



hilb rogal & hobbs

PROBLEM SOLVED

**Ricci**  
Consultants, Incorporated

*\$7 current  
\$ 3.2 million*

*\$ 10.2 million  
- 3,229,376*

*Impairment  
Light Income*

*Gross Premiums Reverses  
\$ 11.6 million*

*3.3 million - Net*

*Belmont  
Town of Belmont*

*\$ 1.0 million*

*Assuming 100%...*

April 4, 2006

Ms. Barbara Hagg  
Town Accountant  
Town of Belmont  
19 Moore Street  
Belmont, MA 02478

Dear Barbara:

We are pleased to present the enclosed report summarizing the results of our actuarial valuation of the Town of Belmont postemployment medical and life insurance benefit program as of January 1, 2006.

Our valuation was performed in accordance with the provisions contained in the GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45).

The principal results of our valuation are summarized in Exhibits 1 through 6. Our actuarial and economic assumptions are shown in Exhibit 7. Exhibits 8 and 9 summarize the demographic profile of active and retired medical plan participants respectively.

Our best estimate health care cost trend assumptions are based on recent experience and anticipated future cost increases under the Town of Belmont medical plans. Exhibits 4 and 5 illustrate the sensitivity of actuarial accrued liability and normal cost to a one percentage point increase and decrease in the health care cost trend assumption for each future year.

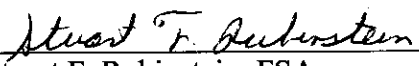
Our calculations were based on participant census data and other information provided by the Town of Belmont, and the benefit provisions of your medical plans as described in your benefit summaries. Our valuation is also based on medical plan premium rates provided in "Health Insurance Rates Effective January 1, 2006."

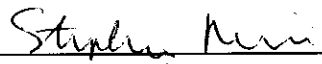
Ms. Barbara Hagg  
April 4, 2006  
Page 2 of 2

Our valuation followed generally accepted actuarial methods and we performed such tests as we considered necessary to assure the accuracy of the results. The amounts presented in this report have been appropriately determined according to the actuarial assumptions and methods stated herein.

We appreciate this opportunity to be of service to the Town of Belmont. We are available to answer any questions with respect to our valuation.

Respectfully submitted,

  
\_\_\_\_\_  
Stuart F. Rubinstein, FSA  
Member, American Academy of Actuaries  
617-557-7510

  
\_\_\_\_\_  
Stephen J. Ricci, ASA  
Member, American Academy of Actuaries  
781-449-8325

*Belmont.PMB Report*

## TABLE OF CONTENTS

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		<b>Page</b>
Exhibit 1	Actuarial Present Value of Future Benefits	1
Exhibit 2	Actuarial Accrued Liability	2
Exhibit 3	Normal Cost	3
Exhibit 4	Sensitivity to Assumed Health Care Cost Trend Rates of Actuarial Accrued Liability	4
Exhibit 5	Sensitivity to Assumed Health Care Cost Trend Rates of Normal Cost	5
Exhibit 6	Annual Required Contribution	6
Exhibit 7	Actuarial and Economic Assumptions	7
Exhibit 8	Active Employees by Age and Years of Service	11
Exhibit 9	Retired and Survivor Medical Plan Participants	15

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
Valuation as of January 1, 2006  
**Exhibit 1**

**Actuarial Present Value of Future Benefits**  
(5.00% Discount Rate)

	Current Active Employees			Current Retirees			Total		
	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total
<b>General</b>									
Gross Benefit	\$ 18,066,630	\$ 17,491	\$ 18,084,121	\$ 24,411,954	\$ 54,006	\$ 24,465,960	\$ 42,478,584	\$ 71,497	\$ 42,550,081
Participant Contribution	\$ 3,553,614	\$ 4,888	\$ 3,558,502	\$ 5,329,806	\$ 7,967	\$ 5,337,773	\$ 8,883,420	\$ 12,855	\$ 8,896,275
Net Benefit	\$ 14,513,016	\$ 12,603	\$ 14,525,619	\$ 19,082,148	\$ 46,039	\$ 19,128,187	\$ 33,595,164	\$ 58,642	\$ 33,653,806
<b>School</b>									
Gross Benefit	\$ 53,606,726	\$ 45,043	\$ 53,651,769	\$ 34,769,655	\$ 119,720	\$ 34,889,375	\$ 88,376,381	\$ 164,763	\$ 88,541,144
Participant Contribution	\$ 10,491,101	\$ 14,128	\$ 10,505,229	\$ 7,562,080	\$ 17,042	\$ 7,579,122	\$ 18,053,181	\$ 31,170	\$ 18,084,351
Net Benefit	\$ 43,115,625	\$ 30,915	\$ 43,146,540	\$ 27,207,575	\$ 102,678	\$ 27,310,253	\$ 70,323,200	\$ 133,593	\$ 70,456,793
<b>Public Safety</b>									
Gross Benefit	\$ 24,252,471	\$ 14,564	\$ 24,267,035	\$ 22,898,161	\$ 82,713	\$ 22,980,874	\$ 47,150,632	\$ 97,277	\$ 47,247,909
Participant Contribution	\$ 4,454,387	\$ 4,720	\$ 4,459,107	\$ 4,850,761	\$ 13,019	\$ 4,863,780	\$ 9,305,148	\$ 17,739	\$ 9,322,887
Net Benefit	\$ 19,798,084	\$ 9,844	\$ 19,807,928	\$ 18,047,400	\$ 69,694	\$ 18,117,094	\$ 37,845,484	\$ 79,538	\$ 37,925,022
<b>Light</b>									
Gross Benefit	\$ 4,976,659	\$ 3,890	\$ 4,980,549	\$ 4,441,656	\$ 20,289	\$ 4,461,945	\$ 9,418,315	\$ 24,179	\$ 9,442,494
Participant Contribution	\$ 944,233	\$ 1,231	\$ 945,464	\$ 911,036	\$ 2,729	\$ 913,765	\$ 1,855,269	\$ 3,960	\$ 1,859,229
Net Benefit	\$ 4,032,426	\$ 2,659	\$ 4,035,085	\$ 3,530,620	\$ 17,560	\$ 3,548,180	\$ 7,563,046	\$ 20,219	\$ 7,583,265
<b>Sewer</b>									
Gross Benefit	\$ 1,191,636	\$ 1,056	\$ 1,192,692	\$ 1,047,588	\$ 2,513	\$ 1,050,101	\$ 2,239,224	\$ 3,569	\$ 2,242,793
Participant Contribution	\$ 228,176	\$ 298	\$ 228,474	\$ 211,401	\$ 598	\$ 211,999	\$ 439,577	\$ 896	\$ 440,473
Net Benefit	\$ 963,460	\$ 758	\$ 964,218	\$ 836,187	\$ 1,915	\$ 838,102	\$ 1,799,647	\$ 2,673	\$ 1,802,320
<b>Water</b>									
Gross Benefit	\$ 2,517,728	\$ 2,922	\$ 2,520,650	\$ 1,610,582	\$ 10,341	\$ 1,620,923	\$ 4,128,310	\$ 13,263	\$ 4,141,573
Participant Contribution	\$ 496,834	\$ 780	\$ 497,614	\$ 342,180	\$ 995	\$ 343,175	\$ 839,014	\$ 1,775	\$ 840,789
Net Benefit	\$ 2,020,894	\$ 2,142	\$ 2,023,036	\$ 1,268,402	\$ 9,346	\$ 1,277,748	\$ 3,289,296	\$ 11,488	\$ 3,300,784
<b>Total</b>									
Gross Benefit	\$ 104,611,850	\$ 84,966	\$ 104,696,816	\$ 89,179,596	\$ 289,582	\$ 89,469,178	\$ 193,791,446	\$ 374,548	\$ 194,165,994
Participant Contribution	\$ 20,168,345	\$ 26,045	\$ 20,194,390	\$ 19,207,264	\$ 42,350	\$ 19,249,614	\$ 39,375,609	\$ 68,395	\$ 39,444,004
Net Benefit	\$ 84,443,505	\$ 58,921	\$ 84,502,426	\$ 69,972,332	\$ 247,232	\$ 70,219,564	\$ 154,415,837	\$ 306,153	\$ 154,721,990

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
Valuation as of January 1, 2006  
**Exhibit 2**

**Actuarial Accrued Liability**  
(5.00% Discount Rate)

	Current Active Employees			Current Retirees			Total		
	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total
<b>General</b>									
Gross Benefit	\$ 12,544,793	\$ 13,360	\$ 12,558,153	\$ 24,411,954	\$ 54,006	\$ 24,465,960	\$ 36,956,747	\$ 67,366	\$ 37,024,113
Participant Contribution	\$ 2,477,498	\$ 3,763	\$ 2,481,261	\$ 5,329,806	\$ 7,967	\$ 5,337,773	\$ 7,807,304	\$ 11,730	\$ 7,819,034
Net Benefit	\$ 10,067,295	\$ 9,597	\$ 10,076,892	\$ 19,082,148	\$ 46,039	\$ 19,128,187	\$ 29,149,443	\$ 55,636	\$ 29,205,079
<b>School</b>									
Gross Benefit	\$ 30,553,047	\$ 33,192	\$ 30,586,239	\$ 34,769,655	\$ 119,720	\$ 34,889,375	\$ 65,322,702	\$ 152,912	\$ 65,475,614
Participant Contribution	\$ 6,103,497	\$ 10,145	\$ 6,113,642	\$ 7,562,080	\$ 17,042	\$ 7,579,122	\$ 13,665,577	\$ 27,187	\$ 13,692,764
Net Benefit	\$ 24,449,550	\$ 23,047	\$ 24,472,597	\$ 27,207,575	\$ 102,678	\$ 27,310,253	\$ 51,657,125	\$ 125,725	\$ 51,782,850
<b>Public Safety</b>									
Gross Benefit	\$ 13,872,959	\$ 10,269	\$ 13,883,228	\$ 22,898,161	\$ 82,713	\$ 22,980,874	\$ 36,771,120	\$ 92,982	\$ 36,864,102
Participant Contribution	\$ 2,563,308	\$ 3,245	\$ 2,566,553	\$ 4,850,761	\$ 13,019	\$ 4,863,780	\$ 7,414,069	\$ 16,264	\$ 7,430,333
Net Benefit	\$ 11,309,651	\$ 7,024	\$ 11,316,675	\$ 18,047,400	\$ 69,694	\$ 18,117,094	\$ 29,357,051	\$ 76,718	\$ 29,433,769
<b>Light</b>									
Gross Benefit	\$ 3,948,229	\$ 3,198	\$ 3,951,427	\$ 4,441,656	\$ 20,289	\$ 4,461,945	\$ 8,389,885	\$ 23,487	\$ 8,413,372
Participant Contribution	\$ 745,932	\$ 1,028	\$ 746,960	\$ 911,036	\$ 2,729	\$ 913,765	\$ 1,656,968	\$ 3,757	\$ 1,660,725
Net Benefit	\$ 3,202,297	\$ 2,170	\$ 3,204,467	\$ 3,530,620	\$ 17,560	\$ 3,548,180	\$ 6,732,917	\$ 19,730	\$ 6,752,647
<b>Sewer</b>									
Gross Benefit	\$ 675,547	\$ 679	\$ 676,226	\$ 1,047,588	\$ 2,513	\$ 1,050,101	\$ 1,723,135	\$ 3,192	\$ 1,726,327
Participant Contribution	\$ 130,488	\$ 190	\$ 130,678	\$ 211,401	\$ 598	\$ 211,999	\$ 341,889	\$ 788	\$ 342,677
Net Benefit	\$ 545,059	\$ 489	\$ 545,548	\$ 836,187	\$ 1,915	\$ 838,102	\$ 1,381,246	\$ 2,404	\$ 1,383,650
<b>Water</b>									
Gross Benefit	\$ 2,223,144	\$ 2,739	\$ 2,225,883	\$ 1,610,582	\$ 10,341	\$ 1,620,923	\$ 3,833,726	\$ 13,080	\$ 3,846,806
Participant Contribution	\$ 442,741	\$ 722	\$ 443,463	\$ 342,180	\$ 995	\$ 343,175	\$ 784,921	\$ 1,717	\$ 786,638
Net Benefit	\$ 1,780,403	\$ 2,017	\$ 1,782,420	\$ 1,268,402	\$ 9,346	\$ 1,277,748	\$ 3,048,805	\$ 11,363	\$ 3,060,168
<b>Total</b>									
Gross Benefit	\$ 63,817,719	\$ 63,437	\$ 63,881,156	\$ 89,179,596	\$ 289,582	\$ 89,469,178	\$ 152,997,315	\$ 353,019	\$ 153,350,334
Participant Contribution	\$ 12,463,464	\$ 19,093	\$ 12,482,557	\$ 19,207,264	\$ 42,350	\$ 19,249,614	\$ 31,670,728	\$ 61,443	\$ 31,732,171
Net Benefit	\$ 51,354,255	\$ 44,344	\$ 51,398,599	\$ 69,972,332	\$ 247,232	\$ 70,219,564	\$ 121,326,587	\$ 291,576	\$ 121,618,163

**Town of Belmont**

**Postemployment Medical and Life Insurance Benefits  
Valuation as of January 1, 2006  
Exhibit 3**

Normal Cost  
(5.00% Discount Rate)

	Current Active Employees			Current Retirees			Total		
	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total
<b>General</b>									
Gross Benefit	\$ 728,813	\$ 692	\$ 729,505	-	-	-	\$ 728,813	\$ 692	\$ 729,505
Participant Contribution	\$ 144,697	\$ 181	\$ 144,878	-	-	-	\$ 144,697	\$ 181	\$ 144,878
Net Benefit	\$ 584,116	\$ 511	\$ 584,627	-	-	-	\$ 584,116	\$ 511	\$ 584,627
<b>School</b>									
Gross Benefit	\$ 2,132,393	\$ 1,485	\$ 2,133,878	-	-	-	\$ 2,132,393	\$ 1,485	\$ 2,133,878
Participant Contribution	\$ 415,577	\$ 470	\$ 416,047	-	-	-	\$ 415,577	\$ 470	\$ 416,047
Net Benefit	\$ 1,716,816	\$ 1,015	\$ 1,717,831	-	-	-	\$ 1,716,816	\$ 1,015	\$ 1,717,831
<b>Public Safety</b>									
Gross Benefit	\$ 890,939	\$ 419	\$ 891,358	-	-	-	\$ 890,939	\$ 419	\$ 891,358
Participant Contribution	\$ 162,865	\$ 142	\$ 163,007	-	-	-	\$ 162,865	\$ 142	\$ 163,007
Net Benefit	\$ 728,074	\$ 277	\$ 728,351	-	-	-	\$ 728,074	\$ 277	\$ 728,351
<b>Light</b>									
Gross Benefit	\$ 145,352	\$ 106	\$ 145,458	-	-	-	\$ 145,352	\$ 106	\$ 145,458
Participant Contribution	\$ 27,758	\$ 32	\$ 27,790	-	-	-	\$ 27,758	\$ 32	\$ 27,790
Net Benefit	\$ 117,594	\$ 74	\$ 117,668	-	-	-	\$ 117,594	\$ 74	\$ 117,668
<b>Sewer</b>									
Gross Benefit	\$ 71,822	\$ 72	\$ 71,894	-	-	-	\$ 71,822	\$ 72	\$ 71,894
Participant Contribution	\$ 14,205	\$ 18	\$ 14,223	-	-	-	\$ 14,205	\$ 18	\$ 14,223
Net Benefit	\$ 57,617	\$ 54	\$ 57,671	-	-	-	\$ 57,617	\$ 54	\$ 57,671
<b>Water</b>									
Gross Benefit	\$ 60,611	\$ 43	\$ 60,654	-	-	-	\$ 60,611	\$ 43	\$ 60,654
Participant Contribution	\$ 11,175	\$ 13	\$ 11,188	-	-	-	\$ 11,175	\$ 13	\$ 11,188
Net Benefit	\$ 49,436	\$ 30	\$ 49,466	-	-	-	\$ 49,436	\$ 30	\$ 49,466
<b>Total</b>									
Gross Benefit	\$ 4,029,930	\$ 2,817	\$ 4,032,747	-	-	-	\$ 4,029,930	\$ 2,817	\$ 4,032,747
Participant Contribution	\$ 776,277	\$ 856	\$ 777,133	-	-	-	\$ 776,277	\$ 856	\$ 777,133
Net Benefit	\$ 3,253,653	\$ 1,961	\$ 3,255,614	-	-	-	\$ 3,253,653	\$ 1,961	\$ 3,255,614

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
Valuation as of January 1, 2006  
Exhibit 4

**Sensitivity to Assumed Health Care Cost Trend Rates of Actuarial Accrued Liability (Net of Participant Contributions)**  
(5.00% Discount Rate)

	Current Active Employees			Current Retirees			Total		
	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total
<b>General</b>									
Assumed Trend	\$ 10,067,296	\$ 9,597	\$ 10,076,893	\$ 19,082,147	\$ 46,039	\$ 19,128,186	\$ 29,149,443	\$ 55,636	\$ 29,205,079
Trend Rates + 1%	\$ 12,144,755	\$ 9,597	\$ 12,154,352	\$ 21,358,890	\$ 46,039	\$ 21,404,929	\$ 33,503,645	\$ 55,636	\$ 33,559,281
Trend Rates - 1%	\$ 8,445,836	\$ 9,597	\$ 8,455,433	\$ 17,170,384	\$ 46,039	\$ 17,216,423	\$ 25,616,220	\$ 55,636	\$ 25,671,856
<b>School</b>									
Assumed Trend	\$ 24,449,551	\$ 23,046	\$ 24,472,597	\$ 27,207,576	\$ 102,677	\$ 27,310,253	\$ 51,657,127	\$ 125,723	\$ 51,782,850
Trend Rates + 1%	\$ 29,613,588	\$ 23,046	\$ 29,636,634	\$ 30,263,280	\$ 102,677	\$ 30,365,957	\$ 59,876,868	\$ 125,723	\$ 60,002,591
Trend Rates - 1%	\$ 20,464,195	\$ 23,046	\$ 20,487,241	\$ 24,629,050	\$ 102,677	\$ 24,731,727	\$ 45,093,245	\$ 125,723	\$ 45,218,968
<b>Public Safety</b>									
Assumed Trend	\$ 11,309,650	\$ 7,024	\$ 11,316,674	\$ 18,047,400	\$ 69,694	\$ 18,117,094	\$ 29,357,050	\$ 76,718	\$ 29,433,768
Trend Rates + 1%	\$ 14,140,987	\$ 7,024	\$ 14,148,011	\$ 20,182,951	\$ 69,694	\$ 20,252,645	\$ 34,323,938	\$ 76,718	\$ 34,400,656
Trend Rates - 1%	\$ 9,169,337	\$ 7,024	\$ 9,176,361	\$ 16,260,735	\$ 69,694	\$ 16,330,429	\$ 25,430,072	\$ 76,718	\$ 25,506,790
<b>Light</b>									
Assumed Trend	\$ 3,202,296	\$ 2,170	\$ 3,204,466	\$ 3,530,621	\$ 17,560	\$ 3,548,181	\$ 6,732,917	\$ 19,730	\$ 6,752,647
Trend Rates + 1%	\$ 3,942,032	\$ 2,170	\$ 3,944,202	\$ 3,933,808	\$ 17,560	\$ 3,951,368	\$ 7,875,840	\$ 19,730	\$ 7,895,570
Trend Rates - 1%	\$ 2,631,446	\$ 2,170	\$ 2,633,616	\$ 3,193,670	\$ 17,560	\$ 3,211,230	\$ 5,825,116	\$ 19,730	\$ 5,844,846
<b>Sewer</b>									
Assumed Trend	\$ 545,058	\$ 490	\$ 545,548	\$ 836,187	\$ 1,915	\$ 838,102	\$ 1,381,245	\$ 2,405	\$ 1,383,650
Trend Rates + 1%	\$ 655,550	\$ 490	\$ 656,040	\$ 936,058	\$ 1,915	\$ 937,973	\$ 1,591,608	\$ 2,405	\$ 1,594,013
Trend Rates - 1%	\$ 457,880	\$ 490	\$ 458,370	\$ 753,124	\$ 1,915	\$ 755,039	\$ 1,211,004	\$ 2,405	\$ 1,213,409
<b>Water</b>									
Assumed Trend	\$ 1,780,404	\$ 2,017	\$ 1,782,421	\$ 1,268,403	\$ 9,345	\$ 1,277,748	\$ 3,048,807	\$ 11,362	\$ 3,060,169
Trend Rates + 1%	\$ 2,103,922	\$ 2,017	\$ 2,105,939	\$ 1,408,011	\$ 9,345	\$ 1,417,356	\$ 3,511,933	\$ 11,362	\$ 3,523,295
Trend Rates - 1%	\$ 1,523,643	\$ 2,017	\$ 1,525,660	\$ 1,150,563	\$ 9,345	\$ 1,159,908	\$ 2,674,206	\$ 11,362	\$ 2,685,568
<b>Total</b>									
Assumed Trend	\$ 51,354,255	\$ 44,344	\$ 51,398,599	\$ 69,972,334	\$ 247,230	\$ 70,219,564	\$ 121,326,589	\$ 291,574	\$ 121,618,163
Trend Rates + 1%	\$ 62,600,834	\$ 44,344	\$ 62,645,178	\$ 78,082,998	\$ 247,230	\$ 78,330,228	\$ 140,683,832	\$ 291,574	\$ 140,975,406
Trend Rates - 1%	\$ 42,692,337	\$ 44,344	\$ 42,736,681	\$ 63,157,526	\$ 247,230	\$ 63,404,756	\$ 105,849,863	\$ 291,574	\$ 106,141,437

**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
**Valuation as of January 1, 2006**  
**Exhibit 5**

**Sensitivity to Assumed Health Care Cost Trend Rates of Normal Cost (Net of Participant Contributions)**  
**(5.00% Discount Rate)**

	Current Active Employees			Current Retirees			Total		
	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total	Retirement Medical	Life Insurance	Total
<b>General</b>									
Assumed Trend	\$ 584,116	\$ 511	\$ 584,627	-	-	-	\$ 584,116	\$ 511	\$ 584,627
Trend Rates + 1%	\$ 739,550	\$ 511	\$ 740,061	-	-	-	\$ 739,550	\$ 511	\$ 740,061
Trend Rates - 1%	\$ 467,630	\$ 511	\$ 468,141	-	-	-	\$ 467,630	\$ 511	\$ 468,141
<b>School</b>									
Assumed Trend	\$ 1,716,816	\$ 1,015	\$ 1,717,831	-	-	-	\$ 1,716,816	\$ 1,015	\$ 1,717,831
Trend Rates + 1%	\$ 2,280,564	\$ 1,015	\$ 2,281,579	-	-	-	\$ 2,280,564	\$ 1,015	\$ 2,281,579
Trend Rates - 1%	\$ 1,312,865	\$ 1,015	\$ 1,313,880	-	-	-	\$ 1,312,865	\$ 1,015	\$ 1,313,880
<b>Public Safety</b>									
Assumed Trend	\$ 728,074	\$ 277	\$ 728,351	-	-	-	\$ 728,074	\$ 277	\$ 728,351
Trend Rates + 1%	\$ 985,785	\$ 277	\$ 986,062	-	-	-	\$ 985,785	\$ 277	\$ 986,062
Trend Rates - 1%	\$ 544,174	\$ 277	\$ 544,451	-	-	-	\$ 544,174	\$ 277	\$ 544,451
<b>Light</b>									
Assumed Trend	\$ 117,593	\$ 75	\$ 117,668	-	-	-	\$ 117,593	\$ 75	\$ 117,668
Trend Rates + 1%	\$ 150,085	\$ 75	\$ 150,160	-	-	-	\$ 150,085	\$ 75	\$ 150,160
Trend Rates - 1%	\$ 93,331	\$ 75	\$ 93,406	-	-	-	\$ 93,331	\$ 75	\$ 93,406
<b>Sewer</b>									
Assumed Trend	\$ 57,618	\$ 53	\$ 57,671	-	-	-	\$ 57,618	\$ 53	\$ 57,671
Trend Rates + 1%	\$ 71,239	\$ 53	\$ 71,292	-	-	-	\$ 71,239	\$ 53	\$ 71,292
Trend Rates - 1%	\$ 47,098	\$ 53	\$ 47,151	-	-	-	\$ 47,098	\$ 53	\$ 47,151
<b>Water</b>									
Assumed Trend	\$ 49,436	\$ 30	\$ 49,466	-	-	-	\$ 49,436	\$ 30	\$ 49,466
Trend Rates + 1%	\$ 62,025	\$ 30	\$ 62,055	-	-	-	\$ 62,025	\$ 30	\$ 62,055
Trend Rates - 1%	\$ 39,856	\$ 30	\$ 39,886	-	-	-	\$ 39,856	\$ 30	\$ 39,886
<b>Total</b>									
Assumed Trend	\$ 3,253,653	\$ 1,961	\$ 3,255,614	-	-	-	\$ 3,253,653	\$ 1,961	\$ 3,255,614
Trend Rates + 1%	\$ 4,289,248	\$ 1,961	\$ 4,291,209	-	-	-	\$ 4,289,248	\$ 1,961	\$ 4,291,209
Trend Rates - 1%	\$ 2,504,954	\$ 1,961	\$ 2,506,915	-	-	-	\$ 2,504,954	\$ 1,961	\$ 2,506,915



**Town of Belmont**  
**Postemployment Medical and Life Insurance Benefits**  
**Valuation as of January 1, 2006**  
**Exhibit 6**

**Annual Required Contribution**  
**(5.00% Discount Rate)**

Under GASB 45, the Annual Required Contribution (ARC) of the employer equals the Normal Cost plus a provision for amortizing the Unfunded Actuarial Accrued Liability. We have assumed level dollar amortization over the maximum acceptable amortization period of 30 years.

For the period beginning January 1, 2006, the ARC (calculated under the parameters of this actuarial valuation) would be:

	<b>General</b>	<b>School</b>	<b>Public Safety</b>	<b>Light</b>	<b>Sewer</b>	<b>Water</b>	<b>Total</b>
1. Normal Cost	\$ 584,627	\$ 1,717,831	\$ 728,351	\$ 117,668	\$ 57,671	\$ 49,466	\$ 3,255,614
2. Unfunded Actuarial Accrued Liability							
a. Actuarial Accrued Liability	\$ 29,205,079	\$ 51,782,850	\$ 29,433,769	\$ 6,752,647	\$ 1,383,650	\$ 3,060,168	\$ 121,618,163
b. Actuarial Value of Plan Assets	-	-	-	-	-	-	-
c. Unfunded Actuarial Accrued Liability	\$ 29,205,079	\$ 51,782,850	\$ 29,433,769	\$ 6,752,647	\$ 1,383,650	\$ 3,060,168	\$ 121,618,163
3. Amortization of Unfunded Actuarial Accrued Liability							
a. Unfunded Actuarial Accrued Liability	\$ 29,205,079	\$ 51,782,850	\$ 29,433,769	\$ 6,752,647	\$ 1,383,650	\$ 3,060,168	\$ 121,618,163
b. Amortization Period	30	30	30	30	30	30	
c. Amortization Factor	16.14	16.14	16.14	16.14	16.14	16.14	
d. Amortization Amount (3.a. / 3.c.)	\$ 1,809,484	\$ 3,208,355	\$ 1,823,654	\$ 418,380	\$ 85,728	\$ 189,601	\$ 7,535,202
4. Interest	\$ 119,706	\$ 246,309	\$ 127,600	\$ 26,802	\$ 7,170	\$ 11,953	\$ 539,540
5. Annual Required Contribution (1. + 3.d + 4.)	\$ 2,513,817	\$ 5,172,495	\$ 2,679,605	\$ 562,850	\$ 150,569	\$ 251,020	\$ 11,330,356

**Town of Belmont  
Postemployment Medical and Life Insurance  
Benefits Valuation  
Exhibit 7  
Actuarial and Economic Assumptions**

Valuation Date: January 1, 2006

Health Care  
Cost Trend Rates:

<u>Year</u>	<u>Rate</u>
1	8.0%
2	7.0%
3	6.0%
4	5.0%
Ultimate	4.5% <i>→ 25 years</i>

Discount Rate: 5.0% compounded annually

Mortality Table: Healthy Annuitant Table RP-2000

Turnover Rates: Illustrative Turnover rates are shown below:

<u>Years of Service</u>	<u>Public Safety</u>	<u>Other Employees</u>
0	1.5%	15.0%
1	1.5%	12.0%
2	1.5%	10.0%
3	1.5%	9.0%
4	1.5%	8.0%
5	1.5%	7.6%
10	1.5%	5.4%
15	0.0%	3.3%
20	0.0%	2.0%
25	0.0%	1.0%
30	0.0%	0.0%

**Town of Belmont  
Postemployment Medical and Life Insurance  
Benefits Valuation  
Exhibit 7 (continued)  
Actuarial and Economic Assumptions**

Eligibility: Retirement at age 55 with 10 years of creditable service  
Retirement at any age with 20 years of creditable service

Retirement Rates: For purposes of the valuation, we assumed the maximum retirement age to be 65.

<u>Age</u>	<u>Rate of Retirement</u>
45	1.0%
50	2.0%
55	15.0%
60	20.0%
62	25.0%
65	100.0%

Medical Monthly  
Premium Rates for the  
Year Beginning  
January 1, 2006

	<u>Individual</u>	<u>Family</u>
PPO	\$750.30	\$2,040.81
HMO	\$469.84	\$1,276.96
Medicare Enhance	\$396.13	\$792.26
First Seniority	\$222.00	\$444.00

**Town of Belmont**  
**Postemployment Medical and Life Insurance**  
**Benefits Valuation**  
**Exhibit 7 (continued)**  
**Actuarial and Economic Assumptions**

Incurred Medical Costs  
Per Capita for the Year  
Beginning January 1, 2006:

**Retirees and Spouses**

<u>Age</u>	<u>Incurred Medical Costs</u>
Under 55	\$9,493
55-59	\$11,606
60-64	\$14,107
65-69	\$6,403
70-74	\$5,723
75-79	\$5,817
80-84	\$6,532
85-89	\$8,673
90-94	\$11,359
95-99	\$10,364

**Town of Belmont**  
**Postemployment Medical and Life Insurance**  
**Benefits Valuation**  
**Exhibit 7 (continued)**  
**Actuarial and Economic Assumptions**

Medical Plan Participation:	98% of eligible retirees will elect to participate
Dependent Status:	35% of School employees and 45% of other Belmont employees are assumed to retire with a covered spouse. Male spouses are assumed to be three years older and female spouses are assumed to be three years younger than the retired employee.
Participant Contributions:	Eligible retirees under age 65 and their spouses contribute 10% of premium rates for the HMO plan and 20% of the premium rates for the PPO plan. Medicare-eligible retirees and their spouses contribute approximately 39% of the cost of the Medicare Enhance Supplement and 30% of the cost of the First Seniority Plan. For the year beginning January 1, 2006, we assumed average contributions of \$1,302 for each retiree and spouse under age 65, and \$1,702 for each retiree and spouse age 65 or older.
Continuation of Coverage to Spouse After Death of Retiree:	Surviving spouse may continue coverage for lifetime by making required contribution.
Life Insurance:	Retirees are eligible for a \$2,000 life insurance benefit. Retirees electing life insurance contribute \$16.44 annually for the benefit. We assumed that 50% of future retirees will elect the life insurance benefit.
Actuarial Cost Method:	Projected Unit Credit. The costs of each employee's Postemployment benefits are allocated on a pro rata basis from the employee's date of hire to the date the employee is fully eligible for benefits.

**Town of Belmont  
Exhibit 8**

**Active Employees by Age and Years of Service as of January 1, 2006**

Age	General								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39			40 & up
Under 25	5	1	0	0	0	0	0	0	0	6	6%
25 to 29	4	2	0	0	0	0	0	0	0	6	6%
30 to 34	5	2	0	0	0	0	0	0	0	7	7%
35 to 39	4	3	0	1	1	0	0	0	0	9	9%
40 to 44	4	4	1	2	2	0	0	0	0	13	12%
45 to 49	2	5	1	2	4	0	0	0	0	14	14%
50 to 54	2	7	2	1	1	0	0	0	0	13	12%
55 to 59	2	4	0	1	3	3	3	3	0	19	18%
60 to 64	6	1	1	1	1	1	1	0	0	12	12%
65 to 69	1	0	0	1	0	0	0	0	0	2	2%
70 & up	0	1	0	0	1	0	0	0	0	2	2%
Total	35	30	5	9	13	4	4	3	0	103	100%
Percent	34%	29%	5%	9%	12%	4%	4%	3%	0%		

Age	Schools								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39			40 & up
Under 25	20	1	0	0	0	0	0	0	0	21	6%
25 to 29	73	8	0	0	0	0	0	0	0	81	22%
30 to 34	37	20	0	0	0	0	0	0	0	57	15%
35 to 39	17	13	4	1	0	0	0	0	0	35	9%
40 to 44	13	9	3	0	1	0	0	0	0	26	7%
45 to 49	7	14	6	4	5	1	0	0	0	37	10%
50 to 54	10	7	8	5	3	5	0	1	0	39	10%
55 to 59	9	3	15	11	6	4	5	0	0	53	14%
60 to 64	3	3	0	4	2	2	2	0	0	16	4%
65 to 69	1	0	2	0	1	1	1	0	0	6	2%
70 & up	0	0	1	0	0	1	1	0	0	3	1%
Total	190	78	39	25	18	14	9	1	0	374	100%
Percent	51%	22%	10%	6%	5%	4%	2%	0%	0%		

**Town of Belmont  
Exhibit 8 (Continued)**

**Active Employees by Age and Years of Service as of January 1, 2006**

Age	Public Safety										Total	Percent
	Years of Service											
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up			
Under 25	4	0	0	0	0	0	0	0	0	0	4	4%
25 to 29	6	1	0	0	0	0	0	0	0	0	7	8%
30 to 34	9	6	1	0	0	0	0	0	0	0	16	18%
35 to 39	4	8	6	1	0	0	0	0	0	0	19	21%
40 to 44	0	7	2	4	3	0	0	0	0	0	16	18%
45 to 49	0	2	0	3	1	1	0	0	0	0	7	8%
50 to 54	0	1	0	1	0	3	3	0	0	0	8	9%
55 to 59	0	1	0	0	0	10	1	0	0	0	12	13%
60 to 64	0	0	0	0	0	0	0	1	0	0	1	1%
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0%
70 & up	0	0	0	0	0	0	0	0	0	0	0	0%
<b>Total</b>	<b>23</b>	<b>26</b>	<b>9</b>	<b>9</b>	<b>4</b>	<b>14</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>90</b>	<b>100%</b>
<b>Percent</b>	<b>26%</b>	<b>29%</b>	<b>10%</b>	<b>10%</b>	<b>4%</b>	<b>16%</b>	<b>4%</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>		

Age	Light										Total	Percent
	Years of Service											
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up			
Under 25	1	0	0	0	0	0	0	0	0	0	1	4%
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0%
30 to 34	0	2	0	0	0	0	0	0	0	0	2	9%
35 to 39	0	0	1	0	0	0	0	0	0	0	1	4%
40 to 44	0	0	0	2	3	0	0	0	0	0	5	22%
45 to 49	1	2	2	1	2	0	0	0	0	0	8	35%
50 to 54	1	0	0	1	0	0	0	0	0	0	2	9%
55 to 59	0	0	0	0	1	0	0	0	0	0	1	4%
60 to 64	1	0	0	1	1	0	0	0	0	0	3	13%
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0%
70 & up	0	0	0	0	0	0	0	0	0	0	0	0%
<b>Total</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>100%</b>
<b>Percent</b>	<b>17%</b>	<b>17%</b>	<b>13%</b>	<b>22%</b>	<b>31%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		

**Town of Belmont  
Exhibit 8 (Continued)**

**Active Employees by Age and Years of Service as of January 1, 2006**

Age	Sewer								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39			40 & up
Under 25	0	0	0	0	0	0	0	0	0	0	0%
25 to 29	0	0	0	0	0	0	0	0	0	0	0%
30 to 34	0	0	0	0	0	0	0	0	0	0	0%
35 to 39	0	0	0	0	0	0	0	0	0	0	0%
40 to 44	1	1	0	0	0	0	0	0	0	2	29%
45 to 49	1	1	0	0	0	0	0	0	0	2	29%
50 to 54	1	0	0	0	1	0	0	0	0	2	29%
55 to 59	0	0	0	0	0	0	0	0	0	0	0%
60 to 64	0	1	0	0	0	0	0	0	0	1	13%
65 to 69	0	0	0	0	0	0	0	0	0	0	0%
70 & up	0	0	0	0	0	0	0	0	0	0	0%
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>100%</b>
<b>Percent</b>	<b>43%</b>	<b>43%</b>	<b>0%</b>	<b>0%</b>	<b>14%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		

Age	Water								Total	Percent	
	Years of Service										
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39			40 & up
Under 25	0	0	0	0	0	0	0	0	0	0	0%
25 to 29	0	0	0	0	0	0	0	0	0	0	0%
30 to 34	0	0	0	0	0	0	0	0	0	0	0%
35 to 39	0	1	0	1	0	0	0	0	0	2	18%
40 to 44	0	0	0	0	0	0	0	0	0	0	0%
45 to 49	0	1	0	0	0	0	0	0	0	1	9%
50 to 54	0	0	0	2	0	0	0	0	0	2	18%
55 to 59	0	1	0	1	0	0	1	0	0	3	28%
60 to 64	0	0	0	0	0	0	2	0	0	2	18%
65 to 69	0	0	0	0	0	0	0	1	0	1	9%
70 & up	0	0	0	0	0	0	0	0	0	0	0%
<b>Total</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>11</b>	<b>100%</b>
<b>Percent</b>	<b>0%</b>	<b>27%</b>	<b>0%</b>	<b>37%</b>	<b>0%</b>	<b>0%</b>	<b>27%</b>	<b>9%</b>	<b>0%</b>		



**Town of Belmont  
Exhibit 8 (Continued)**

**Active Employees by Age and Years of Service as of January 1, 2006**

Age	All Years of Service										Total	Percent
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up			
Under 25	30	2	0	0	0	0	0	0	0	0	32	5%
25 to 29	83	11	0	0	0	0	0	0	0	0	94	16%
30 to 34	51	30	1	0	0	0	0	0	0	0	82	13%
35 to 39	25	25	11	4	1	0	0	0	0	0	66	11%
40 to 44	18	21	6	8	9	0	0	0	0	0	62	10%
45 to 49	11	25	9	10	12	2	0	0	0	0	69	11%
50 to 54	14	15	10	10	5	8	3	1	0	0	66	11%
55 to 59	11	9	15	13	10	17	10	3	0	0	88	15%
60 to 64	10	5	1	6	4	3	5	1	0	0	35	6%
65 to 69	2	0	2	1	1	1	1	1	0	0	9	1%
70 & up	0	1	1	0	1	1	1	0	0	0	5	1%
<b>Total</b>	<b>255</b>	<b>144</b>	<b>56</b>	<b>52</b>	<b>43</b>	<b>32</b>	<b>20</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>608</b>	<b>100%</b>
<b>Percent</b>	<b>42%</b>	<b>24%</b>	<b>9%</b>	<b>9%</b>	<b>7%</b>	<b>5%</b>	<b>3%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>		

**Town of Belmont  
Exhibit 9**

**Retired and Survivor Medical Plan Participants as of January 1, 2006**

Age	General			Schools			Public Safety			Age
	Single	Family	Total	Single	Family	Total	Single	Family	Total	
Under 40	0	0	0	0	0	0	0	0	0	Under 40
40 - 44	0	0	0	0	1	1	0	0	0	40 - 44
45 - 49	2	2	4	1	0	1	0	0	0	45 - 49
50 - 54	4	1	5	0	0	0	0	2	2	50 - 54
55 - 59	2	4	6	9	10	19	1	10	11	55 - 59
60 - 64	14	9	23	27	19	46	8	14	22	60 - 64
65 - 69	39	1	40	46	2	48	12	4	16	65 - 69
70 - 74	33	0	33	35	1	36	25	0	25	70 - 74
75 - 79	19	0	19	33	0	33	16	0	16	75 - 79
80 - 84	11	0	11	24	0	24	5	0	5	80 - 84
85 & Up	13	0	13	23	0	23	7	0	7	85 & Up
Total	137	17	154	198	33	231	74	30	104	Total
Percent	89%	11%		86%	14%		71%	29%		Percent

Age	Light			Sewer			Water			Age
	Single	Family	Total	Single	Family	Total	Single	Family	Total	
Under 40	0	0	0	0	0	0	0	0	0	Under 40
40 - 44	0	0	0	0	0	0	0	0	0	40 - 44
45 - 49	0	0	0	0	0	0	0	1	1	45 - 49
50 - 54	0	1	1	0	0	0	0	0	0	50 - 54
55 - 59	4	1	5	0	1	1	0	0	0	55 - 59
60 - 64	2	1	3	0	1	1	0	0	0	60 - 64
65 - 69	4	0	4	1	0	1	1	0	1	65 - 69
70 - 74	2	0	2	0	0	0	0	0	0	70 - 74
75 - 79	4	0	4	0	0	0	4	0	4	75 - 79
80 - 84	2	0	2	0	0	0	4	0	4	80 - 84
85 & Up	6	0	6	0	0	0	1	0	1	85 & Up
Total	24	3	27	1	2	3	10	1	11	Total
Percent	89%	11%		33%	67%		91%	9%		Percent

**Town of Belmont  
Exhibit 9 (Continued)**

**Retired and Survivor Medical Plan Participants as of January 1, 2006**

Age	All			Percent
	Single	Family	Total	
Under 40	0	0	0	0%
40 - 44	0	1	1	0%
45 - 49	3	3	6	1%
50 - 54	4	4	8	2%
55 - 59	16	26	42	8%
60 - 64	51	44	95	18%
65 - 69	103	7	110	21%
70 - 74	95	1	96	18%
75 - 79	76	0	76	14%
80 - 84	46	0	46	9%
85 & Up	50	0	50	9%
Total	444	86	530	100%
Percent	84%	16%		