

May 21, 2020

Personal and Confidential

Ms. Ellen Shore
Operations Manager
Cambridge Redevelopment Authority
255 Main Street, 4th Floor
Cambridge, MA 02142

Re: GASB 74/75 - Summary of Results

Dear Ms. Shore:

The purpose of this letter is to summarize our actuarial valuation of the Cambridge Redevelopment Authority Other Postemployment Benefits Plan (the "Plan") for the Reporting Date and fiscal year ending December 31, 2019 with a Valuation Date of January 1, 2019 and a Measurement Date of December 31, 2019 in accordance with Statement Nos. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75").

How did plan liabilities to change from FY 18 to FY 19?

For the year ending on the Measurement Date of December 31, 2019, the Plan saw an experience gain of \$144,672 or 16.81% of the beginning Total OPEB Liability ("TOL"). This was mainly due to premiums for Medicare Supplement plans increasing 1% rather than the expected 16% increase and a decrease in the number of retired participants.

The TOL went from \$860,656 as of December 31, 2018 to \$677,305 as of December 31, 2019 for a decrease of \$183,351. The Authority's Financial Statement Expense decreased from \$65,260 for the period ending on December 31, 2018 to \$11,382 for the period ending on December 31, 2019, for a total change of (\$53,878).

Under MGL, you are required to provide a copy of this report to PERAC no later than 90 days from receipt. We've provided this to you in PDF format to facilitate its transmission.

If you or your auditors have questions on this report, feel free to give us a call.

Sincerely,



Parker E. Elmore, ASA, EA, FCA, MAAA
President, CEO & Actuary