

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Danvers Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2013
DATE: November 1, 2011

Required Fiscal Year 2013 Appropriation: **\$4,613,334**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2013 which commences July 1, 2012.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2013 appropriation to be paid by each of the governmental units within your system. The amounts were determined by Buck as part of their January 1, 2010 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2014.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachments

cc: Town Manager
Town Meeting
c/o Town Clerk



Danvers Retirement Board

Projected Appropriations

Fiscal Year 2013 - July 1, 2012 to June 30, 2013

Aggregate amount of appropriation: **\$4,613,334**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2013	\$7,263,200	\$4,613,334	\$0	\$4,613,334	\$4,613,334	\$0	\$2,649,866
FY 2014	\$7,451,960	\$4,798,979	\$0	\$4,798,979	\$4,798,979	\$0	\$2,652,981
FY 2015	\$7,645,672	\$4,991,743	\$0	\$4,991,743	\$4,991,743	\$0	\$2,653,929
FY 2016	\$7,844,468	\$5,191,882	\$0	\$5,191,882	\$5,191,882	\$0	\$2,652,586
FY 2017	\$8,048,480	\$5,399,654	\$0	\$5,399,654	\$5,399,654	\$0	\$2,648,826

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

Breakouts - Actuarial Basis - 8.25%

	Total	Town	Housing Authority	School Lunch	Hospital	Electric	School	Water	Sewer
(1) Participants									
(a) Actives	464	282	8	13	0	16	119	21	5
(b) Inactives	46	8	0	1	1	7	22	4	3
(c) Retirees	362	181	8	17	89	8	46	11	2
(d) Disabled Retirees	27	21	0	1	2	0	0	2	1
(e) Total	899	492	16	32	92	31	187	38	11
(2) Payroll of Active Participants	\$23,028,086	\$15,132,856	\$414,772	\$331,051	\$0	\$2,761,504	\$2,953,641	\$1,203,854	\$230,408
(3) Normal Cost									
(a) Total Normal Cost	2,824,434	1,838,602	54,680	33,008	0	413,479	362,536	100,022	22,107
(b) Expected Employee Contributions	1,902,769	1,259,406	36,737	24,878	0	217,699	244,492	99,380	20,177
(c) Net Employer Normal Cost (a) - (b)	921,665	579,196	17,943	8,130	0	195,780	118,044	642	1,930
(4) Actuarial Accrued Liability	130,372,380	88,339,631	1,987,388	1,984,953	7,191,090	14,723,057	9,816,741	5,559,389	770,131
(5) Assets	84,017,923	56,930,097	1,280,764	1,279,195	4,634,267	9,488,211	6,326,357	3,582,724	496,308
(6) Unfunded Actuarial Accrued Liability (4) - (5)	46,354,457	31,409,534	706,624	705,758	2,556,823	5,234,846	3,490,384	1,976,665	273,823
(7) Amortizations*	3,173,834	2,150,573	48,382	48,322	175,063	358,424	238,982	135,340	18,748
(8) Total Required Employer Contributions (3c) + (7)	4,095,499	2,729,769	66,325	56,452	175,063	554,204	357,026	135,982	20,678
(9) Fiscal 2011 Cost	\$4,262,439	\$2,888,206	\$64,977	\$64,896	\$235,109	\$481,361	\$320,951	\$181,761	\$25,178
(10) Fiscal 2012 Cost	\$4,434,567	\$2,955,766	\$71,816	\$61,126	\$189,557	\$600,087	\$386,585	\$147,240	\$22,390
(11) Fiscal 2013 Cost	\$4,613,334	\$3,074,919	\$74,711	\$63,590	\$197,198	\$624,278	\$402,169	\$153,176	\$23,293
(12) Fiscal 2014 Cost	\$4,798,979	\$3,198,658	\$77,717	\$66,149	\$205,133	\$649,399	\$418,353	\$159,340	\$24,230
(13) Fiscal 2015 Cost	\$4,991,743	\$3,327,140	\$80,839	\$68,806	\$213,373	\$675,484	\$435,157	\$165,740	\$25,204
(14) Fiscal 2016 Cost	\$5,191,882	\$3,460,539	\$84,080	\$71,565	\$221,928	\$702,567	\$452,604	\$172,385	\$26,214
(15) Percentage of Total Cost	100.0%	66.7%	1.6%	1.4%	4.3%	13.5%	8.7%	3.3%	0.5%

* Allocation is based on the ratio of the Unfunded Actuarial Accrued Liability.