

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | ALAN MACDONALD | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY | GREGORY R. MENNIS

MEMORANDUM

TO: Belmont Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2014
DATE: July 9, 2013

Required Fiscal Year 2014 Appropriation: **\$6,899,433**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2014 which commences July 1, 2013.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2014 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was developed by Buck as part of their January 1, 2012 actuarial valuation.

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



Belmont Retirement Board

Projected Appropriations

Fiscal Year 2014 - July 1, 2013 to June 30, 2014

Aggregate amount of appropriation: **\$6,899,433**

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 2014	\$8,275,030	\$6,808,403	\$91,030	\$6,899,433	\$6,899,433	\$0	\$1,375,597
FY 2015	\$8,523,647	\$7,270,436	\$94,087	\$7,364,523	\$7,364,523	\$0	\$1,159,124
FY 2016	\$8,779,760	\$7,767,162	\$97,282	\$7,864,444	\$7,864,444	\$0	\$915,316
FY 2017	\$9,043,594	\$8,301,293	\$100,620	\$8,401,913	\$8,401,913	\$0	\$641,681
FY 2018	\$9,315,381	\$8,875,763	\$104,108	\$8,979,871	\$8,979,871	\$0	\$335,510

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.

SCHEDULE E - COST ALLOCATION BY GROUP
as of January 1, 2012

Item	Town of Belmont	Housing Authority	Light Department	Water	School	Police & Fire	Total	
Active members:								
Number	146	7	24	10	143	102	432	
Annual compensation	6,893,440	331,183	1,782,898	611,679	4,127,426	7,076,626	20,823,252	
Average age	49.2	51.8	45.8	51.4	47.4	41.4	46.67	
Average service	10.4	12.8	13.6	18.2	7.5	12.4	10.31	
Average compensation	47,215	47,312	74,287	61,168	28,863	69,379	48,202	
Accumulated contributions	6,437,969	340,967	1,518,571	653,060	3,158,665	7,021,878	19,131,110	
Pensioners and beneficiaries paid by the town:								
Number	100	4	27	14	62	134	341	
Annual benefit payments	2,238,746	79,300	748,869	394,214	864,493	4,919,592	9,245,214	
State funded COLA	30,487	0	6,408	10,641	22,078	70,454	140,068	
Net payments (funded by Town)	2,208,259	79,300	742,461	383,573	842,415	4,849,138	9,105,146	
Average benefit	22,083	19,825	27,499	27,398	13,587	36,188	26,701	
Inactive members:								
Number	17	0	2	1	119	2	141	
Accumulated contributions	314,960	0	152,964	16,181	363,074	133,008	980,187	
Assets (actuarial value)	22,227,888	1,067,899	5,748,952	1,972,358	13,308,880	22,818,572	67,144,549	
Unfunded actuarial liability	22,381,484	1,223,400	5,991,091	1,955,882	13,197,706	22,627,959	67,377,522	
Funding for fiscal:								
	2013	2,208,644	125,958	588,425	182,019	1,155,260	2,205,892	6,466,198
	2014	2,288,689	134,753	612,701	199,996	1,349,510	2,313,784	6,899,433
	2015	2,443,208	142,253	653,599	213,568	1,441,090	2,470,805	7,364,523
	2016	2,609,284	150,311	697,529	228,159	1,539,548	2,639,613	7,864,444
	2017	2,787,816	158,973	744,725	243,849	1,645,419	2,821,131	8,401,913