementary Information** including:
  - a. Schedule of Funding Progress
  - b. Schedule of Employer Contributions
3. **Other Supplementary Schedules** including:
  - a. Schedule of Administrative Expenses
  - b. Schedule of Investment Expenses
  - c. Schedule of Investment Cash and Securities

The basic financial statements are described as follows:

- The Statement of Plan Net Assets shows the account balances at year-end and includes the net assets available for future benefit payments. The liabilities for future benefit payments are not included in this statement; however, they are shown in the Schedule of Funding Progress that is included in the Required Supplementary Information, as well as in the documentation provided by the actuary that is included in the Actuarial Section of this annual report.
- The Statement of Changes in Plan Net Assets shows the sources and uses of funds during the year and illustrates the change in net assets from the previous year.
- The Notes to the Financial Statements are an integral part of the financial statements and include additional detailed information and schedules to provide a better understanding of the financial statements.

The required supplementary information provides historical trends that help to reflect the ongoing plan perspective and the long-term nature of the defined benefit plan.

- The Schedule of Funding Progress contains actuarial information about the status of the plan from an ongoing long-term perspective, in the accumulation of sufficient assets to pay future benefits when due. Actuarial Liabilities in excess of the Actuarial Value of Assets indicate that insufficient assets were accumulated as of December 31, 2004 to fund the future benefits of current members and retirees.
- The Schedule of Employer Contributions contains historical trend information regarding the value of the total annual contributions the employer must pay and the actual contributions by employers in meeting this requirement.

### Financial Highlights

- SCERS assets that are held in trust for the payment of future benefits exceed its current amounts owed as of December 31, 2004 by \$1.68 billion.
- Net assets increased by \$157 million (10.3%) during 2004, primarily due to gains in the equity markets in the U.S. and abroad.
- Revenues (additions to net assets) for 2004 were \$246 million, which includes member and employer contributions of \$74 million and net gains from investment activities totaling \$172 million.
- Expenses (deductions from net assets) for 2004 remained at \$89 million with only a 0.32% increase from 2003. The increase in retiree benefits was largely offset by fewer refunds of contributions.

### Plan Net Assets

The table below provides a summary of assets and current liabilities:

#### Plan Net Assets As of December 31, 2004 and 2003

	2004	2003
Cash and Receivables	\$ 54,193,916	\$ 49,649,866
Investments at Fair Value	1,637,800,830	1,484,850,303
Securities Lending Collateral	239,087,447	148,226,605
Equipment	3,999	5,185
Total Assets	1,931,086,192	1,682,731,959
Securities Lending Payable	239,087,447	148,226,605
Other Payables	7,533,598	6,993,952
Total Liabilities	246,621,045	155,220,557
Total Net Assets	\$ 1,684,465,147	\$ 1,527,511,402

**Changes in Plan Net Assets**

The table below provides a summary of the changes in plan net assets and reflects the activities of the fund:

**Changes in Plan Net Assets  
For the Years Ending December 31, 2004 and 2003**

Additions:	<b>2004</b>	<b>2003</b>
Member Contributions	\$ 37,192,591	\$ 36,243,490
Employer Contributions	36,819,271	34,200,693
Net Investment and Other Income Gain	<u>171,784,968</u>	<u>290,999,224</u>
Total Additions	<u>245,796,830</u>	<u>361,443,407</u>
Deductions:		
Monthly Retiree Benefits	77,289,288	73,559,728
Refunds of Contributions	9,791,692	13,218,137
Administrative Expenses	<u>1,762,105</u>	<u>1,841,204</u>
Total Deductions	<u>88,843,085</u>	<u>88,619,069</u>
Net Increase	<u>\$ 156,953,745</u>	<u>\$ 272,824,338</u>

## Revenues – Additions to Net Plan Assets

- Member contributions increased by \$0.9 million (2.6%) compared to 2003. This increase is primarily attributed to City departments filling vacancies to avoid losing the positions. These changes resulted increased member contributions during 2004.
- Employer contributions increased by \$2.6 million (7.7%) compared to 2003.
- Net investment gain and other income was \$172 million in 2004 as compared to \$291 million in 2003.

## Expenses – Deductions from Net Plan Assets

- Retiree benefits increased by \$3.8 million (5.2%) partly due to COLA increases and partly due to the natural turnover of retirees and beneficiaries with new retirees being added to the payroll with much higher monthly allowances than the retirees and beneficiaries that have died during the year.
- Refunds of contributions decreased by \$3.4 million (25.9%), and is at least partly attributed to fewer than normal withdrawals made in 2004.

**Plan Membership**

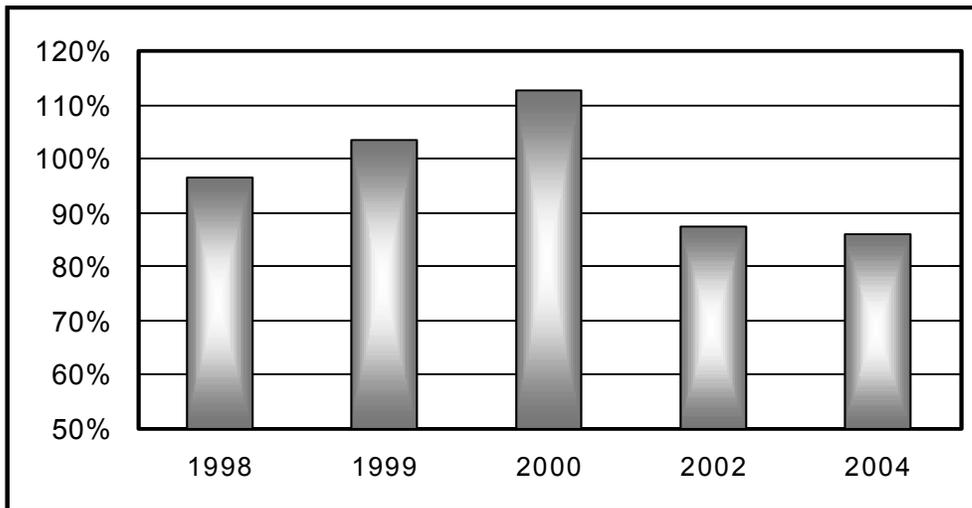
The table below reflects the active membership and retiree changes during 2004:

**Changes in Plan Membership  
For the Years Ending December 31, 2004 and 2003**

	<b>2004</b>	<b>2003</b>	<b>% Change</b>
Retirees and Beneficiaries Receiving Benefits	<u>4,927</u>	<u>4,876</u>	1.0
Current and Terminated Employees Entitled to, But Not Yet Receiving Benefits:			
Current Employee Members	8,570	8,382	2.2
Vested Employee Members	1,418	1,389	2.1
Vested Employee Members with Portability	<u>234</u>	<u>193</u>	21.2
Total	<u>10,222</u>	<u>9,964</u>	2.6

**Funding Status**

**Schedule of Funding Progress  
Funding Ratio  
As of January 1<sup>st</sup> Valuation Date**



Funds are accumulated from employer and employee contributions, and investment earnings, and are used to pay present and future benefit obligations and administrative expenses. The better the level of funding, the larger the ratio of assets accumulated and investment income potential. Although the historical level of funding for the Seattle City Employees' Retirement System is adequate, we continue to make a constant effort to achieve a fully funded status, thereby assuring the participants of a financially sound retirement system. The funding ratio as of January 1, 2004 was 85.9%. Most active members contribute 8.03% of their salaries to the retirement fund and the City contributes 8.03%. For a detailed breakdown of the funding progress, please see the "Actuarial Section".

## Investment Activities

One-year returns on asset classes and comparative benchmarks are presented in the table below:

### Investment Return For the Years Ending December 31, 2004 and 2003

	2004	2003
Total Portfolio	11.5 %	23.6 %
Domestic Equities	12.3	33.7
<i>Benchmark: Russell 3000 Index</i>	11.9	31.1
International Equities	20.5	34.0
<i>Benchmark: MSCE EAFE Index</i>	20.7	39.2
Fixed Income	4.7	8.5
<i>Benchmark: Lehman Brothers Aggregate</i>	4.3	4.1
Real Estate	13.0	10.8
<i>Benchmark: Russell NCREIF Property Index</i>	12.2	7.2
Alternative (combined)	5.0	25.2
Concentrated – Post IPO	27.6	91.0
Venture Capital	(10.3)	(0.3)
Hedge Funds	5.0	9.4
<i>Benchmark: Treasury Bills + 3%</i>	4.1	4.3

The investments of the Retirement System are governed primarily by the “prudent investor rule.” The prudent investor rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund.

Rebounding financial markets in the U.S. and abroad impacted the System’s investments, and resulted in a net gain in value of \$171,784,768. The gain on the market value of the total investment portfolio was 11.5%. 2004 was a positive year for most domestic and international equity investments, even our fixed income and real estate investments performed well. The Retirement System invests retirement funds for the long-term, anticipating both good and bad financial markets. Investments are diversified to reduce investment risk.

### Effect of Economic Factors

After years of growth during the 1990’s, the U.S. economy experienced a downturn and recession in 2001, with the equity market showing no signs of recovery until March of 2003. While increases in the levels of unemployment seems to have slowed, job creation has not occurred even though we are beginning to see corporate profits increase. While the nation is beginning to recover from the recession, the Puget Sound region lags behind. There are signs, however, that the regional economy has reached bottom. Since the funding of the Retirement System is determined by employee and employer contributions and long-term investment income, the Seattle City Employees’ Retirement System is structured to continue to provide the retirement benefits earned by its members.

### Contacting the Seattle City Employees’ Retirement System

If you have questions about this report or need additional information, please contact us by phone at: (206) 386-1293 or by email at: [RetireCity@Seattle.gov](mailto:RetireCity@Seattle.gov) or you may mail your questions to:

Seattle City Employees’ Retirement System  
720 Third Avenue, Suite 1000  
Seattle, WA 98104

## Seattle City Employees' Retirement System

### Statements of Plan Net Assets

As of December 31, 2004 and 2003

	<b>2004</b>	<b>2003</b>
<b>Assets:</b>		
Cash and equity in pooled investments	\$ 19,812,611	\$ 11,754,967
Short-term investment funds	26,377,747	33,057,318
Securities lending collateral	239,087,447	148,226,605
Receivables:		
Plan members	1,458,651	1,916,304
Employer	3,608,642	169,642
Interest and dividends	2,936,265	2,751,635
Total Receivables	8,003,558	4,837,581
Investments, at fair value:		
U.S. Government obligations	223,188,464	179,339,010
Domestic corporate bonds	104,046,042	138,205,814
Domestic stocks	826,131,649	753,245,378
International stocks	182,679,412	172,920,787
International bonds	5,478	11,355
Mortgages		52,915
Real estate	145,772,336	114,774,442
Alternative / Venture capital	155,977,449	126,300,602
Total Investments	1,637,800,830	1,484,850,303
Equipment and fixtures, at cost, net of accumulated depreciation of \$197,831 and \$196,645, respectively	3,999	5,185
Total Assets	1,931,086,192	1,682,731,959
<b>Liabilities:</b>		
Refunds payable and other	7,533,598	6,993,952
Securities lending collateral	239,087,447	148,226,605
Total Liabilities	246,621,045	155,220,557
<b>Net assets held in trust for pension benefits</b>	<b>\$ 1,684,465,147</b>	<b>\$ 1,527,511,402</b>
<small>(A schedule of funding progress for the plan is presented on page 13.)</small>		

See notes to financial statements.

## Seattle City Employees' Retirement System

### Statements of Changes in Plan Net Assets

For the Years Ended December 31, 2004 and 2003

	<b>2004</b>	<b>2003</b>
<b>Additions:</b>		
Contributions:		
Employer	\$ 36,819,271	\$ 34,200,693
Plan members	37,192,591	36,243,490
Total Contributions	74,011,862	70,444,183
Investment Income:		
Net appreciation in fair value of investments	155,560,766	268,404,698
Interest	12,969,429	17,986,333
Dividends	6,007,142	7,727,341
Total Investment Gain	174,537,337	294,118,372
Investment Activity Expenses:		
Investment management fees	(2,915,600)	(3,202,316)
Performance measurement and asset allocation fees	(85,000)	(93,750)
Investment custodial fees	(212,457)	(374,081)
Total Investment Activity Expenses	(3,213,057)	(3,670,147)
<i>Net Gain From Investment Activities</i>	171,324,280	290,448,225
Securities Lending Activities:		
Securities lending income	2,674,374	2,120,678
Securities lending expenses:		
Borrower rebates	(2,060,736)	(1,403,191)
Management fees	(152,950)	(166,488)
Total Securities Lending Activities Expenses	(2,213,686)	(1,569,679)
<i>Net Income from securities lending activities</i>	460,688	550,999
Total Net Investment Gain	171,784,968	290,999,224
Total Additions	245,796,830	361,443,407
<b>Deductions:</b>		
Benefits	77,289,288	73,559,728
Refunds of contributions	9,791,692	13,218,137
Administrative expense	1,762,105	1,841,204
Total Deductions	88,843,085	88,619,069
<b>Net Increase</b>	156,953,745	272,824,338
<b>Net assets held in trust for pension benefits:</b>		
<b>Beginning of Year</b>	<b>1,527,511,402</b>	<b>1,254,687,064</b>
<b>End of Year</b>	<b>\$ 1,684,465,147</b>	<b>\$ 1,527,511,402</b>

See notes to financial statements.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO THE FINANCIAL STATEMENTS**

**Note 1: Plan Description**

The Seattle City Employees' Retirement System (the System) is a single-employer defined benefit public employee retirement system, covering employees of the City of Seattle and administered in accordance with Chapter 4.36 of the Seattle Municipal Code. The System is a pension trust fund of the City of Seattle.

All employees of the City of Seattle are eligible for membership in the System with the exception of uniformed police and fire personnel who are covered under a retirement system administered by the state of Washington. Employees of METRO and the King County Health Department who established membership in the System when these organizations were City of Seattle Departments were allowed to continue their System membership. There are currently 4,927 retirees and beneficiaries receiving benefits; and 8,570 active members of the System. There are 1,418 vested terminated employees entitled to future benefits. There are 234 additional terminated employees who have restored their contributions due to the provisions of the portability statutes and may be eligible for future benefits.

The System provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service, while death and disability benefits vest after 10 years of service. Retirement benefits are calculated as 2% multiplied by years of creditable service, multiplied by average salary, based on the highest 24 consecutive months. The benefit is actuarially reduced for early retirement.

**Note 2: Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of accounting:** The financial statements were prepared using the accrual basis of accounting.

**New accounting standard:** In March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures*. This statement establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. This statement also establishes and modifies disclosure requirements for deposit risks: custodial credit risk and foreign currency risk. The requirements of this statement are effective for the System's financial statements for periods beginning after June 15, 2004 (January 1, 2005). The System is in the process of determining the impact of this standard on the System's financial statements.

**Cash and equity in pooled investments:** The System classifies as cash and equity in pooled investments cash on deposit in financial institutions and cash on deposit in the City's internal cash management pool. The System also classifies certain short-term highly liquid securities with an original maturity of three months or less as cash equivalents.

**Method used to value investments:** Common stock, international equities, fixed income, international fixed income, and short-term investments are reported at fair market value which is based on the quoted market price. Venture capital and real estate equities are reported at fair market value which has been determined by independent appraisers. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, interest income earned, less investment expense, plus income from securities lending activities, less deductions for security lending expenses. Securities and securities transactions are reflected in the financial statements on a trade-date basis. Investments are made in accordance with the Prudent Person Rule as defined by the State of Washington RCW 35.39.060.

**Contributions:** Employee and employer contributions are reported in the period in which the contributions are due.

**Equipment and fixtures:** Fixed assets are stated at actual cost less accumulated depreciation. Estimated useful lives by major class include: three years for computer equipment and 15 years for office furniture and equipment. The straight-line method of depreciation method is used.

**Note 3: Contributions**

Member and employer contribution rates are established by the Seattle Municipal Code Chapter 4.36.

The employer contribution rate is determined by the actuarial formula identified as the Entry Age Cost Method. The formula determines the amount of contributions necessary to fund the current service cost, representing the estimated amount necessary to pay for benefits earned by the employees during the current service year and the amount of contributions necessary to pay for prior service costs. Total necessary contributions, including amounts necessary to pay administrative costs, are determined through biannual actuarial valuations.

Actuarially determined contribution rates are currently 8.03% for members and 8.03% for the employer. There are no long-term contracts for contributions outstanding and no legally required reserves.

**Note 4: Cash and Equity in Pooled Investments**

The Federal Deposit Insurance Corporation (FDIC) insures the cash deposits up to \$100,000 per member of the System. As provided by State of Washington RCW 43.84, the Washington Public Deposit Protection Commission (PDPC) collateralizes deposits in excess of \$100,000. The bank balances of deposits as of the balance sheet date are entirely insured. The bank balance and carrying amount of the System's cash and cash equivalents with financial institutions was \$19,812,611 and \$11,754,967 as of December 31, 2004 and 2003, respectively.

**Note 5: Investments**

The System's investments are categorized to give an indication of the level of risk assumed by the System at year end. Category 1 includes investments that are insured or registered or securities held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the System's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty or by its trust department or agent but not in the System's name. There are no investments held by the System in Category 2 or 3.

The common stock, U.S. government securities, and bonds meet the criteria of Category 1 as shown on the following table. The certificates of deposit, investments in real estate, notes receivable, mutual funds, and collective trusts, by their nature, are not required to be categorized.

	<b>2004</b>	<b>2003</b>
U.S. Government obligations	\$ 223,188,465	\$ 179,339,010
International bonds	5,478	11,355
Domestic corporate bonds	104,046,042	138,205,814
Domestic stocks	826,131,649	753,245,378
International stocks	182,679,412	172,920,787
<b>Total Investments in Risk Category 1</b>	<b>\$ 1,336,051,046</b>	<b>\$ 1,243,722,344</b>
Uncategorized investments:		
Short-term investment funds	265,465,194	181,283,923
Mortgages		52,915
Real estate	145,772,336	114,774,442
Alternative / Venture capital	155,977,449	126,300,602

No investment in any one corporation exceeds 5% of net assets available for benefits. Less than 5% of plan assets were invested in derivative securities. All derivatives were nonleveraged securities consisting of collateralized mortgage obligations (CMOs), Treasury strips, convertible bonds, futures, etc.

Short-term Investment Funds is a collective trust that may include certificates of deposit, Treasury bills, and mutual funds. The Alternative / Venture category currently includes venture capital and hedge funds.

**Note 6: Securities Lending Transactions**

Gross income from securities lending transactions are recorded in the operating statements as well as the various fees paid to the institution that oversees the lending activity. The value of the collateral that is being held is represented as an asset and a liability on the Statement of Plan Net Assets.

Under the authority of State of Washington RCW 41.28.005 and Seattle Municipal Code 4.36.130, the System's Board of Administration adopted investment policies that define eligible investments, which include securities lending transactions. Through a custodial agent, the System participates in a securities lending program whereby securities are loaned for the purpose of generating additional income to the System. The System lends securities from its investment portfolio on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral. There are no restrictions on the amount of securities that may be loaned. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income distribution by the securities' issuers while the securities are on loan. Cash and U.S. government securities were received as collateral for these loans. The System cannot pledge or sell collateral securities without a borrower default. The System invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the System must return the cash collateral to the borrower upon the expiration of the loan. There have been no losses resulting from a default, and the System did not have negative credit exposure at December 31, 2004.

	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>
	Fair Value of Securities Lent	Collateral	Fair Value of Securities Lent	Collateral
<b>Types Of Securities Lent:</b>				
U.S. Government and Agencies	\$ 118,576,080	\$ 120,739,541	\$ 61,684,550	\$ 63,079,818
U.S. Corporate Fixed Income	17,191,954	17,552,619	16,554,632	16,928,160
U.S. Equities	97,842,918	100,795,287	66,363,890	68,218,627
<b>Totals</b>	<b>\$ <u>233,610,952</u></b>	<b>\$ <u>239,087,447</u></b>	<b>\$ <u>144,603,072</u></b>	<b>\$ <u>148,226,605</u></b>
<b>Collateral Report:</b>		<u>2004</u>		<u>2003</u>
U.S. Corporate Obligations		\$ 103,106,437		\$ 77,514,130
Bank Obligations		55,001,329		22,985,130
Commercial Paper		3,992,363		
Repurchase Agreements		76,987,318		47,727,345
<b>Total Collateral</b>		<b>\$ <u>239,087,447</u></b>		<b>\$ <u>148,226,605</u></b>

**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF FUNDING PROGRESS**

(Dollar amounts in millions)

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) - Entry Age (1) (b)	Unfunded AAL (UAAL) (2) (b - a)	Funded Ratio (a / b)	Covered Payroll (3) (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1998 (4)	1,224.6	1,266.7	42.1	96.7	341.5	12.3
1999	1,375.0	1,326.6	(48.4)	103.6	370.4	(13.1)
2000	1,582.7	1,403.1	(179.6)	112.8	383.6	(46.5)
2001 (5)	1,493.1	1,490.3	(2.8)	100.2	405.0	(0.7)
2002	1,383.7	1,581.4	197.7	87.5	405.1	48.8
2004	1,527.5	1,778.9	251.4	85.9	424.7	59.2

- (1) Actuarial present value of benefits less actuarial present value of future normal costs based on Entry Age Actuarial Cost Method.
- (2) Actuarial accrued liabilities less actuarial value of assets.
- (3) Covered Payroll includes compensation paid to all active employees on which contributions are calculated.
- (4) These numbers represent the valuation after a cost-of-living-adjustment (COLA) was implemented in 1998 for both active and retired members.  
There also was a valuation prior to the implementation of the COLA, which listed the Actuarial Liability for column (b) above as \$1,105,800,000. This reflected a funding excess of \$118,800,000.
- (5) These numbers were provided by an actuarial study, rather than a full valuation.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

(Dollar amounts in millions)

Year Ended December 31	Actual Employer Contributions	Percentage Contributed
1999	\$ 29.7	100
2000	30.8	100
2001	32.7	100
2002	36.6	100
2003	34.2	100
2004	36.8	100

(For additional information regarding employer contributions, please see the notes to the financial statements.)

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2004
Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	30.2 years
Amortization period	Open
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return *	7.75 %
Projected salary increases *	4.00 %
Post-retirement benefit increases	0.67 % - 1.50 %

\* Includes inflation at 3.50 %

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF ADMINISTRATIVE EXPENSES  
 For the Years Ended December 31, 2004 and 2003

	<b>Budget</b>	<b>Actual Expenses</b>	
	<b><u>2004</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
Personnel Services			
Salaries	\$ 786,017	\$ 629,168	\$ 640,650
Benefits	<u>256,033</u>	<u>189,049</u>	<u>191,042</u>
Total Personnel Services	1,042,050	818,216	831,692
 Maintenance and Operations			
Investment Services	6,086,612	3,213,057	3,670,147
Actuarial Services	61,000	61,000	87,250
Miscellaneous Services	5,000	52,105	122,750
Office Rent	123,077	97,547	108,598
Data Processing	612,613	598,131	581,291
Office Supplies and Expenses	76,344	59,640	42,894
Postage	48,270	45,353	32,357
Telephone	14,484	10,820	13,696
Travel	24,770	13,290	10,733
Training	35,213	4,817	7,623
Depreciation	<u>          </u>	<u>1,186</u>	<u>2,320</u>
Total Maintenance and Operations	7,087,383	4,156,946	4,679,659
 Securities Lending Fees (Investment Expense)	<u>          </u>	<u>2,213,686</u>	<u>1,569,679</u>
 <b>Total Administrative Expenses</b>	 <b><u>\$ 8,124,433</u></b>	 <b><u>\$ 7,188,848</u></b>	 <b><u>\$ 7,081,030</u></b>

(This schedule includes investment services and securities lending as part of administrative expenses.)

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF INVESTMENT EXPENSES  
 For the Year Ended December 31, 2004

Investment Services

Amerindo Investments	\$ 271,087
Barclays	131,775
Bear Stearns	214,194
Capital Guardian Trust	233,152
Capital Management Associates	42,049
Dimensional Fund Advisors	172,469
Lazard	238,947
MFS	171,778
MDL	52,313
Pugh Capital	61,037
Reams	91,850
Snow Capital	42,603
Wall Street Associates	290,356
Western Asset	470,345
Wellington	<u>431,645</u>
	2,915,600

Performance Measurement

Wurts & Associates	85,000
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Custodial Services

Bank of New York	212,457
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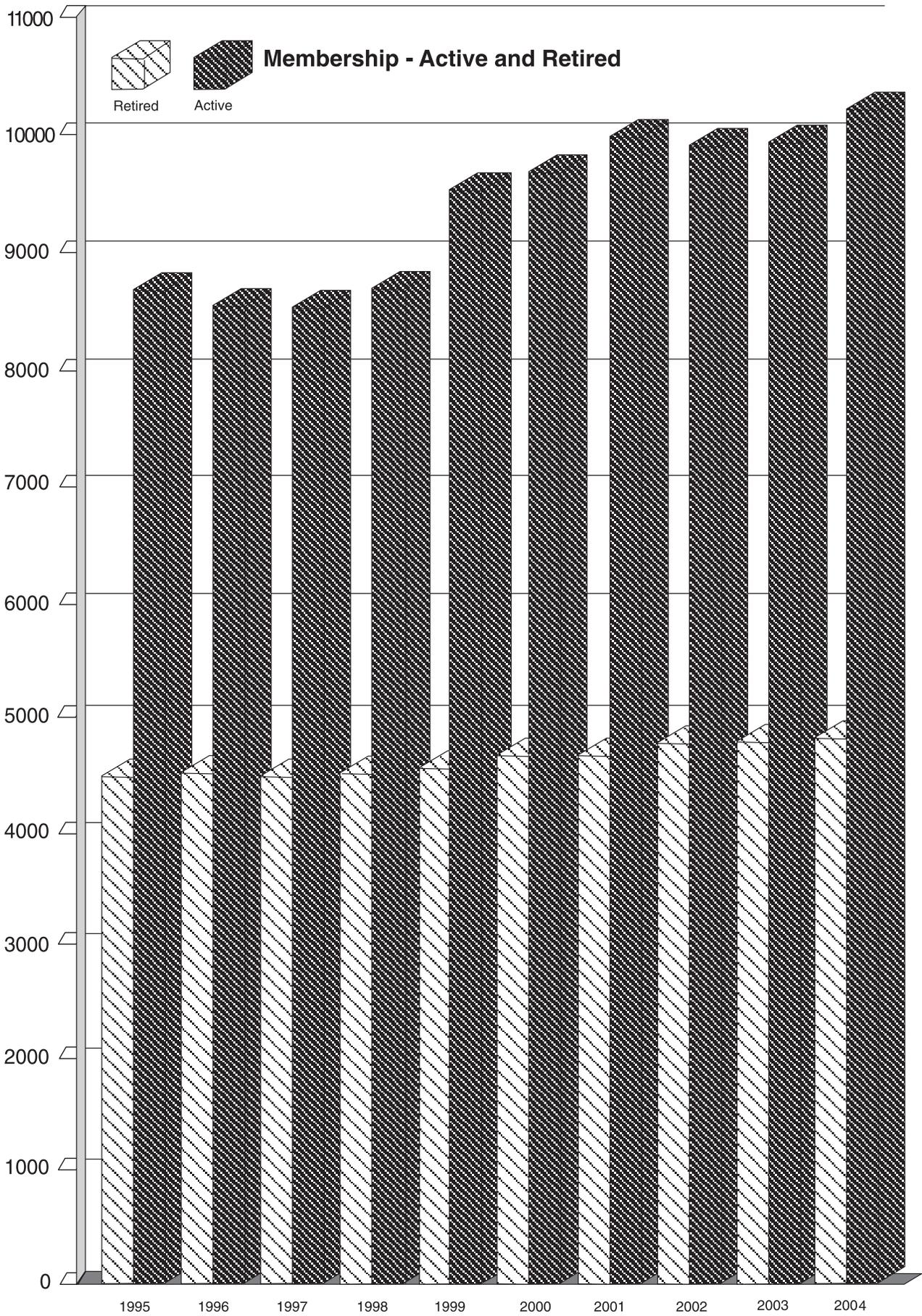
Securities Lending Services

Bank of New York	<u>2,213,686</u>
------------------	------------------

**Total Investment Expenses** **\$ 5,426,743**

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF INVESTMENT CASH AND SECURITIES  
December 31, 2004

	<b>Market</b>
Short-term Investments	\$ 26,377,747
Domestic stocks:	
Bear Stearns	32,603,606
Bear Stearns Plus	28,139,654
Dimensional Fund Advisors	139,602,197
Capital Guardian	51,317,491
Capital Management Associates	21,668,721
Snow Capital	21,792,014
Wall Street Associates	37,951,331
Wellington	75,769,944
Barclays - Russell 3000 Fund	82,906,636
Barclays - S&P 500 Fund	334,380,055
Total domestic stocks	826,131,649
Real estate:	
J.P. Morgan	81,218,730
TA Associates VI	8,523,348
Hearthstone III	5,839,415
RREEF - West VI	36,721
RREEF - REIT II	32,545,564
Kennedy - MEPT	17,608,558
Total real estate	145,772,336
Fixed Income:	
Transition Account	7,877,590
MDL Capital	21,912,205
Pugh Capital	24,539,946
Reams	50,136,410
Western Asset	206,180,931
Barclays - Intermediate Gov't/Corp Fund	8,649,988
In-house - BONY	7,937,436
Total fixed income	327,234,506
International stocks:	
Capital Guardian - EAFE	46,712,583
Lazard	43,388,918
MFS	46,543,019
Dimensional Fund Advisors	45,850,664
Barclays - EAFE Fund	184,228
Total international stocks	182,679,412
International bonds	
Transition Account	5,478
Total international bonds	5,478
Alternative / Venture capital:	
Amerindo	26,169,720
Advent Capital	10,955,474
Coast Diversified Fund	10,966,040
Epsilon Global Value II	20,522,312
Tremont Diversified	21,047,969
Phoenix Partners - III	1,214,605
Phoenix Partners - IV	2,894,078
Quellos	62,207,251
Total Alternative / Venture capital	155,977,449
Total Investment Holdings	1,664,178,577
Total Cash and Cash Equivalents	19,812,611
Total Securities Lending Collateral	239,087,447
<b>Total Investments and Cash</b>	<b>\$ 1,923,078,635</b>





Human Resources &amp; Investor Solutions

May 9, 2005

Seattle City Employees' Retirement System  
801 Third Avenue, Suite 300  
Seattle, WA 98104

Dear Members of the Board:

The actuarial valuation of the Seattle Employees' Retirement System as of January 1, 2004 was performed by Mellon and the results presented in the actuarial valuation report issued May 27, 2004.

The valuation was prepared relying, without audit, on financial and data information supplied by the System's staff. This data was found to be reasonably consistent and comparable to data used for other purposes.

The financial objective of the System is to establish contribution rates which tend to remain level as a percentage of payroll and to maintain a well-funded status. As of January 1, 2004, the funded ratio is 85.9%. The January 1, 2004 valuation shows that the current contribution rates are sufficient to pay the normal cost and amortize the unfunded actuarial accrued liability over 30.2 years. This is a longer period than System's Funding Policy, but within the guidelines set by the Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

The System policy has been to perform actuarial valuations every two years. The next actuarial valuation will then be as of January 1, 2006.

The actuarial assumptions used in the current actuarial valuation are summarized in Exhibit 1, which also discusses the method used to value assets.

The assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the financial section by GASB Statement No. 25. In our experience, the assumptions used in the valuation are reasonably related to the past experience of the System. They represent the actuary's best estimate of future conditions affecting the System. However, the emerging costs of the System will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions.

525 Market Street • 34<sup>th</sup> Floor • San Francisco, CA 94105-2742  
www.mellon.com

A Mellon Financial Company<sup>SM</sup>

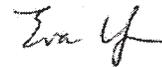
Mellon is solely responsible for the information contained in this letter and shown on the following exhibits:

Exhibit 1	Summary of Actuarial Assumptions and Methods
Exhibit 2	Schedule of Active Member Valuation Data
Exhibit 3	Schedule of Retirees and Beneficiaries
Exhibit 4	GASB Statement No. 27 Annual Pension Cost and Net Pension Obligation
Exhibit 5	Schedule of Funding Progress
Exhibit 6	Solvency Test
Exhibit 7	Schedule of Employer Contributions
Exhibit 8	GASB Statement No. 27 Four-Year Trend Information
Exhibit 9	GASB Statement No. 27 Annual Development of Pension Cost
Exhibit 10	Analysis of Financial Experience

Sincerely,



Michael Moehle, F.S.A.  
Principal and Consulting Actuary



Eva Yum, F.S.A.  
Director and Consulting Actuary

c: Mr. Norm Ruggles

**EXHIBIT 1**

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

- 1. **Interest Rate** 7.75% per annum compounded annually, net of investment expenses.
  
- 2. **Experience - Active Employees**
  - a. **Retirement** Eligible for Unreduced Retirement:

Age	Annual Rate Per 100 Members Eligible to Retire			
	Males		Females	
	1 <sup>st</sup> Year Eligible	Thereafter	1 <sup>st</sup> Year Eligible	Thereafter
Less than 50	10	10	10	10
50	15	12	10	10
51	15	12	10	10
52	15	12	10	10
53	15	12	10	10
54	15	12	10	10
55	15	12	12	12
56	15	12	12	12
57	15	12	12	15
58	15	12	12	15
59	15	15	12	18
60	20	15	18	20
61	30	30	20	25
62	60	50	65	40
63	60	25	65	45
64	50	40	60	55
65	50	50	60	60
66	50	35	60	40
67	50	35	60	35
68	50	35	60	35
69	50	35	60	35
70	100	100	100	100

## EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

## a. Retirement (cont'd)

Eligible for Reduced Retirement:

Age	Annual Rate Per 100 Members Eligible to Retire	
	Males	Females
Less than 50	0	0
50	6	5
51	6	5
52	6	5
53	6	5
54	6	5
55	6	5
56	6	5
57	6	5
58	6	6
59	7	8
60	10	10
61	15	14
62	18	24
63	20	15
64	25	15

## b. Disability

One-third of all disabilities are assumed to be duty-related; two-thirds are non-duty related. Graduated rates for all disabilities:

Age	Annual Rate Per 100 Members Eligible to Retire	
	Males	Females
20	0	0
30	.05	.05
40	.07	.07
45	.07	.07
50	.10	.10
55	.10	.10

**EXHIBIT 1**

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

**c. Mortality**

Males: 50% of rates from 1994 Group Annuity Mortality Table for Males with ages set forward one year.

Females: 75% of rates from 1994 Group Annuity Mortality Table for Females, with ages set forward one year.

Age	Annual Rate Per 100 Members Eligible to Retire	
	Males	Females
20	.03	.02
30	.04	.03
40	.06	.06
45	.09	.08
50	.14	.12
55	.25	.19

**d. Separation**

Years of Service	Annual Rate Per 100 Members	
	Males	Females
1	11.0	11.5
2	10.0	10.5
3	9.0	9.5
4	8.0	8.8
5	7.0	8.1
6	6.0	7.5
7	5.5	7.0
8	5.0	6.3
9	4.6	5.7
10	4.3	5.2
11	4.0	4.7
12	3.7	4.2
13	3.5	3.7
14	3.3	3.2
15	3.0	2.8
16	2.7	2.4
17	2.5	2.1
18	2.3	1.8
19	2.0	1.8
20	1.7	1.8
21 & up	1.5	1.8

## EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

## e. Earnings

Years of Service	Annual Rate of Increase				
	Merit		Wage Inflation*	Total	
	Males	Females		Males	Females
1	5.77%	5.77%	4.00%	9.77%	9.77%
2	4.73%	4.73%	4.00%	8.73%	8.73%
3	3.68%	3.68%	4.00%	7.68%	7.68%
4	2.64%	2.64%	4.00%	6.64%	6.64%
5	2.11%	2.11%	4.00%	6.11%	6.11%
10	0.86%	0.86%	4.00%	4.86%	4.86%
15	0.39%	0.39%	4.00%	4.39%	4.39%
20	0.13%	0.29%	4.00%	4.13%	4.29%
25	0.13%	0.29%	4.00%	4.13%	4.29%
30	0.13%	0.29%	4.00%	4.13%	4.29%
35 & up	0.13%	0.29%	4.00%	4.13%	4.29%

\* Includes 3.5% inflation and ½% payroll growth

## 3. Experience - Pensioners

## a. Retired Mortality

1994 Group Annuity Mortality Table with ages set forward one year

Age	Annual Rate Per 100 Members	
	Males	Females
50	.29	.16
55	.50	.26
60	.90	.51
65	1.62	.97
70	2.60	1.50
75	4.09	2.53
80	6.86	4.40

**EXHIBIT 1**

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

**SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

- b. Totally Disabled Mortality**      1992 Railroad Retirement Board Disabled Annuitants Ultimate Mortality Table, with ages set back four years and a minimum rate of 2%.

Age	Annual Rate Per 100 Members
50	2.0
55	2.0
60	2.0
65	2.8
70	4.6
75	7.2
80	10.9

**4. Marital Status of Active Members**

- a. Percent married or have a registered domestic partner**

60% male and female.

- b. Age difference**

Males and females are assumed to be the same age.

**5. Election of Deferred Vested Benefits**

Vested terminating members will elect to receive a deferred vested benefit instead of receiving their accumulated contributions based upon their age at termination.

Selected rates follow:

Age	Annual Rate Per 100 Members
20	0
30	18
40	30
50	40
60	45
62 & over	45

Terminating vested members who elect to receive a deferred benefit are assumed to commence benefits at age 62.

## EXHIBIT 1

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004****SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

- |  |   |
|--|---|
| <b>6. Expenses</b>                           | Administrative expenses are assumed to be .35% of members salaries and is reflected in the normal cost rate.  |
| <b>7. Interest on Members' Contributions</b> | 5.75% per annum, compounded annually.   |
| <b>8. Cost of Living</b>                     | After the 60% Restoration of Purchasing Power (ROPP) is applicable to a member, 3.5% per year. Prior to application of the ROPP, members who retired prior to January 1, 1998 are assumed to receive annual COLAs of approximately 2/3% and members who retired on or after January 1, 1998 are assumed to receive 1.5% annual COLAs. |
| <b>9. Actuarial Cost Method</b>              | Entry Age Normal gains and losses are reflected immediately in the unfunded actuarial accrued liability which is amortized as a level percentage of projected payroll.  |
| <b>10. Asset Valuation Method</b>            | Market Value.   |

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

## EXHIBIT 2

## SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date	Number	Annual Valuation Payroll*	Average Annual Pay	Annualized % of Increase in Average Pay
8/31/82	6,839	\$170,737,000	\$24,965	0.0%
1/1/84	6,702	176,414,000	26,322	4.0
1/1/86	6,797	187,435,000	27,576	2.4
1/1/88	7,049	203,230,000	28,831	2.3
1/1/90	7,225	230,417,000	31,892	5.2
1/1/92	7,942	264,564,000	33,312	2.2
1/1/94	8,025	287,316,000	35,803	3.7
1/1/96	8,078	314,448,000	38,926	4.3
1/1/97	7,909	312,744,000	39,543	1.6
1/1/98	7,926	329,028,000	41,512	5.0
1/1/99	7,779	333,984,000	42,934	3.4
1/1/2000	8,669	382,620,000	44,137	2.8
1/1/2002	8,758	418,908,000	47,831	8.4
1/1/2004	8,382	441,562,000	52,680	10.1

\*Actuarial Valuation payroll is computed as the sum of the annualized salaries for all active members and differs from the actual payroll shown in the financial section of the annual report.

## EXHIBIT 3

## SCHEDULE OF RETIREES AND BENEFICIARIES \*\*

Valuation Date	Number	Annual Allowances*	Average Annual Allowance	Annualized % of Increase in Average Allowances
8/31/82	4,058	\$19,942,000	\$4,914	0.0%
1/1/84	4,276	24,060,000	5,627	10.7
1/1/86	4,424	26,329,000	5,951	25.8
1/1/88	4,524	30,926,000	6,836	7.2
1/1/90	4,809	35,541,000	7,391	4.0
1/1/92	4,663	37,595,000	8,062	4.4
1/1/94	4,615	40,233,000	8,718	4.0
1/1/96	4,619	44,271,000	9,584	4.9
1/1/97	4,661	47,594,000	10,211	6.5
1/1/98	4,649	50,310,000	10,822	6.0
1/1/99	4,644	52,481,000	11,301	4.4
1/1/2000	4,681	55,542,000	11,865	8.0
1/1/2002	4,733	61,801,000	13,058	10.1
1/1/2004	4,876	74,341,000	15,246	16.8

\*\*Information regarding the number of retirees and beneficiaries added to and removed from the roll was not used in the actuarial valuations.

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**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

EXHIBIT 4

**GASB STATEMENT NO. 27 ANNUAL PENSION COST  
AND NET PENSION OBLIGATION**

		Fiscal Year Ended December 31	
		2003	2004
1a	Total Normal Cost Rate	13.74%	13.05%
1b	Employee Contribution Rate	<u>8.03%</u>	<u>8.03%</u>
1c	Employer Normal Cost Rate (1a-1b)	5.71%	5.02%
2a	Total Employer Contribution Rate	8.03%	8.03%
2b	Amortization Payment Rate (2a-1c)	2.32%	3.01%
2c	Amortization Period	28.7	30.2
2d	GASB 27 Amortization Rate	2.32%	3.01%
3	Total Annual Required Contribution (ARC) Rate (1c+2d)	8.03%	8.03%
4	Covered Employee Payroll*	\$ 424,663,225	\$ 456,808,182
5a	ARC (3x4)	\$ 34,100,457	\$ 36,681,697
5b	Interest on Net Pension Obligation (NPO)	(5,774,603)	(5,773,805)
5c	ARC Adjustment	3,556,673	4,012,944
5d	Annual Pension Cost (APC) (5a+5b+5c)	<u>\$ 31,882,527</u>	<u>\$ 34,920,836</u>
6	Employer Contribution**	\$ 34,200,693	\$ 36,681,697
7a	Change in NPO (5d-6)	\$ (2,318,166)	\$ (1,760,861)
7b	NPO at Beginning of Year	(72,182,540)	(74,500,706)
7c	NPO at End of Year (7a+7b)	<u>\$ (74,500,706)</u>	<u>\$ (76,261,567)</u>

\* Covered payroll includes compensation paid to all active employees on which contributions were made in the year preceding the valuation date.

\*\* Includes contributions to the death Benefit System for 2003 and 2004.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

Exhibit 5

**SCHEDULE OF FUNDING PROGRESS**  
(Dollar Amounts in Millions)

Actuarial Valuation Date January 1	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL) <sup>(1)</sup>	Unfunded Actuarial Accrued Liabilities (UAAL) <sup>(2)</sup>	Funded Ratio	Covered Payroll <sup>(3)</sup>	UAAL as a Percentage of Covered Payroll
1988	\$ 445.4	\$ 595.3	\$ 149.9	74.8%	\$ 199.0	75.3%
1990	558.8	737.9	179.1	75.7	212.3	84.4
1992	660.0	810.5	150.5	81.4	239.4	62.9
1994	781.8	926.2	144.4	84.4	291.8	49.5
1996	980.2	1,019.7	39.5	96.1	310.6	12.7
1997	1,094.8	1,087.3	(7.5)	100.7	316.9	(2.4)
1998 <sup>(4)</sup>	1,224.6	1,266.7	42.1	96.7	341.5	12.3
1999	1,375.0	1,326.6	(48.4)	103.6	370.4	(13.1)
2000	1,582.7	1,403.1	(179.6)	112.8	383.6	(46.5)
2002	1,383.7	1,581.4	197.7	87.5	405.1	48.8
2004	1,527.5	1,778.9	251.4	85.9	424.7	59.2

<sup>(1)</sup> Actuarial present value of benefits less actuarial present value of future normal costs based on Entry Age Actuarial Cost Method.

<sup>(2)</sup> Actuarial accrued liabilities less actuarial value of assets, Funding Excess if negative.

<sup>(3)</sup> Covered Payroll includes compensation paid to all active employees on which contributions are calculated.

<sup>(4)</sup> Reflects increased COLA benefits adopted by the City Council after the valuation was completed.



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

**EXHIBIT 6**

**SOLVENCY TEST**  
(Dollar Amounts in Millions)

Actuarial Valuation Date January 1	Actuarial Accrued Liabilities for				Total	Portion of Actuarial Accrued Liabilities Covered by Assets			
	(A) Actuarial Value of Assets	(B) Active Member Contributions	(C) Inactives, Retirees and Beneficiaries	(D) Active Members (Employer Financed Portion)		(A)	(B)	(C)	(D)
1988	\$ 445.4	\$ 136.0	\$ 303.6	\$ 155.7	\$ 595.3	100.0%	100.0%	3.7%	74.8%
1990	558.8	164.0	332.8	241.1	737.9	100.0	100.0	25.7	75.7
1992	660.0	202.6	357.9	250.0	810.5	100.0	100.0	39.8	81.4
1994	781.8	248.4	383.1	294.7	926.2	100.0	100.0	51.0	84.4
1996	980.2	294.1	409.3	316.3	1,019.7	100.0	100.0	87.5	96.1
1997	1,094.8	313.1	449.8	324.4	1,087.3	100.0	100.0	100.0	100.7
1998 <sup>(1)</sup>	1,224.6	337.3	551.8	377.6	1,266.7	100.0	100.0	88.9	96.7
1999	1,375.0	358.4	577.6	390.6	1,326.6	100.0	100.0	100.0	103.6
2000	1,582.7	385.2	599.4	418.5	1,403.1	100.0	100.0	100.0	112.8
2002	1,383.7	434.3	675.6	471.5	1,581.4	100.0	100.0	58.1	87.5
2004	1,527.5	482.5	758.9	537.5	1,778.9	100.0	100.0	53.2	85.9

<sup>(1)</sup> Reflects increased COLA benefits adopted in 1998.



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

Exhibit 7

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
(Dollar Amounts in Millions)

Fiscal Year Ending December 31	Covered Employee Payroll <sup>(1)</sup>	Actual Employer Contributions <sup>(2)</sup>	Actual Employer Contribution % <sup>(3)</sup>	Annual Required Contribution (ARC) % <sup>(3)</sup>	Percentage of ARC Contributed
1993	\$291.8	\$26.1	8.91%	8.91%	100%
1994	298.0	26.7	8.91	8.91	100
1995	310.6	27.8	8.91	8.91	100
1996	316.9	28.4	8.91	8.91	100
1997	316.3	28.3	8.91	8.91	100
1998 <sup>(4)</sup>	341.5	30.6	8.91	8.91	100
1999	370.4	29.7	8.03	4.50	178
2000	383.6	30.8	8.03	4.50	178
2001	405.1	32.7	8.03	3.04	264
2002	454.5	36.6	8.03	3.04	264
2003	424.7	34.2	8.03	8.03	100
2004	456.8	36.7	8.03	8.03	100

<sup>(1)</sup> Computed as the dollar amount of the actual employer contribution made as a percentage of payroll divided by the contribution rate, expressed as a percentage of payroll.

<sup>(2)</sup> The actual and required employer contributions are expressed as a percentage of payroll, after first recognizing the \$12 per employee assessment made for the death benefits. This assessment per employee is included in the actual employer contributions reported as has been previously recognized by the actuary in determining the ARC.

<sup>(3)</sup> The City makes employer contributions as a percentage of actual payroll as set in the City Ordinance. Thus, as long as the percentage equals the percentage required by the most recent actuarial valuation, the dollar amount of the Annual Required Contributions (ARC) is equal to the actual dollar amount of the employer contributions. Since the City had always contributed on a basis equal to the ARC prior to 1999, the Annual Pension Cost (APC) was equal to the Annual Required Contributions (ARC) and the Net Pension Obligation (NPO) was zero. The City Ordinance does not permit a reduction in the employer contribution rate less than the employee contribution rate. Thus, the City's contributions exceeded the ARC for 1999-2001 and resulted in a negative NPO amount.

<sup>(4)</sup> ARC reflects the increased COLA benefits adopted in 1998.



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

EXHIBIT 8

**GASB STATEMENT NO. 27 FOUR-YEAR TREND INFORMATION**

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Contribution as a Percentage of APC</b>	<b>Net Pension Obligation (NPO)</b>
December 31, 2001	\$11,571,321	282%	\$(48,078,316)
December 31, 2002	12,495,606	293	(72,182,540)
December 31, 2003	31,882,527	107	(74,500,706)
December 31, 2004	34,920,836	105	(76,261,567)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

**EXHIBIT 9**

**GASB STATEMENT NO. 27 ANNUAL DEVELOPMENT OF PENSION COST**

Fiscal Year Ending	ARC at EOY	Interest on NPO	ARC Adjustment	Annual Pension Cost (APC)	Total Employer Contributions	Change in NPO	NPO Balance*	Gain/Loss	Amort. Factor	Amort. Of Gain/Loss	Ending Balance
December 31, 1999	16,669,672	0	0	16,669,672	29,746,104	(13,076,432)	(13,076,432)	(13,076,432)	19.05650	-	(13,076,432)
December 31, 2000	17,268,146	(1,046,115)	686,193	16,908,224	30,814,048	(13,905,824)	(26,982,256)	(13,545,902)	19.05650	(686,193)	(26,982,256)
December 31, 2001	12,313,993	(2,158,580)	1,415,908	11,571,321	32,667,381	(21,096,060)	(48,078,316)	(20,353,388)	19.05650	(1,415,908)	(48,078,316)
December 31, 2002	13,816,188	(3,846,265)	2,525,683	12,495,606	36,599,830	(24,104,224)	(72,182,540)	(22,783,642)	19.05650	(2,525,683)	(72,182,540)
December 31, 2003	34,100,457	(5,774,603)	3,556,673	31,882,527	34,200,693	(2,318,166)	(74,500,706)	(100,236)	19.05650	(3,556,673)	(74,500,706)
December 31, 2004	36,681,697	(5,773,805)	4,012,944	34,920,836	36,681,697	(1,760,861)	(76,261,567)	0	18.49780	(4,012,944)	(76,261,567)

\*NPO at transition is zero

Amortization Period: 30 years, open

Amortization Method: Level Percentage of Projected Payroll



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTUARIAL VALUATION – JANUARY 1, 2004**

EXHIBIT 10

**ANALYSIS OF ACTUARIAL GAINS OR LOSSES**

(All dollar amounts in millions)\*

	<b>Gain (Loss) for Period:</b>		
	<b>2002-2003</b>	<b>2000-2001</b>	<b>1998-1999</b>
<b>Investment Income.</b> Investment income was greater (less) than expected.	\$(64.0)	\$(438.8)	\$ 170.5
<b>Pay Increases.</b> Pay increases were less (greater) than expected.	16.1	13.6	28.1
<b>Age and Service Retirements.</b> Members retired at older (younger) ages or with less (greater) final average pay than expected.	(14.5)	0.3	(0.6)
<b>Disability Retirements.</b> Disability claims were less (greater) than expected.	(0.5)	(0.4)	(0.3)
<b>Death-in-Service Benefits.</b> Survivor claims were less (greater) than expected.	(0.5)	0.0	0.0
<b>Withdrawal from Employment.</b> More (less) reserves were released by withdrawals than expected.	14.0	6.0	(0.8)
<b>Death after Retirement.</b> Retirees died younger (lived longer) than expected.	0.4	6.1	6.6
<b>Total Gain or (Loss) during Period from Financial Experience.</b>	<b>\$(49.0)</b>	<b>\$(413.2)</b>	<b>\$203.5</b>
<b>Nonrecurring Items:</b>			
Changes in actuarial assumptions and plan amendments caused a gain (loss).	(0.9)	0.0	(179.3)
Change in actuarial asset valuation method caused a gain (loss).	N/A	N/A	N/A
<b>Composite Gain (Loss) during Period.</b>	<b>\$(49.9)</b>	<b>\$(413.2)</b>	<b>\$24.2</b>

\* Effects related to losses are shown in parentheses. Numerical results are expressed as a decrease (increase) in the UAAL.

SCHEDULE OF RETIREES AND BENEFICIARIES  
ADDED TO AND REMOVED FROM ROLLS

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year Annual Allowances	Average Annual Allowances	% Increase in Annual Allowances
	No.	Annual Allowances	No.	Annual Allowances			
1980	242	*	98	*	\$ 17,584,611	\$ 4,604.51	11.10
1981	237	*	101	*	\$ 19,114,992	\$ 4,833.12	4.97
1982	271	*	140	*	\$ 21,358,214	\$ 5,227.17	8.15
1983	265	*	121	*	\$ 22,854,611	\$ 5,402.98	3.36
1984	219	*	126	*	\$ 24,996,469	\$ 5,782.20	7.02
1985	213	\$ 2,294,142	105	\$ 347,996	\$ 26,942,615	\$ 6,080.48	5.16
1986	188	\$ 2,010,634	141	\$ 349,405	\$ 28,603,844	\$ 6,387.64	5.05
1987	199	\$ 2,273,426	140	\$ 958,243	\$ 29,919,027	\$ 6,594.45	3.24
1988	160	\$ 2,032,669	117	\$ 419,794	\$ 31,531,902	\$ 6,884.69	4.40
1989	186	\$ 2,500,814	125	\$ 132,799	\$ 33,899,917	\$ 7,304.44	6.10
1990	173	\$ 2,579,540	135	\$ 345,194	\$ 36,134,263	\$ 7,722.65	5.73
1991	165	\$ 1,805,490	181	\$ 434,743	\$ 37,505,010	\$ 8,043.11	4.15
1992	124	\$ 1,740,286	197	\$ 1,025,016	\$ 36,434,571	\$ 7,852.28	(2.37)
1993	142	\$ 1,992,189	160	\$ 887,397	\$ 37,539,363	\$ 8,121.89	3.43
1994	192	\$ 3,040,184	167	\$ 1,192,660	\$ 39,573,882	\$ 8,494.49	4.59
1995	155	\$ 2,449,131	183	\$ 759,377	\$ 41,284,341	\$ 8,937.94	5.22
1996	227	\$ 4,314,773	174	\$ 908,271	\$ 44,648,305	\$ 9,556.57	6.92
1997	171	\$ 3,359,535	192	\$ 1,065,687	\$ 47,014,360	\$ 10,108.44	5.77
1998	170	\$ 2,944,870	148	\$ 946,560	\$ 52,878,274	\$ 11,379.01	12.57
1999	215	\$ 4,103,949	181	\$ 1,125,621	\$ 55,909,111	\$ 11,943.84	4.96
2000	227	\$ 4,615,996	192	\$ 1,543,534	\$ 59,931,665	\$ 12,708.16	6.40
2001	197	\$ 3,959,357	180	\$ 1,489,915	\$ 62,802,652	\$ 13,269.10	4.41
2002	301	\$ 6,637,431	176	\$ 1,615,743	\$ 67,296,290	\$ 13,852.67	4.40
2003	190	\$ 4,106,890	172	\$ 1,616,306	\$ 70,113,547	\$ 14,379.32	3.80
2004	251	\$ 5,823,016	200	\$ 2,530,999	\$ 74,534,773	\$ 15,127.82	5.20

**REVISED SUMMARY OF THE MAIN PROVISIONS OF THE  
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM**

We offer this current summary of the main provisions of the Retirement System in an attempt to give as briefly as possible, a general idea of the benefits to members and the obligations of the City. Members who want specific information should write or telephone the office of the Retirement System, 801 3rd Avenue, Suite 300, Seattle, Washington 98104-1652, telephone (206) 386-1293, fax (206) 386-1506.

All officers and employees are eligible for membership in the Retirement system upon employment with the City, except uniformed members of the Police and Fire Fighters System. Federal Social Security covers all officers and employees, except Policemen and Firemen.

Terminating employees who have been members of the Retirement System for at least five years may leave their contributions in the Retirement Fund and may later apply for a retirement allowance when their age and years of service qualify them for such a benefit.

Members may retire after 30 years of retirement credit, regardless of age; after age 52 with 20 years service, after age 57 with 10 or more years of service, and after age 62 with 5 or more years of service. Disability retirement is available after 10 years of service. (The ten years service requirement on disability retirement is waived if the member becomes totally incapacitated for further employment as a result of an accident that occurred in the actual performance of duty as an employee of the City.)

On January 1, 1975, the Seattle System adopted a "2% formula" method of determining the amount of a retirement allowance. On the last page you will find the scale of "guaranteed percentages" used in the "2% formula". See the sample retirement allowance calculation below.

We have selected an employee working in the classification of a Lineworker to show as a typical January 1, 1994, retirement situation. Assuming the Lineworker was a male employee age 65 with 30 years of service, having a wife also age 65. We would determine the amount of his accumulated contributions and his average salary for the 24 consecutive months of highest salary. These were found to be:

Accumulated contributions	\$90,000	
Average salary	\$ 4,014	
		<u>Per Month</u>
Each \$1,000 he has will buy \$8.7787 per month for life ( $8.7787 \times 90$ ) is		\$ 790.08
His 30 years of service would indicate a maximum of 60% of average Salary — $30 \times 2\% \times \$4,014$ equals \$2,408.40 maximum. Since the annuity produces only \$790.08 per month, the City must add \$1,618.32 to meet the guarantee.		<u>1,618.32</u>
Total "unmodified" and/or "straight allowance"		\$2,408.40

If this employee selects one of the options listed on the following page, his retirement will be reduced to allow for the cost of the option selected.

(continued)

## THE OPTIONS

A member may elect any one of six different ways in which to receive his retirement pension. Using the example shown on the preceding page:

1. The maximum amount with no benefit to any beneficiary at time of death, generally spoken of as "straight" retirement, \$2,408.40.
2. OPTION A. The "cash refund" plan. The annuity (amount purchased by a member's contributions) only is reduced. As in the retirement sample shown, the annuity would be \$707.84 instead of \$790.08 and the total monthly pension would be \$2,326.16 instead of \$2,408.40. If there is a balance of the member's contributions, \$90,000, that has not been paid out at the rate of \$707.84 per month, the beneficiary will receive a lump sum payment of the balance.
3. OPTION B. Also a "cash refund" plan except the beneficiary gets monthly payments of the balance instead of a lump sum payment. As in the retirement sample shown, the annuity would be \$721.21 instead of \$790.08 and the monthly pension would be \$2,339.53 instead of \$2,408.40.
4. OPTION C. "Guaranteed period plan". If the pensioner fails to live the length of the period selected, (in this example 5 years) the pension of \$2,355.42 per month is paid to the beneficiary for the remainder of the guaranteed period. If the period selected was 10 years, the pension would be \$2,191.64 per month.
5. OPTION D. One-half of discounted allowance to surviving spouse for life. The reduction is determined in accordance with the ages of the retiring member and the spouse at the time of retirement. Again, using the sample retirement, under Option D, the plan would pay the wife, age 65, \$1,076.55 (one-half of \$2,153.11) per month for life. If you retired on or after March 24, 1997 and your spouse predeceases you, your monthly allowance will be raised to the original unmodified amount.
6. OPTION E. Full amount of discounted allowance to surviving spouse for life. The discount or reduction is determined in accordance with the ages of the retiring member and his spouse at the time of retirement. Using the example again, member 65, wife 65, the amount would be \$1,943.58, to be continued as long as either were alive. If you retired on or after March 24, 1997 and your spouse predeceases you, your monthly allowance will be raised to the original unmodified amount.
7. OPTION F. This option allows a member who retires prior to the normal Social Security Age to receive retirement benefits that are modified so that the combined income from the Retirement System and Social Security is level throughout the member's lifetime. This means the System's payments are higher before the Social Security payments begin and then lower after they begin. Although the theory is that the member's income stream will be level, often it is not. This is because Social Security, and often the System as well, makes post retirement adjustments that upset the original "leveling out" feature of this option.
8. OPTION G. This option allows members a partial lump sum payment at retirement which is equivalent to either the member's accumulated contributions with interest, or one-half of this amount. The member's normal monthly pension will be reduced by an amount to actuarially compensate for the funds withdrawn.

## BASIS RATES OF CONTRIBUTION

The City contributes 8.03% of covered payroll and employees contribute 8.03% unless they qualified for a lower rate prior to January 1, 1974.

(continued)

## DISABILITY RETIREMENT

Disability retirement is available to members with at least ten years of City Service with the ten year requirement waived when disability arose out of and in the course of their employment as an employee of the City. Members may be retired because of “permanent, total disability” or “temporary, total disability”. The first type mentioned occurs when there is grave doubt that the employee will ever return to active service. The second type is used when the retiree is expected to return within a short time. Both pay the same benefits, 1 1/2% of average salary (24 highest consecutive months) for each year of service, with a maximum of 60% of average salary, and minimum monthly allowance of \$140. The employee with less than 22 years of service is protected by the provision allowing credit to the age of 62, in the calculation for years of service, with 33-1/3% of average salary maximum. Federal Social Security also provides for disability benefits.

If the disability retiree dies and has named a surviving spouse as beneficiary, the spouse is eligible to receive a settlement similar to that shown in the explanation that follows for the spouse of a member who dies prior to retirement.

## LIFE INCOMES FOR SPOUSES OF MEMBERS WHO DIE BEFORE RETIREMENT

This is one of the most important provisions of the Retirement System. If an employee has at least ten years of service, the surviving spouse is eligible for a life income and/or a reduced life income and a cash refund. The deceased employee must have designated the spouse as beneficiary, and the beneficiary may choose any one of the three types of settlement:

1. Take the discounted value of the retirement allowance indicated for the deceased employee. This means a straight life income for the life of the survivor, with no benefit for anyone upon the death of the survivor.
2. Take up to one-half of the employee's contributions and a reduced life income (using all of the City's money including the formula guarantee if applicable).
3. Withdraw all of the accumulated contributions made by the employee. In this instance, all of the City's money would remain in the Retirement System.

In calculating the benefit for the survivor, the schedule of “guaranteed percentage” would be used.

To present an example — let us suppose the employee was 51 years of age at the time of death, had an average salary of \$2,188 (24 highest consecutive month), has 27 years of service and \$36,800 of accumulated contributions. Suppose the survivor (widow) was 57 years of age. The maximum amount the employee is entitled to was \$1,170.70 per month.

1. If the widow took a life income, she could receive \$896.80 per month.
2. If she took \$18,400 cash, she could still receive a life income of \$784 per month.
3. She could draw the \$36,800 as a final settlement.

If there is no surviving spouse, minor children can elect to receive similar benefits payable until they reach eighteen years of age.

(continued)

POST RETIREMENT COST OF LIVING INCREASE - For Members Who Retired Prior to January 1, 1998

Each December the monthly retirement allowances will be increased to reflect an annual bonus payment to help offset the adverse effects of inflation. The bonus payment will be a percentage factor based on the number of years retired, times the original annual retirement allowance. The percentage factors were designated to more equitably offset the effects of inflation on members who have been retired the greatest length of time, are as follows:

- 6% of the original annual allowance for members who have been retired from six to nine years, inclusive. (Including 1997, 1996, 1995)
- 9% of the original annual allowance for members who have been retired from ten to thirteen years, inclusive. (Including 1994, 1993, 1992, 1991)
- 12% of the original annual allowance for members who have been retired from fourteen to eighteen years, inclusive. (Including 1990, 1989, 1988, 1987, 1986)
- 15% of the original annual allowance for members who have been retired from nineteen to twenty-three years, inclusive. (Including 1985, 1984, 1983, 1982, 1981)
- 18% of the original annual allowance for members who have been retired from twenty-four to twenty-eight years, inclusive. (Including 1980, 1979, 1978, 1977, 1976)
- 21% of the original annual allowance for members who have been retired from twenty-nine years or more. (Including 1975 and before)

Example: If your original annual allowance was \$1,000 per month and you have been retired for eleven years, your bonus dividend would be calculated as follows:

$$\begin{aligned} \$ 1,000 \times 12 \text{ months} &= \$12,000 \\ \$12,000 \times 9\% &= \$1,080 \end{aligned}$$

\$1,080 would be your bonus for that particular year.

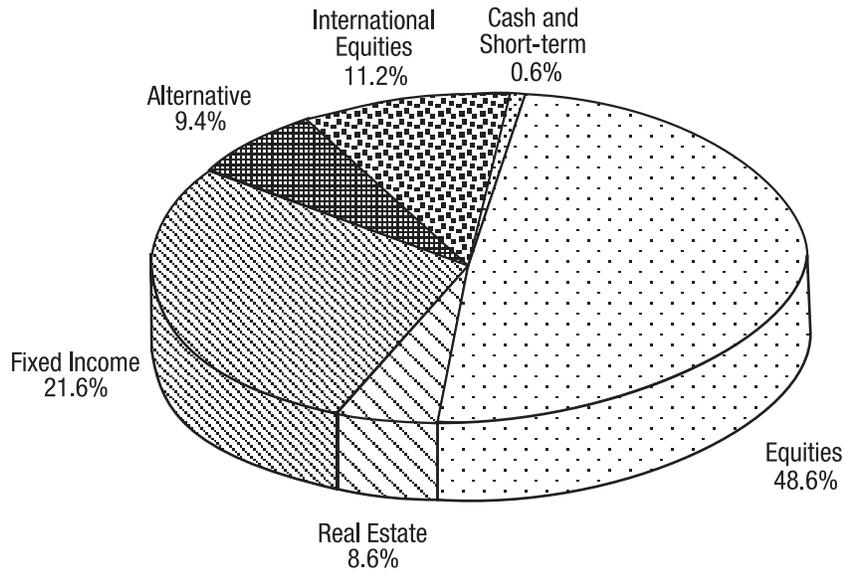
If this bonus plus the total retirement allowance you have received during the year will not purchase 60% of what your original retirement allowance would purchase, the bonus will be increased so you receive 60% of the original purchasing power of your pension. This increased portion of your bonus will be paid throughout the year by increasing your monthly check.

POST RETIREMENT COST OF LIVING INCREASE - For Members Who Retired After December 31, 1997

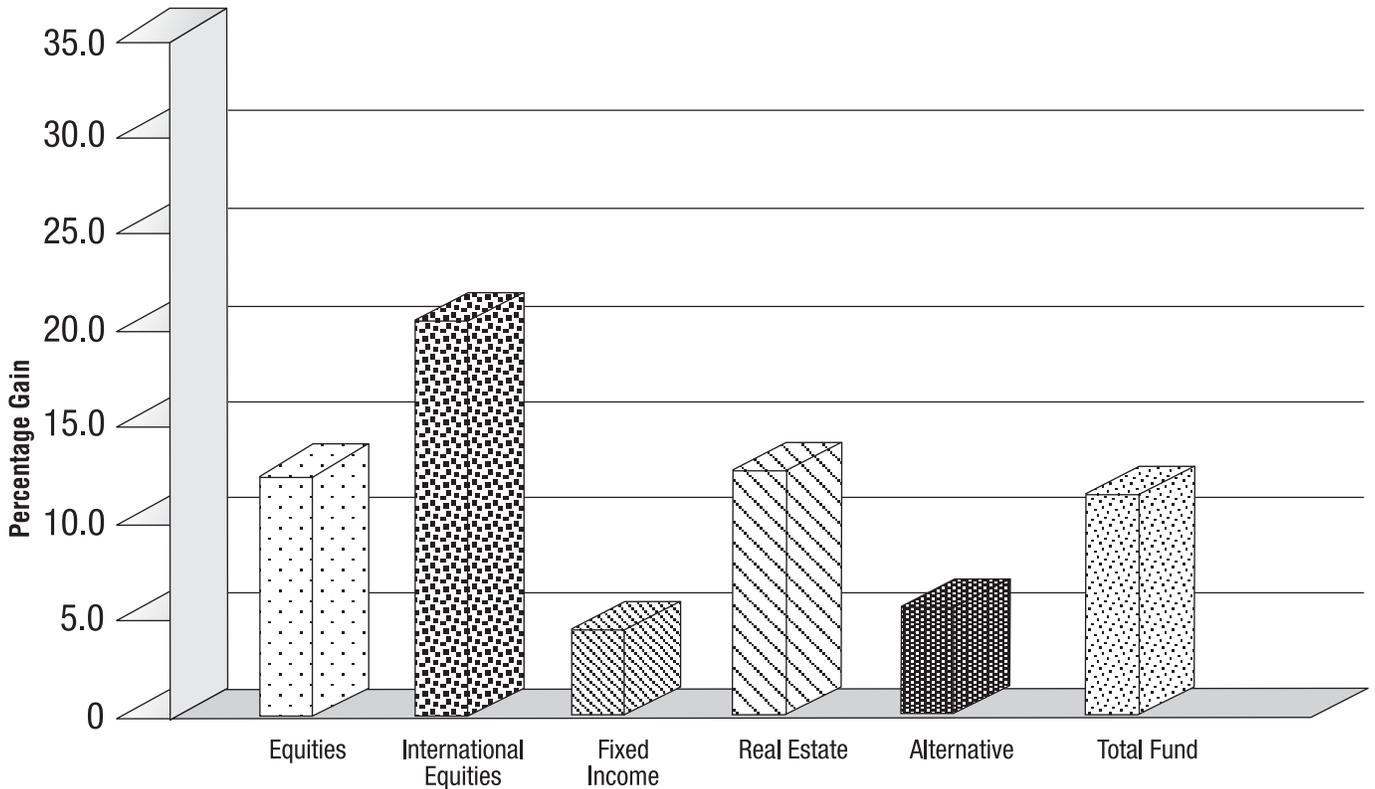
Each December the monthly retirement allowance will be increased to provide the highest benefit calculated under any one of the following three cost of living adjustments:

1. The annual bonus described above.
2. A 1.5% annual compounding COLA
3. A COLA which would provide 60% of the purchasing power which the members original retirement allowance could purchase.

## Investment Portfolio Composition



## 2004 Fund Performance



**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF REVENUES BY SOURCE**

Employer Contrib.*	Fiscal Year	Member Contributions	Employer Contributions**	Investment Income	Miscellaneous Income	Total
7.91 %	1980	\$ 9,166,162	\$ 10,470,335	\$ 16,284,473	\$ 846	\$ 35,921,816
8.54	1981	11,845,089	13,309,388	18,488,195	2,311	43,644,983
8.54	1982	12,465,220	14,790,039	21,106,414		48,361,673
8.54	1983	12,926,545	14,265,554	27,224,215	5,050	54,421,364
8.91	1984	14,076,607	15,961,211	30,543,443	67	60,581,328
8.91	1985	14,399,465	16,280,464	25,317,826		55,997,755
8.91	1986	15,164,105	16,758,439	33,081,706		65,004,250
8.91	1987	16,088,280	17,799,789	46,029,652	410	79,918,131
8.91	1988	16,701,142	18,521,365	36,397,481		71,619,988
8.91	1989	17,246,117	18,983,634	41,803,863	545	78,034,159
8.91	1990	20,405,149	21,810,612	27,725,284		69,941,045
8.91	1991	21,111,940	21,458,952	37,758,671		80,329,563
8.91	1992	21,564,881	25,117,924	41,792,730		88,475,535
8.91	1993	23,473,485	26,139,925	100,705,007	***	150,318,417
8.91	1994	24,764,862	26,704,211	3,670,356		55,139,429
8.91	1995	26,069,124	27,816,819	181,470,912		235,356,855
8.91	1996	25,835,147	28,372,760	118,399,056		172,606,963
8.91	1997	25,571,634	28,310,353	143,719,597		197,601,584
8.91	1998	27,311,815	30,554,650	168,477,507		226,343,972
8.03	1999	29,201,844	29,898,474	240,904,299		300,004,617
8.03	2000	30,962,052	30,956,217	(79,832,672)		(17,914,403)
8.03	2001	32,602,859	32,667,381	(93,021,798)		(27,751,558)
8.03	2002	39,388,249	36,599,830	(116,907,340)		(40,919,261)
8.03	2003	36,243,490	34,200,693	296,239,050		366,683,233
8.03	2004	37,192,591	36,819,271	177,211,711		251,223,573

\* Employer Contributions reflected as a percentage of covered payroll.

\*\* The employer contributions has been made in accordance with actuarial requirements.

\*\*\* Beginning with 1993, the investment income reflects unrealized gains (losses) required by GASB 25.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF EXPENSES BY TYPE**

Year	Benefits	Refunds	Administrative	Total
1980	\$ 17,584,611	\$ 1,786,654	\$ 331,600	\$ 19,702,865
1981	19,114,992	2,074,078	419,568	21,608,638
1982	21,358,214	2,151,528	458,261	23,968,003
1983	23,029,611	2,086,102	538,059	25,653,772
1984	25,175,469	3,366,999	737,445	29,279,913
1985	27,090,615	2,753,418	1,076,324	30,920,357
1986	28,777,844	3,212,415	1,340,874	33,331,133
1987	30,499,027	3,141,868	1,494,189	35,135,084
1988	32,093,902	3,293,088	1,408,946	36,795,936
1989	34,121,917	3,257,432	1,538,544	38,917,893
1990	36,431,265	3,592,483	1,636,911	41,660,659
1991	37,862,028	3,731,762	1,870,922	43,464,712
1992	38,884,790	3,585,672	2,109,340	44,579,802
1993	40,131,325	2,944,003	2,525,620	45,600,948
1994	42,420,358	3,412,882	2,639,538	48,472,778
1995	44,352,180	3,874,980	7,217,337	55,444,497
1996	46,257,605	3,888,043	7,989,200	58,134,848
1997	50,349,474	5,463,464	11,875,158	67,688,096
1998	56,247,811	7,502,444	12,145,939	75,896,194
1999	58,704,086	9,730,803	10,447,151	78,882,040
2000	62,844,355	11,641,902	10,634,557	85,120,814
2001	65,553,605	8,785,879	7,293,821	81,633,305
2002	68,825,558	12,019,852	7,250,214	88,095,624
2003	73,559,728	13,218,137	7,081,030	93,858,895
2004	77,289,288	9,791,692	7,188,848	94,269,828

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
BENEFIT EXPENSE BY TYPE  
Ten Years Ending December 31, 2004

Year	Age & Service Retirants	Benefits Survivors	Disability	Death	Refunds	Total
			Retirants Benefits	Benefit		
1995	\$ 38,909,838	\$ 4,469,103	\$ 645,239	\$ 328,000	\$ 3,874,980	\$ 48,227,160
1996	\$ 40,783,384	\$ 4,530,161	\$ 618,060	\$ 326,000	\$ 3,888,043	\$ 50,145,648
1997	\$ 44,350,246	\$ 4,996,325	\$ 612,903	\$ 390,000	\$ 5,463,464	\$ 55,812,938
1998	\$ 48,684,577	\$ 6,500,622	\$ 714,624	\$ 347,988	\$ 7,502,444	\$ 63,750,255
1999	\$ 50,902,672	\$ 6,821,887	\$ 698,527	\$ 281,000	\$ 9,730,803	\$ 68,434,889
2000	\$ 54,518,311	\$ 7,260,855	\$ 714,799	\$ 350,390	\$ 11,641,902	\$ 74,486,257
2001	\$ 57,122,024	\$ 7,486,988	\$ 672,593	\$ 272,000	\$ 8,785,879	\$ 74,339,484
2002	\$ 59,991,882	\$ 7,821,555	\$ 686,121	\$ 326,000	\$ 12,019,852	\$ 80,845,410
2003	\$ 64,301,813	\$ 8,215,109	\$ 714,806	\$ 328,000	\$ 13,218,137	\$ 86,777,865
2004	\$ 67,794,624	\$ 8,486,860	\$ 711,804	\$ 296,000	\$ 9,791,692	\$ 87,080,980

REVENUE RATIOS BY SOURCE  
1973 Through 2004

Year	Member		Employer		Investment		Total	
	Contributions	%	Contributions	%	Income	%	Revenue	%
1973	26	%	32	%	42	%	100	%
1974	26		31		43		100	
1975	26		31		43		100	
1976	26		31		43		100	
1977	25		29		46		100	
1978	25		29		46		100	
1979	27		30		43		100	
1980	26		29		45		100	
1981	27		31		42		100	
1982	25		31		44		100	
1983	24		26		50		100	
1984	23		26		51		100	
1985	26		29		45		100	
1986	24		26		50		100	
1987	20		22		58		100	
1988	23		26		51		100	
1989	22		24		54		100	
1990	29		31		40		100	
1991	26		27		47		100	
1992	25		28		47		100	
1993 *	16		17		67		100	
1994 *	45		48		7		100	
1995 **	11		12		77		100	
1996 **	15		16		69		100	
1997	13		14		73		100	
1998	12		14		74		100	
1999	10		10		80		100	
2000							<i>Net Loss</i>	
2001							<i>Net Loss</i>	
2002							<i>Net Loss</i>	
2003	10		9		81		100	
2004	15		15		70		100	

\* Beginning with 1993, the investment income reflects unrealized gains (losses) required by GASB 25.

\*\* Beginning with 1996 (and 1995 has been restated) investment income includes the gross income from Securities Lending as required by GASB 28.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
 SCHEDULE OF INVESTMENT RESULTS  
 Ten Years Ending December 31, 2004

<u>Year</u>	<u>Income</u>	<u>Market Value</u>	<u>Return on Market Value</u>
1995	\$ 181,470,912**	\$ 1,022,697,411	22.7%
1996	\$ 118,515,545**	\$ 1,169,047,972	11.5%
1997	\$ 143,719,597	\$ 1,372,681,756	12.6%
1998	\$ 168,477,507	\$ 1,496,802,024	15.1%
1999	\$ 240,904,299	\$ 1,676,556,088	15.3%
2000	\$ (79,832,672)	\$ 1,564,636,097	(3.7)%
2001	\$ (93,021,798)	\$ 1,486,866,838	(6.0)%
2002	\$ (116,907,340)	\$ 1,379,485,682	(8.4)%
2003	\$ 296,239,050	\$ 1,666,134,226	23.6%
2004	\$ 177,211,711	\$ 1,903,266,024	11.5%

\* Beginning in 1994, Income includes market gains and losses, due to the implementation of GASB 25.

\*\* Beginning with 1996 (and 1995 has been restated) investment income includes the gross income from Securities Lending as required by GASB 28.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
INVESTMENT PERFORMANCE RESULTS**

	2004	2003	2002	2001	2000
<b>Domestic Equity Funds</b>					
Bear Stearns	13.8 %	33.0 %	%	%	%
Bear Stearns Plus (b)					
Capital Guardian Trust	8.5	41.4	(24.0)	(3.9)	
Capital Management Assoc. (b)					
Dimensional Fund Advisors	20.3	51.0	(12.7)	14.6	6.2
Snow Capital (b)					
Wall Street Associates	10.0	47.1	(31.7)	(26.4)	
Wellington	9.9	30.9			
Barclays S & P Index Fund	10.9	28.8	(22.1)	12.0	(8.9)
Russell 3000 Index Fund (b)	12.0				
<b>International Equity Funds</b>					
Barclays EAFE Index (a)	20.7 %	39.2 %	(15.7) %	(8.9) %	(13.9) %
Capital International	14.9	37.9	(14.4)	(16.6)	
Dimensional Fund Advisors	30.9				
Lazard	17.3	30.3			
MFS	20.9	33.5			
<b>Domestic Fixed Income</b>					
MDL	3.0 %	2.0 %	8.8 %	%	%
Pugh Capital	4.8	4.4	10.2	8.3	12.2
Reams	5.1	8.7	5.8		
Western Asset	7.1	8.4	12.2		
In-House Assets	19.2	12.4	7.6	6.8	11.1
Barclays US Debt Bond Fund	3.1	4.2	10.3	5.0	10.1
<b>Real Estate Funds *</b>					
J.P. Morgan	14.8 %	12.3 %	6.5 %	7.3 %	12.0 %
RREEF REIT	12.6	10.1	8.2	10.1	10.0
TA Associates Fund VI	4.2				
TA Associates Fund VII (b)					
Hearthstone Residential Fund III	4.0				
MEPT - Kennedy	12.3	9.4	1.6	5.8	12.1
<b>Alternative</b>					
Quellos	5.6 %	9.4 %	3.9 %	8.1 %	21.3 %
Advent Capital	0.6				
Coast	8.3				
Epsilon	5.2				
Tremont	5.1				
Amerindo Investment Advisors	27.6	91.0	(40.6)	(39.2)	(59.2)
Phoenix Partners III & IV	(10.3)	(0.3)	(8.7)	(49.5)	4.8
<b>Composite Fund</b>					
Equities	12.3 %	33.7 %	(21.7) %	(12.5) %	(11.6) %
International Equities	20.5	34.0	(13.1)	(21.0)	(19.8)
Fixed-Income	4.7	8.5	5.9	6.1	10.3
Real Estate	13.0	10.8	6.0	7.4	11.2
Alternative	5.3	25.2	(11.8)	(8.8)	(12.5)
<b>Total Fund</b>	<b>11.5 %</b>	<b>23.6 %</b>	<b>(8.4) %</b>	<b>(6.0) %</b>	<b>(3.7) %</b>
<b>Market Indicators</b>					
Standard & Poor's 500	10.9 %	28.7 %	(22.1) %	(11.9) %	(9.1) %
MSCI EAFE Index -USD	20.7	39.2	(15.7)	(21.2)	(14.0)
Lehman Brothers Aggregate	4.3	4.1	10.3	8.4	11.6
Russell NCREIF Property Index	12.2	7.2	4.2	7.9	24.4
Consumer Price Index	3.2	1.9	2.4	1.6	3.4

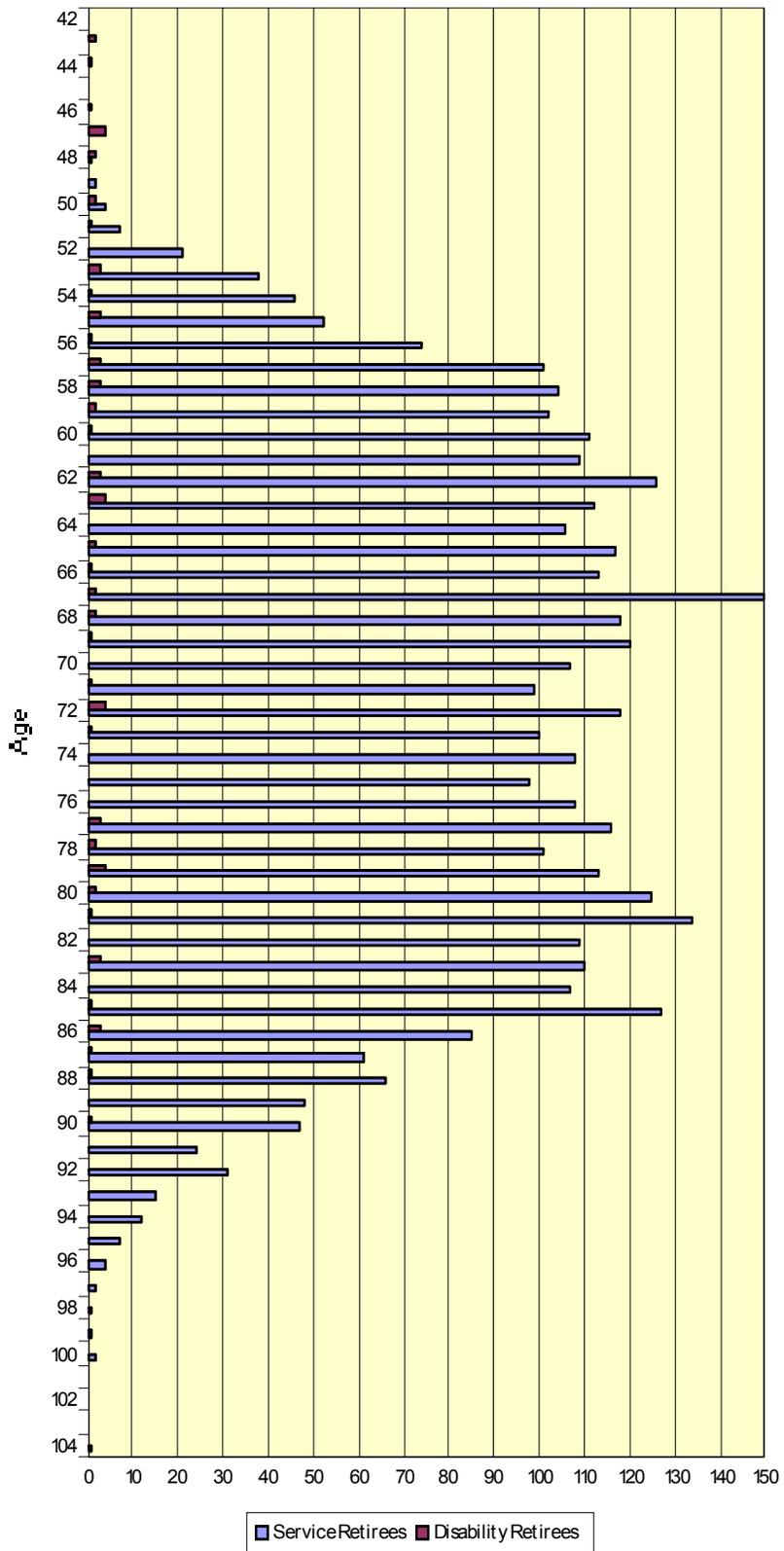
\* Returns for managers within the Real Estate Funds category and most hedge fund investments are reported after fees, while the remaining returns are reported before fees. Fees paid to managers are listed on Page 14 of this annual report.

(a) EAFE Index funds were moved during 2001 from State Street to Barclays. Performance for 2000 through 1997 is that of State Street. Performance for 2001 is composite of EAFE Index for 2001 at State Street and Barclays.

(b) New investment managers hired during 2004.

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
 SERVICE AND DISABILITY PENSIONERS BY AGE  
 As of December 31, 2004

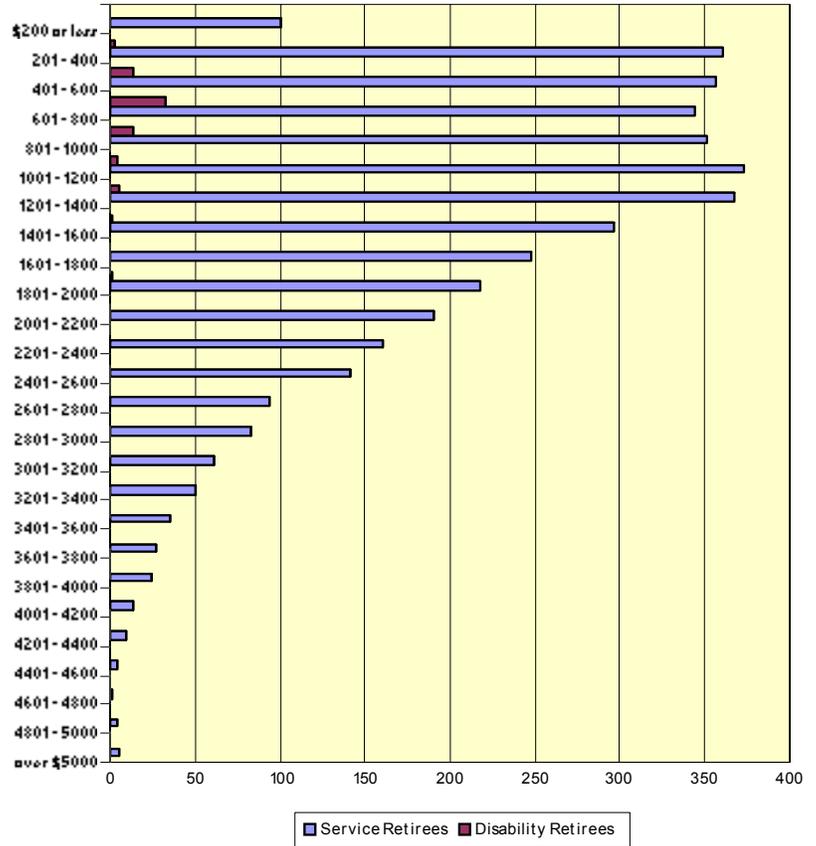
Age	Service	Disability
42		
43		2
44		1
45		
46		1
47		4
48	1	2
49	2	
50	4	2
51	7	1
52	21	
53	38	3
54	46	1
55	52	3
56	74	1
57	101	3
58	104	3
59	102	2
60	111	1
61	109	
62	126	3
63	112	4
64	106	
65	117	2
66	113	1
67	150	2
68	118	2
69	120	1
70	107	
71	99	1
72	118	4
73	100	1
74	108	
75	98	
76	108	
77	116	3
78	101	2
79	113	4
80	125	2
81	134	1
82	109	
83	110	3
84	107	
85	127	1
86	85	3
87	61	1
88	66	1
89	48	
90	47	1
91	24	
92	31	
93	15	
94	12	
95	7	
96	4	
97	2	
98	1	
99	1	
100	2	
101		
102		
103		
104	1	
3921		73



SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
 RETIREMENT ALLOWANCE DISTRIBUTION  
 As of December 31, 2004

	Service	Disability
\$ 200 or less	100	
201 - 400	360	3
401 - 600	356	13
601 - 800	344	32
801 - 1000	351	14
1001 - 1200	373	4
1201 - 1400	367	5
1401 - 1600	297	1
1601 - 1800	247	
1801 - 2000	218	1
2001 - 2200	190	
2201 - 2400	161	
2401 - 2600	141	
2601 - 2800	94	
2801 - 3000	83	
3001 - 3200	61	
3201 - 3400	51	
3401 - 3600	35	
3601 - 3800	27	
3801 - 4000	25	
4001 - 4200	14	
4201 - 4400	10	
4401 - 4600	4	
4601 - 4800	2	
4801 - 5000	4	
over 5000	6	

3921	73
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SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
ACTIVE MEMBERSHIP EXPERIENCE  
For the Last Thirty Years

	Members at End of Period	New Members During Period	Withdrawals During Period	Re-entering & Redepositing	Deaths During Period	Pensions Granted During Period
1975	7,216	958	460	70	22	342
1976	6,824	471	530	36	18	351
1977	6,506	484	517	41	24	302
1978	6,600	896	592	71	22	259
1979	6,797	934	536	57	11	247
1980	6,894	901	631	67	12	228
1981	7,037	776	467	77	13	230
1982	6,972	555	439	73	14	240
1983	6,870	471	363	50	13	247
1984	6,710	531	522	57	16	210
1985	6,946	628	244	72	11	209
1986	7,020	570	382	77	11	180
1987	7,196	622	312	72	16	190
1988	7,252	542	361	45	10	160
1989	7,544	672	251	51	12	168
1990	7,813	872	454	45	12	182
1991	8,037	681	354	43	13	133
1992	8,171	463	220	32	17	124
1993	8,317	537	279	39	15	136
1994	8,553	512	201	133	16	192
1995	8,741	477	284	136	12	153
1996	8,584	339	270	13	12	227
1997	8,572	435	287	36	18	178
1998	8,743	557	236	29	9	170
1999	9,576	1,289	238	14	17	215
2000	9,836	876	393	17	13	227
2001	10,111	706	241	25	18	197
2002	9,737	426	503	16	12	301
2003	9,964	628	202	5	14	190
2004	10,222	636	124	4	8	250

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
 COMPARATIVE STATEMENT OF EXPERIENCE OF SERVICE AND DISABILITY RETIREMENT PAYROLLS  
 From Inception in 1929, Through 2004

Figures Quoted as of the End of Each Fiscal Period

	Number Retired During Period			Number Deceased			Benefit Cont'd			Number on Payroll at End of Period		
	Service	Sec. 19-b	Disability	During Period		Pensions Discontinued			to Beneficiary	Service -	Beneficiary -	Disability
				Service	- Disability	Service -	Beneficiary -	Disability				
1929 - 1972 Inclusive	4,003	295	793	2,315	486	3	166	84	273	1,732	405	223
December 31, 1973	198	28	32	77	22		19		26	1,853	440	233
December 31, 1974	161	25	19	82	10		13		23	1,932	475	242
December 31, 1975	324	12	18	90	12		35		32	2,166	484	248
December 31, 1976	328	7	23	110	15		10		37	2,384	518	256
December 31, 1977	292	15	10	109	20		19		28	2,567	542	246
December 31, 1978	246	9	13	87	14		24		29	2,726	556	245
December 31, 1979	237	7	10	112	17		12		35	2,851	586	238
December 31, 1980	220	14	8	101	13		19		35	2,970	616	233
December 31, 1981	223	7	7	94	15		25		33	3,099	631	225
December 31, 1982	254	12	5	120	23		38		41	3,233	646	207
December 31, 1983	248	12	5	137	10		29		55	3,344	684	202
47 December 31, 1984	206	9	4	135	14		28		51	3,415	716	192
December 31, 1985	202	4	7	115	18		19	1	48	3,505	743	183
December 31, 1986	175	10	4	140	9		13		20	3,540	760	178
December 31, 1987	184	6	7	132	16		6		16	3,592	776	169
December 31, 1988	158	2	3	120	9		25		37	3,627	790	163
December 31, 1989	163	8	5	141	12		5		43	3,660	780	154
December 31, 1990	181	10	1	128	16		7		44	3,695	827	140
December 31, 1991	129		4	158	12		31		70	3,665	866	132
December 31, 1992	121		3	161	4		32		50	3,625	884	131
December 31, 1993	133	6	3	157	6		42		45	3,601	894	127
December 31, 1994	181	10	1	159	10		53		55	3,608	922	117
December 31, 1995	148	5	2	162	5		54		38	3,591	914	114
December 31, 1996	225	3	1	173	8		44		49	3,659	907	106
December 31, 1997	170	9	1	186	9		75		69	3,622	931	98
December 31, 1998	166	2	2	170	9	1	45		51	3,614	942	91
December 31, 1999	208	5	2	167	5		67		51	3,662	931	88
December 31, 2000	222	4	1	142	4		46		43	3,699	933	84
December 31, 2001	192	4	1	152	8		53		33	3,733	924	76
December 31, 2002	290	5	6	170	5		49		48	3,836	945	77
December 31, 2003	189	6	1	163	5		67		57	3,858	945	73
December 31, 2004	243	2	6	172	6		61		39	<u>3,924</u>	<u>930</u>	<u>73</u>
										Grand Total		<u>4,927</u>

Statistical Section

Seattle City Employees' Retirement System

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
EXPERIENCE IN MISCELLANEOUS AVERAGES  
For the Last Thirty Years

	AVERAGE SERVICE		AVERAGE AGE OF		AVERAGE AGE OF	
	RETIREMENT ALLOWANCE	AVERAGE AGE OF SERVICE PENSIONERS	AVERAGE DISABILITY RETIREMENT ALLOWED	DISABILITY PENSIONERS	<u>ACTIVE MEMBERS DECEASED</u> # OF DEATHS	<u>AVERAGE AGE</u>
1975	\$ 290.09	70.46	\$ 232.35	65.55	22	53.45
1976	320.63	69.90	237.39	63.82	18	52.20
1977	348.50	69.62	241.69	66.74	24	53.04
1978	374.03	69.69	254.82	64.42	22	54.41
1979	394.91	69.59	260.89	64.96	11	49.04
1980	418.84	69.69	261.76	65.05	12	55.54
1981	441.69	69.86	267.88	65.12	13	49.31
1982	468.28	70.07	269.71	65.64	14	48.54
1983	501.76	70.18	272.98	66.55	13	52.54
1984	530.44	69.97	281.36	66.29	16	51.28
1985	556.72	70.26	290.71	66.22	11	53.66
1986	582.18	70.57	296.27	66.70	11	48.18
1987	608.43	70.80	314.43	66.60	16	49.13
1988	655.62	70.02	357.61	66.40	14	49.93
1989	664.36	71.45	343.74	66.53	12	49.17
1990	697.54	71.72	352.75	65.88	12	47.67
1991	757.07	72.19	378.41	66.61	13	57.77
1992	749.31	72.44	366.23	66.30	17	50.94
1993	775.72	73.42	394.13	67.80	15	53.00
1994	811.55	73.28	407.60	67.52	16	55.00
1995	850.50	73.45	431.19	67.78	12	53.67
1996	904.11	73.43	423.86	68.88	12	44.92
1997	961.30	73.29	448.15	68.12	18	54.72
1998 *	1,063.66	73.30	594.09	68.13	9	56.11
1999	1,114.34	73.10	609.19	68.25	17	55.24
2000	1,167.60	72.88	622.66	68.69	13	50.77
2001	1,222.42	72.70	654.53	67.84	18	51.39
2002	1,289.77	72.16	703.83	67.25	12	54.33
2003	1,338.49	72.14	734.85	66.78	14	53.14
2004	1,404.86	71.93	788.94	65.40	8	50.62

\* Beginning in 1998 the average retirement allowance numbers include the monthly COLA amounts.

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF AVERAGE BENEFIT PAYMENTS**

Retirement Effective Dates	Years Credited Service					
	0-10	11-15	16-20	21-25	26-30	31 +
Jan. 1, 1995 to Dec. 31, 2004						
Period 1/1/95 to 12/31/95						
Average Monthly Benefit	\$ 313.96	697.67	971.84	1,216.52	1,769.59	1,983.96
Average Final Salary	\$ 2,720.84	3,327.48	2,894.56	2,968.09	3,587.38	3,610.17
Number of Active Retirants	20	12	12	31	38	40
Period 1/1/96 to 12/31/96						
Average Monthly Benefit	\$ 421.89	681.47	1,064.73	1,469.10	2,043.37	2,043.39
Average Final Salary	\$ 2,956.93	2,940.60	3,441.58	3,537.70	3,771.63	3,766.77
Number of Active Retirants	24	18	25	37	77	46
Period 1/1/97 to 12/31/97						
Average Monthly Benefit	\$ 388.26	650.44	1,104.18	1,382.17	2,277.07	2,126.84
Average Final Salary	\$ 3,195.32	3,332.84	3,414.46	3,449.48	4,242.60	3,985.38
Number of Active Retirants	20	14	26	27	57	34
Period 1/1/98 to 12/31/98						
Average Monthly Benefit	\$ 451.94	799.97	1,171.57	1,434.59	2,111.63	2,296.32
Average Final Salary	\$ 3,717.39	3,725.11	3,423.29	3,800.98	4,100.82	4,222.49
Number of Active Retirants	32	23	19	26	42	28
Period 1/1/99 to 12/31/99						
Average Monthly Benefit	\$ 416.73	881.13	1,320.71	1,493.61	2,236.30	2,173.93
Average Final Salary	\$ 3,856.75	3,712.60	4,043.07	3,594.45	4,251.65	4,115.63
Number of Active Retirants	34	19	36	23	70	33
Period 1/1/00 to 12/31/00						
Average Monthly Benefit	\$ 482.19	880.93	1,190.87	1,720.94	2,346.89	2,383.68
Average Final Salary	\$ 4,659.08	3,519.82	3,833.71	4,508.72	4,473.41	4,602.86
Number of Active Retirants	33	28	21	36	70	39
Period 1/1/01 to 12/31/01						
Average Monthly Benefit	\$ 478.66	837.60	1,349.54	1,719.53	2,369.43	2,374.36
Average Final Salary	\$ 4,756.88	3,715.90	4,241.27	4,121.40	4,654.58	4,544.36
Number of Active Retirants	30	23	25	30	65	24
Period 1/1/02 to 12/31/02						
Average Monthly Benefit	\$ 503.66	1,054.23	1,254.66	1,925.74	2,458.67	2,616.86
Average Final Salary	\$ 4,404.61	4,203.54	3,773.37	4,571.61	4,653.62	4,919.14
Number of Active Retirants	40	31	34	58	96	42
Period 1/1/03 to 12/31/03						
Average Monthly Benefit	\$ 496.91	1,034.44	1,432.09	1,744.45	2,579.91	2,628.56
Average Final Salary	\$ 3,782.43	4,261.52	4,669.55	4,653.31	4,901.87	4,953.21
Number of Active Retirants	32	23	22	41	39	39
Period 1/1/04 to 12/31/04						
Average Monthly Benefit	\$ 613.97	1,056.92	1,449.54	1,773.54	2,480.00	2,812.38
Average Final Salary	\$ 4,393.80	4,349.56	4,737.24	4,405.97	5,210.92	5,259.10
Number of Active Retirants	27	21	39	46	76	42
Period 1/1/95 to 12/31/04						
Average Monthly Benefit	\$ 456.82	857.48	1,230.97	1,588.02	2,267.29	2,344.03
Average Final Salary	\$ 3,844.40	3,708.90	3,847.21	3,961.17	4,384.85	4,397.91
Number of Active Retirants	29	21	26	36	63	37

NEW MEMBERS IN THE RETIREMENT SYSTEM IN 2004  
BY DEPARTMENT

Arts and Cultural Affairs	3
Civil Rights	7
DoIT	18
Economic Development	1
Executive	16
Finance	3
Fire	3
Fleets	13
Human Services	46
Intergovernmental Relations	1
Law	4
Legislative	15
Library	68
Light	56
Mayor's Office	1
Municipal Courts	12
Neighborhoods	10
Park	127
Personnel	25
Planning and Development	31
Police	31
Retirement	1
SDOT	40
Seattle Center	30
SPU	<u>74</u>
Total	636

MEMBERS AGAIN IN THE RETIREMENT SYSTEM IN 2004  
BY DEPARTMENT

<u>REDEPOSITING</u>		
DoIT	1	
Library	1	
Light	<u>1</u>	3
<u>RE-ENTERING</u>		
Park	<u>1</u>	<u>1</u>
Total		4

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SERVICE RETIREMENTS GRANTED IN 2004**

<b>Name</b>	<b>Department</b>	<b>Position</b>	<b>Years of Service</b>		<b>Age</b>
Ach, Kay Adelle	Vested	Vested	5 yrs	29 days	64
Ackley-Bell, Pamela S	Dual Member	Vested	18 yrs	199 days	58
Aho, Sione	SPU	Utility Laborer	24 yrs	245 days	61
Aldrich, James	City Light	Line CC	31 yrs	258 days	53
Alexander Jr., Leroy W	City Light	Manager 2	31 yrs	340 days	58
Alexander, Cheryl I	City Light	Warehouse Supervisor	29 yrs	45 days	54
Amar, Adrienne L	SEATRAN	Street Maintenance CC	25 yrs	179 days	58
Ammeter, John	City Light	Meter Electrician CC	30 yrs	3 days	56
Amos, Donna K.	Library	Assistant Manager	30 yrs	223 days	60
Anderson, Richard L.	K.C. Health	Plumbing Inspector	29 yrs	173 days	69
Andrews, Gary M.	Vested	Vested	30 yrs	196 days	53
Bach, Teri A	City Light	Cablesplicer	30 yrs	22 days	60
Bailey, Steven J	City Light	Meter Elctn Working CC	28 yrs	231 days	57
Bakari, Clothilde Mae	Parks	Rec Prgrm Spec	5 yrs	120 days	62
Bean, Leslie K	SPU	Truck Driver	30 yrs	1 day	58
Bean, Raymond E	SPU	Drainage & Waste Water Lead Wkr	34 yrs	242 days	53
Beck, Joseph R.	Dual Member	Vested	31 yrs	1 day	59
Bedell, Judith J.	DCLU	Special Project Facilitator	29 yrs	214 days	61
Beighle, William P	Muni Court	Magistrate Supervising	30 yrs	0 days	66
Bell, David C.	SPU	Capital Projects Coord	31 yrs	85 days	57
Bell, Raymond L	Parks	Maintenance Laborer	20 yrs	51 days	55
Bell, William L	City Light	Manager 3 / Info Tech	17 yrs	361 days	65
Benham, Ester L.	City Light	Electrical Engineer Associate	27 yrs	18 days	53
Berard, Theodore J	City Light	Power Dispatcher	27 yrs	329 days	53
Bergstrand, Shelley	Personnel	Personnel Analyst	28 yrs	85 days	53
Berry, Paul H.	Fleets	Capital Projects Coord Sr	25 yrs	14 days	57
Bettis, Gerald L.	City Light	Line Crew Chief	39 yrs	195 days	65
Blass, Rudolph	City Light	Nonworking CC Network	32 yrs	178 days	62
Boeckstiegel, Lee	SPU	Personnel Spec	6 yrs	88 days	72
Bonham, Virginia	ESD	Admin Spec III	25 yrs	238 days	59
Booker, William K.	SPU	Information Tech Prof-C	20 yrs	14 days	66
Boyd, Wilda E	Fleets	Graphic Arts Designer	13 yrs	322 days	75
Boyles, Malcolm J.	Parks	Sr. Rec Prgrm Coord	31 yrs	99 days	55
Bradley, Carol Ann	Vested	Vested	5 yrs	1 day	62
Brooks, Thyra L.	Legislative	Admin Staff Asst	14 yrs	301 days	57
Brown, Marjorie E	SEATRAN	Admin Spec III	17 yrs	2 days	58
Brown, Steven	Police	Strat Advsr 2	13 yrs	293 days	68
Buchan, David John	Seattle Center	Capital Projects Coord Chief	30 yrs	34 days	61
Bunn, Marie A	Vested	Vested	23 yrs	162 days	52
Burrell, Edward Charles	SPU	Water Treatment Operator Sr	14 yrs	315 days	62
Cameron, Ken J.	Dual Member	Vested	28 yrs	275 days	59
Camou, Judith F.	Seattle Center	Events Booking Rep Sr	20 yrs	124 days	65
Candler, Mary P.	Dual Member	Vested	30 yrs	242 days	58
Capers, Allie Clark	Neighborhoods	Admin Staff Assistant	10 yrs	69 days	65
Carpenter, Laurie L.	Vested	Vested	24 yrs	144 days	53
Carroll, Patricia M	SEATRAN	Civil Engineering Spec Assoc	19 yrs	152 days	64
Carstensen, Teresita N	Finance	Manager 3	23 yrs	310 days	64
Cayetano, Roberto B.	Parks	Golf Course Tech	20 yrs	1 day	62
Chang, Yo Sang	City Light	Info Technology Prof C	21 yrs	216 days	65
Chen, Lynn	City Light	Elec Eng Spec Asst III	20 yrs	15 days	62
Chin, Stephen F	Human Svcs	Labor Standards Tech Super	34 yrs	96 days	60
Chissus, Beverly	SPU	Admin Spec II	23 yrs	337 days	59
Christy, Teresa J	SPU	Warehouse Chief	21 yrs	253 days	56

(continued)

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SERVICE RETIREMENTS GRANTED IN 2004

Name	Department	Position	Years of Service		Age
Cluckey, William	City Light	Sr. Real Property Agent	5 yrs	231 days	66
Cobb, Ruth	K.C. Health	Registered Nurse	23 yrs	103 days	68
Collard, Kevin J	Parks	Control Tech	30 yrs	2 days	57
Collen, James C.	City Light	Manager 3	30 yrs	123 days	49
Collier, Jr., Curtis A.	Finance	Investment Officer, Asst	22 yrs	185 days	64
Cook, David W.	Fleets	Shop Operations Super	37 yrs	357 days	62
Cordova, Charlotte	City Light	Accounting Tech II	13 yrs	186 days	62
Cornish, Megan L.	City Light	Sr Power Dispatcher	29 yrs	326 days	57
Counts, Maretha J.	Parks	Public Relations Spec Sr	30 yrs	90 days	55
Courbot, Jane V	Vested	Vested	16 yrs	288 days	59
Couvion, Steve T.	ESD	Animal Control Officer	31 yrs	211 days	52
Criddle, George C.	Metro Transit	Chief of Operations Training	41 yrs	9 days	63
Cummings, Bonnie	K.C. Health	Social Worker	12 yrs	171 days	60
Cunningham, Richard C	City Light	Elctn Con	30 yrs	1 day	55
Davenport, Patricia L.	City Light	Accounting Tech III	20 yrs	252 days	59
Davidson, Cheryl E.	Vested	Vested	1 yrs	277 days	57
Dean, Aaron R	Vested	Vested	5 yrs	59 days	62
Del Donno, Eileen F.	City Light	Accounting Tech III	30 yrs	4 days	53
Demello, Judith L.	Police	Manager 3	38 yrs	6 days	61
Denton, Carl Stanley	City Light	Lineworker	5 yrs	240 days	62
Dewater, Terry L	City Light	Lineworker	20 yrs	131 days	55
Dicus, Sharon	Vested	Vested	17 yrs	265 days	59
Diehl, John W	City Light	Meter Electrician	24 yrs	83 days	57
Dissel, II, A. Buck	City Light	Structural Iron Worker	40 yrs	208 days	63
Dodge, Gwynne H	K.C. Health	Public Health Nurse	35 yrs	299 days	65
Dosremedios, Francisco	City Light	Executive 2	30 yrs	240 days	61
Durham, Hildreth Y	City Light	Power Dispatcher Sr	30 yrs	34 days	51
Edmonds, Joan H	Human Svcs	Counselor	17 yrs	18 days	65
Eisenhood, Elizabeth D	Library	Librarian	13 yrs	321 days	59
Ekman, Alice J	City Light	Assistant to the Superintendent	31 yrs	327 days	57
Emerson, Billy G	Seattle Center	Lead Janitor	27 yrs	278 days	63
Everest, Joseph R.	K.C. Health	Health & Envir Investigator	31 yrs	334 days	62
Felthous, Susan I	Library	Coordinating Library Associate	19 yrs	42 days	65
Fischer, Linda L.	Fleets	Mgmt Svcs Anlyst, Sr	30 yrs	25 days	55
Fogarty, Faith	SPU	Prtj Fund & Agreements Coord Super	20 yrs	359 days	63
Fogle, Bette E	Library	Library Associate II	12 yrs	128 days	64
Fox-Allen, Anet E	Dual Member	Vested	19 yrs	108 days	57
Franklin, Linda G.	Vested	Vested	13 yrs	318 days	57
Frazier, Jeanette	Police	Community Service Officer	26 yrs	30 days	54
Fritts, Joyce	Fleets	Personnel Spec	18 yrs	31 days	65
Gale III, Fulton G	Vested	Vested	5 yrs	23 days	62
Gamble, Taffy L.	Police	Vested	20 yrs	131 days	57
Ganchorre, Don A	Parks	Sr Gardener	20 yrs	188 days	65
Gaskill-Gaddis, Lucy M	Vested	Vested	9 yrs	119 days	62
Gilbert, Janice E.	City Light	Store Clerk	10 yrs	74 days	60
Gracey, William T	City Light	Hydroelec Maint Machinist	21 yrs	224 days	57
Graumann, Reiner P.	Fleets	Station Maint Machinist	13 yrs	189 days	64
Green, Richard	Vested	Vested	25 yrs	302 days	52
Gregg, Beverly D.	Personnel	Workers' Comp Spec	29 yrs	8 days	62
Guttman, Lynn A.	Dual Member	Vested	18 yrs	249 days	57
Hancock, David C.	SPU	Drainage & Wastewater Coll Lead	29 yrs	312 days	59
Hanisch, Edith M.	City Light	Warehouser Chief	25 yrs	316 days	59
Hardison, Joyce A.	Police	Community Service Officer	29 yrs	139 days	60

(continued)

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SERVICE RETIREMENTS GRANTED IN 2004

<b>Name</b>	<b>Department</b>	<b>Position</b>	<b>Years of Service</b>		<b>Age</b>
Harowicz, Donald F.	City Light	Cable Splicer	31 yrs	194 days	55
Harris, Pamela	Vested	Vested	24 yrs	312 days	58
Hart, Roy E.	City Light	Electrical Power Systems Engineer	53 yrs	95 days	77
Hauge, Gerald K.	Library	Library Associate	23 yrs	211 days	57
Heathcote, John M.	Seattle Center	Janitor	29 yrs	183 days	56
Hein, Linda K.	Parks	Personnel Spec, Sr.	31 yrs	178 days	56
Hicks, Nancy	Vested	Vested	8 yrs	249 days	62
Hill,Patricia Y	Police	Latent Print Examiner	18 yrs	94 days	65
Hirai,Gordon	Fleets	Auto Body Worker	17 yrs	60 days	64
Holmes, Philip A.	K.C. Health	Assistant Director	30 yrs	130 days	55
Hooppaw, James P.	City Light	Journey Worker in Charge	34 yrs	82 days	59
Howell,Sharon M	Vested	Vested	28 yrs	284 days	59
Hudi,Jay	SPU	Waste Water Worker	25 yrs	106 days	53
Hundahl,Michael R	SEATRAN	Traffic Marking Lead Wrkr	33 yrs	308 days	55
Jankauskas, Melissa	K.C. Health	Personal Health Svc Super	26 yrs	181 days	59
Jennings,Janna A	K.C. Health	Regional Health Officer	30 yrs	135 days	53
Jones, Robert L.	City Light	Meter Elec	30 yrs	212 days	52
Katayama,Kenneth S.	City Light	Energy Planning Super	30 yrs	262 days	55
Kay,James J.	Parks	Graphic Arts Design	30 yrs	140 days	58
Kelly, Thomas D.	Vested	Vested	14 yrs	22 days	61
Kikuchi,Steve	Vested	Vested	13 yrs	235 days	57
Kolden, William O	City Light	HR Director	28 yrs	173 days	56
Koski,Craig S	SEATRAN	Traffic Sign & Marketing CC1	31 yrs	170 days	51
Kruller, Adrian W.	SPU	Financial Analyst Super	30 yrs	153 days	69
Kwan, Anthony P	ESD	Accountant Sr.	33 yrs	327 days	60
LaCour,James D	Vested	Vested	27 yrs	199 days	59
Leise,Alan R	Seattle Center	Usher	9 yrs	164 days	64
Liston, Robert H F	Human Svcs	Manager 2	29 yrs	18 days	56
Locken, Randon B	SEATRAN	Truck Driver	31 yrs	79 days	52
London, Kaisa M	Library	Librarian	13 yrs	273 days	64
Losik,Robert E	City Light	Jrnywrkr in Charge	29 yrs	205 days	57
Losk, Michael D.	City Light	Elecl Pwr Svcs Engineer	30 yrs	40 days	55
Luchau, Leonard	Vested	Vested	5 yrs	202 days	66
Lyon,Bruce J	Fleets	Bindery Wkr Sr	30 yrs	50 days	63
Magera,Carol	City Light	Cable Spl / Net Area	25 yrs	13 days	59
Mamon, Gloria	Muni Court	Admin Spec I	10 yrs	18 days	68
Marshall,Edward R	City Light	Mechanical Engineering Assoc	25 yrs	12 days	57
Martin,Larry J	DCLU	Bldg Inspector	18 yrs	18 days	65
Masumoto,Richard S	City Light	Meter Reader Super	25 yrs	219 days	61
Matsuzaki,Gary W.	City Light	Manager I	32 yrs	142 days	53
Matz,Robert C	Dual Member	Vested	25 yrs	7 days	58
McCanna,Charles	DCLU	Elevator Inspector	19 yrs	3 days	72
McCargo,Alfred T	City Light	Cable Splicer Net Area	16 yrs	214 days	65
McCloud,Paul D	Police	Chief Dispatcher	9 yrs	32 days	62
McDonald,Annette C.	Law	Admin Spec I	6 yrs	343 days	65
McElvain, Richard O	K.C. Jail	Corrections Officer	33 yrs	117 days	64
McGinnis,Dewey R.	Seattle Center	Building Operating Engineer	7 yrs	32 days	65
McHenry,Linda Lee	City Light	MAT Controller, Sr.	20 yrs	60 days	57
McMahon,John P	Parks	Manager 1	27 yrs	133 days	59
McNeal,James H.	Parks	Lead Keeper	22 yrs	95 days	52
Merth,William A	SPU	Drainage & Wastewater Coll Lead	29 yrs	148 days	52
Metcalf, Sharon S.	Vested	Vested	10 yrs	189 days	57
Metcalf,Theodore R.	Personnel	Personnel Analyst	30 yrs	66 days	58

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SERVICE RETIREMENTS GRANTED IN 2004**

<b>Name</b>	<b>Department</b>	<b>Position</b>	<b>Years of Service</b>		<b>Age</b>
Middleton, Barbara Ann	Dual Member	Vested	18 yrs	271 days	57
Miller,Dennis E	SPU	Sr Civil Engineering Spec	20 yrs	16 days	61
Miller,John S	Vested	Vested	22 yrs	236 days	64
Mociulski, Melody L	ESD	Manager 3	23 yrs	293 days	57
Moimoi,Kalolaine A	Personnel	Admin Spec 1	29 yrs	133 days	55
Monroe, Joyce A.	Police	Admin Spec 1	12 yrs	21 days	62
Montalvo,Autum A	Parks	Vested	6 yrs	14 days	62
Moore, Paul V.	City Light	Jrnywkr in Charge	35 yrs	341 days	62
Mullen,James M	Police	Manager 3	29 yrs	5 days	57
Murakami, Paul A	K.C. Health	Regional Health Officer	30 yrs	135 days	53
Neal-Gray, Letha	City Light	Cable Splicer/Net Area	28 yrs	294 days	52
Nemesio, Ordonez	Library	Library Associate	13 yrs	289 days	67
Nevin,Charles	SPU	Waterpipe CC	31 yrs	346 days	59
Niven,Jill K	K.C. Health	Human Resource Svc Delivery Mgr	28 yrs	220 days	52
Novido, Jovita V.	Finance	Accounting Tech I	30 yrs	4 days	62
O'Halloran, Michael	City Light	Electrn Con	36 yrs	122 days	60
Olegario,Marceo C.	City Light	Mechanical Engineer Assoc	23 yrs	1 day	66
O'Malley,Bernard J	SPU	Manager 2	20 yrs	51 days	60
Ortega, Arturo	Parks	Constr & Repair CC	30 yrs	164 days	58
Overland, Merlyn K.	Personnel	Executive 2	33 yrs	54 days	62
Pacheco,Joe C	SEATRAN	Manager 2	14 yrs	282 days	57
Pearl,Nancy L.	Library	Executive II	10 yrs	193 days	59
Peninger,Jim	City Light	Structural Painter CC	10 yrs	258 days	49
Petras,Annetta K.	Vested	Vested	10 yrs	6 days	57
Pinson,David L	SEATRAN	Constr & Maint Equip Oper Sr	30 yrs	66 days	50
Pitman, Denise M	Parks	Recreation Coord	28 yrs	191 days	52
Pitts,Maxine W	Police	Dispatcher	13 yrs	193 days	61
Poleszczuk,Mirosława M.	Muni Court	Admin Spec I	13 yrs	239 days	64
Powell, Christine J	Vested	Vested	13 yrs	143 days	57
Rankin, Joyce A.	SEATRAN	Utility Laborer	24 yrs	293 days	58
Reid,Gary B	SEATRAN	Traffic Marking Lead Wkr	31 yrs	243 days	56
Reinke, Denise	Dual Member	Vested	20 yrs	267 days	60
Reisch, Ruby D.	Library	Library Associate II	7 yrs	54 days	62
Reynolds,Shirley L.	Vested	Vested	28 yrs	50 days	52
Rivera, Yonel	Vested	Vested	25 yrs	140 days	52
Rockafellar, Mamie H.	Vested	Vested	9 yrs	8 days	62
Rogers,Anne	SPU	Mgmt Sys Anlyst	29 yrs	82 days	61
Sattler,John	Fleets	Shop Options Super	21 yrs	84 days	63
Sawyer,Helen Jean	City Light	Admin Spec II	23 yrs	201 days	64
Schmid, Elaine M.	Seattle Center	Strategic Advisor 1	27 yrs	200 days	58
Schoneman, Noel F.	SEATRAN	Executive 2	30 yrs	186 days	62
Schwamberg, Mitchell	ESD	Animal Control Officer	32 yrs	102 days	62
Sellars,Mary E	Arts Comm	Collection Manager	5 yrs	2 days	65
Serrato, Juanita E.	ESD	Dev Fin Spec, Sr.	34 yrs	361 days	58
Shadoff, John D	Dual Member	Vested	25 yrs	49 days	59
Sheppard,Elizabeth E	Fire	Admin Spec III	29 yrs	113 days	53
Simon, Arla K.	Police	Administrative Staff Assist	38 yrs	140 days	62
Sinowitz,Michael Leslie	City Light	Executive 3	17 yrs	237 days	62
Sloane, John	Metro Transit	Metro Transit Driver	31 yrs	360 days	62
Smith Walsh, Linda	Dual Member	Vested	30 yrs	83 days	55
Smith,Gary Duane	City Light	Pole Yard CC	34 yrs	343 days	55
Snedeker,Bonnie	Vested	Vested	15 yrs	286 days	57
Sommarstrom, Allan R.	SPU	Training & Ed Coord Sr	25 yrs	180 days	62

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
SERVICE RETIREMENTS GRANTED IN 2004**

<b>Name</b>	<b>Department</b>	<b>Position</b>	<b>Years of Service</b>		<b>Age</b>
Soule, Jerri D	SEATRAN	Radio Dispatcher	30 yrs	1 day	49
Spore, Harold A	City Light	Electrical Engineer Asst III	16 yrs	349 days	65
Stecher, Debbera J.	Vested	Vested	28 yrs	284 days	52
Stockwell, Clarke E.	SPU	Civil Engineer Super	33 yrs	250 days	65
Stout, Douglas L.	Vested	Vested	20 yrs	264 days	52
Strobel, Robert E.	DCLU	Mech Inspector	17 yrs	223 days	64
Swanson, Jr. Robert W	SPU	Sr Stat Maint Machinist	20 yrs	360 days	59
Swensson, Eric	SPU	Title Examiner	26 yrs	202 days	55
Thomas, James J.	Parks	Gardener, Sr	30 yrs	48 days	58
Thordarson, Phillip M.	SEATRAN	Manager 3	42 yrs	285 days	62
Torkelson, Eric T.	ESD	Claims Adjuster II	17 yrs	21 days	57
Ueno, William Y	Police	Dispatcher II	30 yrs	3 days	57
Vigil, Albert	Fleets	Carpenter	26 yrs	247 days	58
Vigil, Vicki Weisbeck	Library	Assistant Manager	26 yrs	195 days	54
Wagner, Deanna Rae	SPU	Customer Service Rep	23 yrs	302 days	65
Walker, Linda A	City Light	Financial Analyst	24 yrs	4 days	55
Wall, Stephen B.	City Light	Structural Painter	27 yrs	215 days	61
Walla, Stephan P	City Light	Prot & Contl, Electr II	30 yrs	104 days	55
Ward, John P	City Light	Electrician	21 yrs	121 days	55
Waters, James L.	Fleets	Printing Equipment Oper	23 yrs	247 days	57
Webb, Pamela J.	Fire	Admin Staff Assistant	31 yrs	239 days	52
Weir, James W.	Parks	Golf Course Maintenance Super	30 yrs	1 day	56
Welch, Terrence J	Parks	Pool Maintenance Wkr	30 yrs	68 days	49
White, Anthony A.	SPU	Pipeline Main CC	22 yrs	55 days	58
Willis, Peggy L.	Vested	Vested	25 yrs	40 days	59
Wilson, Steven E	Police	Evidence Warehouser	29 yrs	351 days	56
Wishon, Darellene B.	City Light	Admin Spec II	12 yrs	337 days	62
Wold, Kenneth M	City Light	Electrical Emgineer Assoc	22 yrs	89 days	78
Wolfe, Lloyd G	Metro Transit	Driver	41 yrs	340 days	72
Wolfe, Gerald D	City Light	Power Marketer	5 yrs	120 days	62
Woltzen, Harold R	Parks	Tree Trimmer	33 yrs	102 days	62
Yangagimachi, Jr., Frank S	SEATRAN	Strat Advsr 2	30 yrs	190 days	54
Ziegler, Clarence A.	SEATRAN	Bridge Operator	23 yrs	210 days	62
Total Service Retirements			245		

**DISABILITY RETIREMENTS**

Hubbard, Gail O.	Muni Court	Admin Spec I	9 yrs	273 days	43
Perry, Joanne Ruth	Parks	Utility Laborer	15 yrs	4 days	48
Proud, Carol I	DCLU	Land Use Planner III	10 yrs	106 days	54
Standiford, Diane J	SPU	Utility Account Rep	17 yrs	48 days	47
Stewart, Lillian D.	Library	Library Associate	10 yrs	0 days	55
Williams, Perry	SPU	Sr. Forest Maintenance	9 yrs	255 days	42
Total Disability Retirements			6		

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
RETIRED MEMBERS DECEASED IN 2004

<b>Name</b>	<b>Retired For</b>	<b>Department</b>	<b>Date Retired</b>	<b>Date of Death</b>	<b>Age at Death</b>
Achziger, Robert C	Service	Parks	01/01/1987	02/23/2004	77
Adams, Eugene F	Service	Metro Transit	02/01/1979	03/07/2004	82
Alford, Harold T	Service	Engineering	08/01/1979	06/10/2004	84
Allen, Larry M	Service	Metro Transit	01/01/1987	09/29/2004	79
Aller, Margaret E	Service	Parks	08/01/1985	12/15/2004	82
Anderson, Alden C	Service	Engineering	06/01/1988	12/10/2004	79
Anderson, Douglas P	Service	City Light	04/01/1982	12/02/2004	86
Bagwell, Earl J	Service	City Light	08/01/1986	04/20/2004	76
Bates, Verlin E	Disability	Metro Transit	04/01/1977	09/24/2004	74
Baur, Ingrid	Service	City Light	07/05/2001	05/26/2004	59
Beck, George H	Service	DCLU	03/01/1989	11/24/2004	81
Bellin, Edward C	Service	Police	06/01/1991	11/07/2004	96
Benoit, Edward J	Service	City Light	09/01/1980	06/22/2004	77
Benson, George E	Service	Legislative	01/01/1994	10/25/2004	85
Berry, Harold	Service	Engineering	04/06/1996	03/19/2004	76
Beutlich, Walter	Service	Metro Transit	05/01/1981	12/26/2004	85
Broom, Bertha H	Service	General Services	07/01/1978	07/24/2004	88
Brown, Lester A	Service	City Light	04/01/1981	05/31/2004	80
Buckley, John F	Service	Seattle Center	09/01/1989	05/04/2004	79
Buckner, Brenda A	Service	City Light	05/01/1995	08/29/2004	71
Burt, Elmer R	Service	City Light	07/01/1981	06/09/2004	85
Button, Alvin E	Service	City Light	07/01/1975	07/07/2004	91
Cade, Glenn	Service	Parks	04/01/1988	03/21/2004	80
Carnahan, Alvin R	Service	Metro Transit	07/01/1972	04/20/2004	93
Cavanaugh, Margaret E	Service	Health	10/01/1977	03/22/2004	86
Chamberlin, Jack L	Service	Engineering	07/01/1987	11/30/2003	82
Christensen, Laurence	Service	City Light	10/01/1980	02/28/2004	88
Church, Bill O	Service	Metro Transit	04/01/1975	02/07/2004	90
Cobb, Marvin C	Service	Engineering	05/01/1986	07/15/2004	83
Coe, Lyle M	Service	Seattle Center	02/01/1976	10/10/2004	89
Cole, Arthur J	Service	Engineering	09/01/1976	04/13/1904	91
Cole, Fred H	Service	Engineering	09/01/1979	02/01/2004	86
Corallo, Lois L	Service	Admin Services	09/01/1986	08/18/2003	78
Curti, Mario	Service	Parks	04/01/1986	10/21/2004	80
Delarenti, Ellen L	Service	Human Resources	05/01/1985	12/25/2003	84
Deyo, Sara J.	Service	Law	04/03/2003	02/15/2004	57
Doble, Linda L.	Service	ESD	11/02/2001	11/15/2004	58
Domde, Rita S	Service	Metro Transit	08/01/1979	02/17/2004	88
Eastman, Donald A	Service	City Light	05/01/1975	04/21/2004	82
Edwins, Dwight L H	Service	City Light	02/01/1990	07/18/2004	78
Eklund, Eric A	Service	Water	10/01/1974	10/08/2004	95
Engdal, Henry R	Service	Solid Waste	10/01/1976	09/26/2004	93
Engel, Johnny L.	Service	Parks	06/02/2003	03/30/2004	52
Farrand, Milton G	Service	City Light	08/01/1973	02/08/2004	89
Fey, Carrie B	Service	King Co. Corrections	06/01/1991	06/25/2004	66
Finseth, Marcia K	Service	Library	01/01/1975	01/20/2004	90
Fletcher, James E	Service	City Light	04/01/1992	10/01/2004	70
Fondell, Evangelyn	Service	Library	09/01/1975	04/07/2004	93
Galbraith, Victor I	Service	City Light	07/01/1976	04/29/2004	92
Gantt, Robert F	Service	Water	01/01/1986	10/11/2004	82

(continued)

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
 RETIRED MEMBERS DECEASED IN 2004

<b>Name</b>	<b>Retired For</b>	<b>Department</b>	<b>Date Retired</b>	<b>Date of Death</b>	<b>Age at Death</b>
Gisiger, Karl	Service	City Light	03/02/1996	09/02/2004	77
Glenn,Dorothea	Service	Library	10/01/1983	12/19/2003	85
Graves, Billy	Service	Water	10/16/1996	08/23/2004	68
Grayson,Berniece E	Service	City Light	09/01/1985	09/19/2004	86
Gregory,Dorisann	Service	Library	07/01/1993	12/24/2004	76
Hacker,Minnie J	Service	Library	12/01/1981	11/07/2004	84
Hahne,Carle F	Service	Metro Transit	01/01/1977	06/21/2004	89
Hanson,Walter R	Service	City Light	08/01/1978	11/04/2004	92
Hawkinson,David L	Service	Water	10/01/1976	01/05/2004	90
Hayhurst,Bud R	Service	Library	01/01/1987	03/15/2004	83
Hayward,Harold D.	Service	City Light	01/03/2001	07/30/2004	65
Hepler,Norman R	Service	Admin Services	03/01/1984	08/16/2004	82
Hess, Ronald V.	Service	SEATRAN	05/07/2003	07/19/2004	64
Hilden,Arnold	Service	Water	05/01/1980	02/09/2004	81
Hill,James G	Service	Transit	02/01/1976	09/12/2004	93
Ideta,Henry S	Service	Purchasing	03/01/1989	06/08/2004	76
Isaacson,Edgar R	Service	DCLU	05/01/1984	07/27/2004	85
Ivie,Harold V	Service	Health	04/01/1981	12/12/2004	85
Jacobsen,Elmer F	Service	City Light	09/01/1975	05/13/2004	88
Jess,Walter N	Service	Engineering	06/01/1977	02/01/2004	87
Joachim,Kathleen L	Disability	City Light	04/01/1989	11/13/2003	60
Johnston,George D	Disability	City Light	03/01/1975	06/30/2004	78
Jones,Eugene R	Service	Purchasing	09/01/1989	11/29/2004	80
Kepler,Leonard D	Service	Engineering	08/01/1977	02/11/2004	91
Kido, Tom T	Service	Engineering	06/01/1981	12/26/2004	76
King,Howard H	Service	General Services	01/01/1977	07/20/2004	90
Kirk, Frank	Service	Legislative	01/01/1996	02/27/2004	77
Kirkland,Arnold J	Service	Engineering	07/01/1976	01/06/2004	87
Klingenbeck,Edward C	Service	Seattle Center	12/01/1985	11/24/2004	86
Knudsen,Margaret J	Service	City Light	03/01/1980	12/14/2004	89
Kovach,Margaret B	Service	Water	01/01/1986	06/22/2004	85
Lahti,Harold W	Service	Metro Transit	05/01/1977	08/12/2004	89
Latschaw,Daryl A	Service	City Light	05/01/1979	03/04/2004	84
Lenoch,Richard W	Service	Metro Transit	09/01/1986	02/15/2004	80
Lentz,Betty A	Service	Personnel	03/01/1983	04/26/2004	78
Lew,Raymond T	Service	City Light	12/01/1987	03/01/2004	78
Lewis,Claire	Service	City Light	12/03/1996	02/05/2004	60
Loiseau,Jean M	Service	Licenses	12/01/1985	03/02/2004	80
Longwell,Leslie T	Service	Treasurers	07/01/1976	07/10/2004	90
Loper,Boyd H	Service	Water	01/01/1990	08/14/2004	75
Loughead,Robert J	Service	City Light	05/01/1973	01/21/2004	84
Macmeekin,Bruce 038	Service	Seattle Center	08/01/1989	01/24/2004	87
Macpherson,Marjorie	Service	Human Resources	02/01/1983	10/20/2004	86
Mahaffey,Jack N	Service	City Light	04/01/1980	01/23/2004	77
Mallory,Theodore	Service	Metro Transit	09/01/1983	10/15/2004	82
Manabat,Anita	Service	City Light	01/08/1997	12/04/2003	69
Martin,Russell T	Service	Health	10/01/1984	12/07/2004	85
Matzen,Grant C 0112	Service	City Light	01/01/1987	07/20/2004	83
Maxwell,Clare	Service	City Light	05/01/1977	06/18/2004	88
Mccallum,Mary M	Service	Engineering	06/01/1975	11/01/2004	92

(continued)

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
RETIRED MEMBERS DECEASED IN 2004

<b>Name</b>	<b>Retired For</b>	<b>Department</b>	<b>Date Retired</b>	<b>Date of Death</b>	<b>Age at Death</b>
McCreary, William E	Service	Engineering	04/01/1982	08/07/2004	84
McCutchen, Eddie	Service	Fire	12/12/1997	07/23/2004	61
Mcintosh, Roger	Service	Engineering	05/01/1988	11/12/2004	84
McLeod, Arthur J	Service	Metro Transit	06/01/1983	05/18/2004	73
Menn, Boris	Service	City Light	01/07/2003	02/19/2004	70
Meyer, Donald R	Service	Metro Transit	10/01/1987	01/20/2004	79
Miller, Lorene K	Service	Retirement	04/01/1984	10/04/2004	86
Miller, Roberta E	Service	DCLU	08/01/1982	10/27/2004	82
Modin, Darold H	Service	Water	05/01/1984	12/06/2004	82
Moilanen, Gladyce E	Service	Library	07/01/1993	12/14/2004	81
Murray, Don G	Service	Transit	01/01/1978	11/25/2004	85
Nelson, Ethel G	Service	Metro Transit	12/01/1970	06/19/2004	96
Nelson, Kenneth F	Service	Metro Transit	06/01/1978	06/28/2004	91
Nelson, Martin W	Service	Parks	05/01/1968	11/13/2004	101
Neville, Wayne	Service	Engineering	10/01/1969	04/06/2004	98
Nichols, Helen F	Service	Metro Transit	04/01/1977	11/27/2004	89
Nieforth, Ronald E	Service	Engineering	03/01/1995	07/16/2004	71
Nordquist, Robert L 97	Service	City Light	01/01/1983	02/11/2004	87
Normark, Priscilla S	Service	Health	09/01/1990	06/16/2004	79
Oberg, Gilbert E	Service	City Light	04/01/1974	12/23/2004	90
Olson, Stanley H	Service	General Services	01/01/1976	08/20/2004	83
O'Reilly, Martha	Service	Police	03/05/1996	01/26/2004	69
Patricelli, Barbara A.	Service	Library	06/25/1997	10/22/2004	76
Petersen, Lemuel A	Service	Community Devel	04/01/1981	02/21/2004	85
Pierce, L F	Service	Transportation	02/01/1973	07/22/2004	92
Pixley, Marjorie	Service	Admin Services	10/01/1981	10/10/1916	88
Plank, J Eldon	Service	City Light	02/01/1977	02/28/2004	89
Plank, William I	Service	Parks	04/01/1983	09/03/2004	84
Printz, Deane	Service	City Light	03/05/1996	10/05/2004	70
Reetz, David A	Service	City Light	03/01/1984	05/09/2004	81
Roberts, Donald B	Service	Engineering	07/01/1989	03/22/2004	76
Roberts, Willard V	Service	Engineering	05/01/1979	08/31/2004	89
Robertson, William	Service	City Light	08/01/1983	09/15/2004	77
Robins-Vogt, Dzidra	Service	City Light	02/01/1994	07/05/2004	76
Rohman, Jeanette L	Service	Municipal Court	11/01/1987	02/04/2004	82
Romanowski, John D	Service	Seattle Center	05/01/1978	06/15/2003	87
Russell, Rochester G	Service	City Light	06/01/1986	03/09/2004	90
Ryan, Richard D	Service	Water	04/01/1994	03/24/2004	74
Sampson, Rodney	Service	City Light	05/01/1975	01/24/2004	89
Sandstrom, Stanley A	Service	Admin Services	01/01/1985	01/10/2004	83
Sato, Yonetaro	Service	Comptrollers	11/01/1978	04/12/2004	89
Schau, Selma M	Service	City Light	04/01/1985	06/21/2004	83
Schindler, Ernest R	Service	City Light	01/01/1971	09/09/2004	97
Schoellhorn, Ardelle J	Service	Model Cities	06/01/1987	08/22/2004	79
Scott, Preston	Service	Parks	04/01/1968	01/11/2004	100
Selle, John B	Service	Engineering	04/01/1970	08/03/2004	90
Shoemaker, Frank W	Service	Municipal Court	01/01/1975	06/18/2004	93
Shogren, Fred J	Service	Metro Transit	08/01/1976	07/22/2004	88
Sisson, Gerald L	Service	City Light	04/01/1986	10/22/2004	78
Stewart, Dorothy J	Service	Police	12/01/1982	04/09/2004	90

(continued)

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
RETIRED MEMBERS DECEASED IN 2004**

<b>Name</b>	<b>Retired For</b>	<b>Department</b>	<b>Date Retired</b>	<b>Date of Death</b>	<b>Age at Death</b>
Stoddard,James S	Service	Parks	06/01/1992	02/21/2004	77
Sulis,Jim	Service	Library	11/01/1980	12/10/2004	80
Swenceski,Richard A	Service	Health	07/01/1988	08/21/2004	85
Taylor,Ethelmarie	Service	SPU	09/01/1991	02/26/1904	74
Terhark,John	Service	Police	05/01/1992	03/27/2004	94
Trippett,Paul D	Service	City Light	08/01/1990	09/24/2004	76
Turner,James	Service	SPU	05/01/1984	04/15/2004	77
Turner,Owen D	Service	City Light	08/01/1971	01/16/2004	91
Updegraff,John W.	Service	ESD	06/16/1999	09/19/2004	67
Vanvick,Roy A	Service	General Services	07/01/1975	09/08/2004	86
Wallmeyer,E O	Disability	Metro Transit	12/01/1958	01/05/2004	91
Walton,David A	Service	DCLU	09/01/1988	08/01/2004	72
Webb,Thomas	Service	City Light	05/01/1984	05/31/2004	82
Weckerly,Philip G	Service	City Light	03/01/1968	02/09/2004	98
Weigent,Eugene A	Service	City Light	07/01/1977	10/22/2004	81
Wendt,Lois E	Service	City Light	08/01/1993	06/04/2004	71
Westman,Sherman A	Service	DCLU	04/01/1992	06/08/2004	74
Westover,Mary E 031	Service	Fire	06/01/1982	07/11/2004	87
White,Betty J	Service	City Light	04/01/1983	09/19/2004	80
Wiborg,Frank H	Disability	Engineering	11/01/1973	04/22/2004	74
Williams,Ernest C	Disability	Building	01/01/1974	01/28/2004	84
Willis,Edward F	Service	Metro Transit	07/01/1973	03/01/2004	92
Wolff,Larry R	Service	Seattle Center	02/04/1998	12/19/2003	65
Yeager,Verle D	Service	Parks	02/01/1976	11/02/2004	88
Young,Glenn W	Service	City Light	08/01/1993	04/19/2004	70
Average Age of Deceased Pensioner					82.25
Average Age of Deceased Disability Pensioner					76.83
Number of Service Pensioners Deceased					169
Number of Disability Pensioners Deceased					6
Death Benefits for Deceased Retirees			\$	284,000.00	
Refund Under Option "A"			\$	196,995.26	
Refund Under Disability			\$	0.00	

**SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM  
DEATHS IN ACTIVE SERVICE DURING 2004**

<b>Name</b>	<b>Position</b>	<b>Department</b>	<b>Age</b>
Adler,Evelyne	Customer Service Rep	Seattle Center	64
Domondon,Ronulfo Nisperos	Info Tech Program Analyst	SPU	35
Hedges,Frederick W	Director	Parks	60
Hibbitt,Denise Marie	Trng & Education Coord Asst	Personnel	51
Kikuchi,Steve	Personnel Manager	Water - Vested	57
Peninger,Jim D	Crew Chief Structural Painter	City Light	49
Wilson,Sharon M	Librarian	ESD	43
Young,Phillip G	Permit Process Lead	DCLU	41
Total			8
Average Age			50.62

**DEATH BENEFIT SYSTEM**  
**For The Year Ended December 31, 2004**

All active members and those retired members who so elect are covered by the Death Benefit System. The Death Benefit System is similar to a life insurance policy and pays \$2,000 to the beneficiary of an active or retired member.

The annual premium for each member is \$12, with the City matching this amount. Any additional funds needed to fund the Death Benefit System come from the undistributed earnings of the Retirement System.

There were 6 deaths in active service and 142 claims from retired employees - a total of 148 claims. This compares with 13 deaths in active service in 2003, and 151 claims from retired employees - a total of 164. The claims totaled \$296,000 in 2004, and \$328,000 in 2003.

Income from the 15,149 active and retired employees was		\$ 137,550
Income from Employers:		
Seattle City Light	\$ 30,102	
General Fund	50,046	
SEATRAN	11,172	
Seattle Parks Department	15,054	
Seattle Public Utilities	1,962	
Finance	4,920	
Library	8,268	
Seattle Center	5,790	
Construction and Land Use	5,040	
Metro Transit Fund	2,712	
Employees' Retirement System	300	
King County Health & Custodial	<u>2,208</u>	
Total from Employer Funds		<u>\$ 137,574</u>
Total paid into Death Benefit Reserve		\$ 275,124
Transfer from Undistributed Investment Earnings		<u>\$ 20,876</u>
		\$ 296,000
<u>Less: Death Benefit Claims - 2004</u>		<u>\$ (296,000)</u>
Death Benefit Reserve Balance December 31, 2004		\$ 0.00

**UNUSED SICK LEAVE**

At the time of retirement, members may elect to receive a cash payment equal to 25% of the monetary value of their "unused sick leave". The monetary value is developed by multiplying the number of hours of unused sick leave by the hourly rate, and is calculated and paid to the employee by the employing department when the person retires immediately following employment. Vested members retiring at a future date do not receive a sick leave payout.

The member may elect to write a check payable to the City, and deliver it to the Retirement System, for the amount of the sick leave payout, and this amount will be placed in an account to be used to pay health care premiums for self and spouse. Since the health care premiums are paid from the Health Care Fund, these funds do not accrue interest. If the retiree dies before the credit is exhausted, the surviving spouse may use the remaining credit to pay for health care coverage.

In the event of the death of an active employee eligible for sick leave benefits, the employing department will pay the beneficiary an amount equal to 25% of said employees' accumulated unused sick leave.

Of the 245 service retirements during 2004, only 3 retirees deposited the value of their sick leave payout to an account that will be used to pay their medical premiums.

**Percentage of Average Salary**

Years of Retirement Credit	Age															Years of Retirement Credit
	Any	52	53	54	55	56	57	58	59	60	61	62	63	64	65	
30	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	30
29		58	58	58	58	58	58	58	58	58	58	58	58	58	58	29
28		56	56	56	56	56	56	56	56	56	56	56	56	56	56	28
27		51.3	54	54	54	54	54	54	54	54	54	54	54	54	54	27
26		46.8	49.4	52	52	52	52	52	52	52	52	52	52	52	52	26
25		42.5	45	47.5	50	50	50	50	50	50	50	50	50	50	50	25
24		38.4	40.8	43.2	45.6	48	48	48	48	48	48	48	48	48	48	24
23		34.5	36.8	39.1	41.4	43.7	46	46	46	46	46	46	46	46	46	23
22		30.8	33	35.2	37.4	39.6	41.8	44	44	44	44	44	44	44	44	22
21		27.3	29.4	31.5	33.6	35.7	37.8	39.9	42	42	42	42	42	42	42	21
20		24	26	28	30	32	34	36	38	40	40	40	40	40	40	20
19							28.88	30.02	31.16	32.3	33.44	34.58	35.72	36.86	38	19
18							27.36	28.44	29.52	30.6	31.68	32.76	33.84	34.92	36	18
17							25.84	26.86	27.88	28.9	29.92	30.94	31.96	32.98	34	17
16							24.32	25.28	26.24	27.2	28.16	29.12	30.08	31.04	32	16
15							22.8	23.7	24.6	25.5	26.4	27.3	28.2	29.1	30	15
14							21.28	22.12	22.96	23.8	24.64	25.48	26.32	27.16	28	14
13							19.76	20.54	21.32	22.1	22.88	23.66	24.44	25.22	26	13
12							18.24	18.96	19.68	20.4	21.12	21.84	22.56	23.28	24	12
11							16.72	17.38	18.04	18.7	19.36	20.02	20.68	21.34	22	11
10							15.2	15.8	16.4	17	17.6	18.2	18.8	19.4	20	10
9												16.38	16.92	17.46	18	9
8												14.56	15.04	15.52	16	8
7												12.74	13.16	13.58	14	7
6												10.92	11.28	11.64	12	6
5												9.1	9.4	9.7	10	5

**Identify percentage factor above that applies to your age and years of service.**

Percentages increase with each day of service.

Maximum percentage factor = 60% with 30 years of retirement credit.

Average Salary = Average of Highest Consecutive 24 months.

If Expected retirement date is 2 years or more from now, use today's salary as estimated Final Average Salary.

**Eligibility for Retirement**

**5 to 9 years of service - and are age 62 or older**

**10 to 19 years of service - and are age 57 or older**

**20 to 29 years of service - and are age 52 or older**

**30 years of service - any age**

**Example: 22 years of credit, age 56, and final average salary is \$2,500**

$$\begin{array}{r}
 \underline{\$ 2,500} \\
 \text{Final Average Salary}
 \end{array}
 \times
 \begin{array}{r}
 \underline{39.6 \%} \\
 \text{percentage factor from table} \\
 \text{based on age and years of credit}
 \end{array}
 =
 \begin{array}{r}
 \underline{\$ 990} \\
 \text{Estimated Pension Amount}
 \end{array}$$

*This form is only intended to provide a general profile of how an estimated pension amount is calculated.*

Any unpaid leave during your career is not counted towards retirement credit.



Seattle City Employees' Retirement System  
720 Third Avenue, Suite 1000  
Seattle, Washington 98104

(206) 386-1293      Fax (206) 386-1506

[www.seattle.gov/retirement](http://www.seattle.gov/retirement)