CITY OF HOUSTON

RETIREE MEDICAL UNFUNDED ACCRUED LIABILITIES

12/31/2007
(amount expressed in millions)

	Date of Most Recent Valuation or Estimate	Present Value of Benefits (2)	Unfunded Accrued Liabilities	Annual Required Contribution
Entry Age Normal (1)	6/30/2006	4,718.9	3,237.7	326.5

Note (1) :Entry Age Normal is a cost method used to identify the value of benefits for the fiscal year 2007
Present Value of Benefits is a measure of total liability or obligation
Both medical and life benefits are included; however, life benefits account for only 0.7% of the total liability

Note (2) :Total present value of all expected future benefits, based on actuarial assumptions