

FUND 600: RETIREMENT FUND

The Town provides pension benefits for General Employees, Police Officers and Firefighters. Approximately 295 active employees and 441 retirees are covered by the three Plans.

The Town of Palm Beach Retirement System Board of Trustees is responsible for the administration of all of the Town's pension assets and retirement programs. An outside pension consultant serves the board as retirement system administrator. Details of the pension benefits are outlined later in this section.

The Town's Retirement Plan Administration consists of Town Staff in Finance and People and Culture and an external provider, GRS Consulting. In FY20, a Defined Contribution Committee was formed. This committee is involved in the oversight of the fiduciary obligation for management of the DC retirement plans and is managed by People and Culture.

The contribution requirements of the Plan members are established and may be amended by the Town Council. Plan members are required to contribute a percentage of their pensionable earnings.

| Benefit Group | Defined Benefit Plan Employee Contribution | 401(a) Defined Contribution Plan | | | |
|-----------------------|--|----------------------------------|----------|---|------------|
| | | Mandatory Contribution | | Voluntary Contribution (post tax) | |
| | | Employee | Employer | Employee | Employer |
| General Employees | 3.50% | 3% | 3% | Voluntary up to the maximum allowable under IRS regulations | Up to 2.0% |
| Lifeguard Employees | 3.50% | 3% | 3% | | Up to 2.0% |
| Firefighter Union | 8.50% | | | | |
| Firefighter Non-Union | 8.50% | | | | |
| Police Officer | 8.50% | | | | |

The FY24 actuarially determined contribution to the defined benefit plan totals \$12,650,878. Due to concerns about the rising unfunded liability in the pension fund, a funding policy was adopted that would require annual appropriations of the annual required contribution plus \$5,420,000 to be capped at \$18 million, indexed for inflation. The Retirement Board approved a reduction in the UAAL amortization period from 25 years to a hybrid amortization of 15 years for experience gains/losses and plan changes and 20 years for assumption/method changes.

The Town began contributing the entire contribution in October of each fiscal year beginning in FY17. This early contribution allows for a reduction for interest savings due to the earlier than expected payment timing.

The funded ratio history for the each of the pension plans is shown in the chart below.

| As of Fiscal Year End | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|-----------------------|--------|--------|--------|--------|--------|
| General Employees | 72.90% | 73.60% | 74.60% | 77.70% | 77.30% |
| Lifeguards | 63.80% | 66.00% | 69.80% | 73.70% | 72.50% |
| Police | 71.10% | 72.40% | 75.60% | 78.80% | 77.00% |
| Fire-Rescue | 63.70% | 65.20% | 68.20% | 71.90% | 71.50% |

The actuarial determined employer contribution history for the defined benefit pension and the excess and extraordinary contributions for the last five years is shown in the table below:

| Actuarially Determined Employer Contribution | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| General | \$ 3,276,537 | \$ 3,560,240 | \$ 3,636,738 | \$ 3,493,970 | \$ 3,819,225 |
| Lifeguards | \$ 210,518 | \$ 215,911 | \$ 195,379 | \$ 182,855 | \$ 202,223 |
| Police | \$ 3,280,844 | \$ 3,653,689 | \$ 3,521,362 | \$ 3,446,777 | \$ 3,928,198 |
| Fire-Rescue | \$ 3,972,519 | \$ 4,362,652 | \$ 4,392,526 | \$ 4,333,641 | \$ 4,701,232 |
| Total | \$ 10,740,418 | \$ 11,792,492 | \$ 11,746,005 | \$ 11,457,243 | \$ 12,650,878 |
| Extraordinary Contributions | \$ 5,420,000 | \$ 5,420,000 | \$ 5,420,000 | \$ 5,420,000 | \$ 5,420,000 |
| Total Town Contributions | \$ 16,160,418 | \$ 17,212,492 | \$ 17,166,005 | \$ 16,877,243 | \$ 18,070,878 |

The Town's total contribution for the defined benefit and defined contribution plans for FY24 and FY23 is shown below. The FY24 total below increased due mainly to unfavorable investment performance.

| Town Retirement Contributions | FY2023 | FY2024 | Change | % Change |
|--|----------------------|----------------------|---------------------|-----------------|
| General Employees DB | \$ 3,493,970 | 3,819,225 | \$ 325,255 | 9.31% |
| Lifeguards DB | 182,855 | 202,223 | 19,368 | 10.59% |
| Police DB | 3,446,777 | 3,928,198 | 481,421 | 13.97% |
| Fire-Rescue DB | 4,333,641 | 4,701,232 | 367,591 | 8.48% |
| Total DB Contribution | 11,457,243 | 12,650,878 | 1,193,635 | 10.42% |
| DC Contributions | 750,267 | 814,605 | 64,338 | 8.58% |
| Total Town DB And DC Contribution | \$ 12,207,510 | \$ 13,465,483 | \$ 1,257,973 | 10.30% |

The DC plan is available to General Employees and Lifeguards. The Town contributes a mandatory match of 3% and an optional match of 2% to the Defined Contribution (DC) plan. Total employer contributions to the DC plan per year are shown below:

| DC Contributions | FY2020 Actual | FY2021 Actual | FY2022 Actual | FY2023 Budget | FY2024 Budget |
|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General | \$ 450,148 | \$ 469,444 | \$ 504,896 | \$ 738,462 | \$ 805,508 |
| Lifeguards | 2,356 | 424 | 1,393 | 11,805 | 9,097 |
| Total | \$ 452,504 | \$ 469,868 | \$ 506,289 | \$ 750,267 | \$ 814,605 |

The table below shows the breakdown in costs between Normal Cost and the amortization of the UAAL by benefit tier (Plan B and Legacy), for the plan as a whole and each employee group. A small number of grandfathered employees were accruing benefits under the legacy plan and their normal cost is included in the legacy plan percentages.

Actuarially Determined Contribution Breakdown by Benefit Tier
Valuation Date: September 30, 2022

| | Total Plan | General | Ocean Rescue | Police | Firefighters |
|------------------------------|---------------|---------------|--------------|---------------|---------------|
| Participants | 295 | 166 | 2 | 60 | 67 |
| Total Plan | | | | | |
| Employer Normal Cost | 14.14% | 9.77% | -% | 18.95% | 18.66% |
| Amortization of UAAL | 40.57% | 22.50% | -% | 58.37% | 58.14% |
| Total | 54.71% | 32.27% | -% | 77.32% | 76.80% |
| Town Contribution | \$ 12,650,878 | \$ 3,819,225 | \$ 202,223 | \$ 3,928,198 | \$ 4,701,232 |
| Plan B - Ongoing Plan | | | | | |
| Employer Normal Cost | 14.14% | 9.77% | -% | 18.95% | 18.66% |
| Amortization of UAAL | 2.55% | 1.85% | -% | 3.15% | 3.41% |
| Total | 16.69% | 11.62% | -% | 22.10% | 22.07% |
| Town Contribution | \$ 3,858,135 | \$ 1,375,252 | \$ 9,113 | \$ 1,122,778 | \$ 1,350,992 |
| Plan A - Legacy Plan | | | | | |
| Employer Normal Cost | - | - | - | - | - |
| Amortization of UAAL | 38.02% | 20.65% | -% | 55.22% | 54.73% |
| Total | 38.02% | 20.65% | -% | 55.22% | 54.73% |
| Town Contribution | \$ 8,792,743 | \$ 2,443,973 | \$ 193,110 | \$ 2,805,420 | \$ 3,350,240 |
| Legacy cost | 69.5% | 64.0% | 95.5% | 71.4% | 71.3% |

The Town Council previously committed to lowering the investment return assumption from the current 6.4% to 6% by .2% per year. As of the September 30, 2022 valuation date, the cost to lower the assumption to 6% immediately would increase the Town Contribution for FY24 by \$1,340,618 and increase the UAAL by \$17,022,498. The details are shown in the chart below.

| | Total Plan |
|--------------------------------|----------------|
| Current Rate of 6.4% | |
| Employer Normal Cost | 14.14% |
| Amortization of UAAL | 40.57% |
| Total | 54.71% |
| Town Contribution | \$ 12,650,878 |
| UAAL | \$ 91,096,064 |
| Funded Ratio | 75.20% |
| Assumption Change to 6% | |
| Employer Normal Cost | 15.79% |
| Amortization of UAAL | 44.67% |
| Total | 60.46% |
| Town Contribution | \$ 13,991,496 |
| UAAL | \$ 108,118,562 |
| Funded Ratio | 71.90% |
| Difference | |
| Town Contribution | \$ 1,340,618 |
| UAAL | \$ 17,022,498 |
| Funded Ratio | (3.30%) |

UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)

The UAAL as of September 30, 2022, for all pension groups is \$91,096,064. The table below summarizes the causes for the increase since 2009.

Experience (Gain)/Loss include demographic experience due to salary increases, retirements, terminations, mortality experience and other census changes that differ from the actuarial assumptions. In addition, it also includes the gains/losses from investments.

Assumption changes include reductions in the investment assumption, changes in several demographic assumptions after an experience study and changes in the mortality tables. Benefit changes include the reduction in benefits in 2012 offset by benefit improvements made since 2012.

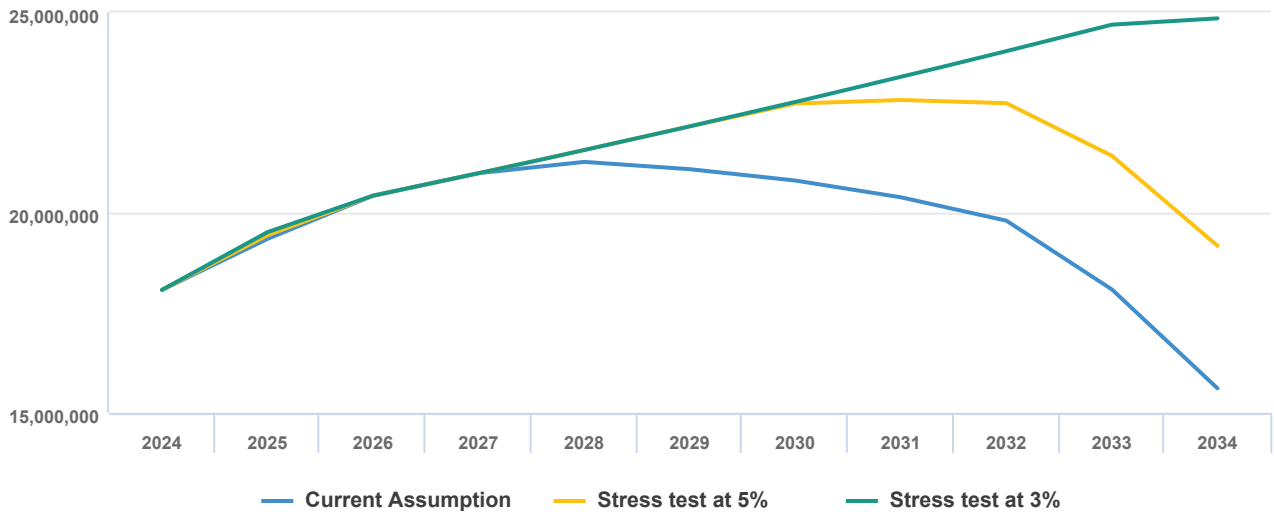
| Date | | General | Lifeguard | Police | Firefighter | Total |
|-------------|--|--------------------|------------------|--------------------|--------------------|--------------------|
| 2009 | Initial Unfunded | 9,191,608 | 553,866 | 2,960,354 | 11,011,700 | 23,717,528 |
| | Experience (Gain)/Loss | | | | | |
| 2010 | Experience (Gain)/Loss | 925,751 | 51,732 | 643,136 | 1,040,480 | 2,661,099 |
| 2011 | Experience (Gain)/Loss | (2,826,133) | 88,347 | 304,076 | (840,267) | (3,273,977) |
| 2012 | Experience (Gain)/Loss | 3,110,664 | 202,098 | 4,354,714 | 3,818,194 | 11,485,670 |
| 2013 | Experience (Gain)/Loss | (642,767) | 17,427 | 1,665,653 | 1,462,877 | 2,503,190 |
| 2014 | Experience (Gain)/Loss | (55,339) | (13,275) | 701,601 | 135,106 | 768,093 |
| 2015 | Experience (Gain)/Loss | 1,887,674 | 70,453 | 1,791,263 | 1,679,614 | 5,429,004 |
| 2016 | Experience (Gain)/Loss | 25,155 | (9,653) | (439,796) | 2,273,345 | 1,849,051 |
| 2017 | Experience (Gain)/Loss | 145,721 | 61,207 | 228,080 | 423,944 | 858,952 |
| 2018 | Experience (Gain)/Loss | 1,420,862 | 58,451 | 526,905 | 960,017 | 2,966,235 |
| 2019 | Experience (Gain)/Loss | 798,437 | 18,301 | 1,112,238 | 1,211,429 | 3,140,405 |
| 2020 | Experience (Gain)/Loss | 164,253 | (17,915) | (334,367) | (3,912) | (191,941) |
| 2021 | Experience (Gain)/Loss | (2,555,015) | (67,382) | (1,372,717) | (2,100,657) | (6,095,771) |
| 2022 | Experience (Gain)/Loss | 950,037 | 212,577 | 3,356,245 | 2,385,808 | 6,904,667 |
| | Total Experience (Gain)/Loss | 3,349,300 | 672,368 | 12,537,031 | 12,445,978 | 29,004,677 |
| | Benefit Changes | | | | | |
| 2012 | Benefit Changes | (3,385,448) | (160,369) | (2,981,093) | (5,274,530) | (11,801,440) |
| 2013 | Benefit Changes | 54,248 | - | - | - | 54,248 |
| 2014 | Benefit Changes | 28,178 | 1,118 | 60,567 | 25,525 | 115,388 |
| 2015 | Benefit Changes | - | - | 616,318 | 294,853 | 911,171 |
| 2016 | Benefit Changes | 1,064,354 | 15,048 | - | 599,619 | 1,679,021 |
| 2017 | Benefit Changes | - | - | - | - | - |
| | Total Benefit Changes | (2,238,668) | (144,203) | (2,304,208) | (4,354,533) | (9,041,612) |
| | Assumption Method Changes | | | | | |
| 2010 | Assumption Method Changes | (1,384,277) | (37,395) | (495,037) | (612,928) | (2,529,637) |
| 2011 | Assumption Method Changes | (87,388) | 48,824 | 303,928 | 154,842 | 420,206 |
| 2012 | Assumption Method Changes | 3,480,084 | 189,828 | 3,428,496 | 3,566,389 | 10,664,797 |
| 2015 | Assumption Method Changes | 4,847,245 | 133,435 | 1,375,986 | 1,813,258 | 8,169,924 |
| 2016 | Assumption Method Changes | 1,902,029 | 123,146 | 2,333,663 | 2,428,194 | 6,787,032 |
| 2017 | Assumption Method Changes | 891,661 | 46,119 | 822,516 | 889,332 | 2,649,628 |
| 2018 | Assumption Method Changes | 918,910 | 47,149 | 844,783 | 923,487 | 2,734,329 |
| 2019 | Assumption Method Changes | 930,357 | 40,247 | 549,973 | 992,826 | 2,513,403 |
| 2020 | Assumption Method Changes | 1,459,518 | (20,555) | (224,141) | 100,431 | 1,315,253 |
| 2021 | Assumption Method Changes | 2,385,022 | 116,279 | 1,736,205 | 2,425,356 | 6,662,862 |
| 2022 | Assumption Method Changes | 2,658,082 | 129,016 | 2,472,333 | 2,768,243 | 8,027,674 |
| | Total Assumption Method Changes | 18,001,243 | 816,093 | 13,148,705 | 15,449,430 | 47,415,471 |
| | UAAL as of September 30, 2022 | 28,303,483 | 1,898,124 | 26,341,882 | 34,552,575 | 91,096,064 |
| | Membership - Retirees | 216 | 12 | 106 | 107 | 441 |
| | Membership - Active | 166 | 2 | 60 | 67 | 295 |
| | Membership - Terminated/Vested | 42 | 3 | 23 | 27 | 95 |
| | Ratio of Total Membership to UAAL | 66,753 | 111,654 | 139,375 | 171,903 | 109,622 |

UAAL AND EMPLOYER CONTRIBUTION FORECAST

A ten-year forecast of the Unfunded Actuarial Accrued Liability (UAAL) and Employer Contribution has been prepared by the actuary. The current assumptions include the reduction in investment return by .2% per year from 6.4% used in the September 30, 2022 Actuarial Valuation Report to 6.0% as of September 30, 2024.

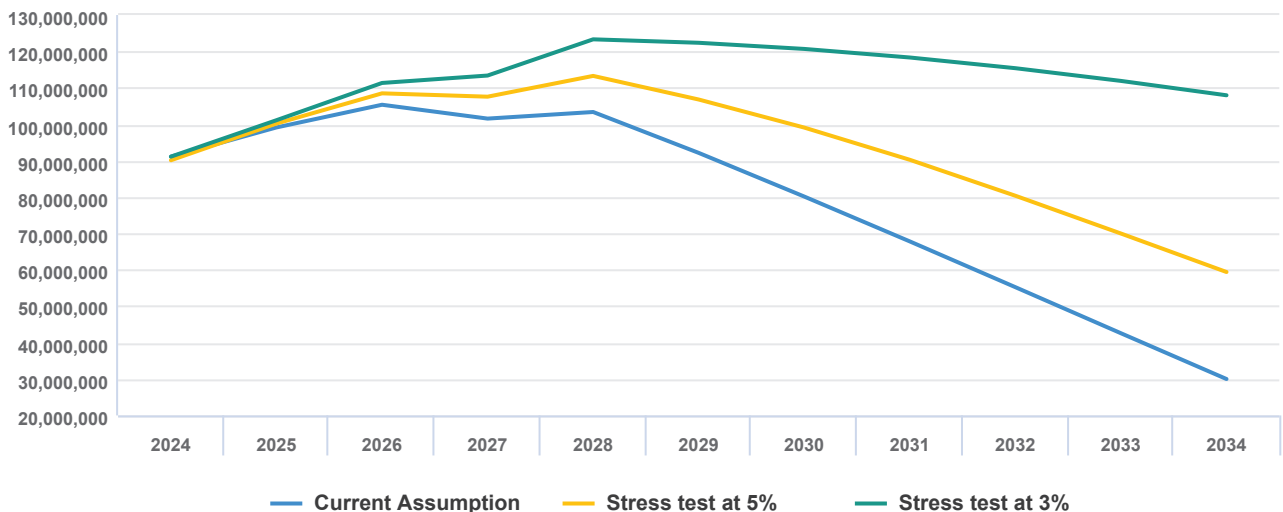
This forecast was stress tested using an estimated actual return on the market value of assets of 5% per year and 3% per year. The results are shown on the following charts for UAAL and Employer Contribution.

Employer Contribution Forecast



Since last year, there has been a setback in the UAAL forecast. This is due mainly to investment losses in FY22. The 10-year projection from GRS has the Retirement Fund 92.9% funded, with current assumptions, in FY34.

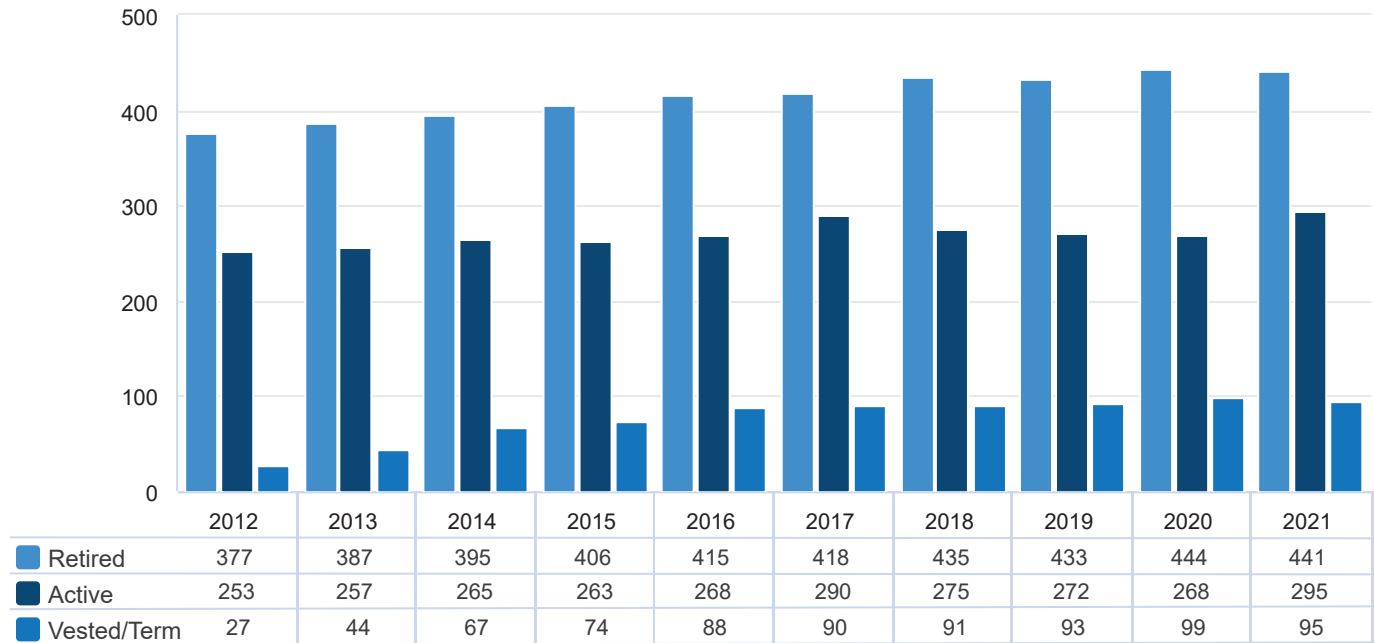
UAAL Forecast



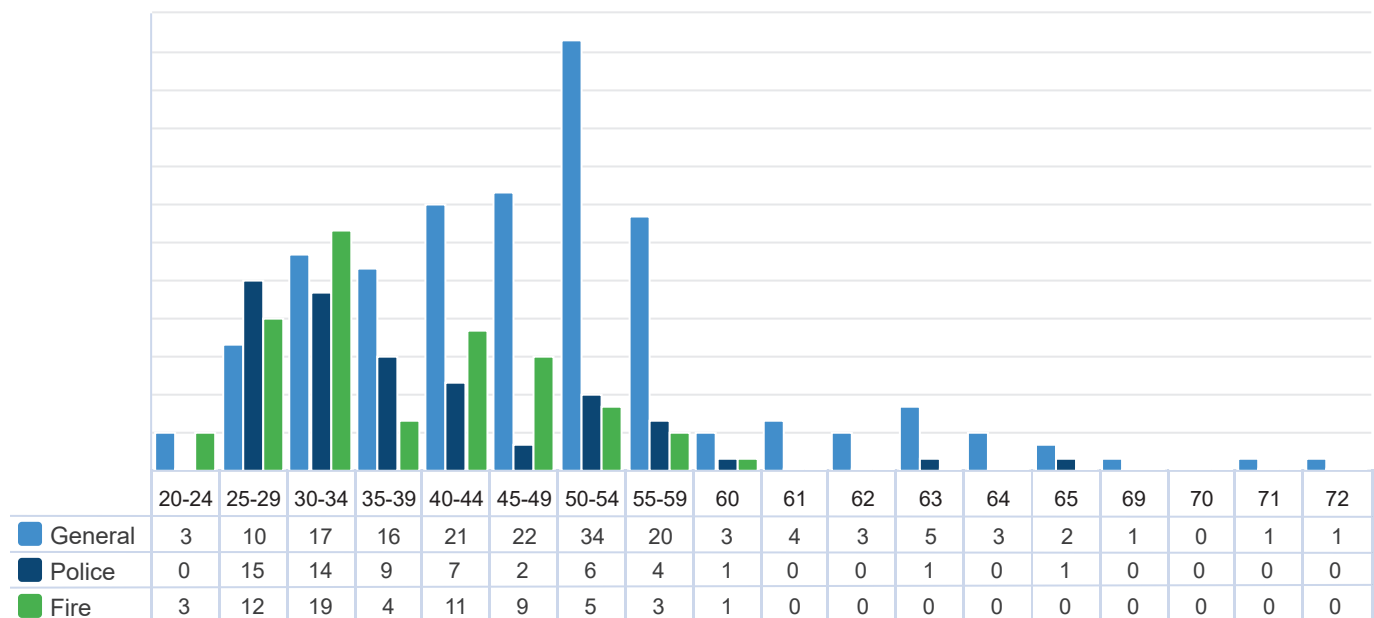
DEMOGRAPHIC INFORMATION

The following charts depict the System membership (Active, Retired and Vested Terminated Members) for the past 10 years. The first chart shows the total membership for all three funds. It is followed by charts depicting the membership for each separate benefit group. Information extracted from the September 30, 2022, Actuarial Report.

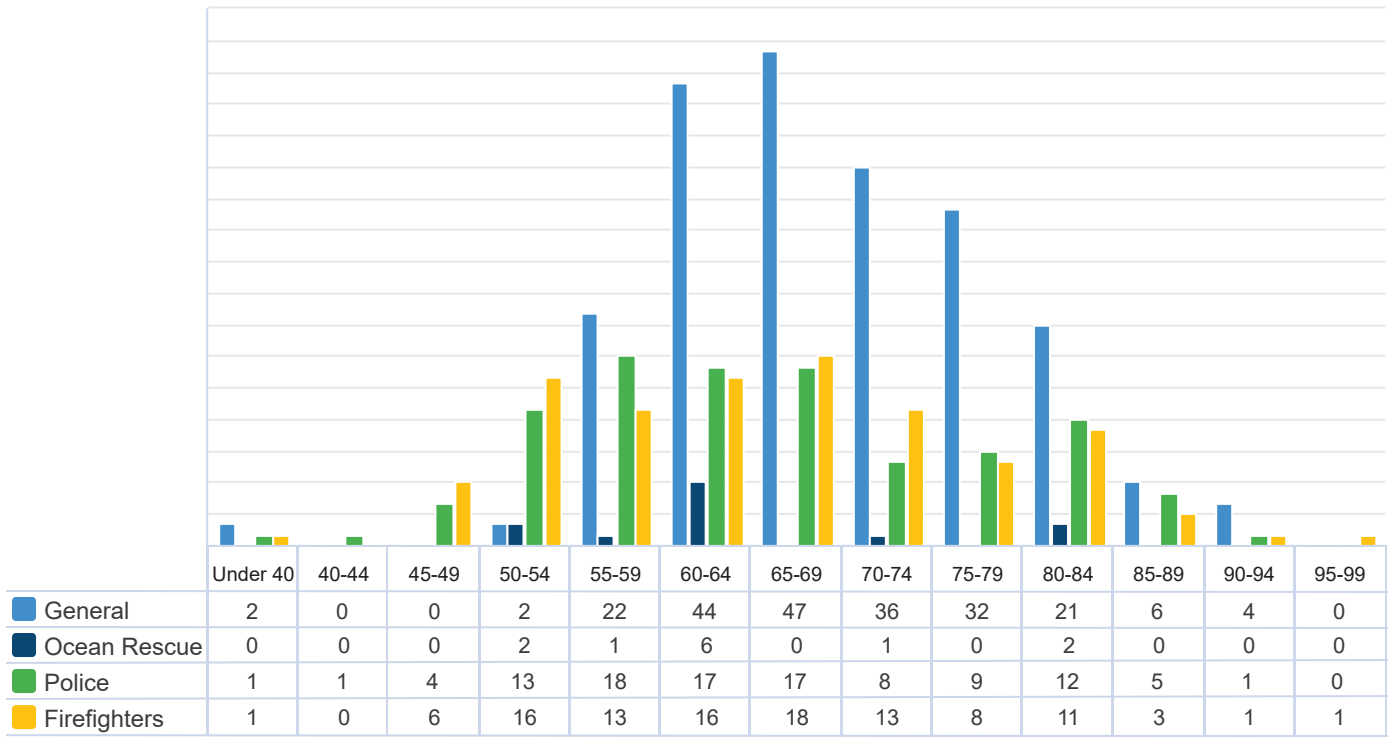
Total Member Profile



Distribution of Active Members by Age



Distribution of Retirees & Beneficiaries by Age



SUMMARY OF DEFINED BENEFIT PLAN PROVISIONS

Grandfathered Benefits: The benefits consist of the old defined benefit plan (Plan A - see below) including future accruals in Plan A for employees that were eligible to retire on or before May 1, 2012 (grandfather).

Plan A Benefits: The accrued benefits prior to May 1, 2012 in the old defined benefit plan (frozen benefits).

Plan B Benefits: The accrued benefits on and after May 1, 2012.

Normal Retirement:

ELIGIBILITY

Plan A

1. General: 30 or more years of service, regardless of age; or age 55 with 10 or more years of service
2. Ocean Rescue: Age 50 with 10 or more years of service. Or 10 or more years of service and age plus credited service totals 65 years or more.
3. Police and Firefighters: 20 or more years of service, regardless of age; or, age 50 with 10 or more years of service; or, at least 10 years of service and age plus credited service totals 65 years or more.
4. Immediate vesting was granted to all employees who on May 1, 2012, were active contributing plan participants.

Plan B

General and Ocean Rescue: Age 62 with 10 or more years of service if employed or participating in DROP on May 1, 2017. If not employed or participating in DROP on May 1, 2017, retirement eligibility age is 65 with 10 or more years of service. Employees hired on or after May 1, 2017 are eligible to retire at age 62 with 10 or more years of service.

Police: Effective October 1, 2019, Age 55 with 10 or more years of service or age 52 with at least 25 years of service. This applies to police officers who are participating in the DROP on October 1, 2019 and who retire or enter the DROP on or after that date, but does not apply to members who retired or separated from employment before October 1, 2019. Employees hired on or after October 1, 2016 are eligible to retire at age 56 with 10 or more years of service. If not employed or participating in DROP on October 1, 2016, retirement eligibility age is 65 with 10 or more years of service.

Non-union Firefighters: Effective October 1, 2019, Age 55 with 10 or more years of service or age 52 with at least 25 years of service. This applies to non-union firefighters who are participating in the DROP on October 1, 2019 and who retire or enter the DROP on or after that date, but does not apply to members who retired or separated from employment before October 1, 2019.

Employees hired on or after October 1, 2016 are eligible to retire at age 56 with 10 or more years of service. If not employed or participating in DROP on October 1, 2016, retirement eligibility age is 65 with 10 or more years of service.

Union Firefighters: Effective November 2, 2019 Age 55 with 10 or more years of service or age 52 with at least 25 years of service. This applies to union firefighters who are participating in the DROP on November 2, 2019 and who retire or enter the DROP on or after that date, but does not apply to members who retired or separated from employment before November 2, 2019.

Employees hired on or after August 12, 2017 are eligible to retire at age 56 with 10 or more years of service. If not employed or participating in DROP on August 12, 2017, retirement eligibility age of 65 with 10 or more years of service.

Pension Amount

Plan A

1. General: Average final compensation (AFC) times the sum of a) 2.75% for service earned after September 30, 1990, to a maximum of 82.5%, plus 2.35% for service earned on or before September 30, 1990 for the first 30 years of service, plus, b) 1.0% for service in excess of 30 years.
2. Ocean Rescue: AFC times the sum of a) 2.85% for the first 25 years of service with a maximum of 71.25%, plus, b) 1.0% for service in excess of 25 years.
3. Police Officers and Firefighters: AFC multiplied by the sum of a) 3.5% per year of credited service to a maximum of 87.5 percent, plus, b) 2.0% per year of credited service, if any, in excess of 43.75 years.

Plan B

General and Ocean Rescue: The normal form of pension is a pension payable for life. Also see Automatic Death Benefit. AFC multiplied by 1.25% per year of credited service from May 1, 2012, through April 30, 2017 and multiplied by 1.70% per year after May 1, 2017.

Union Firefighters: The normal form of pension is a pension payable for life. Also see Automatic Death Benefit. AFC multiplied by 1.25% per year of credited service from May 1, 2012 through September 30, 2017. AFC multiplied by 2.75% per year of credited service on or after October 1, 2017.

Police and non-union Firefighters: The normal form of pension is a pension payable for life. Also see Automatic Death Benefit. AFC multiplied by 1.25% per year of credited service from May 1, 2012 through September 30, 2016. AFC multiplied by 2.75% per year of credited service on or after October 1, 2016.

Members can elect an optional **survivorship benefit with an actuarial reduction in benefit.**

Average Final Compensation (AFC):

Plan A: Average of the highest 2 consecutive years within the member's last 5 years of credited service.

Plan B: AFC after April 30, 2012, is the average of the final 5 years of credited service.

DROP Retirement: Both Plan A and Plan B

Eligibility - Same as Normal Retirement. Participation must be terminated within 5 years of DROP commencement.

Pension Amount

General and Ocean Rescue: 100% of member's accrued benefit at the date of election to participate in DROP. Grandfathered General and Ocean Rescue employees: 98% of member's accrued benefit at the date of election to participate in DROP

Police and Firefighters: 100% of the member's accrued benefit at the date of election to participate in DROP.

The rate of return credit for the DROP and Share accounts is calculated based on a five-year trailing average annual return of the plan, and applied to the DROP and Share balances at the end of each quarter on the average daily balance for the quarter.

Early Retirement (General Employees Only):

ELIGIBILITY

Plan A: Age 50 with 10 or more years of credited service based on a monthly reduction from normal retirement date as explained below.

Plan B: Early retirement at age 60 with 10 or more years of credited service, based on a monthly reduction from normal retirement date based on actuarial equivalency.

PENSION AMOUNT

Plan A: Computed as a normal retirement benefit but reduced 6/10 of 1% (3/10 of 1% if service credit is 20 or more years) for each month early retirement precedes the member's normal retirement date.

Deferred Retirement (Vested Termination Benefit): Both Plan A and Plan B

Eligibility - 10 or more years of service (waived for frozen benefits). Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the System; failure to do so results in forfeiture of the vested benefit. Frozen accrued benefits as of April 30, 2012 are vested immediately.

Pension Amount - Computed as for normal retirement, based upon Plan A frozen benefit, or Plan B service and AFC at time of termination.

Duty Disability Retirement: Both Plan A and Plan B

Eligibility - No age or service requirements.

General Employees and Ocean Rescue: Payment of sixty percent of the monthly AFC (greater of Plan A or B); or if the member retires prior to attaining the age for normal retirement, the amount of the monthly pension shall be computed as if the member has continued to accrue credited service until the date the member would have attained the age for normal retirement provided that the member has been in receipt of the disability benefit for at least five years.

Police Officers and Firefighters: Payment of sixty percent of the monthly AFC (greater of Plan A or B); or if the member retires prior to attaining the age for normal retirement, the amount of the monthly pension shall be computed as if the member has continued to accrue credited service until the date the member would have attained the age for normal retirement provided that the member has been in receipt of the disability benefit for at least five years.

Non-Duty Disability Before Retirement: Both Plan A and Plan B

Eligibility - 10 or more years of service (waived for frozen benefit).

Pension Amount - Computed as for normal retirement. For Police and Firefighter benefit groups, the disability pension benefit shall not be less than a payment of 30 percent of the member's AFC at the time of disability.

Elective Survivor Benefits Eligibility – The member dies while in the employ of the Town with at least 10 years of credited service and not participating in the DROP. Survivor beneficiary shall be in writing and filed with Human Resources Department.

Duty Death Special Provision: Both Plan A and Plan B

Eligibility – Death while actuarially performing duty for the Town or was the natural and proximate result, independent of all other causes, of a personal injury or disease arising out of and in the course of the actual performance of duty for the town.

1. 10-year vesting requirement waived
2. Surviving children is 25% of deceased member's AFC, not to exceed 75% of AFC when four or more surviving children.

3. Surviving spouse is paid difference between 75% of deceased AFC and aggregate amount paid surviving children.

Automatic Death After Retirement Pension:

Plan A: To Surviving Child(ren): 25% of the retiree's pension payable to age 18, not to exceed an equal share of 75% of the retiree's pension. Payments to surviving children may be paid to age 25 if retirement if no surviving spouse.

To Surviving Spouse: The difference, if any, between 75% of the deceased retiree's pension and the aggregate amount paid to any surviving children for the month.

Plan B: Reduced option forms of payment are available for survivorship benefits.

Post-Retirement Cost-of-Living Adjustments:

Plan A: Pensions are increased 2.0% annually based on the total pension payable subsequent to an initial 3-year deferral period.

Plan B: None.

Purchase of Service Credit: Both Plan A and Plan B

A vested member who has not purchased service credit under Prior Governmental Service, including Military Service elsewhere may purchase years or fractional parts of years of service, not to exceed 5 years, to be added to years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

Purchase of service by members of benefit group firefighter may only be based upon actual prior service as a firefighter or service in the military and purchase of service by a member of benefit group police officer may only be based upon actual prior service as a police officer or service in the military.

FUND 600: EMPLOYEES RETIREMENT FUND

| | FY2021 Actual | FY2022 Actual | FY2023 Budget | FY2023 Projected | FY2024 Budget | % Change |
|--------------------------------------|--------------------------|--------------------------|--------------------------|-----------------------------|--------------------------|---------------------|
| Revenues | | | | | | |
| Employer Contributions | 11,665,547 | 11,746,005 | 11,457,243 | 11,457,243 | 12,650,878 | 10.42% |
| Employee Contributions | 1,222,270 | 1,327,380 | 1,650,000 | 1,327,000 | 1,600,000 | (3.03%) |
| Use of Prepaid Contributions | - | - | - | - | - | -% |
| Gain/(Loss) on Investments | 41,277,449 | (59,773,777) | 2,850,000 | 1,400,000 | 2,500,000 | (12.28%) |
| Miscellaneous | 16,827 | 0 | 5,000 | 5,600 | 5,000 | -% |
| Investment Income | 10,697,238 | 14,655,629 | 14,825,000 | 36,500,000 | 14,825,000 | -% |
| Transfer from General Fund | 5,420,000 | 5,420,000 | 5,420,000 | 5,420,000 | 5,420,000 | -% |
| TOTALS | 70,299,332 | (26,624,762) | 36,207,243 | 56,109,843 | 37,000,878 | 2.19% |
| Expenses | | | | | | |
| Salaries and Wages | 30,469 | 44,836 | 90,736 | 37,750 | 90,935 | 0.22% |
| Employee Benefits | 23,307 | 31,307 | 42,493 | 34,165 | 43,215 | 1.70% |
| Contractual | 22,937,386 | 24,009,397 | 23,653,700 | 24,823,505 | 24,833,500 | 4.99% |
| TOTALS | 22,991,161 | 24,085,540 | 23,786,929 | 24,895,420 | 24,967,650 | 4.96% |
| Total Revenues Over/(Under) Expenses | 47,308,170 | (50,710,302) | 12,420,314 | 31,214,423 | 12,033,228 | |
| Beginning Net Assets | 240,907,941 | 288,216,111 | 237,505,809 | 237,505,809 | 268,720,232 | |
| ENDING NET ASSETS | 288,216,111 | 237,505,809 | 249,926,123 | 268,720,232 | 280,753,460 | |

REVENUES**Employer Contributions**

The employer contributions are actuarially determined for the hybrid pension plan.

Employee Contributions

Employee contributions are calculated based on the eligible employee's salary multiplied by a contribution rate.

Gain/(Loss) on Investments

Estimated gains on the sale of equities. Projections reflect the 7.0% return assumption for the fund.

Interest on Investments

The budgeted amount represents the anticipated interest to be earned on fixed income investments.

Transfer from the General Fund

Extraordinary transfer from General Fund fund balance to improve the unfunded status.

EXPENSES**Salaries and Wages**

The salary budget is derived from the payroll data for the Full Time Equivalent Employees (FTE) listed in the table on the following page. The FY2023 budget includes a COLA increase and pay for performance increases.

Employee Benefits

The employee benefit costs include FICA, health insurance, retirement costs, any paid incentives and allowances, and the performance bonus. The health insurance and retirement costs are based on an allocation of the total Town costs by FTE per program.

Contractual

This line item reflects anticipated pension payments and operating costs.

| Full Time Equivalent Employees | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---------------------------------------|--------|--------|--------|--------|--------|
| Director of Finance | 0.100 | 0.100 | 0.100 | 0.100 | 0.000 |
| Director Of People & Culture | 0.000 | 0.000 | 0.000 | 0.000 | 0.100 |
| People & Culture Division Director | 0.000 | 0.000 | 0.100 | 0.100 | 0.000 |
| Controller | 0.000 | 0.000 | 0.000 | 0.000 | 0.025 |
| Assistant Director of Finance | 0.025 | 0.025 | 0.025 | 0.025 | 0.000 |
| Budget Manager | 0.000 | 0.000 | 0.000 | 0.000 | 0.100 |
| Accountant III | 0.000 | 0.000 | 0.000 | 0.000 | 0.100 |
| People & Culture Generalist | 0.000 | 0.000 | 0.000 | 0.250 | 0.250 |
| Budget Analyst | 0.100 | 0.100 | 0.100 | 0.100 | 0.000 |
| People & Culture Coordinator | 0.000 | 0.000 | 0.000 | 0.000 | 0.250 |
| Accountant I | 0.000 | 0.000 | 0.000 | 0.000 | 0.036 |
| Accounting Technician | 0.036 | 0.036 | 0.036 | 0.036 | 0.000 |
| Administrative Assistant | 0.000 | 0.000 | 0.000 | 0.050 | 0.050 |
| Director of Human Resources | 0.024 | 0.024 | 0.000 | 0.000 | 0.000 |
| Human Resource Specialist (Part Time) | 0.875 | 0.375 | 0.000 | 0.000 | 0.000 |
| People and Culture Analyst | 0.000 | 0.000 | 0.500 | 0.000 | 0.000 |
| People and Culture Specialist | 1.160 | 0.660 | 0.861 | 0.661 | 0.911 |