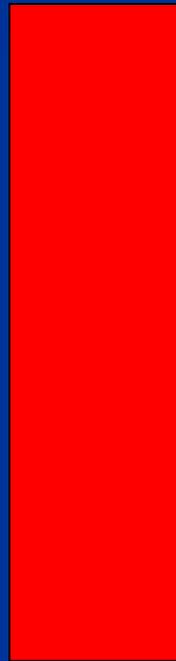


Proposed Agreements OCMA & OCAA

- Retiree Medical restructuring
- Employees contribution to pension plan
- Salary adjustment

The Challenge

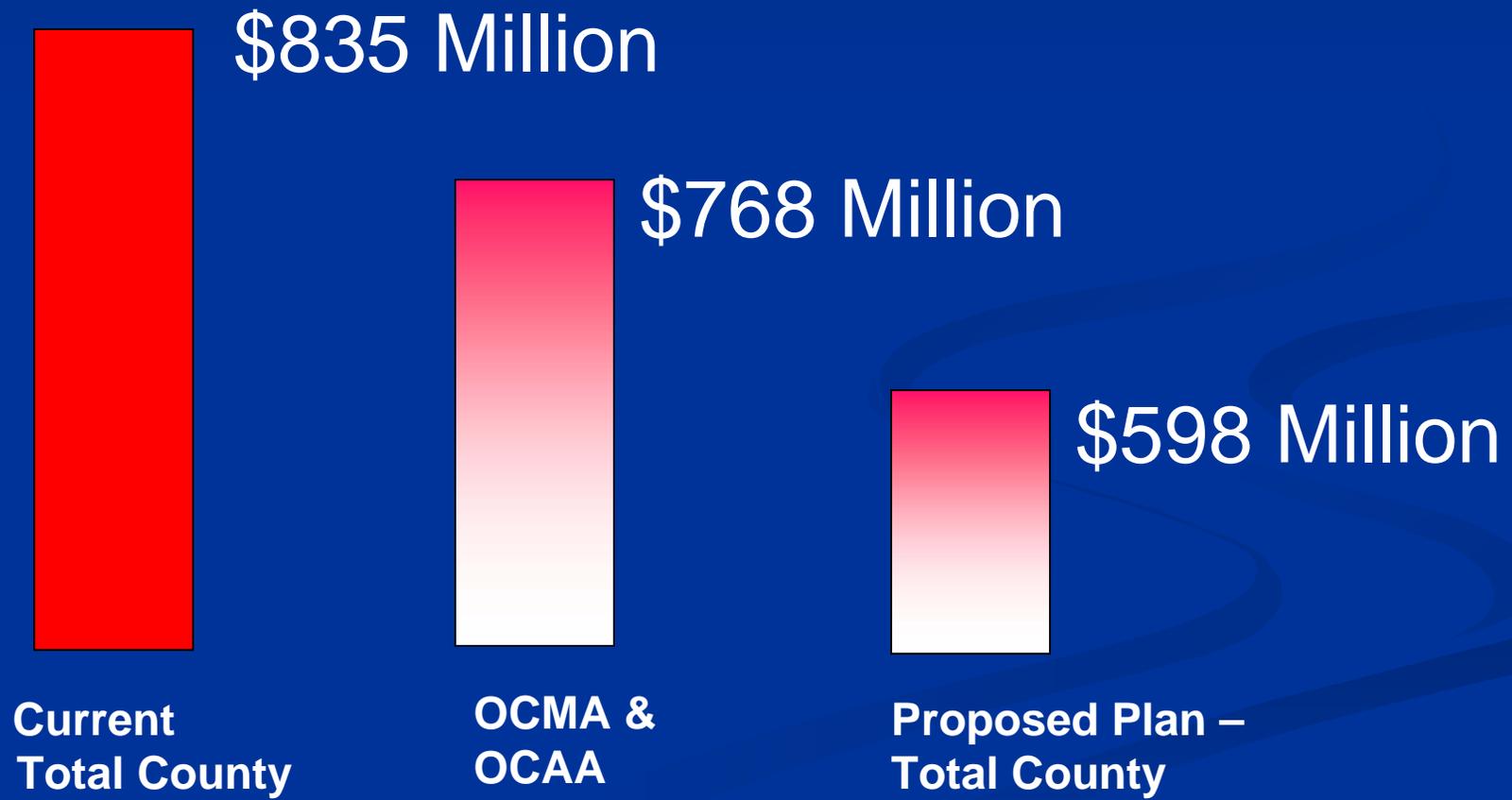
Retiree Medical Program
Unfunded Actuarial Accrued Liability (UAAL)



\$1.413 Billion
Previous Total County UAAL

The Next Solution

Retiree Medical Program
Unfunded Actuarial Accrued Liability



Important Notes

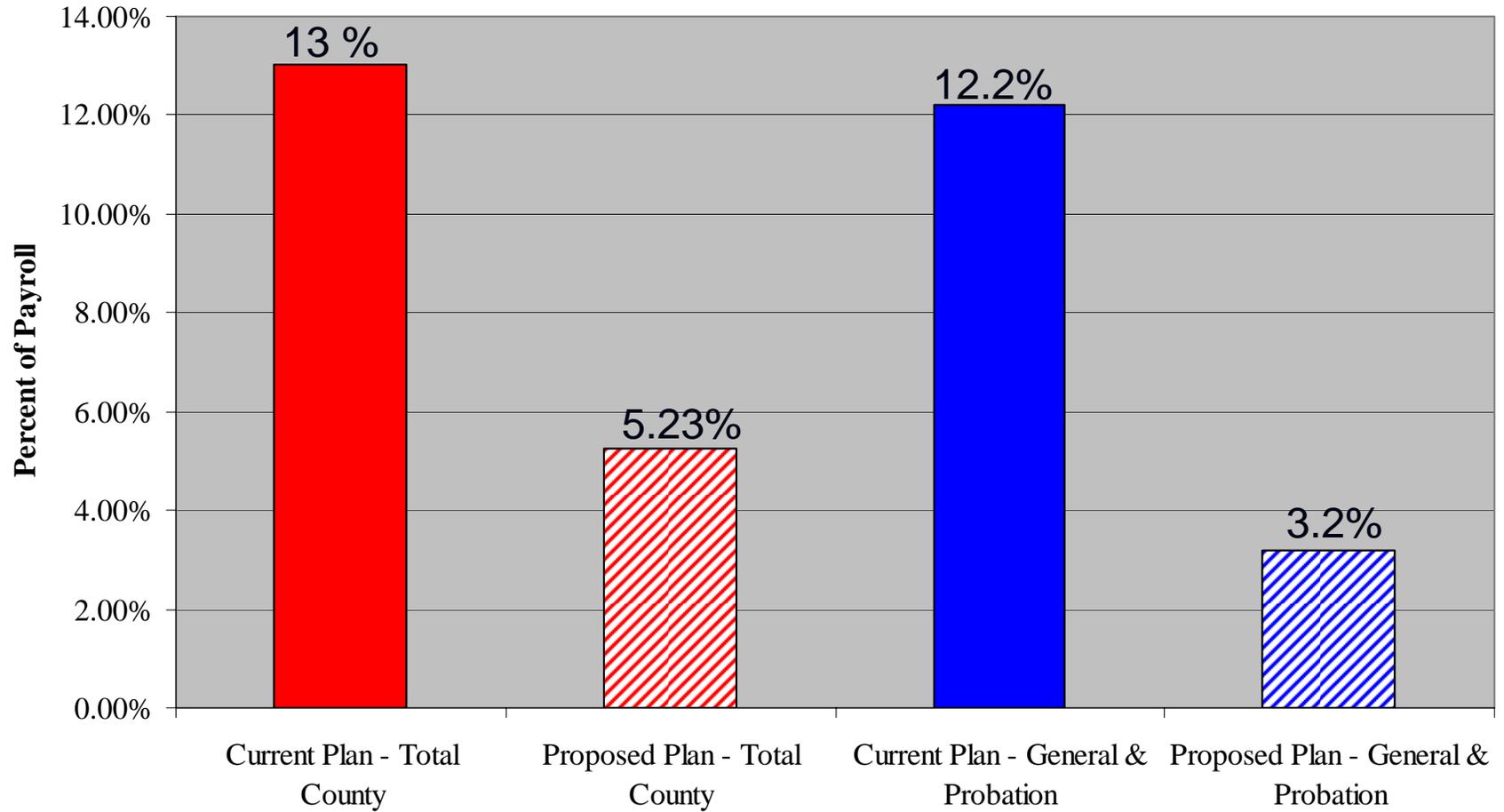
- Retains a modified Retiree Medical Program
- \$67 million projected UAAL reduction strengthens our long-term financial position
- New agreement reduces retiree medical benefits for both current & future retirees
- Reaffirms commitment of employees to pay for all costs of 2.7% @ 55 program

Proposed Agreements

OCMA & OCAA

- Provides a 4.5% - 4.75% general salary adjustment for the OCMA & OCAA represented employees for fiscal year 2006-2007
- Caps market rate adjustments limited to a maximum of 1.25% of OCMA & OCAA wages

Annual Required Contribution



Proposed UAAL Savings

Retiree Medical Program
Unfunded Actuarial Accrued Liability

