



Town of Sutton

GASB 75 Results

January 30, 2024



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Actuaries & Management
Consultants

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& Australia

**About
Us**



GASB 75 Results

Measurement Date	06/30/2023	06/30/2022
Reporting Date	06/30/2023	06/30/2022
Total OPEB Liability (TOL): The value of the benefits that have been earned by active and retired employees	24,935,301	33,512,348
Fiduciary Net Position: (i.e. assets)	4,348,659	3,041,231
Net OPEB Liability (NOL): The TOL minus the assets	20,586,642	30,471,117

GASB 75 Results

	FY 2023	FY 2022
Service Cost: The value of the benefits that eligible employees accrue each year	1,385,301	3,158,617
Financial Statement Expense	1,188,520	3,664,805
Employer Share of Cost: The employer's portion of the premiums each year including implicit cost	796,104	691,642
Trust Contributions	955,000	500,000
Net OPEB Expense: The expense (on an accrual basis) that is recognized annually on the financial statement	(562,584)	2,473,163
Discount Rate	6.00%	3.83%

GASB 75

Results

Positive Drivers of Plan Experience

- Discount Rates Increased
 - Decreasing liabilities by \$8.2 million
- Medical Trend assumption changed
 - Decreasing liability by \$3.7 million

Negative Drivers of Plan Experience

- Election Percentage assumption changed
 - Increasing liabilities by \$1.5 million

Actuarial Assumptions

DISCOUNT RATE

The interest rate used to calculate the present value of future cash flows. Currently, 6.00% (previously 3.83%).

TERMINATION RATES

Probability of leaving employment each year prior to retirement.

RETIREMENT RATES

Percentage of retirement eligible employees who retire each year.

ELECTION PERCENTAGE

Percentage of eligible employees who elect to receive benefits in retirement.

HEALTHCARE COST INFLATION

The rate at which healthcare costs are expected to increase. Currently, 9.00% per year (evaluated annually according to the Getzen Model of Long-Run Medical Cost Trends).



Medical Plan Offerings

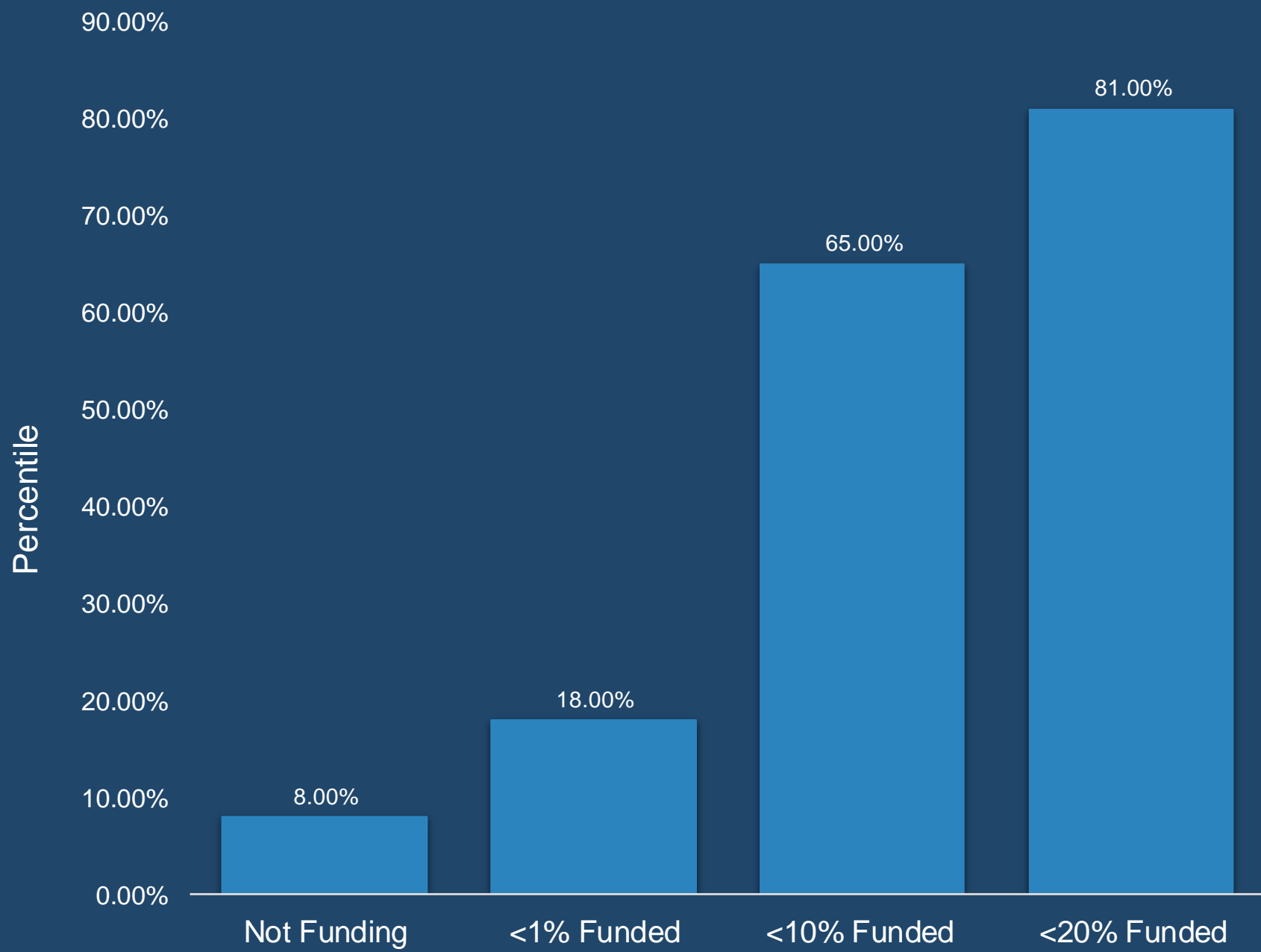
Comprehensive Medical Insurance &
\$10,000 of Group Term Life Insurance.

Average Active Single Plan:
\$763

Average Medicare Supplement Plan:
\$382

TOWN & CITY FUNDING RATIOS

As of 12/31/2023



FUNDING COMPARISON TO OTHER ODYSSEY CLIENTS

COMPARISON TO YOUR PEERS

	Number of Eligible Actives	Discount Rate	Total Annual Service Cost (annual benefit accrual)	Per Eligible Active Plan Participant	Net OPEB Liability	Funded Ratio	Benefit Payments	Per Covered Retiree
Town of Sutton	277	6.00%	1,385,301	5,001	20,586,642	17.44%	796,104	4,656
Town of Holden Town of Lancaster Town of Princeton Town of Northborough Town of Holden								
	137	5.56%	473,580	3,457	9,553,649	31.82%	570,548	4,835
	39	6.30%	75,200	1,928	603,918	84.09%	157,313	4,495
	25	5.45%	57,163	2,287	1,186,321	44.63%	71,723	5,517
	404	6.26%	1,216,995	3,012	32,523,042	13.84%	1,696,504	6,868
	137	5.56%	473,580	3,457	9,553,649	31.82%	570,548	4,835
Massachusetts Average (Odyssey Clients only)	197	4.20%	772,127	3,911	26,788,101	8.16%	948,157	6,225

SERVICE COST PER ACTIVE EMPLOYEE

Town of Sutton Service Cost per Capita as of July 1, 2022

	Town Employees	School Employees	Public Safety Employees	Sewer Enterprise Employees	Transfer Station Employees	Total
I. Service Cost	200,427	1,032,855	134,882	13,167	3,970	1,385,301
II. Eligible Actives	35	211	27	3	1	277
III. Service Cost per Eligible Active [I. / II.]	5,726	4,895	4,996	4,389	3,970	5,001

Projected Cash Flows

Total Medical & Life Insurance - Funding - 6.00% discount rate									
Measurement Date	I. Total OPEB Liability ("TOL")	II. Fiduciary Net Position	III. Net OPEB Liability ("NOL") [I. - II.]	IV. Funded Ratio [III. / I.]	V. Employer Share of Premiums / Claims	VI. Excess Employer Payments (beyond claims)	VII. Total Employer Contribution [V. + VI.]	VIII. Present Value of TOL using 3.0% Interest Rate	IX. Present Value of Employer Share of Premiums / Claims using 3.0% Interest Rate
June 30, 2023	24,935,301	4,348,659	20,586,642	17.44%	796,104	955,000	1,751,104	24,935,301	796,104
June 30, 2024	26,225,604	5,178,146	21,047,458	19.74%	835,048	550,000	1,385,048	25,461,751	810,726
June 30, 2025	27,442,236	6,057,817	21,384,419	22.07%	882,397	550,000	1,432,397	25,866,939	831,744
June 30, 2026	28,663,599	6,990,708	21,672,891	24.39%	972,729	550,000	1,522,729	26,231,254	890,185
June 30, 2027	29,879,704	7,980,039	21,899,665	26.71%	1,076,914	550,000	1,626,914	26,547,730	956,824
June 30, 2032	35,911,580	13,900,303	22,011,277	38.71%	1,637,512	550,000	2,187,512	27,523,236	1,255,017
June 30, 2037	41,697,739	22,088,809	19,608,930	52.97%	1,986,840	790,000	2,776,840	27,567,118	1,313,535
June 30, 2042	48,309,820	34,220,211	14,089,609	70.83%	2,326,735	790,000	3,116,735	27,550,415	1,326,904
June 30, 2047	56,771,656	50,493,086	6,278,570	88.94%	2,423,276	790,000	3,213,276	27,927,893	1,192,091
June 30, 2052	67,055,031	67,463,835	(408,804)	100.61%	3,129,389	(1,575,727)	1,553,662	28,454,558	1,327,945
June 30, 2057	79,083,257	80,545,988	(1,462,731)	101.85%	3,717,075	(1,850,771)	1,866,304	28,948,023	1,360,616
June 30, 2062	94,142,343	96,757,100	(2,614,757)	102.78%	4,199,807	(1,942,276)	2,257,531	29,725,779	1,326,104

Questions?



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