

CITY OF DULUTH  
 COMPARISON OF ACTUARIAL DATA FOR RETIREE MEDICAL PLAN  
 PLAN YEARS 2002, 2005 AND 2007

DESCRIPTION	06/01/2007	01/012005	01/012002
Total actuarial present value of medical benefits	332,856,284	363,074,156	n/a
Present value of future employee contributions	13,475,032	852,420	n/a
Present value of city funding	319,381,252	362,221,736	n/a
Benefit obligation attributable to future service	51,999,504	82,287,000	n/a
Actuarial Accrued Liability (AAL):			
Retiree AAL	176,501,674	134,463,789	83,175,749
Active AAL	<u>90,880,074</u>	<u>145,470,947</u>	<u>95,300,514</u>
<b>Total AAL</b>	<b><u>267,381,748</u></b>	<b><u>279,934,736</u></b>	<b><u>178,476,263</u></b>
<i>Estimated AAL for 2007</i>	<i>267,381,748</i>	<i>308,929,632</i>	<i>n/a</i>
<i>Adjustments to AAL for comparison purposes:</i>			
<i>Medicare Part D credit</i>	<i>-31,271,230</i>	<i>0</i>	<i>n/a</i>
<i>Dental and life insurance liabilities</i>	<i>-22,012,208</i>	<i>0</i>	<i>n/a</i>
<b><i>Comparative AAL, as adjusted</i></b>	<b><i><u>214,098,310</u></i></b>	<b><i><u>308,929,632</u></i></b>	<b><i><u>n/a</u></i></b>
Annual Required Contribution (ARC):	23,742,663	26,036,644	27,246,051
Amortization time period	30 yrs	30 yrs	20 yrs
Discount rate	5.7%	4.5%	7.0%
<i>Change due to discount rate adjustment</i>	<i>-62,349,605</i>	<i>118,358,315</i>	
Health care trend rate	10.0%	9.5%	12.5%
<i>Estimated trend rate for 2007</i>	<i>10.0%</i>	<i>8.5%</i>	<i>7.5%</i>
Year trending to 5.5% rate	2016	2013	2009
Benefit payouts (pay-as-you-go)	9,355,656	6,853,572	5,077,536
<i>Estimated payout for 2007</i>	<i>9,355,656</i>	<i>8,077,660</i>	<i>n/a</i>
Trust fund assets	13,700,000	0	0
Future annual funding	4,600,000	0	0
Estimated 2014 AAL, not adjusted for comparison	329,546,086	404,744,524	n/a
2014 Trust fund assets	59,545,634	0	n/a
Unfunded 2014 AAL	270,000,452	404,744,524	n/a
2014 funding progress	18.07%	0.00%	n/a
2014 benefit payout (pay-as-you-go)	15,744,086	14,127,156	n/a