A COST BENEFIT ANALYSIS OF THE IMPACT OF JOINING THE MARYLAND STATE PENSION PLAN

Presented to the University Park Town Council
By
John Rogard Tabori, Mayor
Dan Baden, Treasurer
February 23, 2009

Presentation Outline

- Assumptions
- How Constant Yield Tax Rate Works & Analysis of Real Property Taxes
- Five Year Budget
- Effect of Retirees on Budget Projection
- Comparison of 401(k) to the Pension Plan
- Conclusions and Recommendations

Assumptions

- No Property Tax Increases for 5 Years
- Maintain a Balanced Budget for 5 Years
- Maintain Services at Current Levels
- Fund the Maryland State Pension at 100% Level
- All Analyses and Projections are in Nominal or Current Dollars

Constant Yield Tax Rate

RECEIVED
FEB 13 2009

State of Maryland
Department of Assessments and Taxation

February 12, 2009

2009 Constant Yield Tax Rate Certification

Taxing authority: University Park
in Prince George's County

1	1-Jul-2008	Gross assessable real property base	$	383,357,848
2	1-Jul-2008	Homestead Tax Credit	-	65,884,559
3	1-Jul-2008	Net assessable real property base		317,473,289
4	1-Jul-2008	Actual local tax rate (per $100)	x	0.600
5	1-Jul-2008	Potential revenue	$	1,904,840
6	1-Jul-2009	Estimated assessable base	$	430,905,740
7	1-Jan-2009	Half year new construction	-	0
8	1-Jul-2009	Estimated full year new construction*	-	0
9	1-Jul-2009	Estimated abatements and deletions**	-	78,771,719
10	1-Jul-2009	Net assessable real property base	$	352,134,021
11	1-Jul-2008	Potential revenue	$	1,904,840
12	1-Jul-2009	Net assessable real property base	÷	352,134,021
13	1-Jul-2009	Constant yield tax rate	$	0.541

Certified by

Director

* Includes one-quarter year new construction where applicable.
**Actual + estimated as of July 1, 2009, including Homestead Tax Credit.

CYTR #1

Analysis of Real Property Taxes for Residences Located in University Park and the Unincorporated Areas of Prince George's County for Fiscal Year 2009

Average Assessable House Value in UP = $343,958

Taxing Authority	Tax Bill for University Park Resident		Tax Bill for Prince George's County Resident	
	Rate	**Amount**	**Rate**	**Amount**
Prince George's County	0.801	$ 2,755.10	0.960	$ 3,302.00
State of Maryland	0.112	385.23	0.112	385.23
Park & Planning	0.279	959.64	0.279	959.64
Stormwater	0.054	185.74	0.054	185.74
Washington Suburban Transit	0.026	89.43	0.026	89.43
University Park	0.600	2,063.97		
Refuse Collection				300.00
Totals	$ 1.872	$ 6,438.89	$ 1.431	$ 5,222.04
Tax Bill University Park Resident		**$ 6,438.89**		
Tax Bill Prince George's County Resident		**$ 5,222.04**		
Difference		**$ 1,216.85**		

*** NOTE: Based on Average Assessable House Value in University Park**

Analysis of Real Property Taxes for Residences Located in University Park and the Unincorporated Areas of Prince George's County for Fiscal Year 2010

Average Assessable House Value in UP = $381,510

Taxing Authority	Tax Bill for University Park Resident		Tax Bill for Prince George's County Resident	
	Rate	Amount	Rate	Amount
Prince George's County	0.801	$ 3,055.90	0.960	$ 3,662.50
State of Maryland	0.112	427.29	0.112	427.29
Park & Planning	0.279	1,064.41	0.279	1,064.41
Stormwater	0.054	206.02	0.054	206.02
Washington Suburban Transit	0.026	99.19	0.026	99.19
University Park	0.541	2,063.97		
Refuse Collection				300.00
Totals	$ 1.813	$ 6,916.78	$ 1.431	$ 5,759.41
Tax Bill University Park Resident		**$ 6,916.78**		
Tax Bill Prince George's County Resident		**$ 5,759.41**		
Difference		**$ 1,157.37**		

*** NOTE: Based on Average Assessable House Value in University Park**

Five Year Revenue Projections: FY 2010-2014

	Proj. FY09	Proj. FY10	Proj. FY11	Proj. FY12	Proj. FY13	Proj. FY14
Income						
General Fund Revenues						
I - Taxes						
4000-00 · Real Estate Tax Revenue	$ 1,903,758	$ 1,904,840	$ 1,904,840	$ 1,904,840	$ 1,904,840	$ 1,904,840
4005-00 · Business Personal Property Tax	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000
4010-00 · Penalties & Interest on Taxes	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
4020-00 · State Income Tax	$ 475,000	$ 465,000	$ 465,000	$ 484,000	$ 495,000	$ 505,000
Total I - Taxes	$ 2,425,758	$ 2,416,840	$ 2,416,840	$ 2,435,840	$ 2,446,840	$ 2,456,840
II - State Shared						
4015-00 · Highway Users	$ 123,450	$ 123,862	$ 130,000	$ 140,000	$ 145,000	$ 150,000
4025-00 · Police Protection	$ 46,500	$ 46,500	$ 48,900	$ 48,900	$ 48,900	$ 48,900
4030-00 · Bank Stock	$ 10,257	$ 10,257	$ 10,257	$ 10,257	$ 10,257	$ 10,257
Total II - State Shared	$ 180,207	$ 180,619	$ 189,157	$ 199,157	$ 204,157	$ 209,157
III - County						
4055-00 · Landfill Rebate	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250
Total III - County	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ 6,250
IV - Licenses & Permits						
4075-00 · Cable TV Franchise Payments	$ 24,000	$ 24,000	$ 24,720	$ 25,462	$ 26,225	$ 27,012
4076-00 · Cable TV - Capital Equipment	$ 13,500	$ 13,500	$ 13,905	$ 14,322	$ 14,752	$ 15,194
4080-00 · Building Permits & Fees	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Total IV - Licenses & Permits	$ 39,500	$ 39,500	$ 40,625	$ 41,784	$ 42,977	$ 44,207
V - Miscellaneous						
4170-00 · Red Light Camera	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000
4085-00 · Accident Reports	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20
4090-00 · Tennis/Auto Stickers	$ 50	$ 50	$ 50	$ 50	$ 50	$ 50
4095-00 · Rental License Fees	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
4100-00 · Fines - Police	$ 2,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
4105-00 · Vehicle Release	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
4120-00 · Interest Income	$ 37,500	$ 37,500	$ 37,500	$ 45,000	$ 52,500	$ 60,000
4150-00 · Revenue -Miscellaneous	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
4155-00 · Revenue - Recycling	$ 9,000	$ 3,000	$ 3,000	$ 5,000	$ 7,000	$ 9,000
4160-00 · Sale of Asset	$ 3,050	$ -	$ -	$ -	$ -	$ -
Total V - Miscellaneous	$ 76,620	$ 68,570	$ 68,570	$ 78,070	$ 87,570	$ 97,070
Total General Fund Revenues	$ 2,728,335	$ 2,711,779	$ 2,721,442	$ 2,761,101	$ 2,787,794	$ 2,813,524
Total Income	$ 2,728,335	$ 2,711,779	$ 2,721,442	$ 2,761,101	$ 2,787,794	$ 2,813,524

Five Year Salary Projections: FY2010-2014

Staff	General Government	Police	Public Works	Transit	Total
Totals	120,000	468,704	508,516	28,440	1,125,660
Overtime & Holidays		24,296	25,000		49,296
Totals	120,000	493,000	533,516	28,440	1,174,956
FY10 Salary Freeze	120,000	493,000	533,516	28,440	1,174,956
FY11 - 3% Increase	123,600	507,790	549,521	29,293	1,210,205
FY12 - 4% Increase	128,544	528,102	571,502	30,465	1,258,613
FY13 - 5% Increase	134,971	554,507	600,077	31,988	1,321,544
FY14 - 6% Increase	143,069	587,777	636,082	33,907	1,400,836

Fringe Benefit Cost Analysis: FY2009

	FY09 Projected Salary	FY09 Projected Benefits	FY09 Projected Salary and Benefits	Fringe Benefits & Labor Costs as a % of Salary Costs
Gen. Govt	120,000	32,500	152,500	0.27
Police	493,000	175,000	668,000	0.35
Public Works	543,247	261,000	804,247	0.48
Total	1,156,247	468,500	1,624,747	
Burden %		0.41		
If Implement new health plan annual savings $34,000				
New Burden Rate:				
	Burden	434,500		
	%	0.38		

Fringe Benefits and Labor Costs include Health Insurance, Life Insurance, Payroll Taxes, 401(k) Contributions, Workmans Compensation Insurance, and Unemployment Insurance.

Five Year Budget Projection: General Government

	Proj. FY09	Proj. FY10	Proj. FY11	Proj. FY12	Proj. FY13	Proj. FY14
Expense						
General Government						
Total Salaries - General Government	$ 120,000	$ 120,000	$ 123,600	$ 128,544	$ 134,971	$ 143,069
Total B - Payroll Tax & Benefits - GG	$ 32,500	$ 28,800	$ 30,900	$ 33,421	$ 36,442	$ 40,059
Total I - Personnel - Gen Govt	$ 152,500	$ 148,800	$ 154,500	$ 161,965	$ 171,413	$ 183,128
II -Operating - Gen. Government						
6000-01 · ADA (Interpreters)	$ -	$ -	$ -	$ -	$ -	$ -
6005-01 · Accounting & Auditing	$ 6,500	$ 6,500	$ 6,800	$ 7,000	$ 7,200	$ 7,500
6015-01 · Building Maintenance	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
6020-01 · Building Utilities	$ 10,000	$ 10,000	$ 10,250	$ 10,500	$ 10,750	$ 11,000
6025-01 · Cable	$ -	$ 4,275	$ 4,500	$ 4,750	$ 5,000	$ 5,250
6030-01 · Clerk (Recorder)	$ 3,000	$ 3,000	$ 3,250	$ 3,250	$ 3,500	$ 3,500
6035-01 · Housing Inspector	$ 21,500	$ 21,500	$ 21,500	$ 23,650	$ 23,650	$ 23,650
6050-01 · Elections	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
6052-01 · Emergency Response	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500
6055-01 · Engineering Services	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
6060-01 · Government Studies	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
6063-01 · Fire Dept Donation	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ 9,000
6064-01 · IT Costs	$ 14,000	$ 14,000	$ 15,000	$ 15,000	$ 16,000	$ 16,000
6065-01 · Insurance	$ 26,000	$ 27,000	$ 28,000	$ 29,000	$ 30,000	$ 30,000
6070-01 · Legal Advertisement	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
6075-01 · Legal Fees	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
6080-01 · Travel	$ 12,000	$ 12,000	$ 12,000	$ 13,000	$ 13,000	$ 14,000
6085-01 · Memberships and Dues	$ 5,000	$ 5,000	$ 5,000	$ 5,500	$ 5,500	$ 5,750
6090-01 · Newsletter	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000	$ 26,000
6095-01 · Office Expenses	$ 18,000	$ 18,000	$ 18,000	$ 19,000	$ 19,000	$ 20,000
6099-01 · PTA Donation	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
6110-01 · Small Equipment	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000
6115-01 · Telephone	$ 10,000	$ 10,000	$ 10,500	$ 10,750	$ 11,000	$ 11,250
6130-01 · Website	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Total II -Operating - Gen. Government	$ 228,500	$ 233,775	$ 237,300	$ 243,900	$ 247,100	$ 250,400
IV - Transit						
Total - Transit	$ 61,000	$ 61,000	$ 62,000	$ 63,500	$ 65,000	$ 67,000
Total General Government	$ 442,000	$ 443,575	$ 453,800	$ 469,365	$ 483,513	$ 500,528

Five Year Budget Projection: Police & Public Safety

	Proj. FY09	Proj. FY10	Proj. FY11	Proj. FY12	Proj. FY13	Proj. FY14
Police & Public Safety						
I - Police & PS - Personnel						
Total - Salaries - Police	$ 493,000	$ 493,000	$ 507,790	$ 528,102	$ 554,507	$ 587,777
Total - Payroll Tax & Benefits - Police	$ 175,000	$ 152,830	$ 162,493	$ 174,274	$ 188,532	$ 205,722
Total I - Police & PS - Personnel	$ 668,000	$ 645,830	$ 670,283	$ 702,376	$ 743,039	$ 793,499
II - Police & PS - Operating						
5303-03 · Citations	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750	$ 3,750
6300-03 · Bike Patrol	$ 200	$ 200	$ 200	$ 200	$ 200	$ 200
6302-03 · Accreditation	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500
6305-03 · Computer	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500
6315-03 · Police Supplies - Expendable	$ 4,000	$ 4,000	$ 4,250	$ 4,500	$ 4,750	$ 5,000
6320-03 · Gasoline	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000
6325-03 · Medical Exams	$ 1,000	$ 1,000	$ 2,000	$ 1,000	$ 2,000	$ 1,000
6327-03 · MILES Computer	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800
6329-03 · Mobile Data Terminals	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000
6330-03 · Meetings, Publications & Travel	$ 3,200	$ 3,200	$ 3,200	$ 3,500	$ 3,500	$ 3,750
6340-03 · Radio Maintenance	$ 1,500	$ 1,500	$ 1,500	$ 2,500	$ 2,500	$ 2,500
6350-03 · Small Equipment - Police	$ 4,500	$ 4,500	$ 5,000	$ 5,500	$ 6,000	$ 6,000
6351-03 · Uniforms	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000
6355-03 · Training	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
6370-03 · Vehicle Maintenance	$ 8,500	$ 8,500	$ 9,000	$ 9,500	$ 9,500	$ 10,000
Total II - Police & PS - Operating	$ 69,450	$ 69,450	$ 71,700	$ 73,250	$ 75,000	$ 75,000
III - Police & PS - Cap. Outlay						
6342-03 · Radios - New	$ -	$ 40,000	$ -	$ -	$ -	$ -
6335-03 · Police Car	$ 24,000	$ 24,000	$ 24,000	$ 25,000	$ 25,000	$ 25,000
Total III - Police & PS - Cap. Outlay	$ 24,000	$ 64,000	$ 24,000	$ 25,000	$ 25,000	$ 25,000
Total Police & Public Safety	$ 761,450	$ 779,280	$ 765,983	$ 800,626	$ 843,039	$ 893,499

Five Year Budget Projection: Public Works – Part I

	Proj. FY09	Proj. FY10	Proj. FY11	Proj. FY12	Proj. FY13	Proj. FY14
Public Works						
I - Personnel - PW						
Total Salaries - PW	$ 543,247	$ 533,516	$ 549,521	$ 571,502	$ 600,077	$ 636,082
Total Payroll Tax & Benefits - PW	$ 261,000	$ 240,082	$ 252,780	$ 268,606	$ 288,037	$ 311,680
Total I - Personnel - PW	$ 804,247	$ 773,598	$ 802,301	$ 840,108	$ 888,114	$ 947,762
II - Operating - Parks & Rec						
6225-02 · Park Bridge - Replacement	$ 50,000					
6200-02 · Park Activities	$ 4,000	$ 4,000	$ 4,500	$ 5,000	$ 5,000	$ 5,500
6203-02 · UPCA Grant	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
6209-02 · Tennis Courts	$ -	$ -	$ -	$ -	$ -	$ -
6210-02 · Tree Maintenance	$ 9,600	$ 20,000	$ 12,000	$ 12,000	$ 14,000	$ 15,000
6215-02 · Tree Replacement	$ 9,800	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
6220-02 · Upkeep of Park	$ 4,000	$ 4,000	$ 5,000	$ 7,000	$ 7,000	$ 7,500
6230-02 · Playing Field Maintenance	$ 5,200	$ 5,200	$ 6,000	$ 6,500	$ 7,000	$ 7,500
6250-02 · Azalea Classic	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Total II - Operating - Parks & Rec	$ 90,600	$ 51,200	$ 45,500	$ 48,500	$ 51,000	$ 53,500
III - Operating - Streets						
6410-04 · Snow Removal Supplies	$ 2,500	$ 5,000	$ 5,000	$ 7,500	$ 5,000	$ 5,000
6415-04 - Street Light Upgrade		$ 25,000				
6420-04 · Street Lights	$ 38,000	$ 38,000	$ 38,000	$ 39,000	$ 39,000	$ 40,000
6425-04 · Street Repairs	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
6435-04 · Street Trees - Replacement	$ 9,750	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
6440-04 · Street Tree - Maintenance	$ 17,500	$ 27,500	$ 17,500	$ 17,500	$ 17,500	$ 17,500
Total III - Operating - Streets	$ 92,750	$ 130,500	$ 95,500	$ 99,000	$ 96,500	$ 97,500

Five Year Budget Projection: Public Works – Part II

	Proj. FY09	Proj. FY10	Proj. FY11	Proj. FY12	Proj. FY13	Proj. FY14
IV - Operating - Gen./Sanit						
6546-05 · Travel & Dues	$ 3,000	$ 3,000	$ 3,000	$ 3,500	$ 3,500	$ 3,500
6570-05 · Uniforms	$ 9,675	$ 10,000	$ 10,000	$ 10,500	$ 10,500	$ 11,000
6500-05 · Gasoline	$ 28,500	$ 28,500	$ 28,500	$ 28,500	$ 28,500	$ 28,500
6505-05 · Landfill	$ 58,000	$ 59,400	$ 59,400	$ 59,400	$ 59,400	$ 59,400
6515-05 · Medical Exams	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750
6530-05 · Pest Control	$ 15,000	$ 1,000	$ 1,000	$ 15,000	$ 1,000	$ 1,000
6535-05 · Recycling Costs	$ 10,600	$ 21,800	$ 21,800	$ 21,800	$ 21,800	$ 21,800
6560-05 · Tools, Supplies & Equipment	$ 6,000	$ 6,000	$ 7,000	$ 8,000	$ 9,000	$ 9,000
6580-05 · Vehicle Maintenance	$ 55,000	$ 40,000	$ 40,000	$ 45,000	$ 40,000	$ 40,000
6585-05 · Work & Storage Space	$ 35,400	$ 37,000	$ 37,000	$ 39,000	$ 39,000	$ 41,000
Total IV - Operating - Gen./Sanit	$ 221,925	$ 207,450	$ 208,450	$ 231,450	$ 213,450	$ 215,950
V - Capital Outlay - PW						
6503-05 · Capital Equipment	$ 65,000	$ 53,500	$ 10,000	$ 35,000	$ 10,000	$ 10,000
Total V - Capital Outlay - PW	$ 65,000	$ 53,500	$ 10,000	$ 35,000	$ 10,000	$ 10,000
Total Public Works	$ 1,274,522	$ 1,216,248	$ 1,161,751	$ 1,254,058	$ 1,259,064	$ 1,324,712

Five Year Budget Projections: Reserves, Debt Service & Fund Balances

	Proj. FY09	Proj. FY10	Proj. FY11	Proj. FY12	Proj. FY13	Proj. FY14
Reserves & Debt Service						
I. Unreserved - Designated						
6600-08 · Vehicle Replacement	$ -	$ -	$ -	$ -	$ -	$ -
6610-08 · Tree Replacement	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Total I. Unreserved - Designated	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000
II. Reserved - Designated						
6620-08 · Road & Sidewalk	$ -	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000
6630-08 · Cemetery	$ -	$ -	$ -	$ -	$ -	$ -
6640-08 · Cable Capital Equipment	$ -	$ -	$ -	$ -	$ -	$ -
Total II. Reserved - Designated	$ -	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000
III. Debt Service						
6050-01 - Debt Service - Pension		$ 157,161	$ 157,161	$ 157,161	$ 157,161	$ 157,161
6045-01 · Debt Retirement - Bonds	$ 94,500	$ 99,000	$ 105,500			
6046-01 · Debt Service - Interest	$ 16,750	$ 11,600	$ 6,100			
6047-01 · Debt Service - Fees	$ 600	$ 600	$ 600			
Total III. Debt Service	$ 111,850	$ 268,361	$ 269,361	$ 157,161	$ 157,161	$ 157,161
IV. Unreserved Funds	$ -	$ -	$ -	$ -	$ -	$ -
Total Reserves & Debt Service	$ 111,850	$ 268,361	$ 304,361	$ 192,161	$ 192,161	$ 192,161
Total Expense	$ 2,589,822	$ 2,707,464	$ 2,685,894	$ 2,716,210	$ 2,777,778	$ 2,910,900
Net Income	**$ 138,513**	**$ 4,315**	**$ 35,548**	**$ 44,891**	**$ 10,017**	**$ (97,377)**
Total Reserve and Unreserved Fund Bal.						
Vehicle Replacement	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Tree Replacement	$ 40,000	$ 40,000	$ 50,000	$ 60,000	$ 70,000	$ 80,000
Road & Sidewalk	$ 350,000	$ 350,000	$ 375,000	$ 400,000	$ 425,000	$ 450,000
Cemetery	$ 3,800	$ 3,800	$ 3,800	$ 3,800	$ 3,800	$ 3,800
Cable Capital Equipment	$ 69,400	$ 82,900	$ 96,805	$ 111,127	$ 125,879	$ 141,073
Unreserved Fund Balance	$ 778,216	$ 769,031	$ 755,673	$ 751,242	$ 711,507	$ 563,936
Total Fund Balance	$ 1,391,416	$ 1,395,731	$ 1,431,278	$ 1,476,169	$ 1,486,186	$ 1,388,809
FY2008 Ending Fund Balance	$ 1,252,903					
Unres. Fund Bal. as % of Total Budget	30.0%	28.4%	28.5%	28.0%	25.9%	19.6%

Potential Patterns of Retirement: FY2010 - FY2014

		Age as of the Beginning of the Fiscal Year, July 1				
Employee	Age	2010	2011	2012	2013	2014
1	77	77	78	79	80	81
2	75	75	76	77	78	79
3	75	75	76	77	78	79
4	70	70	71	72	73	74
5	61	61	62	63	64	65
6	61	61	62	63	64	65
7	60	60	61	62	63	64
8	59	59	60	61	62	63
9	56	56	57	58	59	60
10	55	55	56	57	58	59
11	55	55	56	57	58	59
12	54	54	55	56	57	58
13	54	54	55	56	57	58
14	54	54	55	56	57	58
15	52	52	53	54	55	56
16	51	51	52	53	54	55
17	47	47	48	49	50	51
18	45	45	46	47	48	49
19	43	43	44	45	46	47
20	42	42	43	44	45	46
21	40	40	41	42	43	44
22	39	39	40	41	42	43
23	38	38	39	40	41	42
24	26	26	27	28	29	30
25	20	20	21	22	23	24

Potential Savings from Employee Retirements: FY2010-FY2014

Employee	2010	2011	2012	2013	2014	Total
1	$29,120	$29,120	$29,120	$29,120	$29,120	$145,600
2		$15,501	$15,501	$15,501	$15,501	$62,004
3		$27,144	$27,144	$27,144	$27,144	$108,576
4					$37,882	$37,882
Total	$29,120	$71,765	$71,765	$71,765	$109,647	$354,062
Net Income	4315	$35,548	$44,891	$10,017	-$97,377	-$2,606
Adj. Net Income	$33,435	$107,313	$116,656	$81,782	$12,270	$351,456

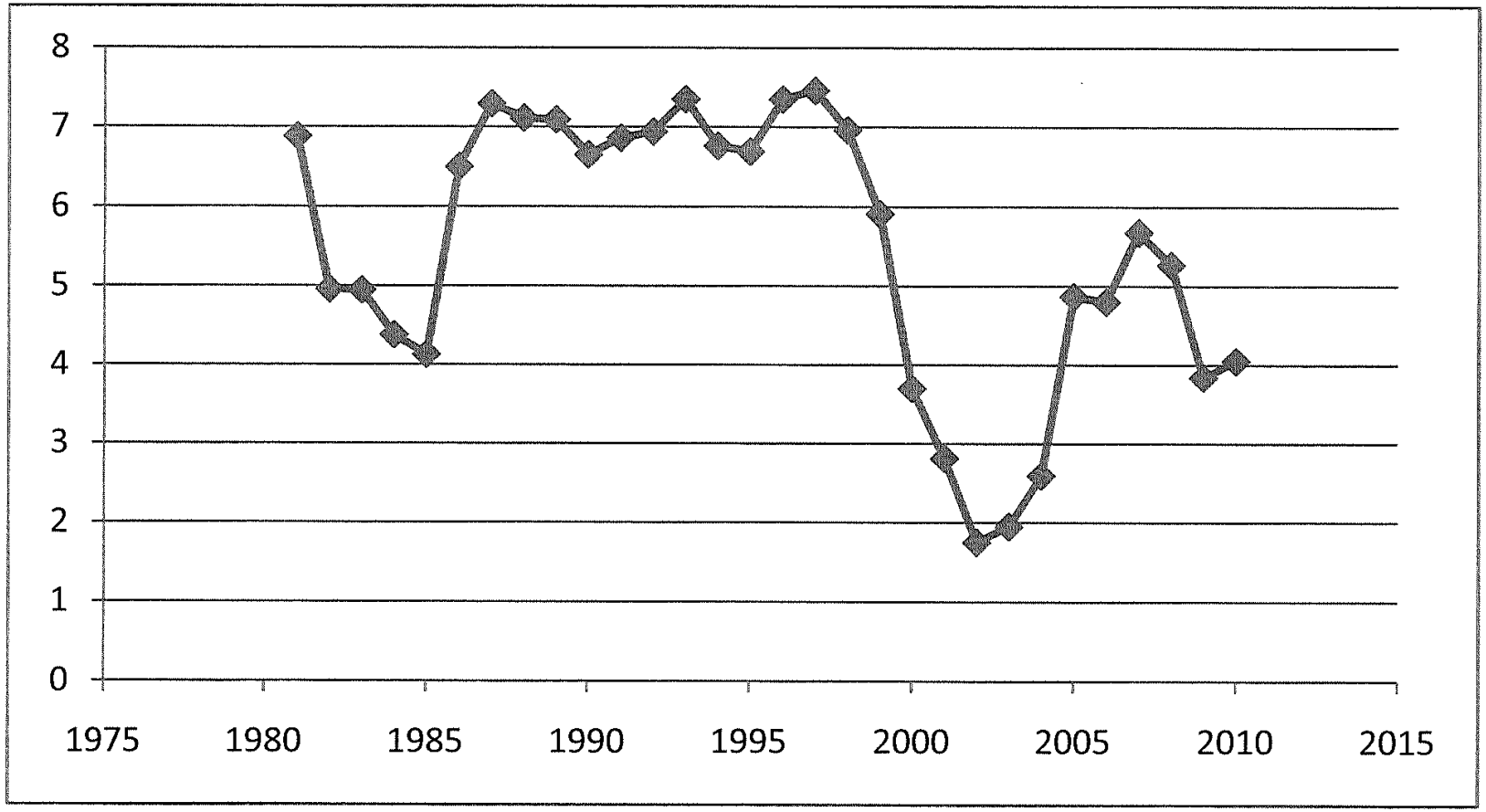
Potential Savings from Employee Retirements: Additional Considerations

- An additional three individuals have 30+ years of service, making it likely that they would consider retiring in the very near future. This would result in an additional savings of between $68,200 per annum in savings. If all three were to retire in 2010, this would result in an additional five year savings of $341,000.
- It can safely be said that the five year labor cost savings will range between $145,600 and $695,062.
- The minimum savings will result in a projected five year net surplus of $142,914.

Potential Savings: Some Caveats

- Each additional percent increase in the Employer Contribution Rate results in about $12,000 per annum in benefit expenses.
- The average base rate (EPS) has been approximately 5.45%, with a standard deviation of 1.7%. Currently, at 4.05%, the base rate is 1.4% below average.
- The general trend over time, however, has been slightly downwards, with occasional spikes upward, which appear to be related to inflation. The base rate trends are illustrated in the chart on the next page.

Employer Contribution: Base Rate Fluctuations 1981-2010



Comparing the 401(k) and the Pension Plan

	401 (K)	Pension Plan
Risk	Employee	Shared
Contribution	UP 4+3/Emp. 3	UP 7.58%/Emp. 5.0%
Access	59.5 Years Old	62 Years Old or 20 Years of Service
Disability	None	Salary Projected to 62
COLA	None	Maximum of 3%
Death Benefits	None/401(k) can be willed to a beneficiary	Formula based