

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Marblehead Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2015
DATE: October 25, 2013

Required Fiscal Year 2015 Appropriation: **\$2,775,936**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2015 which commences July 1, 2014.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2015 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Stone Consulting as part of their January 1, 2012 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 2016.

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

Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk



Marblehead Retirement Board

Projected Appropriations

Fiscal Year 2015 - July 1, 2014 to June 30, 2015

Aggregate amount of appropriation: **\$2,775,936**

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 2015	\$6,848,491	\$2,775,936	\$0	\$2,775,936	\$2,775,936	\$0	\$4,072,555
FY 2016	\$7,206,660	\$2,886,974	\$0	\$2,886,974	\$2,886,974	\$0	\$4,319,686
FY 2017	\$7,583,163	\$3,002,453	\$0	\$3,002,453	\$3,002,453	\$0	\$4,580,710
FY 2018	\$7,978,939	\$3,122,551	\$0	\$3,122,551	\$3,122,551	\$0	\$4,856,388
FY 2019	\$8,394,975	\$3,247,453	\$0	\$3,247,453	\$3,247,453	\$0	\$5,147,522

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.



1.8% 24 yrs

MARBLEHEAD CONTRIBUTORY RETIREMENT SYSTEM
Breakdown by Department Unit Allocation

Unit	Town	Police	Fire	Harbor	Water	Sewer	Light	Housing Authority	Total
Actuarial Accrued Liability	43,924,683	22,006,061	19,617,779	1,323,865	3,113,324	3,207,259	13,793,450	1,306,704	108,293,125
Assets									
Market Value of Assets	29,449,520	14,754,072	13,152,836	887,592	2,087,343	2,150,323	9,247,887	876,086	72,605,659
Actuarial Value of Assets	32,394,472	16,229,479	14,468,120	976,351	2,296,078	2,365,355	10,172,675	963,695	79,866,225
Unfunded Accrued Liability	11,530,211	5,776,582	5,149,659	347,514	817,246	841,904	3,620,775	343,009	28,426,900
Funded Status	73.8%	73.8%	73.8%	73.8%	73.8%	73.8%	73.8%	73.8%	73.8%
Normal Cost									
Employer	230,560	85,631	129,756	2,638	7,140	3,616	108,128	7,908	575,377
Employee	715,368	199,285	216,268	16,029	40,531	44,190	180,192	46,512	1,458,376
Administrative Expenses	64,897	32,513	28,985	1,956	4,600	4,739	20,379	1,931	160,000
Total Normal Cost	1,703,263	317,429	375,009	20,623	52,271	52,545	308,699	56,351	2,193,753
Amortization	770,222	385,878	343,999	23,214	54,592	56,240	241,869	22,913	1,898,927
Total Employer Cost adj to FY 2014	1,079,651	509,211	510,602	27,968	66,765	64,813	376,929	33,231	2,669,170
Appropriations									
Fiscal 2014 Cost	1,079,651	509,211	510,602	27,968	66,765	64,813	376,929	33,231	2,669,170
Fiscal 2015 Cost	1,122,836	529,579	531,026	29,087	69,436	67,406	392,006	34,560	2,775,936
Fiscal 2016 Cost	1,167,750	550,763	552,267	30,250	72,213	70,102	407,686	35,943	2,886,974
Fiscal 2017 Cost	1,214,460	572,793	574,358	31,460	75,102	72,906	423,993	37,380	3,002,453