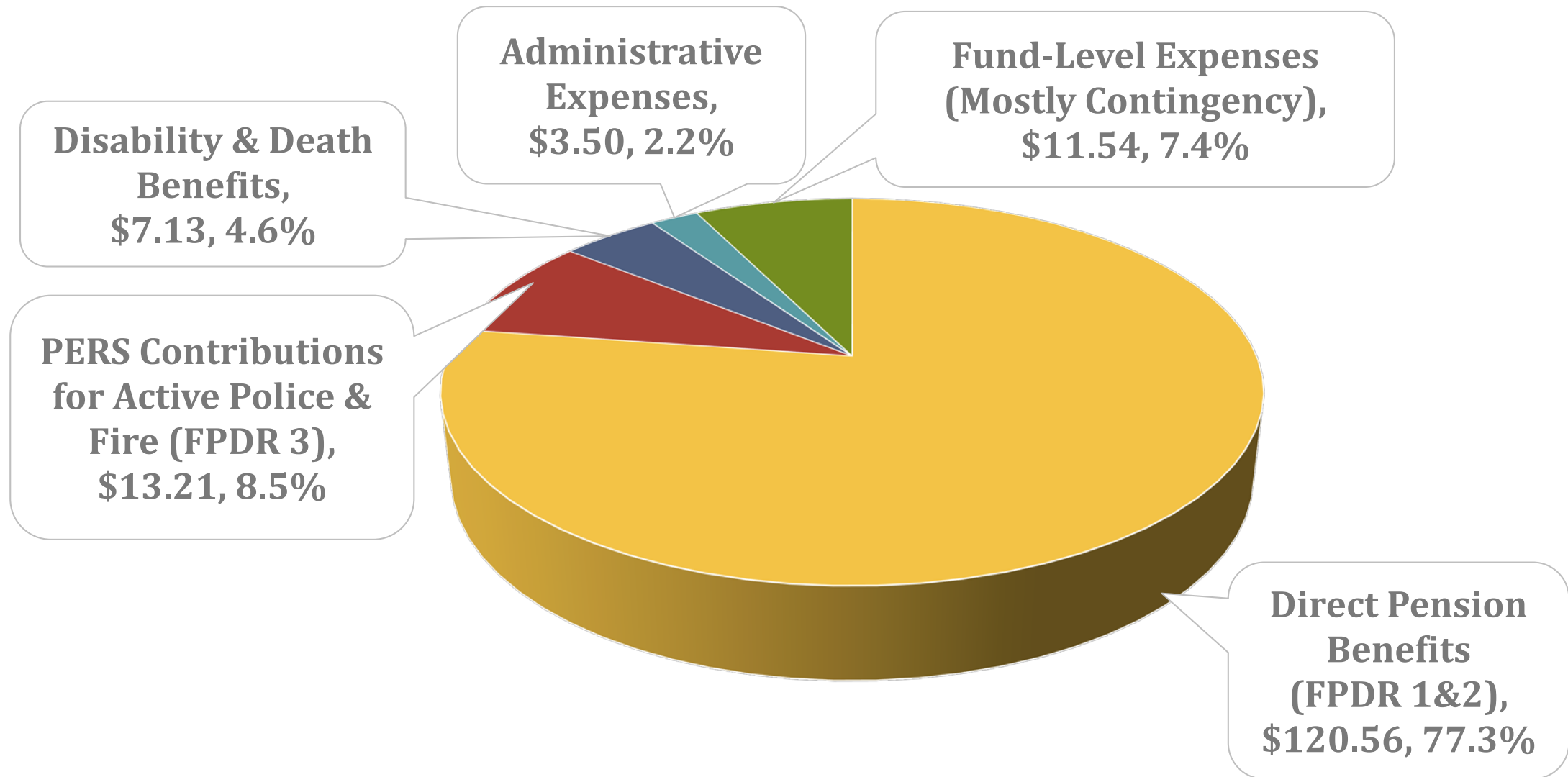
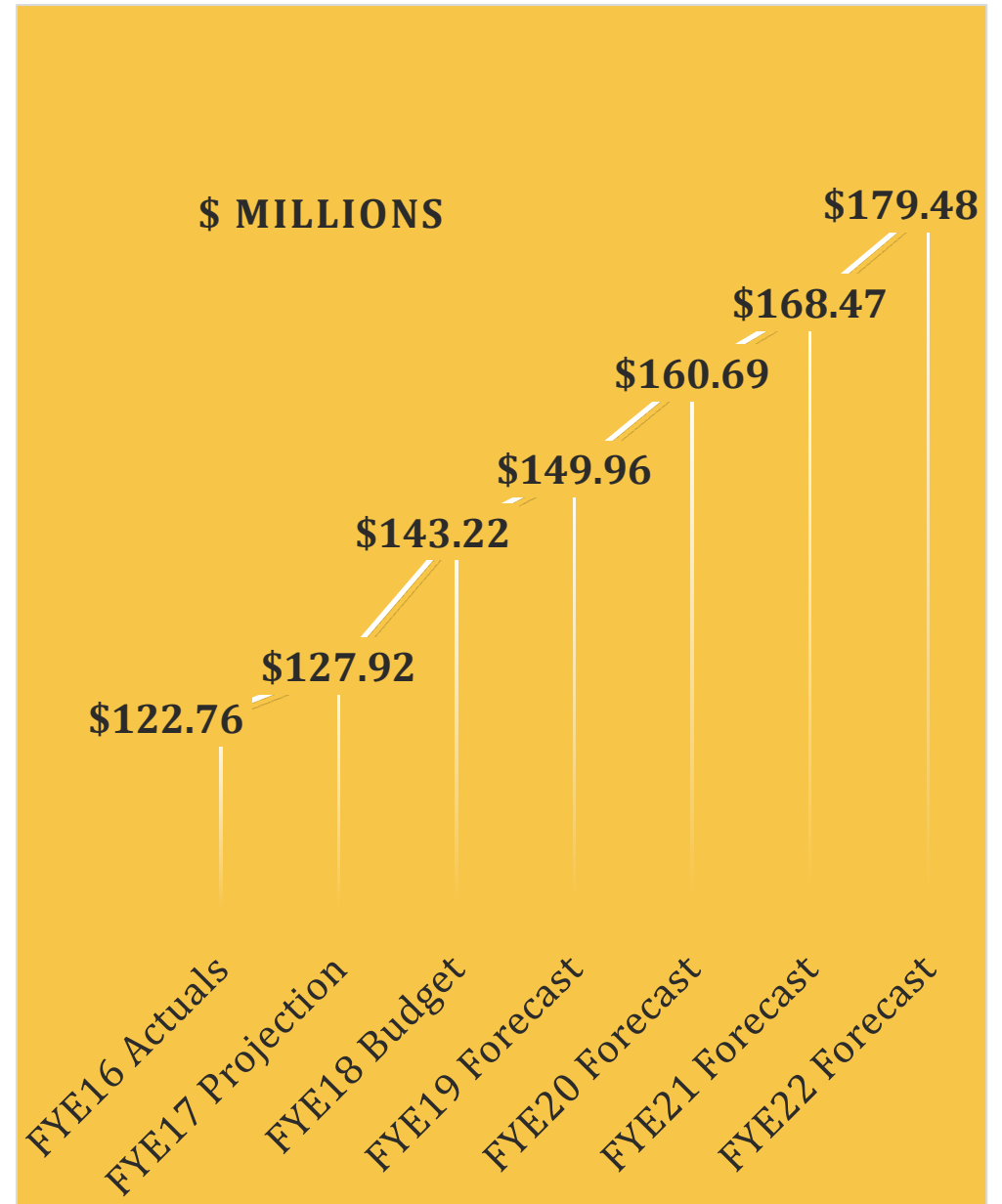


FPDR FY 2017-18 Budget (\$ Millions)



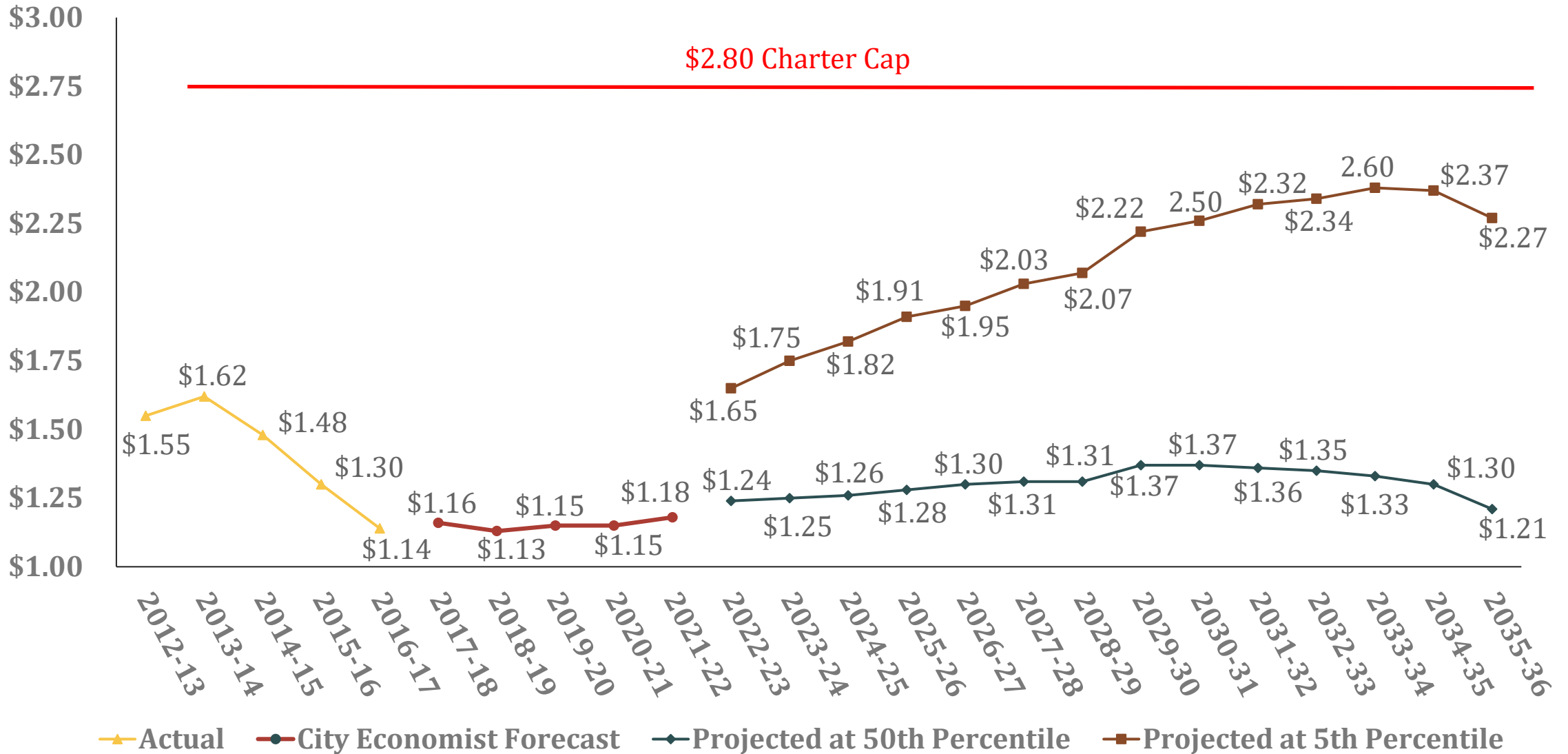
Property Taxes Fund 98% of FPDR Expenses

- Increase in step with fund requirements
- One-year growth is 12.1%, five-year growth is 40.8%
- Owner of home with assessed value of \$175,000 will see increase in tax bill of:
 - \$32 next year
 - \$75 over entire forecast period



Actual and Projected FPDR Levy Rate (per \$1,000 RMV)

FY 2012-13 Through FY 2035-2036



Significant FPDR Forecast Drivers: Ongoing

Funding Two Generations of Pensions Simultaneously

- Costs will continue to increase until mid 2030s, when entire workforce is FPDR 3 and FPDR 2 members begin to pass away
- Known issue when 2006 reforms adopted
- Future taxpayers will benefit from transition to less expensive prefunded plan; current taxpayers bear costs

Continued Stability in Disability Benefits at Lower Level

- Disability benefits dropped nearly 40% in five years after 2006
- Most savings resulted from fewer members on long-term disability
- Lower benefits maintained despite volatility in medical benefits

Significant FPDR Forecast Drivers: New This Year

PERS Contribution Rates, \$24.7 Million Over Five Years

- Increased from 20.64% to 24.46% for next year; expected to grow to 30.5% by end of five-year forecast period
- Changes have greater impact as FPDR 3 contributions become larger share of budget

Police Wage Increases, \$7.0 Million Over Five Years

- Cumulative wage increase of 9.27% over next three years, in addition to annual cost-of-living adjustments
- Most FPDR benefits are pay-related and will increase accordingly

Return of 27 Pay Dates, \$2.8 Million Over Five Years

- Roughly 3.8% higher pension for most new FPDR 2 retirees
- In 2011 and 2012, 83% of all retirements were based on 27 pay dates
- Forecast assumes all service retirements are based on 27 pay dates, to be conservative while we gain experience