Fund Stabilization Bonds
The City's General Long-Term Debt Liability

The cost of the City's bonded debt is between 2.6% and 6.5%.

The cost of the pension debt is between 7% and 7.5%.

The Illinois Supreme Court, ruling on the City's pension debt, indicated that the City's pension debt is a hard liability.

The City of Chicago currently has approximately $38.2 billion of General Long-Term Debt Outstanding.

The City's Total Bonded Debt as of August 1, 2016:

- Total General Long-Term Debt: 
  - $38.2 billion
- Total Pension Liability: 
  - $3.4 billion

The City's Total Pension Liability (as of December 31, 2017):

- LABF: $1.36 billion
- MEABF: $1.72 billion
- FAAB: $4.61 billion
- PABF: $1.33 billion

Pension Liability and Bonded Debt Outstanding (in billions) for the City of Chicago.
FABF and by 2057 for MABF and LABF.

Funded ratio of 90% by 2055 for FABF and
determined amount necessary to achieve a
contribute each year the actuarily
determines each year, the City must

The pension code was modified for all four funds.

actuarial determination.
amounts that would typically result from an
were substantially less than the contribution
were derived under the multipled formula.

The amounts derived under the multiplier formula
contribute a statutory multiple.
Funding formula which required the City to
the pension funds an amount determined by a
Prior to legislative reform, the City contributed to

<table>
<thead>
<tr>
<th>Funded (1)</th>
<th>20%</th>
<th>40%</th>
<th>60%</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.043</td>
<td>3.24</td>
<td>3.62</td>
<td>2.76</td>
<td>2.43</td>
</tr>
<tr>
<td>%</td>
<td>1.97%</td>
<td>1.60%</td>
<td>1.28%</td>
<td>1.13%</td>
</tr>
<tr>
<td>2017</td>
<td>7.96%</td>
<td>7.35%</td>
<td>7.83%</td>
<td>7.50%</td>
</tr>
<tr>
<td>2018</td>
<td>2.93%</td>
<td>2.31%</td>
<td>2.03%</td>
<td>1.81%</td>
</tr>
</tbody>
</table>

(1) Represents the difference between the total pension liability and assets currently
available in the fund.

(2) Represents the actuarial value of assets divided by the actuarial accrued liability.
Several Years. Amortization payment, which is the payment for services to the fund over the next cost, which is the cost for pension benefits related to the current year, and an.

The ARC is the City's Required contribution to the pension Funds and includes the normal.

**City Contributions to the Pension Funds**
Currently inherent in the status quo
And additional reinvestment risk not
Pension Funds
Purpose except for the benefit of the
Allow for the use of proceeds for any
Required contributions
Eliminate or defer the City's statutory

WILL NOT

Savings billions for Chicago taxpayers,
Revenue required to fund pensions,
Decrease the total amount of additional
the pension funds
Materially improve the funded status of
Pension debt
Provide significant reduction in cost of
Will

Financing plan:
In order to proceed with the issuance of Fund Stabilization Bonds, the proposed
High cost pension debt
The City may be able to issue Fund Stabilization Bonds to refinance a portion of its

Refinancing the Pension Liability
Amortization of Long-Term Liabilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Pro-Forma Liability/Debt</th>
<th>Current Liability/Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$10.0</td>
<td>1.4</td>
</tr>
<tr>
<td>2019</td>
<td>$8.8</td>
<td>0.0</td>
</tr>
<tr>
<td>2018</td>
<td>$9.0</td>
<td>0.0</td>
</tr>
<tr>
<td>2017</td>
<td>$8.3</td>
<td>0.0</td>
</tr>
<tr>
<td>2016</td>
<td>$8.0</td>
<td>0.0</td>
</tr>
<tr>
<td>2015</td>
<td>$7.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

**Debt and Pensions ($ billion)**

- Reduce the amount needed for Revenue Increases
- Generate more than $6 billion in Gross savings
- In today's market, we estimate that a hypothetical issuance of Fund Stabilization Bonds could:

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Refinancing the Pension Liability at Lower Rates

Confidential Pre-Decisional

Note: This image contains a table and a graph. The table outlines the amortization of long-term liabilities over several years, with columns for pro-forma liability/debt and current liability/debt. The graph visualizes the reduction in debt and pensions over time. The text mentions refinancing the pension liability at lower rates, but without specific details.