

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Lawrence Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: City Revised Appropriation for Fiscal Year 2015

DATE: March 6, 2014

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

This amount revises the appropriation amount shown in our October 25, 2013 memorandum based on the Board's February 26, 2014 vote concerning the treatment of the FY14 shortfall based on an analysis of FY14 and prior federal grants. These issues were outlined in our February 18, 2014 letter. Based on our understanding of the Board's vote on January 29, 2013 regarding federal grants, we determined there was a shortfall of approximately \$290,000 for FY14.

On February 26, 2014, the Board voted to increase the City's portion of the FY15 appropriation based on the shortfall. We are providing two revised figures based on different assumed payment dates for the City. The current funding schedule assumes an average payment date of approximately December 7 (50% on October 1, 25% on January 1, and 25% on April 1). The City recalculated its FY14 assessment and made a payment on July 25, 2013. If the City once again decides to make its full FY15 appropriation by July 31, 2014, the revised amount would be adjusted to reflect an earlier payment date than outlined in the current schedule. If the City plans to make its full appropriation by July 31 each year, this should be reflected in the next actuarial valuation and funding schedule.

The original and revised FY15 appropriation figures for the City are as follows:

Original City FY15 appropriation from October 25, 2013 memo	\$15,975,258
Revised City FY15 appropriation	
including FY14 shortfall (assumes payment date in schedule)	\$16,265,000
including FY14 shortfall (assumes July 31 payment date)	\$15,830,500

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

