



Town of *Wellesley*

FY2019 Budget Request

Retirement Operating Request

Department: 910

The Town is making contributions to the Pension Fund in accordance with the 1/1/17 Actuarial valuation.

The Enterprise Funds are assessed their share.

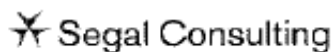
| Org | Object | Account # 01-910 Account Title | Explanation | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Budget | FY19 Request | \$ Variance FY18-19 | % Variance FY18-19 |
|----------|--------|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|-----------------------|
| | | Contributory Retirement Pension | Total Retirement | \$ 7,040,036 | \$ 7,278,524 | \$ 7,562,273 | \$ 7,835,775 | \$ 8,350,000 | \$ 514,225 | 6.56% |
| 64* | 575010 | Sewer Contribution | | (89,607) | (92,727) | (110,268) | (114,256) | (121,754) | (7,498) | 6.56% |
| 74* | 575010 | Water Contribution | | (209,083) | (216,385) | (257,292) | (266,597) | (284,092) | (17,495) | 6.56% |
| 64 | 202049 | MLP Contribution | | (748,559) | (774,678) | (744,853) | (771,792) | (821,746) | (49,954) | 6.47% |
| | | West Suburban Veteran's District | | | | (10,097) | (10,462) | (11,150) | (688) | 6.58% |
| | | Wellesley Housing Authority Contribution | | (49,410) | (51,133) | (49,649) | (50,805) | (54,833) | (4,028) | 7.93% |
| 01910200 | 575010 | Contributory Retirement Pension | Expense total | \$ 5,943,377 | \$ 6,143,601 | \$ 6,390,114 | \$ 6,621,863 | \$ 7,056,425 | \$ 434,562 | 6.56% |

SECTION 2: Valuation Results for the Town of Wellesley Contributory

**CHART 16
Funding Schedule**

| (1) Fiscal Year Ended June 30 | (2) Employer Normal Cost | (3) Amortization of 2010 ERI Liability | (4) Amortization of Remaining Liability | Total (2) |
|-------------------------------------|--------------------------------|---|--|--------------|
| 2018 | \$2,742,562 | \$15,534 | \$5,077,679 | |
| 2019 | 2,852,969 | 15,534 | 5,481,496 | |
| 2020 | 2,966,893 | 15,534 | 5,869,081 | |
| 2021 | 3,084,405 | 15,534 | 6,170,468 | |
| 2022 | 3,179,825 | 15,534 | 6,386,435 | |
| 2023 | 3,278,177 | - | 6,609,960 | |
| 2024 | 3,379,550 | - | 6,841,309 | |
| 2025 | 3,484,037 | - | 7,080,754 | |
| 2026 | 3,591,733 | - | 7,328,581 | |
| 2027 | 3,702,735 | - | 7,585,080 | |
| 2028 | 3,817,146 | - | 7,850,559 | |
| 2029 | 3,935,068 | - | 8,125,328 | |
| 2030 | 4,056,608 | - | 8,409,715 | |
| 2031 | 4,181,879 | - | - | |

*Notes: Recommended contributions are assumed to be paid on October 1.
Assumes contribution of budgeted amount for fiscal year 2018.
Item (2) increases at 2.75% per year, plus an additional 0.15% adjustment to total normal generational mortality assumption.
Projected normal cost does not reflect the impact of pension reform for future hires.
Amortization payments of remaining liability calculated to increase at 3.50% per year.
Fiscal 2019 reflects an anticipated increase in the COLA base to \$16,000 effective July 1, 2019 and fiscal 2021 and later years reflect an increase to \$17,000 effective July 1, 2020.
Schedule does not reflect deferred investment losses.*



SECTION 3: Supplemental Information for the Town of Wellesley Contributory

**EXHIBIT G
Department Results as of January 1, 2017**

| | Housing | Water | Light | School |
|--|------------------|------------------|-------------------|-----------------|
| 1. Participant Counts | | | | |
| a) Active employees* | 7 | 31 | 27 | 3 |
| b) Inactive members entitled to a return of their employee contributions | 2 | 0 | 1 | 1 |
| c) Inactive members with a vested right to a deferred or immediate benefit | 0 | 0 | 1 | |
| d) Retired members | 3 | 16 | 33 | 1 |
| e) Total members : (a) + (b) + (c) + (d) | 12 | 47 | 62 | 6 |
| 2. Projected payroll for calendar year 2017 | \$360,382 | \$1,984,919 | \$2,275,487 | \$12,038,6 |
| 3. Normal Cost | | | | |
| a) Total normal cost | 49,471 | 260,416 | 465,847 | 1,663,0 |
| b) Expense allowance | 2,246 | 11,824 | 21,152 | 75,0 |
| c) Employee contributions | <u>-34,257</u> | <u>-181,934</u> | <u>-220,277</u> | <u>-1,130,0</u> |
| d) Employer normal cost : (a) + (b) + (c) | \$17,460 | \$90,306 | \$266,722 | \$608,0 |
| 4. Total actuarial accrued liability | 1,872,098 | 12,765,787 | 20,656,544 | 45,907,0 |
| 5. Actuarial value of assets | <u>1,412,317</u> | <u>9,630,552</u> | <u>15,583,364</u> | <u>34,632,0</u> |
| 6. Unfunded actuarial accrued liability : (4) - (5) | \$459,781 | \$3,135,236 | \$5,073,179 | \$11,274,0 |
| 7. Projected Employer Normal Cost, adjusted for timing | 17,985 | 93,019 | 274,735 | 627,0 |
| 8. Projected unfunded actuarial accrued liability | 474,767 | 3,237,425 | 5,238,534 | 11,642,0 |
| 9. 2010 ERI Payment | 0 | 0 | 15,534 | |
| 10. Payment on projected remaining unfunded actuarial accrued liability | 33,471 | 287,833 | 480,871 | 1,044,0 |
| 11. Budgeted contribution for fiscal 2018 (7) + (9) + (10) | \$51,456 | \$380,852 | \$771,140 | \$1,671,0 |

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Retirement System

| (5) Total Plan Cost: (3) + (4) | (6) Total Unfunded Actuarial Accrued Liability at Beginning of Year | (7) Total Plan Cost % Increase |
|--------------------------------------|--|--------------------------------------|
| \$7,835,775 | \$56,841,558 | - |
| 8,350,000 | 56,198,155 | 6.56% |
| 8,851,508 | 55,038,209 | 6.01% |
| 9,270,408 | 53,338,955 | 4.73% |
| 9,581,794 | 50,381,770 | 3.36% |
| 9,888,137 | 47,002,059 | 3.20% |
| 10,220,859 | 43,180,201 | 3.36% |
| 10,564,791 | 38,862,393 | 3.37% |
| 10,920,314 | 34,007,283 | 3.37% |
| 11,287,816 | 28,570,481 | 3.37% |
| 11,667,704 | 22,504,349 | 3.37% |
| 12,060,396 | 15,757,773 | 3.37% |
| 12,466,323 | 8,275,924 | 3.37% |
| 4,181,879 | - | -66.45% |

nal cost to reflect the effects of mortality improvement due to

1, 2018, fiscal 2020 reflects an anticipated increase in the anticipated increase in the COLA base to \$18,000 effective

Retirement System

| | Veteran | All Other | Total |
|------------|----------------|--------------------|--------------------|
| 322 | 1 | 314 | 702 |
| 176 | 1 | 19 | 199 |
| 7 | 0 | 4 | 12 |
| <u>122</u> | <u>1</u> | <u>228</u> | <u>403</u> |
| 627 | 3 | 565 | 1,316 |
| 626 | \$57,611 | \$21,509,686 | \$38,226,711 |
| 291 | 6,832 | 3,610,684 | 6,056,541 |
| 522 | 310 | 163,946 | 275,000 |
| <u>024</u> | <u>-5,737</u> | <u>-2,096,744</u> | <u>-3,668,973</u> |
| 789 | \$1,405 | \$1,677,886 | \$2,662,568 |
| 751 | 279,204 | 142,655,782 | 224,137,166 |
| <u>958</u> | <u>210,632</u> | <u>107,619,989</u> | <u>169,089,812</u> |
| 793 | \$68,571 | \$35,035,794 | \$55,047,354 |
| 080 | 1,447 | 1,728,296 | 2,742,562 |
| 282 | 70,806 | 36,177,744 | 56,841,558 |
| 0 | 0 | 0 | 15,534 |
| ,098 | 9,017 | 3,222,389 | 5,077,679 |
| ,178 | \$10,464 | \$4,950,685 | \$7,835,775 |

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