THE COMMONWEALTH OF MASSACHUSETTS

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
JOHN W. McCORMACK BUILDING, ROOM 1101
ONE ASHBURTON PLACE • BOSTON, MA 02108
(617) 727-9380
FAX (617) 227-2320

97 DEC 15

EXECUTIVE DIRECTOR
ROBERT F. STALNAKER

MEMORANDUM

TO: Cambridge Retirement Board

FROM: Robert F. Stalnaker, Executive Director

RE: Appropriation for Fiscal Year 1999

DATE: December 15, 1997

Required FY99 Appropriation: **$19,576,482**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for the Fiscal Year 1999 which commences July 1, 1998.

The required FY99 appropriation includes the amount from your current funding schedule. In addition, in accordance with Chapter 306 of the Acts of 1996 and PERAC memo #15/1997, an estimated amount for administrative expenses, based on information provided by your Board, is also included in the above figure.

The above amount does not reflect any additional liabilities due to the payment of Cost of Living Allowances (COLA) under Chapter 17 of the Acts of 1997. If your System accepts/has accepted the provisions of Chapter 17, the System should establish a new funding schedule in consultation with PERAC.

Please note that if an actuarial valuation has not been performed for your system recently, the funding schedule amounts are subject to change once a new valuation of your system has been completed. 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 in FY 1999.

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TO: Cambridge Retirement Board
RE: Appropriation for Fiscal Year 1999

Page three of this Memorandum indicates the appropriation amount which was required for your retirement system in FY 1997 and FY 1998, as well as the amount which must be made for FY 1999.

In addition, in order to assist retirement systems and municipalities in future financial planning, the summary table on that page also indicates current estimates of the appropriations which must be made in Fiscal 2000, 2001, 2002 and 2003.

The portion of the Fiscal Year 1999 appropriation to be paid by each of the governmental units within your system is displayed on the final page. The amount indicated is dependent upon payments in accordance with the established funding schedule.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 727-9380.

RFS/JRL/CJC
Actuaria/approp/FY99non
Attachments

cc: City Council
c/o City Clerk

Office of the City Manager

Cambridge Retirement Board
Appropriation by Governmental Unit

Fiscal Year 1999 - July 1, 1998 to June 30, 1999

Aggregate amount of appropriation: **$19,576,482**

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UNIT	Percent of Aggregate Amount	Funding Schedule	Early Retirement	Total Appropriation
City of Cambridge	62.38%	$11,942,889	$410,667	$12,353,556
Cambridge Housing	3.89%	$744,755	$13,278	$758,033
Cambridge Redevelopment	0.16%	$30,633	$7,156	$37,789
Cambridge Public Health Commission	33.57%	$6,427,104	$0	$6,427,104
UNIT TOTAL	**100%**	**$19,145,381**	**$431,101**	**$19,576,482**

Appropriation payments are made in accordance with your funding schedule and include administrative expenses. Whenever payments are made at a date one month or more before the scheduled date or whenever payments are made one month or more after the scheduled date, PERAC's actuary should be contacted so that a revised amount can be calculated. Payments will be adjusted with interest at the rate assumed in the actuarial valuation used as the basis for your schedule. In no case may payments be made at a date beyond this fiscal year.

Cambridge Retirement Board

Historical and Projected Appropriations

Fiscal Year 1999 - July 1, 1998 to June 30, 1999

Fiscal Year	Pension Fund Needed (Cost of Benefits)	Funding Scheduling Appropriation	ERI Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 1997	$17,541,788	$18,001,203	$431,101	$16,514,586	$1,486,617	$0
FY 1998	$18,648,815	$18,339,154	$431,101	$17,580,674	$758,480	$0
FY 1999	**$20,073,559**	**$19,145,381**	**$431,101**	**$19,576,482**	**$0**	**$497,077**
FY 2000	$21,594,784	$19,547,502	$431,101	$19,978,603	$0	$1,616,181
FY 2001	$23,219,025	$19,973,527	$431,101	$20,404,628	$0	$2,814,397
FY 2002	$24,953,256	$20,424,877	$431,101	$20,855,978	$0	$4,097,278
FY 2003	$26,804,927	$20,903,062	$431,101	$21,334,163	$0	$5,470,764

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Consent Communication #3 F-191

Communication was received from Robert F. Stalnaker, Executive Director, the Commonwealth of Massachusetts, Public Employee Retirement Administration Commission regarding the appropriation for Fiscal Year 1999.

In City Council December 22, 1997

PLACED ON FILE