



# Town of Marblehead

GASB 75 Results

October 22, 2025



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Actuaries & Management  
Consultants

Providing actuarial consulting  
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**About  
Us**



# Why Do We Need an OPEB Report?

OPEB accrual accounting vs. pay-as-you-go accounting

Accrual accounting answers the questions:

- What is the value of benefits accrued to date?
- What is the value of benefits accrued this year?
- What is the value of the benefits paid out this year?

GASB 75 standardized methods

# GASB 75 Results

Measurement Date	06/30/2025	06/30/2024
Reporting Date	06/30/2025	06/30/2024
<b>Total OPEB Liability (TOL):</b> The value of the benefits that have been earned by active and retired employees	146,998,774	151,602,694
<b>Fiduciary Net Position:</b> (i.e. assets)	4,954,123	4,549,099
<b>Net OPEB Liability (NOL):</b> The TOL minus the assets	142,044,651	147,053,595
<b>Funded Ratio</b>	3.37%	3.00%
<b>Discount Rate</b>	5.51%	5.74%

# GASB 75 Results

	FY 2025	FY 2024
<b>Service Cost:</b> The value of the benefits that eligible employees accrue each year	3,355,650	3,658,221
<b>Financial Statement Expense</b>	(4,338,101)	(2,915,119)
<b>Employer Share of Cost:</b> The employer's portion of the premiums each year including implicit cost	6,914,651	6,270,251
<b>Trust Contributions</b>	0	254,389
<b>Net OPEB Expense:</b> The expense (on an accrual basis) that is recognized annually on the financial statement	(11,252,752)	(9,439,759)
<b>Discount Rate</b>	5.51%	5.74%

# GASB 75

## Results

### Positive Drivers of Plan Experience

- Higher turnover than expected
  - Decreasing liabilities by \$10.6M
- Decrease in the number of covered retirees and spouses
  - Decreasing liabilities by \$13.8M

### Negative Drivers of Plan Experience

- Discount Rate decreased
  - Increasing liabilities by \$4M
- Premiums increased more than expected
  - Increasing liabilities by \$2.6M

# Actuarial Assumptions

## DISCOUNT RATE

The interest rate used to calculate the present value of future cash flows. Currently, 5.51% (previously 5.74%).

## 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, 5.00% per year (evaluated annually according to the Getzen Model of Long-Run Medical Cost Trends).



Comprehensive Medical, Dental and \$1,000  
of Life Insurance

Average Active Single Plan:  
\$1,100

Average Medicare Supplement Plan:  
\$471

# Medical Plan Offerings

# TOWN & CITY FUNDING RATIOS

As of 12/31/2023

Values	City	Town	Grand Total
20th Percentile	0.16%	2.50%	0.65%
25th Percentile	0.33%	2.95%	1.18%
40th Percentile	0.65%	6.21%	4.21%
50th Percentile	1.28%	9.92%	7.31%
60th Percentile	2.23%	13.13%	12.50%
75th Percentile	3.52%	25.10%	26.20%
80th Percentile	4.60%	29.83%	31.03%
90th Percentile	5.90%	47.69%	67.66%
95th Percentile	9.35%	59.66%	88.11%

## FUNDING COMPARISON TO OTHER ODYSSEY

# 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 Marblehead	645	5.51%	3,355,650	5,203	142,044,651	3.37%	6,914,651	9,244
Town of Boxford	198	6.97%	464,609	2,347	13,876,216	29.23%	820,779	4,437
Town of Danvers	843	6.55%	3,076,072	3,649	92,749,715	13.37%	5,473,902	6,587
City of Newburyport	612	5.74%	2,182,725	3,567	81,519,757	1.89%	3,193,221	5,743
Town of Saugus	523	6.28%	3,069,396	5,869	128,349,667	2.64%	5,996,520	8,603
Town of Topsfield	205	6.82%	511,251	2,494	12,299,492	21.57%	712,091	4,980
Massachusetts Average (Odyssey Clients only)	145	4.90%	597,501	4,110	17,749,987	11.58%	720,464	6,475

# SERVICE COST PER ACTIVE EMPLOYEE

## Town of Marblehead Service Cost per Capita as of July 1, 2024

	Town Employees	School Employees	Water Enterprise Employees	Sewer Enterprise Employees	Harbor Enterprise Employees	Total
I. Service Cost	1,252,213	1,996,063	54,753	29,731	22,890	3,355,650
II. Eligible Actives	181	436	15	9	4	645
III. Service Cost per Eligible Active [I. / II.]	6,918	4,578	3,650	3,303	5,723	5,203

# Projected Cash Flows

Total Medical, Dental & Life Insurance - Funding - 5.51% 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, 2025	146,998,774	4,954,123	142,044,651	3.37%	6,914,651	0	6,914,651	146,998,774	6,914,651
June 30, 2026	151,553,288	5,513,329	146,039,959	3.64%	6,652,129	250,000	6,902,129	147,139,115	6,458,378
June 30, 2027	155,729,355	6,106,591	149,622,764	3.92%	6,985,979	250,000	7,235,979	146,789,853	6,584,955
June 30, 2028	159,903,611	6,735,982	153,167,629	4.21%	7,343,979	250,000	7,593,979	146,334,456	6,720,781
June 30, 2029	164,080,742	7,403,703	156,677,039	4.51%	7,735,073	250,000	7,985,073	145,783,614	6,872,512
June 30, 2034	186,083,055	11,404,120	174,678,935	6.13%	9,219,826	250,000	9,469,826	142,617,167	7,066,229
June 30, 2039	209,633,837	16,780,346	192,853,491	8.00%	10,810,715	250,000	11,060,715	138,592,662	7,147,156
June 30, 2044	236,144,262	24,005,544	212,138,718	10.17%	12,051,617	250,000	12,301,617	134,669,773	6,872,869
June 30, 2049	270,150,708	33,715,605	236,435,103	12.48%	12,995,700	250,000	13,245,700	132,896,247	6,393,023
June 30, 2054	314,700,587	46,765,116	267,935,471	14.86%	14,301,245	250,000	14,551,245	133,542,049	6,068,681
June 30, 2059	372,256,177	64,302,568	307,953,609	17.27%	16,498,907	250,000	16,748,907	136,262,475	6,039,341
June 30, 2064	444,483,282	87,871,436	356,611,846	19.77%	19,051,021	250,000	19,301,021	140,347,172	6,015,427



# Questions?



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