

# 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: Natick Retirement Board  
FROM: Joseph E. Connarton, Executive Director  
RE: Appropriation for Fiscal Year 2014  
DATE: October 16, 2012

Required Fiscal Year 2014 Appropriation: **\$6,901,304**

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 determined by Segal as part of their January 1, 2011 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 2015.

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

JEC/jrl  
Attachments

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

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## Natick Retirement Board

### Projected Appropriations

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

Aggregate amount of appropriation: **\$6,901,304**

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
<b>FY 2014</b>	\$7,733,277	\$6,901,304	\$0	\$6,901,304	\$6,901,304	\$0	\$831,973
<b>FY 2015</b>	\$7,887,435	\$7,453,409	\$0	\$7,453,409	\$7,453,409	\$0	\$434,026
<b>FY 2016</b>	\$8,044,676	\$8,049,681	\$0	\$8,049,681	\$8,044,676	\$5,005	\$0
<b>FY 2017</b>	\$8,205,063	\$8,693,656	\$0	\$8,693,656	\$8,205,063	\$488,593	\$0
<b>FY 2018</b>	\$8,368,657	\$9,389,148	\$0	\$9,389,148	\$8,368,657	\$1,020,491	\$0

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.

**SECTION 3: Supplemental Information for the Town of Natick Contributory Retirement System**

**EXHIBIT G**

**Department Results as of January 1, 2011**

<b>Category</b>	<b>Housing</b>	<b>Public Safety</b>	<b>Water &amp; Sewer Enterprise Fund</b>	<b>Sassamon Trace Enterprise Fund</b>	<b>All Others</b>	<b>Total</b>
1. Demographics						
Actives	13	149	25	2	370	559
Inactives	1	6	1	1	84	93
Retired	0	132	15	0	220	367
Total	14	287	41	3	674	1,019
2. Total normal cost	\$78,449	\$1,884,155	\$130,964	\$15,378	\$2,279,170	4,388,116
3. Administrative expenses	3,933	94,463	6,566	771	114,267	220,000
4. Expected employee contributions	52,477	983,685	117,582	7,539	1,323,676	2,484,959
5. Employer normal cost: (2) + (3) - (4)	29,905	994,933	19,948	8,610	1,069,761	2,123,157
6. Employer normal cost as a percent of payroll	4.4%	9.4%	1.5%	11.5%	7.1%	7.7%
7. Actuarial accrued liability	\$2,441,587	\$73,265,629	\$6,558,496	\$94,091	\$65,544,630	\$147,904,433
8. Actuarial value of assets	<u>1,562,696</u>	<u>46,892,426</u>	<u>4,197,654</u>	<u>94,091</u>	<u>41,950,733</u>	<u>94,697,600</u>
9. Unfunded actuarial accrued liability: (7) - (8)	\$878,891	\$26,373,203	\$2,360,842	\$0	\$23,593,897	\$53,206,833
10. Payroll	673,966	10,541,427	1,357,758	75,024	14,979,000	27,627,175
11. Fiscal year 2012 appropriation	92,351	2,872,898	185,147	8,973	2,757,387	5,916,756
12. Fiscal year 2013 appropriation	99,739	3,102,730	199,959	9,691	2,977,978	6,390,096
13. Fiscal year 2014 appropriation	107,718	3,350,948	215,955	10,466	3,216,216	6,901,304

*Notes: Recommended contributions are assumed to be paid on July 1 and December 31.*