

AGENDA

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GLASTONBURY BOARD OF FINANCE MEETING

AGENDA OF REGULAR MEETING

Wednesday, October 21, 2020, 4:00 PM

Held through Zoom Video Conferencing (details on page 2)

Board Members: Constantine Constantine; Chairman, Jennifer Sanford; Vice Chairman, Walter Cusson, Robert Lynn, James McIntosh, and James Zeller.

1. Public Comment Session
2. Communication: Chris Kachmar from FIA
 - a. Communication: September Flash Report
 - b. Communication: Fiduciary Governance Calendar
 - c. Communication: Alternatives Overview
3. Communication: Minutes
 - a. September 16, 2020 – Regular Meeting
 - b. October 6, 2020 – Special Meeting
4. Communication: Pension Report – August 2020
5. Communication: Month End Investments – August 2020
6. Communication: Financial Summary (Revenues & Expenditures) for 3 months - September 2020
7. Communication: Education Reconciliation – August 2020
8. Communication: Capital Projects – September 2020
9. Communication: Self Insurance Reserve Fund – September 2020
10. Communication: Transfers Approved by Town Manager Since Last Meeting
 - a. Laptop for Contact Tracing (Health Dept.) \$1,200
 - b. Temporary Staff to Process Absentee Ballot Applications (Town Clerk) \$4,000
 - c. NeoGov Onboarding Software (HR) \$450
11. Action: Transfers over \$5,000
 - a. 2157 Main Street - \$150,000
12. Communication: Pension Valuation Report (July 1, 2019)
13. Board of Finance Committee Reports, comments and remarks (no action to be taken)
14. Adjournment

IN ACCORDANCE WITH GOVERNOR LAMONT'S EXECUTIVE ORDER 7B.1 "SUSPENSION OF IN-PERSON OPEN MEETING REQUIREMENTS", GLASTONBURY BOARD OF FINANCE MEETINGS ARE CURRENTLY BEING CONDUCTED THROUGH ZOOM VIDEO CONFERENCING UNTIL FURTHER NOTICE.

Join the Meeting - The public may join the Zoom Video Conference as an Attendee (view and listen function only) as follows:

Join by Zoom Meeting link:

<https://us02web.zoom.us/j/88039431750?pwd=N01Od3VnVkFqZlNIOWNVSkZjR3kyZz09>

Passcode: 085221

Join by Phone:

Dial: +1 301 715 8592 or +1 312 626 6799

Webinar ID: 880 3943 1750

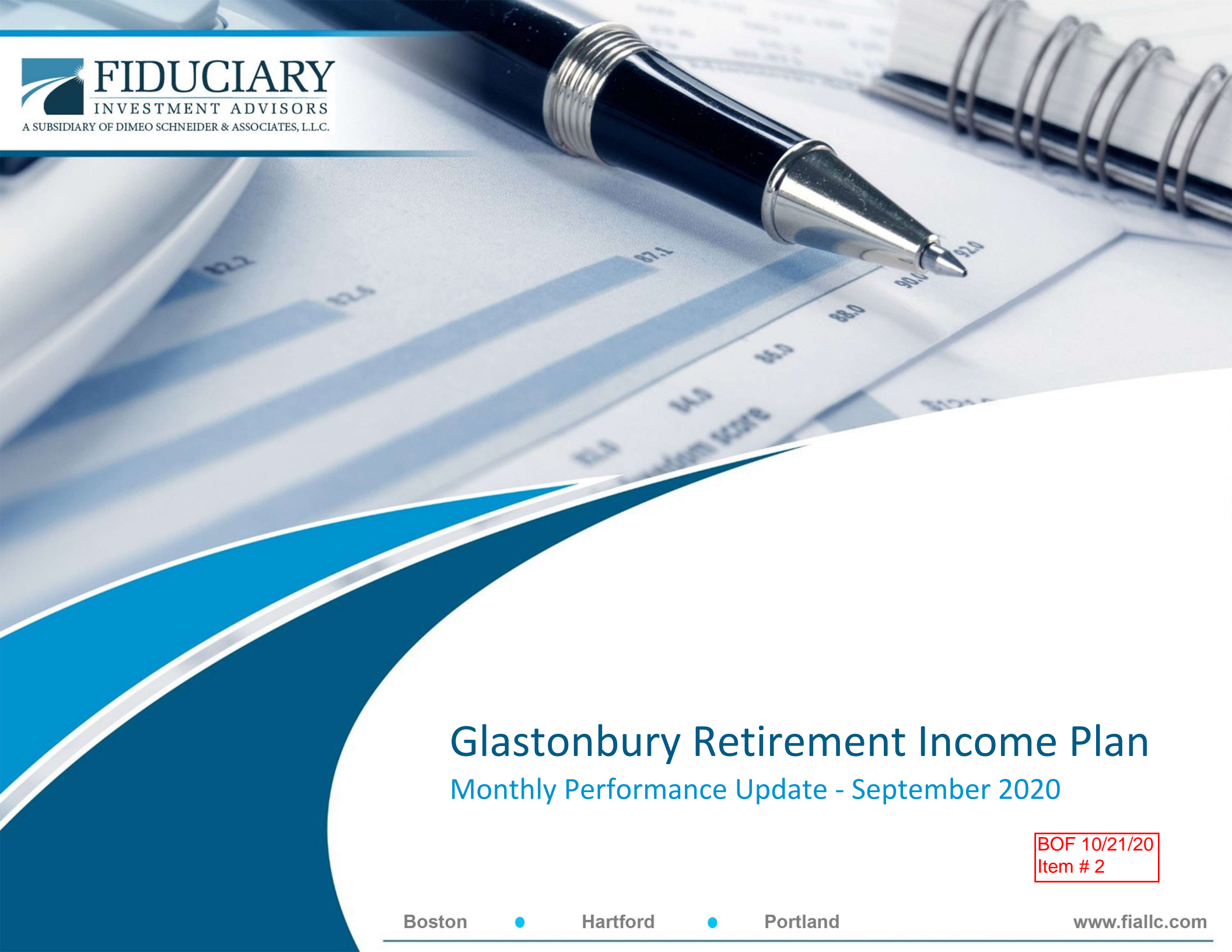
Passcode: 085221

Public Comment may be submitted through a form at the following link no later than 2:00 p.m. on Tuesday, October 20, 2020. Be sure to select *Board of Finance* in question 4 of the form:

www.glastonbury-ct.gov/publiccomment

There is also the opportunity to give Public Comment as part of the virtual meeting if joining through the Zoom Meeting Link.

Watch the Meeting - This meeting will be broadcast in real-time through Public Access Television on Channel 16, or live streamed on the town website. [Click here to view by live streaming.](#)



Glastonbury Retirement Income Plan

Monthly Performance Update - September 2020

BOF 10/21/20
Item # 2



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Capital Markets Flash Report

September 2020

U.S. Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	-3.8	5.6	15.1	12.3	14.1	13.7
Russell 1000 Growth	-4.7	24.3	37.5	21.7	20.1	17.3
Russell 1000 Value	-2.5	-11.6	-5.0	2.6	7.7	9.9
Russell Mid Cap	-1.9	-2.3	4.6	7.1	10.1	11.8
Russell Mid Cap Growth	-1.4	13.9	23.2	16.2	15.5	14.6
Russell Mid Cap Value	-2.3	-12.8	-7.3	0.8	6.4	9.7
Russell 2000	-3.3	-8.7	0.4	1.8	8.0	9.9
Russell 2000 Growth	-2.1	3.9	15.7	8.2	11.4	12.3
Russell 2000 Value	-4.7	-21.5	-14.9	-5.1	4.1	7.1

The S&P 500 Index took a step back in September, falling 3.8%. This decline followed five straight months of gains, which saw the S&P 500 rise over 60% from the lows encountered on March 23rd to its most recent all-time high on September 2nd. From a style perspective, value outperformed growth within large capitalization stocks, and growth outperformed within small and mid-capitalization securities. At the sector level, utilities and real estate, often viewed as bond proxy sectors, led the way with positive absolute returns. Conversely, energy and technology were the laggards in the period.

Fixed Income

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
BBgBarc US Agg	-0.1	6.8	7.0	5.2	4.2	3.6
BBgBarc US Corp IG	-0.3	6.6	7.9	6.4	6.0	5.1
BBgBarc US Corp HY	-1.0	0.6	3.3	4.2	6.8	6.5
BBgBarc US Gov/Cr 1-3 Yr	0.0	3.1	3.7	2.8	2.1	1.6
BBgBarc US Gov/Cr Long	-0.1	14.2	12.9	10.2	8.8	7.4
BBgBarc Municipal	0.0	3.3	4.1	4.3	3.8	4.0
FTSE WGBI USD	-0.2	7.1	6.8	4.4	3.9	1.9
ICE BofAML US 3M T-Bill	0.0	0.6	1.1	1.7	1.2	0.6

U.S. bond markets were negative in September, with the Bloomberg Barclays Aggregate Bond Index returning -0.1%. Rates were largely unchanged across the curve. The U.S. 10-year Treasury yield ended the month at 0.69%, down just three basis points from its August close. Negative performance for the quarter was largely a result of spread widening, as investment grade and high yield bond spreads increased 7 and 40 basis points, respectively. International bond markets produced negative returns as well, with the FTSE WGBI returning -0.2% in September.

International Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
MSCI ACWI Ex USA	-2.5	-5.4	3.0	1.2	6.2	4.0
MSCI EAFE	-2.6	-7.1	0.5	0.6	5.3	4.6
MSCI EAFE Growth	-0.7	4.6	13.4	7.1	9.2	7.0
MSCI EAFE Value	-4.6	-18.3	-11.9	-5.9	1.1	2.1
MSCI EAFE Small Cap	-0.7	-4.2	6.8	1.4	7.4	7.3
MSCI EM	-1.6	-1.2	10.5	2.4	9.0	2.5
MSCI EM Small	-1.6	-2.4	6.9	-1.1	4.6	1.0

International equities produced negative returns in September but outpaced domestic equities, with the MSCI ACWI ex U.S. Index returning -2.5%. From a style perspective, small caps outperformed large caps, and growth beat value. Emerging market equities outperformed their developed market counterparts, returning -1.6% during the month. From a country standpoint, Japan performed well within developed markets, while India was among the top performers within emerging markets.

Commodities & Real Estate

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
Bloomberg Commodity	-3.4	-12.1	-8.2	-4.2	-3.1	-6.0
S&P N.A. Natural Resources	-9.6	-31.9	-26.8	-12.5	-3.8	-2.6
FTSE Nareit Equity REITs	-3.3	-17.5	-18.2	0.2	3.9	7.9
FTSE EPRA Nareit Developed	-3.0	-19.1	-17.5	-0.5	3.0	5.6

Commodities, natural resource equities, and REITs were all negative during the month of September, encountering headwinds from the risk-off market environment. Notably, oil markets dipped, with the WTI crude November futures contract ending the month at \$40.22 per barrel, down from \$42.85 at the end of August.

Performance data sourced from Morningstar Direct.

Past performance does not indicate future performance and there is a possibility of a loss.

Capital Markets Flash Report

September 2020

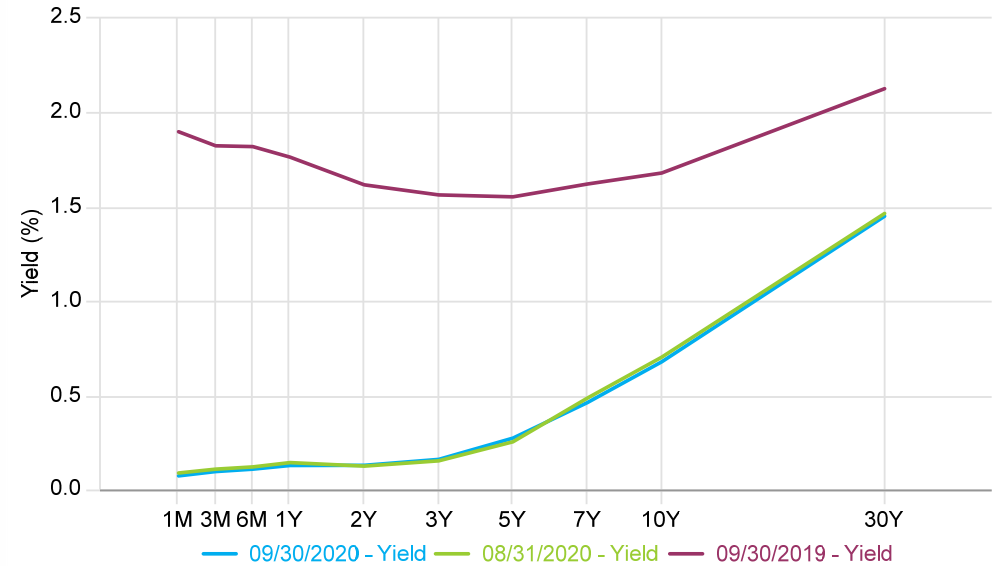
S&P 500 Price History - Trailing 1 Year

09/30/2019 - 09/30/2020



FactSet, S&P

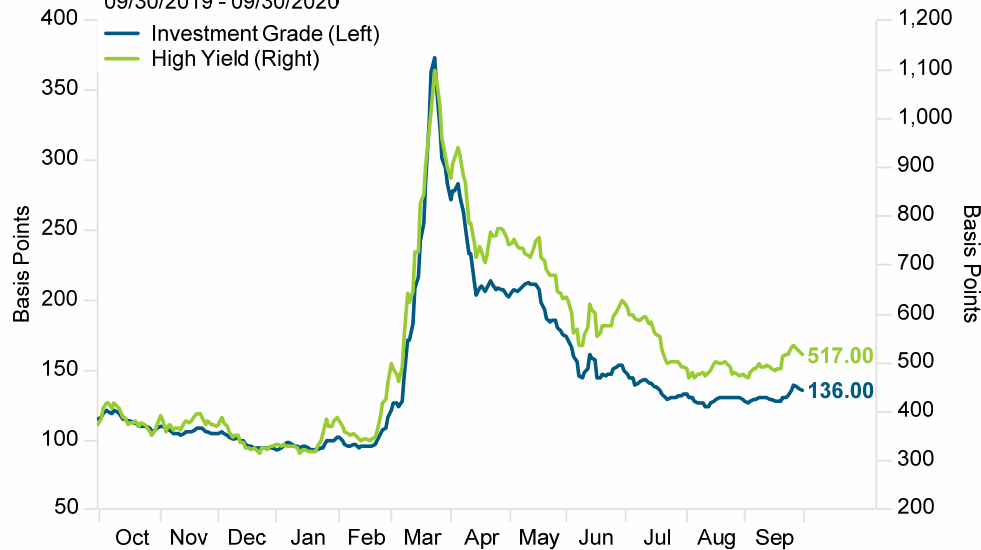
United States Treasury Yield Curve



FactSet

Barclays Corporate Option Adjusted Spread - Trailing 1 Year

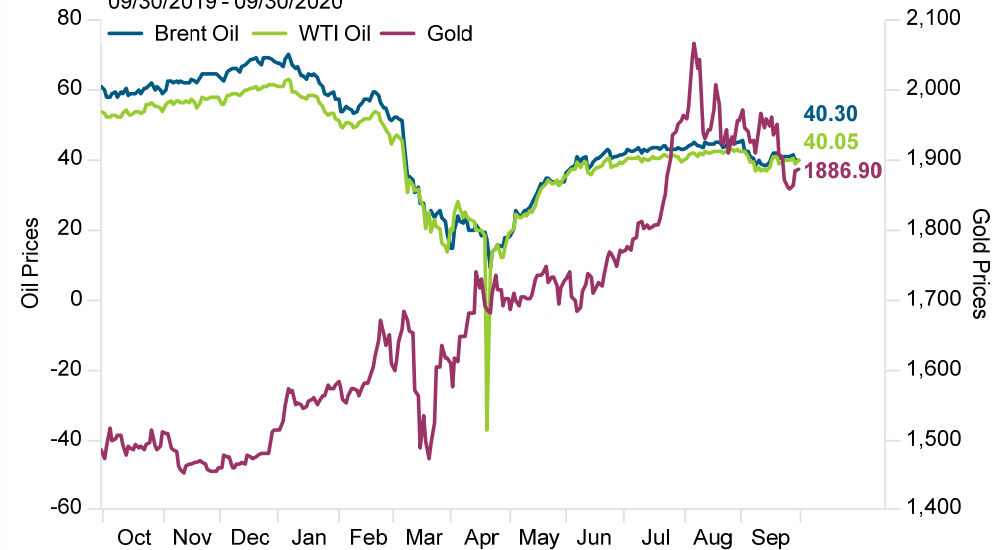
09/30/2019 - 09/30/2020



FactSet, Bloomberg Barclays

Commodity Prices - Trailing 1 Year

09/30/2019 - 09/30/2020



FactSet

Asset Allocation

As of September 30, 2020

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	176,755,123	100.0	100.0	0.0
Short Term Liquidity	2,388,486	1.4	0.5	0.9
Wells Fargo Government Money Market	2,388,486	1.4	0.5	0.9
Fixed Income	58,264,460	33.0	33.5	-0.5
Metropolitan West Total Return Bond Pl	24,873,440	14.1	14.3	-0.2
BlackRock Total Return Fund K	24,898,348	14.1	14.3	-0.2
Templeton Global Bond R6	8,492,672	4.8	5.0	-0.2
Domestic Equity	72,486,090	41.0	40.0	1.0
Vanguard Institutional Index Fund Instl	51,471,401	29.1	28.0	1.1
Jackson Square SMID-Cap Growth IS	10,566,567	6.0	6.0	0.0
Earnest Partners SMID Cap Value CIT	10,448,123	5.9	6.0	-0.1
Touchstone Growth Opportunities Instl	-	0.0	0.0	0.0
DFA US Vector Equity I	-	0.0	0.0	0.0
International Equity	27,425,666	15.5	16.0	-0.5
Vanguard International Growth Adm	9,553,581	5.4	5.5	-0.1
Causeway International Value Instl	9,288,153	5.3	5.5	-0.2
Templeton Instl Foreign Smaller Companies Fund Adv	3,753,036	2.1	2.0	0.1
Cape Ann Global Developing Markets	4,830,896	2.7	3.0	-0.3
Real Estate	9,263,657	5.2	6.0	-0.8
Barings Core Property Fund LP	9,263,657	5.2	6.0	-0.8
Inflation Protection	6,926,765	3.9	4.0	-0.1
Vanguard Short-Term Inflation Protection Adm	3,257,410	1.8	2.0	-0.2
Parametric Commodity Strategy Instl	1,546,625	0.9	1.0	-0.1
iShares Gold Trust	2,122,730	1.2	1.0	0.2

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance. Asset Allocation weightings may not add up to 100% due to rounding.

Town of Glastonbury, CT Pension

Performance Update As Of September 30, 2020

Portfolio Performance

Value	Performance(%)												
	1 Month	QTD	Jul-2020 To Sep-2020	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception *	Aug-2011 To Sep-2020	Inception Date	
Total Plan	176,755,123	-2.1	5.1	5.1	4.6	11.1	6.4	8.2	6.5	7.4	6.8	6.9	01/01/2003
<i>Blended Benchmark</i>		<i>-1.9</i>	<i>5.2</i>	<i>5.2</i>	<i>4.2</i>	<i>9.7</i>	<i>6.7</i>	<i>8.2</i>	<i>6.5</i>	<i>7.1</i>	<i>7.2</i>	<i>6.6</i>	<i>01/01/2003</i>

Calendar Year Performance

	2019	2018	2017	2016	2015	2014	2013
Total Plan	18.8	-6.1	15.9	7.1	-1.8	3.7	15.1
<i>Blended Benchmark</i>	<i>18.8</i>	<i>-5.3</i>	<i>14.9</i>	<i>7.4</i>	<i>-1.5</i>	<i>4.5</i>	<i>13.8</i>

Allocation Mandate

Allocation Mandate	Weight (%)
Jul-2020	
90 Day U.S. Treasury Bill	0.50
Blmbg. Barc. U.S. Aggregate Index	28.50
FTSE World Government Bond Index	5.00
Russell 3000 Index	40.00
MSCI AC World ex USA (Net)	16.00
NCREIF Fund Index - ODCE (net)	6.00
Glatonbury Short Term Inflation Protection Benchmark	4.00

The Since Inception performance figure includes performance of prior consultant. FIA's performance inception date is 8/1/2011.

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Manager Performance Overview

As of September 30, 2020

	1 Month	QTD	Jul-2020 To Sep-2020	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Sep-2020	Inception Date
Total Plan	-2.1	5.1	5.1	4.6	11.1	6.4	8.2	6.5	7.4	6.8	6.9	01/01/2003
<i>Blended Benchmark</i>	-1.9	5.2	5.2	4.2	9.7	6.7	8.2	6.5	7.1	7.2	6.6	
Wells Fargo Government Money Market	0.0	0.0	0.0	0.3	0.7	1.4	1.0	0.7	N/A	0.6	0.6	08/01/2011
<i>90 Day U.S. Treasury Bill</i>	0.0	0.0	0.0	0.6	1.1	1.7	1.2	0.8	0.6	0.7	0.7	
Fixed Income	0.1	1.2	1.2	4.7	5.5	4.1	4.0	3.5	3.4	4.3	3.7	01/01/2010
<i>Fixed Income Benchmark</i>	-0.1	1.0	1.0	6.7	6.8	5.0	4.1	3.6	3.1	4.0	3.1	
Metropolitan West Total Return Bond PI	0.0 (28)	1.2 (86)	1.2 (86)	7.8 (21)	8.1 (22)	5.8 (16)	4.5 (56)	4.3 (38)	N/A	4.6 (14)	4.6 (14)	08/01/2011
<i>Blmbg. Barc. U.S. Aggregate Index</i>	-0.1	0.6	0.6	6.8	7.0	5.2	4.2	4.0	3.6	3.6	3.6	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-0.1	1.6	1.6	6.4	6.8	5.0	4.6	4.1	4.0	4.0	4.0	
BlackRock Total Return Fund K	0.1 (12)	1.7 (40)	1.7 (40)	7.0 (38)	7.6 (31)	5.3 (35)	4.6 (51)	N/A	N/A	4.2 (37)	N/A	06/01/2015
<i>Libor (3 month)</i>	0.0	0.1	0.1	1.0	1.6	2.0	1.5	1.2	0.9	1.5	1.0	
<i>Blmbg. Barc. U.S. Aggregate Index</i>	-0.1	0.6	0.6	6.8	7.0	5.2	4.2	4.0	3.6	3.9	3.6	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-0.1	1.6	1.6	6.4	6.8	5.0	4.6	4.1	4.0	4.1	4.0	
Templeton Global Bond R6	0.3 (9)	-0.5 (100)	-0.5 (100)	-4.8 (100)	-3.3 (100)	-1.4 (100)	1.9 (97)	1.1 (99)	N/A	1.6 (80)	1.6 (80)	08/01/2011
<i>FTSE World Government Bond Index</i>	-0.2	2.9	2.9	7.1	6.8	4.4	3.9	2.2	1.9	1.5	1.5	
IM Global Fixed Income (MF) Median	-0.3	2.4	2.4	4.5	5.4	3.7	3.9	2.8	2.7	2.4	2.4	
Domestic Equity	-3.8	8.5	8.5	5.6	15.9	11.5	13.4	11.7	13.6	13.1	12.7	01/01/2010
<i>Domestic Equity Benchmark</i>	-3.6	9.2	9.2	5.4	15.0	11.6	13.7	12.1	13.5	13.1	13.0	
Vanguard Institutional Index Fund Instl	-3.8 (19)	8.9 (12)	8.9 (12)	5.6 (13)	15.1 (13)	12.3 (8)	14.1 (7)	12.6 (6)	N/A	13.3 (6)	13.3 (6)	08/01/2011
<i>S&P 500 Index</i>	-3.8	8.9	8.9	5.6	15.1	12.3	14.1	12.7	13.7	13.3	13.3	
IM S&P 500 Index (MF) Median	-3.8	8.8	8.8	5.3	14.8	11.9	13.8	12.2	13.2	12.8	12.8	
Jackson Square SMID-Cap Growth IS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10/01/2020
<i>Russell 2500 Growth Index</i>	-0.8	9.4	9.4	11.6	23.4	13.4	14.2	11.7	14.1	N/A	12.9	
IM U.S. SMID Cap Growth Equity (MF) Median	-1.4	9.4	9.4	15.6	26.3	14.8	14.8	11.5	13.8	N/A	12.6	
Earnest Partners SMID Cap Value CIT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10/01/2020
<i>Russell 2500 Index</i>	-2.6	5.9	5.9	-5.8	2.2	4.5	9.0	7.7	10.8	N/A	9.7	
IM U.S. SMID Cap Value Equity (MF) Median	-4.4	2.6	2.6	-19.5	-13.4	-3.8	3.5	3.5	7.3	N/A	6.5	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of September 30, 2020

	1 Month	QTD	Jul-2020 To Sep-2020	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Sep-2020	Inception Date
International Equity	-2.6	8.2	8.2	0.6	13.3	3.0	8.3	4.6	5.5	5.1	4.9	01/01/2010
<i>MSCI AC World ex USA (Net)</i>	-2.5	6.3	6.3	-5.4	3.0	1.2	6.2	3.2	4.0	4.1	3.3	
Vanguard International Growth Adm	-1.7 (63)	16.3 (1)	16.3 (1)	30.7 (1)	49.3 (1)	16.1 (1)	18.6 (1)	12.0 (1)	N/A	10.8 (1)	10.8 (1)	08/01/2011
<i>MSCI AC World ex USA Growth (Net)</i>	-0.9	10.2	10.2	7.3	17.5	7.3	10.2	6.5	6.4	5.8	5.8	
IM International Large Cap Growth Equity (MF) Median	-1.5	8.8	8.8	3.6	13.0	4.9	7.8	5.0	5.7	5.3	5.3	
Causeway International Value Instl	-4.8 (97)	1.0 (94)	1.0 (94)	-17.2 (60)	-7.8 (56)	N/A	N/A	N/A	N/A	-6.7 (62)	N/A	04/01/2018
<i>MSCI EAFE Value Index (Net)</i>	-4.6	1.2	1.2	-18.3	-11.9	-5.9	1.1	-0.3	2.1	-7.4	1.4	
IM International Large Cap Value Equity (MF) Median	-3.9	2.3	2.3	-14.4	-7.5	-5.2	0.9	-0.5	1.9	-6.4	0.9	
Templeton Instl Foreign Smaller Companies Fund Adv	1.3 (1)	12.8 (8)	12.8 (8)	-4.9 (22)	4.2 (19)	0.1 (22)	5.5 (34)	3.9 (47)	N/A	4.8 (35)	4.8 (35)	08/01/2011
<i>MSCI AC World ex USA Small Cap (Net)</i>	-1.3	10.5	10.5	-3.6	7.0	0.9	6.8	4.5	5.3	4.4	4.4	
IM International SMID Cap Core Equity (MF) Median	-1.0	8.4	8.4	-8.4	1.1	-1.9	5.2	3.2	5.3	4.1	4.1	
Cape Ann Global Developing Markets	-2.0 (72)	2.1 (97)	2.1 (97)	-17.7 (95)	-6.5 (92)	N/A	N/A	N/A	N/A	-1.9 (91)	N/A	12/01/2018
<i>MSCI Emerging Markets (Net) Index</i>	-1.6	9.6	9.6	-1.2	10.5	2.4	9.0	3.7	2.5	7.4	1.9	
IM Emerging Markets Equity (MF) Median	-1.4	9.4	9.4	-1.1	10.1	2.0	8.1	3.7	2.4	8.1	1.8	
Real Estate	-1.5	-1.5	-1.5	-0.6	0.8	4.4	6.0	7.2	7.7	8.1	6.6	01/01/2010
<i>NCREIF Fund Index - ODCE (net)</i>	0.0	0.0	0.0	-1.0	0.3	4.2	5.6	7.6	9.2	9.5	8.6	
Barings Core Property Fund LP	-1.5	-1.5	-1.5	-0.6	0.8	4.4	6.0	7.2	N/A	7.6	N/A	07/01/2012
<i>NCREIF Fund Index - ODCE (net)</i>	0.0	0.0	0.0	-1.0	0.3	4.2	5.6	7.6	9.2	8.2	8.6	
Inflation Protection	-2.0	4.8	4.8	7.3	10.0	1.7	2.4	-2.0	N/A	-1.0	N/A	10/01/2011
<i>Short Term Inflation Protection Benchmark</i>	-1.8	4.9	4.9	4.5	6.9	2.6	3.1	-1.0	0.1	0.0	-1.6	
Vanguard Short-Term Inflation Protection Adm	-0.2 (25)	1.7 (96)	1.7 (96)	3.6 (85)	4.7 (87)	3.0 (80)	2.4 (86)	1.5 (86)	N/A	1.5 (86)	N/A	10/01/2013
<i>Bloomberg Barclays US TIPS 0-5 Year Index</i>	-0.2	1.8	1.8	3.7	4.9	3.1	2.5	1.6	1.8	1.6	1.3	
IM U.S. TIPS (MF) Median	-0.3	3.0	3.0	7.6	8.5	4.8	3.8	2.4	2.8	2.4	2.1	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of September 30, 2020

	1 Month	QTD	Jul-2020 To Sep-2020	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Sep-2020	Inception Date
Parametric Commodity Strategy Instl	-2.8 (40)	10.3 (20)	10.3 (20)	-3.4 (4)	N/A	N/A	N/A	N/A	N/A	1.3 (3)	N/A	12/01/2019
<i>Bloomberg Commodity Index Total Return</i>	-3.4	9.1	9.1	-12.1	-8.2	-4.2	-3.1	-7.2	-6.0	-7.7	-8.1	
IM Commodities General (MF) Median	-3.0	9.1	9.1	-10.7	-6.3	-4.4	-2.4	-7.0	-5.8	-6.0	-7.8	
iShares Gold Trust (IAU)	-3.6 (31)	6.6 (74)	6.6 (74)	23.6 (48)	26.8 (58)	N/A	N/A	N/A	N/A	26.7 (53)	N/A	08/01/2019
<i>LBMA Gold Price PM</i>	-3.6	6.7	6.7	23.9	27.0	13.7	11.1	5.2	3.7	27.0	1.6	
IM Commodities Precious Metals (MF) Median	-4.7	7.3	7.3	23.6	26.8	12.0	9.5	2.6	1.6	26.7	-1.4	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class historical performance due to share class exchanges. ETF returns by convention can be different from the product return.

Barings Core Property is valued as of most recent quarter-end.

Asset Allocation

As of September 30, 2020

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	1,223,601	100.0	100.0	0.0
Short Term Liquidity	18,355	1.5	0.0	1.5
Wells Fargo Government Money Market	18,355	1.5	0.0	1.5
Fixed Income	725,633	59.3	60.0	-0.7
Vanguard Total Bond Market Index Adm	725,633	59.3	60.0	-0.7
Domestic Equity	300,165	24.5	25.0	-0.5
Vanguard Total Stock Market Index Adm	300,165	24.5	25.0	-0.5
International Equity	179,448	14.7	15.0	-0.3
Vanguard Total International Stock Index Adm	179,448	14.7	15.0	-0.3

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance. Asset Allocation weightings may not add up to 100% due to rounding.

Town of Glastonbury, CT New Hires

Performance Update As Of September 30, 2020

Portfolio Performance

	Value	Performance(%)								
		1 Month	QTD	Jul-2020 To Sep-2020	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Plan	1,223,601	-1.0	3.4	3.4	7.1	10.9	6.6	N/A	5.9	12/01/2015
<i>New Hires Blended Benchmark</i>		<i>-1.3</i>	<i>3.7</i>	<i>3.7</i>	<i>4.7</i>	<i>8.6</i>	<i>6.1</i>	<i>N/A</i>	<i>6.5</i>	<i>12/01/2015</i>

Calendar Year Performance

	2019	2018	2017	2016	2015	2014	2013
Total Plan	15.0	-3.4	7.6	4.1	N/A	N/A	N/A
<i>New Hires Blended Benchmark</i>	<i>15.7</i>	<i>-3.8</i>	<i>11.4</i>	<i>5.2</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

Allocation Mandate

	Weight (%)
Jun-2020	
Blmbg. Barc. U.S. Aggregate Index	60.00
CRSP US Total Market Spliced Index	25.00
FTSE Global All Cap ex US Spliced Index	15.00

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Manager Performance Overview

As of September 30, 2020

	1 Month	QTD	Jul-2020 To Sep-2020	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Plan	-1.0	3.4	3.4	7.1	10.9	6.6	N/A	5.9	12/01/2015
<i>New Hires Blended Benchmark</i>	-1.3	3.7	3.7	4.7	8.6	6.1	N/A	6.5	
<i>New Hires Secondary Benchmark</i>	-0.9	2.7	2.7	4.0	6.9	5.2	N/A	5.3	
Wells Fargo Government Money Market	0.0	0.0	0.0	0.3	0.8	1.5	N/A	1.1	12/01/2015
<i>90 Day U.S. Treasury Bill</i>	0.0	0.0	0.0	0.6	1.1	1.7	N/A	1.2	
Fixed Income	0.1	0.6	0.6	7.0	7.0	5.3	N/A	4.4	12/01/2015
<i>Blmbg. Barc. U.S. Aggregate Index</i>	-0.1	0.6	0.6	6.8	7.0	5.2	N/A	4.4	
Vanguard Total Bond Market Index Adm	0.1 (21)	0.6 (89)	0.6 (89)	7.0 (39)	7.0 (48)	5.3 (35)	N/A	4.4 (47)	12/01/2015
<i>Blmbg. Barc. U.S. Aggregate Index</i>	-0.1	0.6	0.6	6.8	7.0	5.2	N/A	4.4	
IM U.S. Broad Market Core Fixed Income (MF) Median	-0.1	1.2	1.2	6.8	7.0	5.0	N/A	4.3	
Domestic Equity	-3.6	9.2	9.2	5.5	15.0	11.6	N/A	12.3	12/01/2015
<i>CRSP US Total Market Spliced Index</i>	-3.6	9.2	9.2	5.5	15.0	11.7	N/A	12.3	
Vanguard Total Stock Market Index Adm	-3.6 (66)	9.2 (29)	9.2 (29)	5.5 (26)	15.0 (22)	11.6 (18)	N/A	12.3 (13)	12/01/2015
<i>CRSP US Total Market Spliced Index</i>	-3.6	9.2	9.2	5.5	15.0	11.7	N/A	12.3	
IM U.S. Multi-Cap Core Equity (MF) Median	-3.1	8.0	8.0	2.1	10.2	8.6	N/A	9.6	
International Equity	-1.9	6.5	6.5	-4.8	3.8	1.3	N/A	5.5	12/01/2015
<i>FTSE Global All Cap ex US Spliced Index</i>	-2.3	6.7	6.7	-5.1	3.7	1.3	N/A	5.5	
Vanguard Total International Stock Index Adm	-1.9 (41)	6.5 (29)	6.5 (29)	-4.8 (38)	3.8 (36)	1.3 (24)	N/A	5.5 (1)	12/01/2015
<i>FTSE Global All Cap ex US Spliced Index</i>	-2.3	6.7	6.7	-5.1	3.7	1.3	N/A	5.5	
IM International Large Cap Core Equity (MF) Median	-2.2	5.4	5.4	-6.4	1.1	-0.2	N/A	3.3	

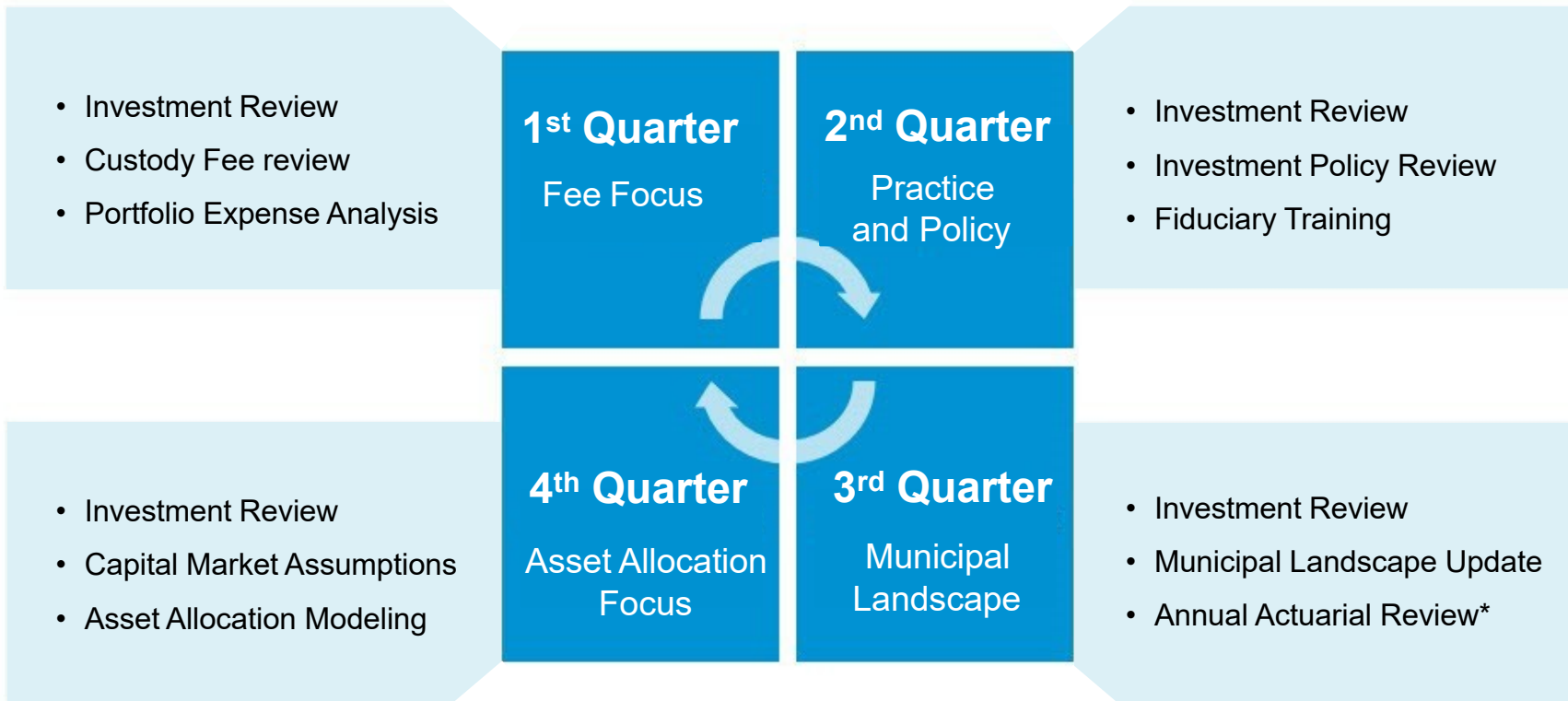
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The Secondary Benchmark consists of 20% 90 Day US Treasury Bill, 50% Bloomberg Barclays US Aggregate, 15% Russell 3000 Index, and 15% MSCI AC World ex USA (Net).

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

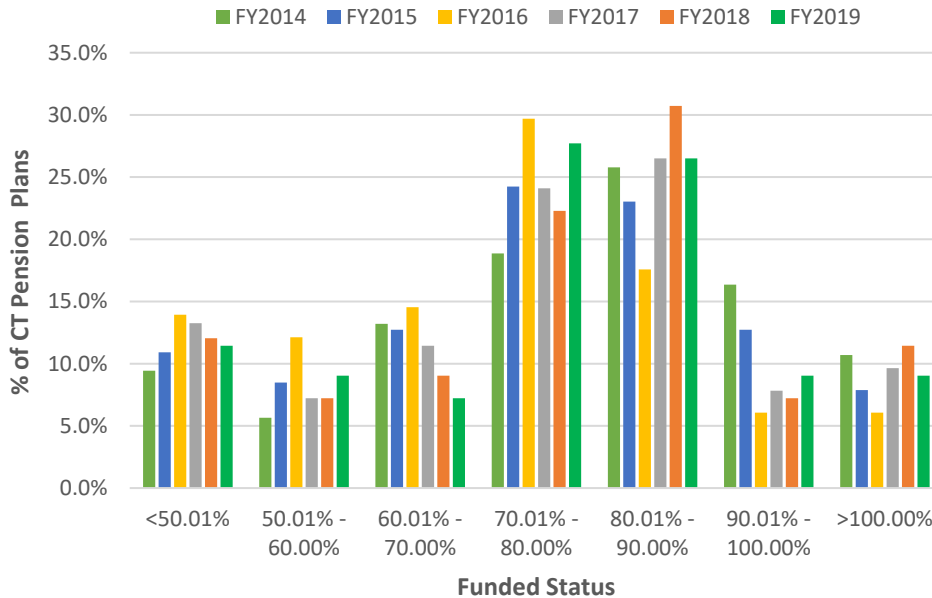
Defined Benefit Fiduciary Governance Calendar



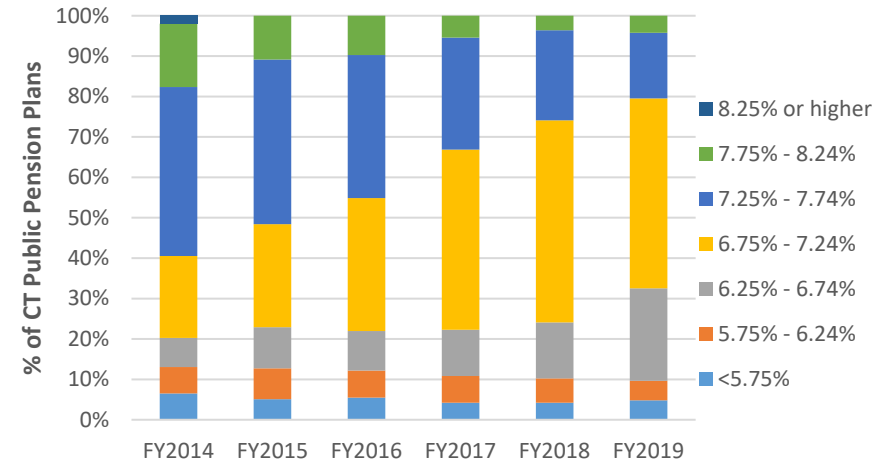
*Timing of actuarial review is dependent on client's individual plan and/or fiscal year and actuarial input.

Funded Status Trends in Connecticut Municipal Pension Plans

Funded Status for Connecticut Municipal Pension Plans



Discount Rate - Previous 6 Years

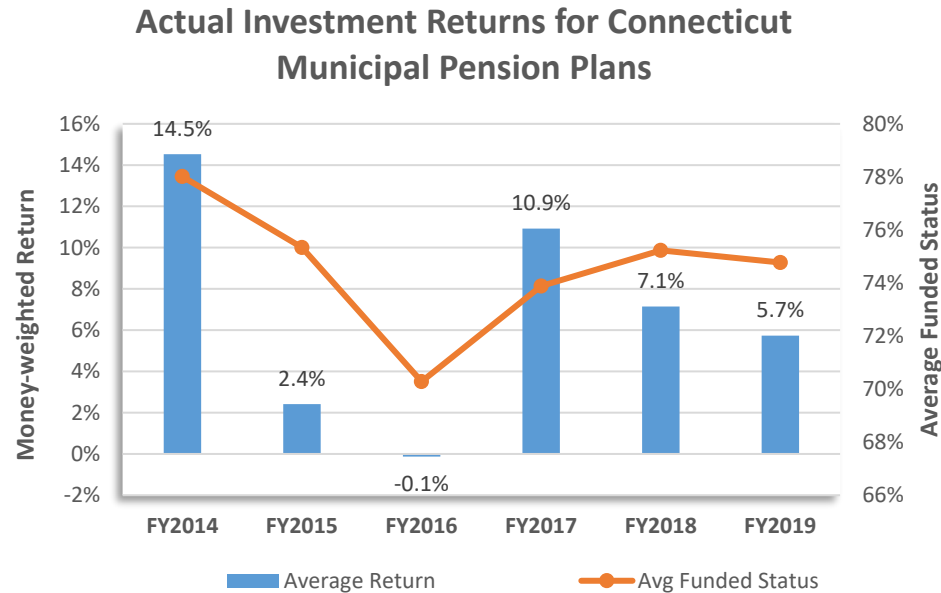


Funded Status Observations

- Average funded status for fiscal year ending 6/30/2019 for municipal pension plans in Connecticut averaged 75% across the 166 pension plans included in the study.
- The majority of pension plans studied (54%) have a funded status between 70-90%.
- FY2019 shows funded status becoming slightly less disbursed, a reversal to what we have seen over the previous 5 years.
- Funded status is directly related to the discount rate used to value the liabilities. The discount rate used by CT municipalities have converged since FY2014 with 47% of municipalities using a rate between 6.75% and 7.24% in FY2019 (right graph, yellow bar) and 23% choosing a discount rate between 6.25% to 6.74% (gray bar). The average rate for FY2019 was 6.76%.

Disclosure: Summary by Fiduciary Investment Advisors with data sourced from FYE2019 Comprehensive Financial Annual Reports (CAFRs) for 166 CT Municipal Pension Plans that had reported data available at the time of the analysis in September 2020¹. All averages shown are equal-weighted and not weighted on assets or liabilities.

Investment Returns Across CT Pension Plans



Investment Performance

- Money-weighted returns, which depend on both investment performance and cash flow timing, were 5.7% for FY2019 and averaged 7.9% and 5.2% for the trailing 3- and 5-year periods, respectively.
- Funded status declined slightly as investments failed to keep pace with liabilities in FY2019 (investment returns trailed assumed rate of return)
- The decline in the average funded status from 77% in FY2014 to 70% in FY2016 was impacted by poor investment performance and plan sponsors' decision to lower discount rates used to value liabilities.
 - A reversal of these two variables helped to improve funded status in FY2017 and FY2018.

Disclosure: Summary by Fiduciary Investment Advisors with data sourced from FYE2019 Comprehensive Financial Annual Reports (CAFRs) for 166 CT Municipal Pension Plans that had reported data available at the time of the analysis in September 2020¹. All averages shown are equal-weighted and not weighted on assets or liabilities. Investment returns represent an equal-weighted average of money-weighted fiscal year returns for those plans that were included in the analysis.

Actuarial Review

Town of Glastonbury Retirement Income Plan

Milliman Actuarial Valuation Report July 1, 2019		
	Most Recent Date As of 7/1/2019	Most Recent Date As of 7/1/2018
Actuarial Value of Assets	\$154,273,071	\$146,970,419
Total Accrued Liability	\$229,132,148	\$205,400,511
Funded Ratio	67.3%	71.6%
Actuarial Return Assumption	6.5%	6.5%

Source: Milliman, Actuarial Valuations as of July 1, 2019, plan year ending June 30, 2019

Investing in “Alternatives”

1. As a category, alternative investment strategies represent an exceedingly broad array of investing opportunities possessing widely divergent risk/return profiles.
2. What are the intentions/purpose should alternatives be deployed – boost the portfolio’s return profile, mitigate risk, seek out idiosyncratic manager skill sets, etc.?
3. As a general observation, alternative strategies are more expensive, accompanied by less transparency, and have less liquidity than their traditional asset class counterparts.
4. In a public fund setting, the use of alternatives has the potential to introduce “headline risk” and heightened scrutiny from stakeholders.
5. Across the state, limited use of alternative strategies observed among peer communities.

What is Private Equity?

- Equity investments made in private companies which are not actively traded on an exchange
- Private equity is a broad term and encompasses several specific investment types

	VENTURE			BUYOUT	MEZZANINE DEBT	DISTRESSED DEBT
	SEED	EARLY	GROWTH/ EXPANSION			
REVENUES	None	Limited	Growing	Yes	Yes	Yes
PROFITS	Loss	Breakeven	Yes	Yes	Yes	No
FUTURE CAPITAL REQUIREMENTS	High	Moderate	Low	Low to Medium	Low	Low to Medium
RISK OF LOSS	Highest	Moderate	Lower	Moderate	Low	Moderate
EXPECTED TIME TO LIQUIDITY	7+ Years	4-8 Years	2-5 Years	2-5 Years	4-8 Years	4-8 Years
RETURN POTENTIAL	Very High	High	High	Moderate to High	Moderate	Moderate

- Examples of private equity transactions
 - Acquisition of a private company to provide the founders with the capital necessary to take performance to the next level.
 - Acquisition of a division of a large company with the purpose of offering the newly independent business the management focus and resources needed.
 - Privatization of a public company in an effort to undertake improvements that would be difficult to achieve given the short term focus on the public markets.

What are Hedge Funds?

Relative Value	Tactical Trading	Event Driven	Directional
Convertible Bond Arbitrage	Global Macro	Distressed	Long Short Equity
Fixed Income Arbitrage	Managed Futures	Risk Arbitrage	Emerging Markets
Equity Market Neutral	Commodities	Event Driven Multi-Strategy	

Lower Volatility  Higher Volatility

- While commonly referred to as an asset class, hedge funds encompass a wide variety of investment strategies with different returns and volatility objectives.
- Building the correct hedge fund program to meet the unique objectives of the overall portfolio is vital.
 - A hedge fund program can be designed to accomplish a variety of risk/return objectives
- Identifying the right managers to fill that program is equally important. Extensive due diligence is required on the both the managers skill and investment process, and operations and risk management procedures.

Data Source Acknowledgements, Links and Disclaimers

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**GLASTONBURY BOARD OF FINANCE
 REGULAR MEETING MINUTES
 WEDNESDAY, SEPTEMBER 16, 2020**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a regular meeting at 4:00 p.m. via dial-in conferencing.

Also on the call was controller Narae McManus.

Roll Call

Members

- Mr. Constantine “Gus” Constantine, Chairman
- Ms. Jennifer Sanford, Vice Chairman
- Mr. Robert Lynn {not in attendance}
- Mr. James McIntosh {joined 4:12 p.m.}
- Mr. James Zeller
- Mr. Walter Cusson

- 1. Public Comment Session Pertaining to the Call** *None*
- 2. Communication: Minutes - July 15, 2020** *Minutes accepted as presented.*
- 3. Action / Communication: Year-End Items**
 - a. Communication: Preliminary Year End Review 2019-2020 After Year End Close**

Ms. Twilley presented the report dated September 8, 2020. She reminded the Board that these unaudited numbers are subject to change, and many of the variances are the result of the COVID-19 pandemic. She noted that because many expenses were cancelled, this resulted in a net increase of the unassigned fund balance.

b. Communication & Action: Health Self Insurance Fund YE Contribution (and transfer)

Ms. Twilley presented the report dated September 8, 2020. She explained that this positive variance was mostly driven by employee vacancies, caused by the pandemic. Ms. Twilley asked the Board if they approve an employer contribution to the health self-insurance fund in the amount of \$31,700.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approve a transfer of \$31,700 from the Insurance Pensions - Deductibles and Casualty Insurance Funds to the Insurance Pensions - Employee Related Insurance Fund.

Result: Motion passed unanimously {4-0-0}. Mr. McIntosh joined the meeting after the vote.

c. Communication: Special Revenue Funds June 30, 2020 Reports

- **Sewer Operating and Sewer Sinking Funds**

Ms. Twilley presented the report dated August 11, 2020. Ms. Sanford asked where the \$3.3 million in assets sits. Ms. Twilley replied that those monies are mostly in ladder CDs.

- **Recreation Activities and Police Private Duty Funds**

Ms. Twilley presented the report dated September 8, 2020. Ms. Sanford asked if the recreation fund has always carried a surplus. Ms. Twilley explained that while there were many pandemic-induced cancellations this year, the fund has always been in this general area. Mr. Constantine explained that, in the past, they funded it by \$400,000 and then the balance fluctuated throughout the year, depending on revenues and expenses. Mr. Johnson further explained the history behind the approach, adding that, going forward, if need be, they would allocate expenditures to that fund, in order to relieve pressure from the general fund.

- d. Communication: Review of Capital Outlay Carry Forwards**

Ms. Twilley presented the report dated September 8, 2020. These were items that were not ordered by June 30. She noted that another account was identified for facilities and software that was inadvertently overlooked when this report was put together. She read the actual amount that will be carried forward as capital outlay.

- e. Action: Review and Approval of Encumbrance Carry Forwards**

Ms. Twilley presented the report dated September 8, 2020. She explained that these were items that were ordered by June 30 but were not received by June 30.

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the approval of the FY19/20 carry forward of encumbrances totaling \$320,825.46 for the General Fund and \$11,725.00 for the Sewer Operating Fund, as appropriations from Fund Balance.

Result: Motion passed unanimously {5-0-0}.

- f. Communication: Review of Capital Projects to be Closed**

Ms. Twilley presented the report dated September 11, 2020. She reviewed the 9 projects that will be closed and the amounts that will be transferred back to the Capital Reserve Fund.

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$14,260 from the Bikeways/Bikepaths Project to the General Bicycle/Pedestrian Capital Improvement Project.

Result: Motion passed unanimously {5-0-0}.

Motion by: Mr. Cusson

Seconded by: Mr. McIntosh

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$15,960 from the Fire Apparatus Capital Improvement Project to the Fire Co Renovation/Code Compliance Capital Improvement Project.

Result: Motion passed unanimously {5-0-0}.

g. Communication: Review of Intra-Department Transfers Under \$5,000

Ms. Twilley presented the report dated September 8, 2020.

h. Action: Review and Approval of Intra-Department Transfers Over \$5,000

Ms. Twilley presented the report dated September 8, 2020.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

The Board of Finance approves the June 30, 2020 intra-department transfers over \$5,000 in the amount of \$946,556.

Result: Motion passed unanimously {5-0-0}.

i. Action: FY2020 Year-end Inter-Departmental Transfers

Ms. Twilley presented the report dated September 11, 2020.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the approval of the June 30, 2020 inter-department transfers in the amount of \$36,302.

Result: Motion passed unanimously {5-0-0}.

4. Communication: Pension Report – July 2020

Ms. Twilley presented the report dated August 14, 2020. Mr. McIntosh asked why the employee contribution was relatively small compared to the town contribution. Ms. Twilley stated that the employer contribution is made just once annually whereas the employee contribution grows over the course of the year. Ms. Sanford asked if the unfunded ratio reflects the new mortality table. Ms. Twilley explained that the mortality table has been applied but the actual pension valuation report was not issued at the time this report was created. Next month's report will include the new valuation, so the number will be revised.

5. Communication: Month End Investments – July 2020

Ms. McManus presented the report dated August 24, 2020.

6. Communication: Financial Summary (Expenditure) for 2 months- August 2020

Ms. Twilley presented the report dated September 8, 2020.

7. Communication: Education Reconciliation – July 2020

Ms. McManus presented the report dated August 31, 2020. Ms. Sanford asked about the process of the BOE closing and reopening their accounts. Ms. Twilley explained that that was related to the CARES Act money that they received. The Town has not yet received CARES money. Mr. Zeller stated that, each August, the BOE closes out their books, and there is usually paperwork that goes with that. Mr. Johnson stated that he does not have those sheets as of yet.

8. Communication: Capital Projects – August 2020

Ms. Twilley reviewed the report dated September 8, 2020. Mr. Cusson asked about the bike path project between House Street and Western Boulevard. Mr. Johnson stated that construction should be completed this fall.

9. Communication: Self Insurance Reserve Fund – August 2020

Ms. Twilley reviewed the report dated September 3, 2020. There have been no large loss claims thus far this year.

10. Communication: Transfers Approved by Town Manager Since Last Meeting

a. PC for Environmental Technician \$1,200

11. Action: Transfers over \$5,000

a. Bulky Waste Closure Fund \$100,000

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the transfer of \$100,000 from the General Fund - Unassigned Fund Balance to the newly established Closure Fund for the Bulky Waste Landfill.

Result: Motion passed unanimously {5-0-0}.

b. Education – GHS Kitchen Upgrades \$45,000

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby transfers \$45,000 from the Education - GHS Auditorium Acoustics and Energy Audit-All Schools projects to the Education - GHS Kitchen Upgrades project.

Result: Motion passed unanimously {5-0-0}.

c. Police Body Cameras \$150,000

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the transfer of \$150,000 from the General Fund - Unassigned Fund Balance to the Capital Outlay - Police - Office Equipment/Furniture Fund for the purchase of body cameras for police officers.

Disc: Mr. Zeller stated that this sounds like the right thing to do, but it is important that they figure out what the ongoing expenses will be. Mr. Johnson explained that, typically with systems like this, there is an ongoing maintenance contract, which is around \$20,000 a year. Ms. Sanford remarked that this was not a budgeted item. Mr. Johnson stated that is correct. There is a legislative requirement that cameras be in place by July 2021. He noted that they have identified the potential for 50% grant funding, but it is limited, so they are moving as quickly as possible to secure that.

Result: Motion passed unanimously {5-0-0}.

12. Communication: Bank Collateralization Report

Ms. Twilley reviewed the report as of June 30, 2020. She noted that everything is in good shape.

13. Communication: Pension

Ms. Twilley reviewed the report dated September 10, 2020. Mr. Zeller asked if this is in response to the question that he has been asking about the BOE's approach to their pension fund as opposed to the Town's approach. Mr. Johnson explained that it is a three-part response. There was a question on the Town's 14-year amortization schedule. The Town Manager looked at 10 other AAA-rated Connecticut towns, and he found that 8 of them have an amortization of 14-20 years.

The second part to this approach is that the actuarially defined contribution was \$500,000 higher than the estimate they received, which formed the basis for the budget. The third part was the Plan design. The Town Manager's recommendation is to have decisions on an approach to collective bargaining be held separately. He suggested the BOF schedule a non-meeting with the BOE to discuss strategies related to collective bargaining.

Ms. Sanford thanked the Town Manager for his data on the bond ratings but stated that there is a lot of context missing. For example, some of the municipalities listed are on a downgrade watch, like West Hartford. She also noted that Glastonbury went from a 13-year amortization schedule to a 14-year one, whereas some of these towns went from 20 years down to 10 years. She concluded that she is still concerned about Glastonbury extending its amortization. Mr. Johnson asked if the question is how to use resources to lower the investment rate, there are models that could be developed to show how to smooth the budgetary impact of a reduction in the investment assumption without using significant cash resources.

14. Communication: 1% Non-Lapsing Fund - Education

Ms. Twilley reviewed the report dated September 11, 2020. Ms. Sanford noted that the BOE had unbudgeted expenditures this year. She asked if there were any on the Town's side, such as the two items that the BOF took action on today: the police cameras and the closure fund. Mr. Johnson replied no. Ms. Sanford congratulated Town staff on closing the books with a stunning surplus.

15. Board of Finance Committee Reports, comments and remarks (no action to be taken)

Mr. Constantine asked about the repair costs associated with the boathouse settlement. Mr. McIntosh followed up by asking if the Town is still going to pay for legal fees. Mr. Johnson explained that the legal expenses are all taken care of, so the \$1.65 million goes against legal fees and the cost to complete the repairs.

Mr. Constantine stated that PBC has not yet met.

Mr. McIntosh stated that he has been reading Boston newspapers, which are filled with reports of fraud by the police over-inflating overtime pay. He requested assurance from the Town Manager that there are procedures in place so that this would not occur in Glastonbury. Mr. Johnson stated that there are such procedures in place in town. Ms. Sanford remarked that, in Connecticut, it is hospital workers who have mostly abused overtime pay, not the police.

16. Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of September 16, 2020, at 5:05 p.m.

Result: Motion passes unanimously {5-0-0}.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan

Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
TUESDAY, OCTOBER 6, 2020**

The Glastonbury Board of Finance, along with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, held a special meeting at 4:00 p.m. via dial-in conferencing to discuss, and make possible action on, a \$225,000 appropriation and transfer for proposed purchase of the Cotton Hollow Mill site.

Roll Call

Members

Mr. Constantine "Gus" Constantine, Chairman
Ms. Jennifer Sanford, Vice Chairman
Mr. Robert Lynn
Mr. James McIntosh
Mr. James Zeller
Mr. Walter Cusson {excused}

- 1. Public Comment Session Pertaining to the Call** *None*
- 2. Action: Possible recommendation to Town Council and funding of proposed Town purchase**

Mr. Johnson explained the background of the matter, which came up in early 2020, involving the two remaining Cotton Hollow mill walls that are located off of Cotton Hollow Road, a private road that runs along the north side of Roaring Brook. The walls date back to the early 1800s when there were mills in the areas. When the property was purchased, there was work underway to take away the stones, but a petition was signed by approximately 5,000 residents to halt the demolition. The Town Manager was asked to approach the owners to discuss options to preserve the mill walls.

The current owners executed an agreement on September 22 to sell an acre to the Town that includes the mill walls and stones that can be used to restore the mill. The purchase price is \$225,000 but some other costs will accrue, such as installing fencing around the mill, landscaping, and likely tree removal. The Historical Society plans to fundraise to support their planned restoration, and also to help offset the Town cost to get the area protected with fencing and trees. Mr. Johnson assured that this does not increase the Town's liability coverage, and the site will not be accessible to the public.

Mr. Constantine asked about a right of way. Mr. Johnson explained that, for two years, there will be access via a driveway, which may continue on a month-to-month basis afterward, depending on the property owner's schedule for restoring the property there; after that period, access will be via a farm road on the north side. Mr. Johnson clarified that the access points are only to the Town to maintain the mill. Mr. McIntosh asked about access on the south side. Mr. Johnson

stated that the south side is bordered by Roaring Brook. He had tried early on to build a bridge crossing over Roaring Brook but was told that the likelihood of getting the necessary regulatory approvals would be slim to none.

Mr. Zeller asked if there is an intention to turn this site into an area for public viewing, similar to what was done with the Slocomb Mill. Mr. Johnson replied no, they will put in a series of interpretive panels that describes the history, but there will not be any walking up, since the walls are considerably higher than those of the Slocomb property.

Mr. Zeller stated that the Historical Society fundraised only \$13,000 in 18 months for the Slocomb project, and this site is far larger and needs far more work. He is not convinced that the society will be able to raise enough funds to be able to stabilize the walls. He asked what kind of stabilization is needed in order for the Town to not be put in the situation where they will have to take down the walls. Mr. Zeller added that, if the Historical Society will indeed be held by the Council to foot the bill, then he will vote favorably on tonight's action.

Ms. Sanford asked what the other funding options are and why the Town Manager chose the Capital Reserve Fund. Mr. Johnson stated that the other option was the General Fund, and neither one of the funding sources is more correct than the other. Ms. Sanford asked, if any of the options changed for the fencing plans, would there be an increase to the Town's liability. Mr. Johnson stated that he has never seen a particular property acquisition specifically influence their liability coverage. The expectation is that they will follow best practices by installing a fence, but they do not know what the cost of that will be, as of yet.

Ms. Sanford asked what the context is of the \$225,000 price tag. Mr. Johnson stated that the value is based on three factors: what the owner is willing to sell it for, the value of the stone on the open market, and the value of 200 years of Glastonbury's history. Mr. McIntosh remarked that, while the Town is hesitant to pursue this process, the concept of eminent domain would allow them to acquire the property without a willing seller, should the seller not offer a price that is fair to the Town. Mr. Zeller interjected that he does not find it necessary to go down that road. Mr. Lynn does not believe that \$225,000 is a fair ask at all because the owner makes out well from this deal, getting to sell the house that remains for \$400,000, while the public cannot even enjoy the walls. Mr. Lynn believes that the price tag would be better spent in pension.

Ms. Sanford commented that the \$225,000 is not the true cost, so it would be important to know the additional costs, with some range provided. Mr. Johnson suggested, if it would make the Board feel more comfortable, they can recommend a transfer of \$300,000 instead, which would give a \$75,000 leeway for the fencing costs. Ms. Sanford stated that the intention should be to inform the public that the true cost will be more than \$225,000. Mr. Lynn expressed that he would rather just approve of the \$225,000 and have the Town Manager return in November with the fencing costs. The rest of the Board agreed.

Motion by: Mr. McIntosh

Seconded by: Ms. Sanford

*Glastonbury Board of Finance
Minutes-Special Meeting held October 6, 2020
Recording Clerk-LT
Page 2 of 3*

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends to the Town Council the transfer and appropriation of \$225,000 from the Capital Reserve Fund, in order to purchase the Cotton Hollow mill site.

Result: Motion passed unanimously {5-0-0}.

3. Adjournment

Motion by: Mr. McIntosh

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of October 6, 2020, at 4:45 p.m.

Result: Motion passes unanimously {5-0-0}.

Respectfully submitted,

Lilly Torosyan

Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

September 14, 2020

TO: Board of Finance & Richard J. Johnson, Town Manager
 FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
 RE: Pension Investment Review – August 2020

BOF 10/21/20 Item # 4

As of August 31, 2020 the pension asset value is \$182,557,689, a net increase of \$20,532,298 from July 1, 2020. Through the month of August, the fund experienced an unrealized gain of \$11,909,159, which is indicative of the current market and there were realized gains of \$96,336. Investment income through August totaled \$223,596.

July 1, 2020 Balance	\$	162,025,392
Revenues:		
Employer Contributions	\$	9,880,190
Employee Contributions	\$	296,194
Total Contributions	\$	10,176,384
Investment Income	\$	223,596
Realized Gains/Losses	\$	96,336
Unrealized Gains/Losses	\$	11,909,159
Total Revenues	\$	22,405,476
Expenditures:		
Benefit Payments	\$	1,802,311
Administrative Fees	\$	44,481
Investment Management Fees	\$	26,387
Total Expenditures	\$	1,873,178
Net Increase/Decrease	\$	20,532,298
Ending Balance August 31, 2020	\$	182,557,689

Assuming a 6.5% long-term return on the plan's investments, the July 1, 2019 Unfunded Accrued Liability is \$74.9 million (GASB 68 financial reporting basis) and the corresponding funded ratio is 67.3%. The Town's policy for paying off the unfunded liability is such that there are 14 years remaining in our amortization schedule.

cc: Narae McManus, Controller
 Karen Bonfiglio, Finance Manager, Glastonbury Public Schools

Town of Glastonbury

Administrative Services
Accounting Division

September 16, 2020

To: Board of Finance
Richard J. Johnson, Town Manager
From: Narae L. McManus, Controller
Subject: Monthly Investment Status

Pooled Investments

The Town's pooled cash investment balances at August 31, 2020 were \$117,415,636. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$ 44,656,766	0.11	
Citizens Bank	1,222,630	0.15	
Northern Capital Investment Account	11,587,535	0.30-3.40	Est. current accrued interest \$32,555
Northern Capital Sewer Funds	9,349,805	0.25-3.15	Est. current accrued interest \$15,384
People's United Investments	36,109,658	0.20	
Liberty Bank Investments	1,000,514	0.25	
TD Bank Investments	488,728	0.15	
Liberty Bank CD	5,000,000	0.30	Matures 10/15/20
TD Bank CD	<u>8,000,000</u>	0.27	Matures 10/15/20
Total	<u>\$117,415,636</u>		

General Fund Earnings

- The General Fund portion of pooled investments at August 31 was \$79.3 million.
- As of August 31, the General Fund has realized investment earnings of \$25,307.
- As of August 31, Sewer Sinking funds totaling \$9,097,000 were invested in fully-insured CDs with terms varying from 6 months to seven years, with current-year realized investment earnings of \$15,378.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment	
		Earnings July-August	Percent of Budget
2020	\$1,500,000	239,418	15.96%
2021	838,000	25,307	3.02

cc: Julie B. Twilley, Director of Finance

TOWN OF GLASTONBURY
ADMINISTRATIVE SERVICES - Financial Administration

BOF 10/21/20
Item # 6

October 14, 2020

TO: Board of Finance and
 Richard J. Johnson, Town Manager

FROM: JBT Julie Twilley, Director of Finance & Administrative Services

RE: Financial Summary for the Three Months Ended September 30, 2020 (FY 2020/21)

Note that some of the variances to budget and prior year mentioned below are a result of the COVID-19 pandemic. Efforts are on-going to reduce non-business critical expenditures to help offset reductions in revenues.

Revenues & Transfers Summary:

Following is a comparison of revenues received to date, percent of budget collected and percent of revenue category to the total Town budget for the current and previous fiscal year.

Fiscal Year	Amend/Budget	Actual Through September	Actual % of Budget Collected	Category as % of Total Town Budget
Tax Revenues				
2019/2020	153,589,767	83,807,235	54.6%	91.8%
2020/2021	157,985,075	80,201,398	50.8%	92.7%
Licenses & Permits				
2019/2020	1,150,800	441,954	38.4%	0.7%
2020/2021	1,280,600	360,255	28.1%	0.8%
Intergovernmental				
2019/2020	8,146,340	172,381	2.1%	4.9%
2020/2021	6,905,560	223,769	3.2%	4.1%
Charges for Services				
2019/2020	1,448,895	395,760	27.3%	0.9%
2020/2021	1,441,663	397,205	27.6%	0.8%
Other Revenues				
2019/2020	2,474,251	303,860	12.3%	1.5%
2020/2021	1,843,251	117,392	6.4%	1.1%

Anticipated revenues for 2020/21 total \$170.4m comprised of revenues, transfers and an appropriation from Fund Balance to finance the 2020/21 adopted operating budget. At the end of the first quarter, the Town collected \$81.3m in revenues (\$89.1m remaining due to meet full year budget) which represents a decrease of \$3.82m when compared to the previous year for the same period. The majority of the year-over-year change is related to:

- Tax Revenues collected were approximately \$3.6m lower than through September 2019. The majority of this decrease was on the Current Levy. The budget assumes a collection rate of 99.1. Last year, the actual collection rate was 99.4 (54.8 through September). The actual collection rate through September 2020 is 54.1. (Every tenth of a point on the collection rate is approximately \$160k.)
- Licenses and Permits revenues were \$0.1m lower than the prior year, due to lower building inspection fees and lower refuse permit fees.
- Intergovernmental revenues were \$0.1m higher than the prior year due to timing of grant receipts (i.e. police grants, Dial-a-Ride, etc.).

cc: Karen Bonfiglio, Finance Manager
 Narae McManus, Controller

- Charges for Services were in-line with the prior year. Lower Parks/Rec fees were offset by higher Town Clerk Conveyance fees.
- Other Revenues were \$0.2m lower than the prior year driven by lower investment interest, property rentals and the timing of auction sales.
- Also note that the budgeted Transfer In is \$975k this year versus \$575k in the prior year.

The biggest drivers of the \$89.1m variance of actual revenues collected through September 30, 2020 compared to the full year budget include the following:

- \$77.8m Tax Revenue (Current Levy and Auto Supplemental)
- \$6.7m Intergovernmental (ECS).
- \$1.7m Other Revenues (interest on investments; *the 2020/2021 Budget assumed an interest rate of 1.25%, which, if achieved, would yield \$0.8m in revenue.*)
- \$1.0m Charges for Services (Town Clerk Conveyance and Recording fees, Solid Waste Tip fees, and Parks/Rec fees).
- \$1.0m Licenses & Permits (Building Inspection fees and Health Dept.).

Expenditure Summary:

Through September 30, 2020, encumbrances total \$85.5m and expenditures total \$40.3m. Combined, this represents 73% of the Town’s revised general fund budget of \$171.3m. This compares to \$83.1m and \$38.1m respectively, or 73%, for the same period in the prior year.

The expenditure increase of \$2.2m is driven by the Town (+\$1.2m) and BOE (\$1.0m). The increase is largely attributable to the annual Pension contribution, which increased because of the implementation of the PUB-2010 Mortality Tables. The year-over-year increase in Pension contribution for the Town was \$1.1m and for Education was \$0.5m. Note that the assumed long-term rate of return on investments was held at 6.5% in FY2020/2021 and the amortization period set at 14-years. Also contributing to the increase is higher wage rates.

Below is an Expenditure & Transfer summary report through September 20, 2020.

FINANCIAL COMPARISONS

The below comparison includes Education encumbrance amounts not reflected in the Town’s system Reports.

Fiscal Year	Amend/Budget	Expended	Encumbered	Comit %
<u>2019/2020</u>				
Town	\$ 43,592,562	\$ 13,808,889	\$ 15,336,104	67%
Education	108,699,846	16,497,444	62,021,077	72%
Debt/Transfers	13,973,755	7,795,186	5,742,702	97%
<u>2020/2021</u>				
Town	\$ 45,731,755	\$ 15,059,473	\$ 16,371,047	69%
Education	111,754,046	17,517,139	63,604,776	73%
Debt/Transfers	13,781,799	7,695,333	5,548,058	96%

Expenditure comparisons of the three major Town Departments are presented below:

	2019/2020	%	2020/2021	%
ADMIN SERVICES	\$ 2,077,711	33%	\$ 3,024,251	45%
PUBLIC SAFETY	5,167,117	35%	5,605,209	36%
PHYSICAL SERVICES	2,017,308	27%	1,990,648	27%

cc: Karen Bonfiglio, Finance Manager
Narae McManus, Controller

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2021 THROUGH SEPTEMBER 30 2020

FUND 010 - GENERAL FUND

Description	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	FY2021 THRU SEPTEMBER	2021 ENCUMB	AVAILABLE BALANCE	2021 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	141,507	146,007	81,374	6,220	58,414	60.0%
CUSTOMER SERVICE	63,179	63,179	12,631	666	49,881	21.0%
TOWN MANAGER	638,161	798,586	182,286	298,223	318,076	60.2%
HUMAN RESOURCES	549,746	549,746	139,859	233,614	176,273	67.9%
FACILITIES MAINTENANCE	1,961,262	1,992,177	532,923	670,306	788,948	60.4%
TOTAL GENERAL GOVERNMENT	3,353,855	3,549,695	949,073	1,209,029	1,391,592	60.8%
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	600,358	601,558	165,388	287,212	148,958	75.2%
BUILDING INSPECTION	554,679	587,854	164,767	293,200	129,887	77.9%
FIRE MARSHAL	375,905	374,705	126,040	148,387	100,278	73.2%
HEALTH	755,234	755,234	200,816	278,188	276,230	63.4%
TOTAL COMMUNITY DEVELOPMENT	2,286,176	2,319,351	657,011	1,006,987	655,353	71.7%
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	645,603	664,843	159,544	366,175	139,124	79.1%
INFORMATION TECHNOLOGY	1,018,641	1,026,641	367,913	291,429	367,299	64.2%
ACCOUNTING	427,845	428,505	102,852	216,370	109,283	74.5%
PROPERTY ASSESSMENT	630,733	630,733	214,825	253,128	162,780	74.2%
REVENUE COLLECTION	489,616	489,616	298,238	239,624	(48,246)	109.9%
TOWN CLERK	545,271	602,271	212,386	286,693	103,193	82.9%
VOTER REGISTRATION	179,867	179,867	55,527	430	123,910	31.1%
LEGAL SERVICES	300,000	300,000	44,006	-	255,994	14.7%
PROBATE SERVICES	24,800	24,800	2,169	13,918	8,713	64.9%
INSURANCE/PENSIONS	2,361,331	2,361,331	1,566,792	232,284	562,255	76.2%
TOTAL ADMINISTRATIVE SERVICES	6,623,707	6,708,607	3,024,251	1,900,050	1,784,306	73.4%
PUBLIC SAFETY						
POLICE	14,156,194	14,409,232	5,371,097	5,638,640	3,399,495	76.4%
VOLUNTEER AMBULANCE	-	-	3,723	-	(3,723)	0.0%
FIRE	1,224,288	1,225,463	224,501	126,371	874,591	28.6%
CIVIL PREPAREDNESS	33,732	33,732	5,887	196	27,648	18.0%
TOTAL PUBLIC SAFETY	15,414,214	15,668,427	5,605,209	5,765,207	4,298,012	72.6%
PHYSICAL SERVICES						
ENGINEERING	1,613,071	1,613,071	518,376	724,436	370,259	77.0%
HIGHWAY	4,559,588	4,559,588	1,138,906	1,755,471	1,665,211	63.5%
FLEET MAINTENANCE	1,287,972	1,287,972	333,366	417,960	536,646	58.3%
TOTAL PHYSICAL SERVICES	7,460,631	7,460,631	1,990,648	2,897,867	2,572,116	65.5%

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2021 THROUGH SEPTEMBER 30 2020

FUND 010 - GENERAL FUND

Description	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	FY2021 THRU SEPTEMBER	2021 ENCUMB	AVAILABLE BALANCE	2021 % USED
SANITATION						
REFUSE DISPOSAL	996,357	997,082	238,801	392,218	366,063	63.3%
TOTAL SANITATION	996,357	997,082	238,801	392,218	366,063	63.3%
HUMAN SERVICES						
CONTRIBUTORY GRANTS	32,577	32,577	-	-	32,577	0.0%
YOUTH/FAMILY SERVICES	1,553,103	1,553,103	405,477	578,396	569,230	63.3%
SENIOR & COMMUNITY SERVICES	1,465,253	1,503,653	369,607	449,093	684,952	54.4%
TOTAL HUMAN SERVICES	3,050,933	3,089,333	775,084	1,027,490	1,286,759	58.3%
LEISURE/CULTURE						
PARKS/RECREATION	3,950,817	4,080,016	1,295,181	1,419,476	1,365,359	66.5%
WELLES TURNER LIBRARY	1,843,614	1,843,614	509,217	752,721	581,676	68.4%
SOUTH GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0%
EAST GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0%
TOTAL LEISURE/CULTURE	5,809,431	5,938,630	1,819,397	2,172,198	1,947,034	67.2%
OTHER:Debt & Transfers						
DEBT SERVICE	7,076,799	7,076,799	1,027,987	5,548,058	500,754	92.9%
TRANSFERS	6,605,000	6,705,000	6,667,346	-	37,654	99.4%
TOTAL OTHER:Debt & Transfers	13,681,799	13,781,799	7,695,333	5,548,058	538,408	96.1%
EDUCATION						
EDUCATION	111,754,046	113,267,802	17,588,436	750	95,678,616	15.5%
TOTAL EDUCATION	111,754,046	113,267,802	17,588,436	750	95,678,616	15.5%
TOTAL 010 - GENERAL FUND	170,431,149	172,781,356	40,343,242	21,919,855	110,518,259	36.0%

GLASTONBURY PUBLIC SCHOOLS

TO: Board of Education
Board of Finance
FROM: Alan B. Bookman, Superintendent
Karen Bonfiglio, Finance Manager
DATE: September 30, 2020
RE: Reconciliation
Education General Fund Total Expenditures &
Checking Accounts for All Programs

- 1) The Education and Town staff has agreed as to the total expenditures for the Education Budget, in concert with the Town's control totals.
The year to date General Fund expenditures through August 2020 are \$9,768,979.
- 2) Checking Account Reconciliations:

<u>ACCOUNT TITLE</u>	<u>Date Completed By Education</u>	<u>Date Reviewed By Town</u>
<u>General Fund:</u>		
Accounts Payable	09/04/2020	09/15/2020
Payroll	09/04/2020	09/15/2020
<u>Other Funds:</u>		
Educational Grants	09/04/2020	09/15/2020
Student Activities	09/16/2020	09/28/2020
School Foods	09/16/2020	09/28/2020
Dependent Care	09/10/2020	09/15/2020
Planetarium	09/16/2020	09/16/2020

cc: Narae McManus, Controller

Note: Reconciliation of checking accounts will generally follow a two month time frame after the applicable month for which the report is being prepared. We would suggest that we do not expect to complete reconciliations until that time. In completion of various accounting functions, administrative assignments will also stagger the work for those reconciliations.

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

October 14, 2020

TO: Board of Finance
FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
RE: Capital Projects Fund Expenditures Report
For the Period Ended September 30, 2020 (FY 2020/2021)

The funding presented on this statement has been authorized by referendum, the annual Capital Improvement Program and additional appropriations from the Capital Reserve Fund balance as noted below. The Capital Program designation includes funding resources of the Capital Reserve Fund, Sewer Assessments Fund, or Sewer Operating Fund and grants. In some cases, funding resources may also be provided from General Fund fund balance.

Current appropriated funding for all Capital projects as indicated on the September 30, 2020 report is **\$91.5m**.

Expenditures for current projects since inception through September 30, 2020 total **\$75.5m**. Encumbrances outstanding total **\$5.1m**. The most significant encumbrances are for Glastonbury Blvd Paving (\$1.4m), Road Overlay (\$0.8m), Main Street Sidewalks Phase 3 (\$0.7m) and Bridge Replacement/Rehabilitation (\$0.6m).

Capital expenditures through the month of September totaled **\$3.0m** and were for the GHS Kitchen Upgrades, Bridge Replacement / Rehabilitation, Glastonbury Blvd paving, the Multi-Use Trail, and other capital projects.

Attachment

Cc: Richard J. Johnson, Town Manager
Narae McManus, Controller
Karen Bonfiglio, Finance Manager, Board of Education

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH SEPTEMBER 30 2020

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU SEPTEMBER	2021 ENCUMB	AVAILABLE BALANCE
FUND 301 - CAPITAL RESERVE PROJECTS					
GenGovt/Public Safety (31006)					
51825 Academy Re-Use Phase One	2,221,238	2,219,672	-	-	1,566
51827 Town Buildings Security	675,000	510,645	1,200	25,349	139,005
51828 Facilities Study	70,000	-	-	-	70,000
51833 Disaster Prep/Recovery Resourc	884,000	883,866	-	-	134
51835 Fire Co Renovations/Code Compl	510,960	262,709	126	5,277	242,974
51836 Self Containd Breath Apparatus	120,000	-	-	-	120,000
51849 Public Safety Communications	890,000	397,516	-	-	492,484
51854 Police Building Windows	142,500	88,301	80,085	55,852	(1,653)
51854 Police Building Windows (Pol Bthrm Ren)	110,000	87,963	32,224	-	22,037
51855 Fiber Optic Network-School/Twn	1,167,000	1,116,058	-	-	50,942
51873 Land Acquisition	1,253,639	1,164,684	-	-	88,955
51875 Town Facilities Shop/Storage	1,045,000	1,046,182	-	-	(1,182)
51888 Property Revaluation	1,851,500	1,546,781	1,314	-	304,719
51890 Townwide Boiler/HVAC Replaceme	557,323	556,812	-	-	511
51892 Document Management System	460,000	268,821	-	62,644	128,535
51911 Telephone System	175,000	173,630	-	-	1,370
51912 Tn Hall Improvements	1,717,283	1,699,847	-	11,427	6,009
51914 Townwide Roof Replacement	800,000	657,532	1,715	-	142,468
51915 Clean Renewable Energy In	1,437,044	1,275,555	1,115	792	160,697
Total GenGovt/Public Safety	16,087,487	13,956,574	117,779	161,341	1,969,571
PhyServices Sanitation (31007)					
51834 Bulky Waste Scale	91,000	91,523	-	-	(522)
52827 Dam Maintenance/Replacement	22,624	22,624	-	-	-
52827 Dam Maintenance/Replacement (Blackledge Dam)	592,907	592,907	-	-	-
52827 Dam Maintenance/Replacement (Slocumb Dam)	-	-	-	-	-
52830 Bridge Replacement/Rehabil	5,150,000	4,067,500	565,289	589,545	492,955
52841 Bulky Waste Closure Fund	-	-	-	-	-
52847 Douglas/Sycamore Str Alignment	235,000	28,811	-	1,089	205,100
52848 Main Street Sidewalks Phase 3	1,040,000	50,015	4,373	726,957	263,029
52871 Parking/Access Drive Improvmnt	800,000	596,889	-	-	203,111
52872 Hebron Avenue Resurfacing	1,276,806	1,072,994	14,186	28,459	175,353
52879 Sidewalk Construction Townwide (CapRes 2020)	75,488	75,488	-	-	-
52879 Sidewalk Construction Townwide ()	199,522	-	-	4,629	194,893
52881 Cedar Ridge Public Water	250,000	50,000	-	-	200,000
52882 Sidewalk Repair and Maintenanc	350,000	174,808	-	175,000	192
52883 Townwide Drainage Solutions	200,000	-	-	-	200,000
52884 Town Center Streetscape Improv	200,000	-	-	-	200,000
52886 Old Maids Lane-Public Water	175,000	-	-	-	175,000
52946 Road Overlay (CapRes 2020)	1,433,257	1,433,257	-	-	-

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH SEPTEMBER 30 2020

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU SEPTEMBER	2021 ENCUMB	AVAILABLE BALANCE
52946 Road Overlay ()	1,396,735	118,933	118,933	835,482	442,319
52949 Gen Bicycle/pedestrian Imprvmt	89,262	-	-	-	89,262
52951 Heavy Equipment	439,070	163,702	-	-	275,368
52951 Heavy Equipment (San Wheel Loadr)	235,000	195,049	-	-	39,951
52958 Glastonbury Blvd Paving	2,200,000	421,678	421,376	1,416,486	361,836
52959 Traffic Calming	100,000	-	-	-	100,000
52960 Renovation andSite Restoration	1,573,189	1,576,344	-	-	(3,155)
52960 Renovation andSite Restoration (Slocumb Dam)	275,000	16,284	2,551	198,097	60,619
52961 Town Center Traffic/Street Imp	2,125,000	2,118,814	-	-	6,186
52963 Hebron Ave/House St Improvemen	1,975,000	1,515,716	-	236,763	222,521
52964 Public Water Service - Uranium	50,000	-	-	-	50,000
52965 Mill St Bridge Replacement	180,000	-	-	-	180,000
Total PhyServices Sanitation	22,729,859	14,383,336	1,126,709	4,212,506	4,134,017
Culture/Parks &Recreation (31008)					
53825 Addison Park Renovations	225,000	-	-	-	225,000
53832 Aquatics Facility	125,000	112,896	-	-	12,104
53837 Minnechaug Golf Improvements	512,500	355,920	175	2,006	154,574
53838 Library Exterior Renovations	94,624	-	-	-	94,624
53839 Multi-Use Trail	1,228,000	624,235	409,054	409,480	194,285
53841 Splash Pad	500,000	-	-	-	500,000
53853 Mower 16' Rotary Mower Rplcmnt	120,000	113,415	113,415	-	6,585
53856 Parks Facility Renov/Expansion	1,067,500	1,002,736	-	26,166	38,598
53857 Riverfront Park Extension	803,973	777,023	-	-	26,950
53860 Library Upgrade/Redesign	450,000	247,561	-	-	202,439
53861 Library Windows	156,376	156,376	-	-	-
53872 Salmon Bk PkStudy	-	-	-	-	-
53873 Grange Pool	350,000	344,572	-	-	5,428
53874 Tree Management	250,000	136,821	17,363	33,637	79,542
53875 Cider Mill	80,000	39,926	-	-	40,074
53920 Open Space Access	540,000	337,421	-	1,000	201,579
53921 Winter Hill	125,000	100,000	-	13,000	12,000
53930 Library Space Planning Study	39,485	39,485	-	-	-
Total Culture/Parks &Recreation	6,667,458	4,388,387	540,006	485,290	1,793,782
Education (31009)					
55836 HVAC/Boilers Study K-6	-	-	-	-	-
55836 HVAC/Boilers (CAP RES-GID WEL)	1,414,178	1,358,077	-	51,199	4,902
55839 Energy Audit--All Schools	275,500	241,303	-	-	34,197
55847 GHS Fieldhouse	1,965,000	95,305	7,990	20,554	1,849,141
55858 Schools Air Conditioning	2,175,000	2,175,000	-	1	(1)
55859 School Code Compliance	190,000	186,996	-	-	3,004
55860 GHS Kitchen Upgrades	1,675,000	1,530,199	1,246,842	124,197	20,604
55863 GHS Parking and Access Drives	365,000	365,616	-	-	(616)

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH SEPTEMBER 30 2020

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU SEPTEMBER	2021 ENCUMB	AVAILABLE BALANCE
55868 Smith Middle School Gym Floor	506,664	306,663	-	3,000	197,001
55870 School Roofs	50,000	14,788	-	3,600	31,612
Total Education	8,616,342	6,273,948	1,254,832	202,552	2,139,842
TOTAL 301 - CAPITAL RESERVE PROJECTS	54,101,146	39,002,245	3,039,326	5,061,689	10,037,212
FUND 302 - SEWER SINKING PROJECTS					
PhySer Sewer Sinking (32007)					
52888 WPC Emergency Power	202,500	154,104	2,154	-	48,396
52889 WPC Energy Conservation Prog	315,000	92,247	-	12,021	210,731
52893 Cider Mill Pump Station	1,791,000	1,660,892	-	9,800	120,308
52894 Sewer Forced Main Evaluation	-	-	-	-	-
Total PhySer Sewer Sinking	2,308,500	1,907,243	2,154	21,821	379,435
TOTAL 302 - SEWER SINKING PROJECTS	2,308,500	1,907,243	2,154	21,821	379,435
FUND 303 - LAND ACQUISITION					
Land / Open Space (33157)					
78827 Land 2009	2,233,000	2,233,000	-	-	-
78828 Land 2012	4,700,000	4,700,000	-	-	-
78829 Land 2016	3,000,000	3,000,000	-	-	-
78830 Land 2017	3,000,000	3,187,938	-	-	(187,938)
Total Land / Open Space	12,933,000	13,120,938	-	-	(187,938)
TOTAL 303 - LAND ACQUISITION	12,933,000	13,120,938	-	-	(187,938)
FUND 304 - TOWN AID					
PhySer Conn Grant (33207)					
52942 Town Aid Improved Rds (Town Aid 2020)	707,691	707,691	-	-	-
52942 Town Aid Improved Rds ()	626,034	-	-	-	626,034
52943 Town Aid Unimproved Rds (Town Aid 2020)	19,740	19,740	-	-	-
52943 Town Aid Unimproved Rds ()	18,387	-	-	-	18,387
Total PhySer Conn Grant	1,371,852	727,431	-	-	644,421
TOTAL 304 - TOWN AID	1,371,852	727,431	-	-	644,421
FUND 314 - RIVERFRONT PARK					
Riverfront Park - Phase I (34560)					
66805 Administrative	147,738	147,737	-	-	1
66810 Engineering	121,418	121,417	-	-	1
66824 Machinery & Equipment	196,373	196,373	-	-	-
66825 Construction	3,784,471	3,784,470	-	-	1
66829 Contingency	-	-	-	-	-
Total Riverfront Park - Phase I	4,250,000	4,249,998	-	-	2

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2021 THROUGH SEPTEMBER 30 2020

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2021 THRU SEPTEMBER	2021 ENCUMB	AVAILABLE BALANCE
RIVERFRONT PARK - PHASE II (34561)					
66805 Administrative	18,000	17,962	-	-	38
66810 Engineering	863,500	844,120	-	74	19,306
66825 Construction	14,680,000	14,712,305	-	-	(32,305)
66829 Contingency	48,500	30,833	-	-	17,668
Total RIVERFRONT PARK - PHASE II	15,610,000	15,605,220	-	74	4,706
TOTAL 314 - RIVERFRONT PARK	19,860,000	19,855,218	-	74	4,708
FUND 316 - GATEWAY PROJECT					
Gateway Corporate Park (35357)					
52845 Gateway Corp. Park	888,541	869,410	-	-	19,131
Total Gateway Corporate Park	888,541	869,410	-	-	19,131
TOTAL 316 - GATEWAY PROJECT	888,541	869,410	-	-	19,131
GRAND TOTAL	91,463,039	75,482,485	3,041,480	5,083,584	10,896,970

TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

TO: Board of Finance
Richard J. Johnson, Town Manager

FROM: *JST* Julie Twilley, Director of Finance & Administrative Services

DATE: October 7, 2020

SUBJECT: Self Insurance Reserve Update September 2020

The attached report summarizes the Self Insurance Reserve fund through September 30, 2020. The total reserve is \$8,895,973 allocated \$1,759,518 and \$7,136,454 between Town and Board of Education, respectively. As of August the fund is experiencing a \$845,476 loss for the fiscal year.

The Town's employer contribution for this year also includes \$600k of additional contribution from budget variance in fiscal year 2020.

There are 2 large loss claims which are defined as any claims that exceed \$50,000. BOE has 2 while the Town has no large loss claims. None have exceeded the individual Stop Loss limit. The Individual Stop Loss limit is \$200,000 for BOE and \$150,000 for the Town

Enc.

cc: Dr. Alan Bookman, Superintendent
Karen Bonfiglio, Business Manager
Rose Brown, Human Resources Manager

SELF INSURANCE RESERVE FUND

YTD Balances As of: September 30, 2020

	Town	Education	Total
Contributions			
Employer	1,545,207	\$1,519,937	\$3,065,143
Employee	288,506	416,404	704,909
Stop Loss Reimbursement	31,657	33,689	65,346
Total Revenues	\$1,865,370	\$1,970,029	\$3,835,399
Expenditures			
Anthem			
ASO Fees	\$22,896	\$81,515	\$104,412
Claims	335,815	2,109,983	2,445,798
	\$358,712	\$2,191,498	\$2,550,210
CTCare			
ASO Fees	\$3,006	\$8,709	\$11,716
Claims	359,267	799,227	1,158,494
	\$362,274	\$807,936	\$1,170,210
Delta Dental			
ASO Fees	\$4,358	-	\$4,358
Claims	46,017	-	46,017
	\$50,376	-	\$50,376
Bank Fees/PCORI Fee	\$1,098	\$3,753	\$4,851
CT Prime	241,111	641,618	\$882,729
OneDigital Consultant Fees	4,500	18,000	22,500
	\$246,708	\$663,371	\$910,080
Total Expenditures	\$1,018,069	\$3,662,806	\$4,680,875
Current Year Revenues Less Expenses	\$847,300	(\$1,692,777)	(\$845,476)
Reserve July 1, 2020	\$912,218	\$8,829,231	\$9,741,449
Reserve at end of month	\$1,759,518	\$7,136,454	\$8,895,973

Note: The Reserve formula will be updated at the end of each quarter. The next update will be provided in November 2020.

TOWN OF GLASTONBURY
TRANSFER OF FUNDS

FUND	General Fund
SOURCE OF FUNDS	Within Department
ACTION REQUIRED	Town Manager


REASON FOR TRANSFER

Transfer request to purchase a laptop. The Town will be receiving volunteer services from the Capital Region Medical Reserve Corps to help the Health Office with processing contact tracing for COVID-19 cases. The volunteer will need a laptop to enter contact-tracing data.

TRANSFER FROM-HEALTH	ACCOUNT CODE	AMOUNT
Health Department: Full-time wages	01257-40410	\$1,500

TRANSFER TO-HEALTH	ACCOUNT CODE	AMOUNT
Health Department -Office Equipment/Furniture	01257-44710	\$1,500

Date 9-16-2020

Town Manager 

TOWN OF GLASTONBURY
BUDGET TRANSFERS AND AMENDMENTS


FUND	GENERAL FUND
SOURCE OF FUNDS	WITHIN DEPARTMENT
ACTION REQUIRED	TOWN MANAGER

REASON FOR TRANSFER

Transfer from Professional Services to Part Time Wages to support additional temporary staff to process Absentee Ballot application processing for the November 2020 election.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Town Clerk – Prof. Services	01527-43660	\$4,000

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Town Clerk – PT Wages	01527-40430	\$4,000

Date 9-17-2020 Town Manager 

TOWN OF GLASTONBURY
BUDGET TRANSFERS AND AMENDMENTS

FUND	GENERAL FUND
SOURCE OF FUNDS	WITHIN DEPARTMENT
ACTION REQUIRED	TOWN MANAGER

REASON FOR TRANSFER

To cover the cost of the annual subscription fee for NeoGov (HR Applicant Tracking/Onboarding Software). The increase for the software was greater than projected.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Human Resources – Programs	01114-43670	\$450

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Human Resources – Data Processing	01114-43635	\$450

Date 9-24-2020 Town Manager 

MEMORANDUM

To: Julie Twilley, Director of Finance & Administrative Services

From: Richard J. Johnson, Town Manager

Date: October 15, 2020

Re: Town Council Action – Appropriation and Transfer – 2157 Main Street

At its meeting of Tuesday, September 22, 2020, the Council referred to the Board of Finance the request for a \$150,000 appropriation and transfer. Background information is below.

The residential property at 2157 Main Street (immediately north of Town Hall) was originally acquired by the Town in 1988 and over the years has been home to a number of families through a lease arrangement with the Town. The building was constructed in 1910 and consistent with an older home, there have been a number of renovations and improvements since 1988.

The proposed plan is to renovate and update the residence and work with the Housing Authority to make the residence available as an affordable rental opportunity. Proposed work includes replacing 37± windows (energy efficient windows will reduce utility costs to tenant) including lead abatement. The abatement will include doors, interior trim, and other surfaces based on the most recent lead paint analysis. To our knowledge, there are no other materials requiring such abatement. Additionally, a ductless split air conditioning system is planned.

At this point, a preliminary budget of \$150,000 is identified to include the improvements noted herein and other work that might arise. Grant opportunities including energy efficiency and possible donations will be fully reviewed.

Please schedule this matter for action at the October 21, 2020 meeting of the Board of Finance.

RJJ/sal
Attachments

**TOWN OF GLASTONBURY
BUDGET TRANSFERS AND AMENDMENTS**

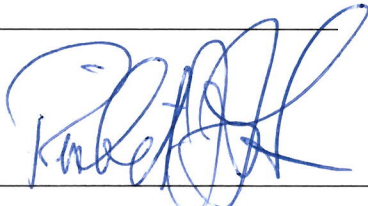
FUND	GENERAL FUND
SOURCE OF FUNDS	GENERAL FUND – UNASSIGNED FUND BALANCE
ACTION REQUIRED	TOWN MANAGER, BOARD OF FINANCE & TOWN COUNCIL

REASON FOR TRANSFER

This is a \$150,000 transfer from the General Fund – Unassigned Fund Balance to Town Facilities Capital Improvement Project account for renovations to 2157 Main Street. (See attached memo).

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
General Fund – Unassigned Fund	00100-09241	\$150,000

TRANSFER TO	ACCOUNT CODE	AMOUNT
CAPITAL RESERVE FUND (FUND 301)		
Town Facilities	31006-51875	\$150,000

Date <u>10-16-2020</u>	Town Manager 
Date	Board of Finance
Date	Town Council



TOWN OF GLASTONBURY RETIREMENT INCOME PLAN

**Actuarial Valuation as of July 1, 2019
To Determine Funding for Fiscal Year 2020-21**

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

Michelle L. Boyles, FSA
Consulting Actuary

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2019 to determine funding for fiscal year 2020-21. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town of Glastonbury ("Town"). To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

We further certify that, in my opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

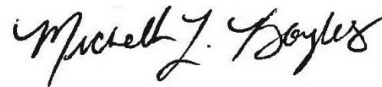
The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impact the objectivity of our work.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Rebecca A. Sielman, FSA
Consulting Actuary



Michelle L. Boyles, FSA
Consulting Actuary

Section I - Executive Summary Changes Since the Prior Valuation

Changes in Actuarial Methods and Assumptions

We updated the mortality assumption from the RP-2000 Mortality Table with generational projection per Scale AA to the Pub-2010 Mortality Table with generational projection per MP Ultimate Scale. We used PubS-2010 tables for public safety and blue collar groups and PubG-2010 tables for all others.

This change increased the Unfunded Accrued Liability by about \$12.9 million and increased the Actuarially Determined Contribution by about \$1.5 million.

To mitigate the impact of the mortality change on the Actuarially Determined Contribution, the amortization period remained level at the July 1, 2018 period of 14 years. Subsequent valuations will reduce the period by one. This change decreased the Actuarially Determined Contribution by about \$0.4 million.

Plan Changes

We updated the Employee contribution rates for Non-Hybrid groups per the collective bargaining agreements in effect. The past, current and future agreed upon rates are described in the Summary of Plan Provisions. Hybrid groups were unchanged from the prior year. This change decreased the Unfunded Accrued Liability by about \$104,000 and decreased the Actuarially Determined Contribution by about \$48,000.

Other Significant Changes

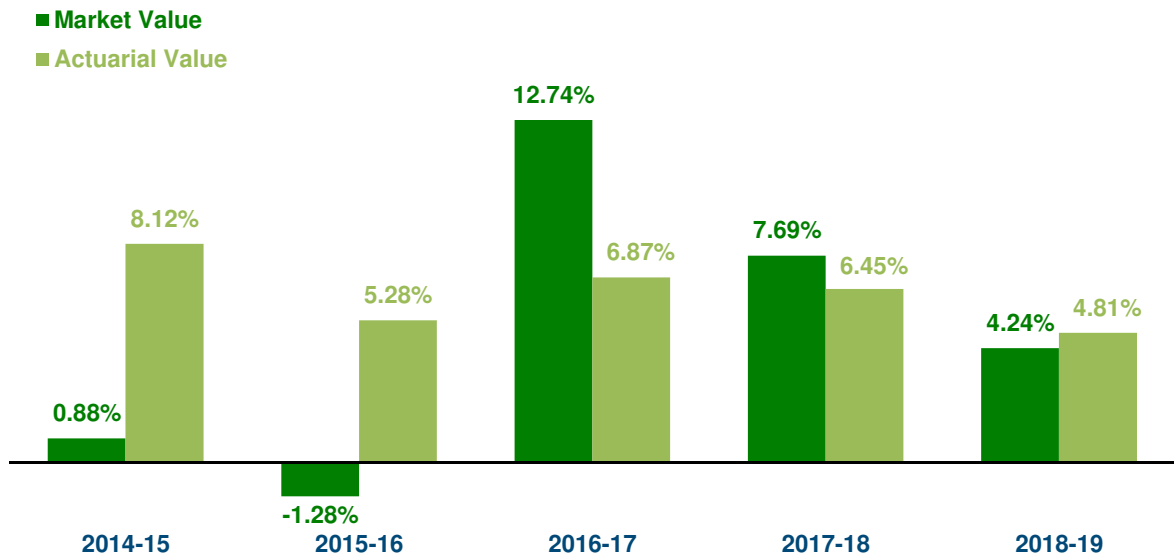
None.

Section I - Executive Summary Assets

There are two different measures of the plan's assets that are used throughout this report. The Market Value is a snapshot of the plan's investments as of the valuation date. The Actuarial Value is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses non-asymptotically over five years.

	Market	Actuarial
Value as of July 1, 2018	\$146,845,104	\$146,970,419
Town and Member Contributions	9,782,976	9,782,976
Investment Income	6,229,061	7,077,564
Benefit Payments and Administrative Expenses	<u>(9,557,888)</u>	<u>(9,557,888)</u>
Value as of July 1, 2019	153,299,253	154,273,071

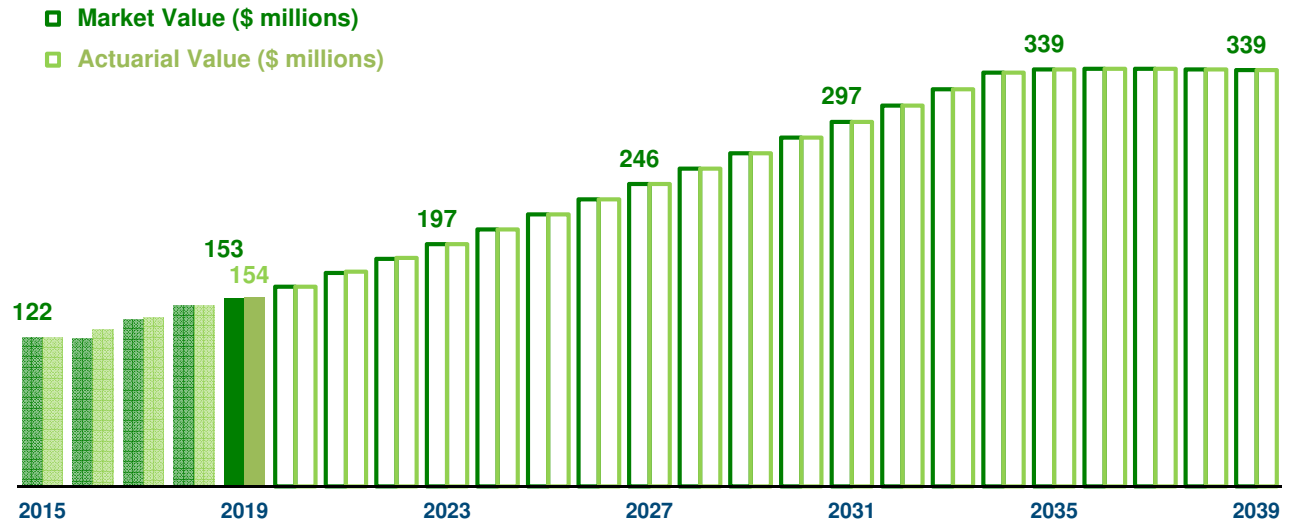
For fiscal year 2018-19, the plan's assets earned 4.24% on a Market Value basis and 4.81% on an Actuarial Value basis. The actuarial assumption for this period was 6.50%; the result is an asset loss of about \$3.3 million on a Market Value basis and a loss of about \$2.5 million on an Actuarial Value basis. Historical rates of return are shown in the graph below.



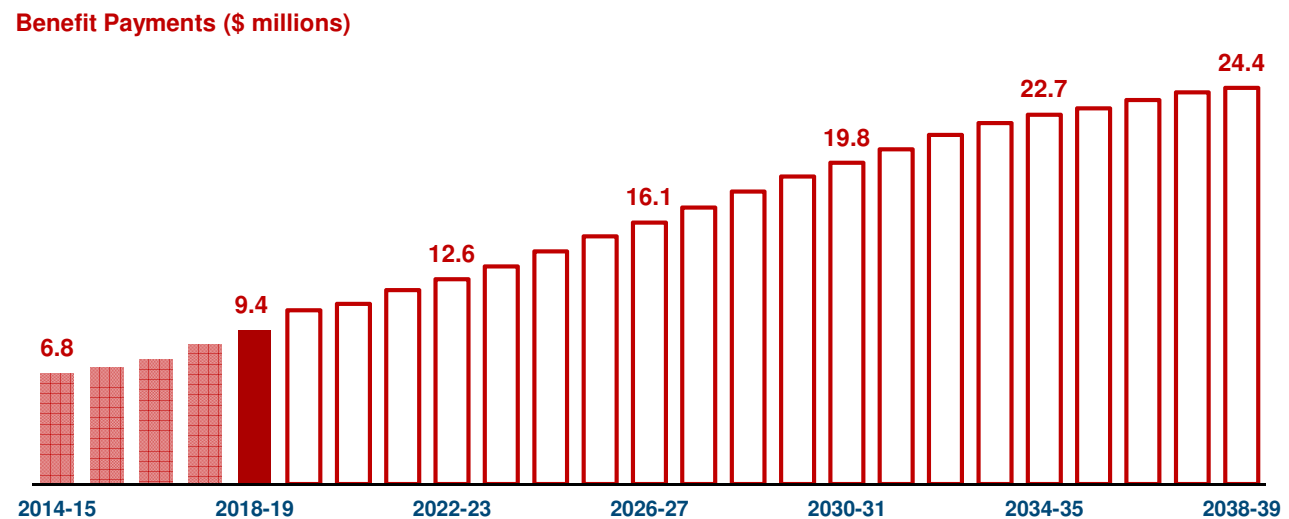
Please note that the Actuarial Value currently exceeds the Market Value by \$1.0 million. This figure represents investment losses that will be gradually recognized in future years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

Section I - Executive Summary Assets (continued)

The graph below shows how this year's asset values compare to where the plan's assets have been over the past several years and how they are projected to change over the next 20 years. For purposes of this projection, we have assumed that the Town always contributes the Actuarially Determined Contribution and the investments always earn the assumed interest rate each year.

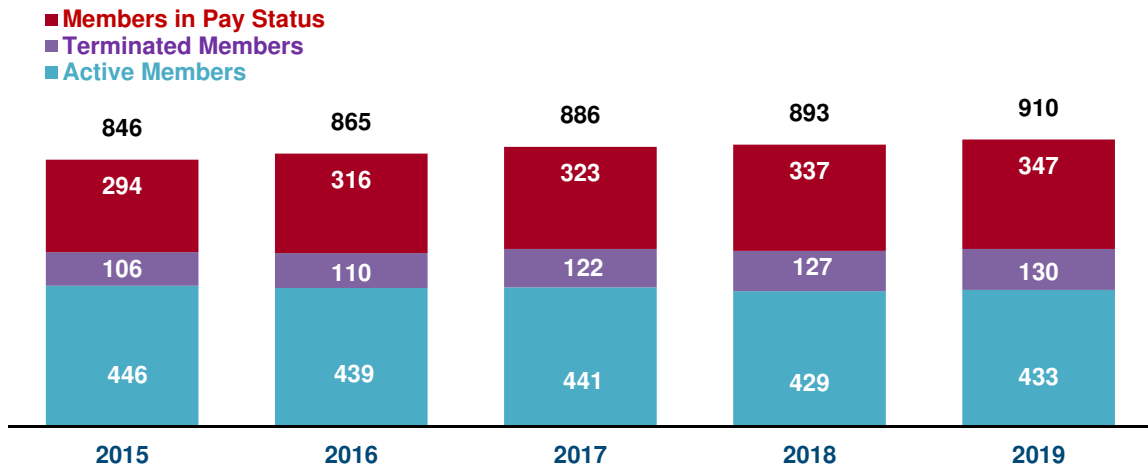


In 2018-19, the plan paid out \$9.4 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$361 million in benefits to members.



Section I - Executive Summary Membership

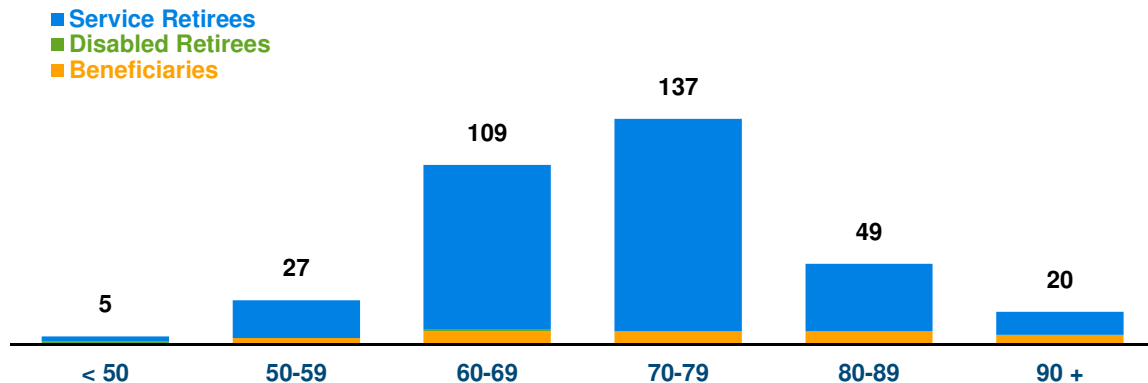
There are three basic categories of plan members included in the valuation: (1) members who are receiving monthly pension benefits, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) active employees who have met the eligibility requirements for membership.



Members in Pay Status on July 1, 2019

Board of Education	141	Total Count	347
Highway / Veh Maint / Refuse	26	Average Age	72.2
Dispatchers	3	Total Annual Benefit	\$9,559,285
Housing Authority	5	Average Annual Benefit	27,548
Police	69		
Town	93		
Facilities / Wastewater	10		
Town Hybrid	0		
Housing Authority Hybrid	0		

The members in pay status fall across a wide distribution of ages:



Section I - Executive Summary Membership (continued)

Terminated Vested Members on July 1, 2019

Board of Education	61	Total Count	115
Highway / Veh Maint / Refuse	4	Average Age	55.2
Dispatchers	1	Total Annual Benefit	\$949,237
Housing Authority	5	Average Annual Benefit	8,254
Police	4		
Town	38		
Facilities / Wastewater	2		
Town Hybrid	0		
Housing Authority Hybrid	0		

Nonvested Members Due Refunds on July 1, 2019

Board of Education	9	Total Count	15
Highway / Veh Maint / Refuse	0		
Dispatchers	0		
Housing Authority	0		
Police	3		
Town	0		
Facilities / Wastewater	0		
Town Hybrid	3		
Housing Authority Hybrid	0		

Section I - Executive Summary Membership (continued)

Active Members on July 1, 2019

Board of Education	216	Total Count	433
Highway / Veh Maint / Refuse	17	Average Age	52.0
Dispatchers	11	Average Service	12.4
Housing Authority	9	Payroll	\$29,331,962
Police	53	Average Payroll	67,741
Town	75		
Facilities / Wastewater	12		
Town Hybrid	37		
Housing Authority Hybrid	3		

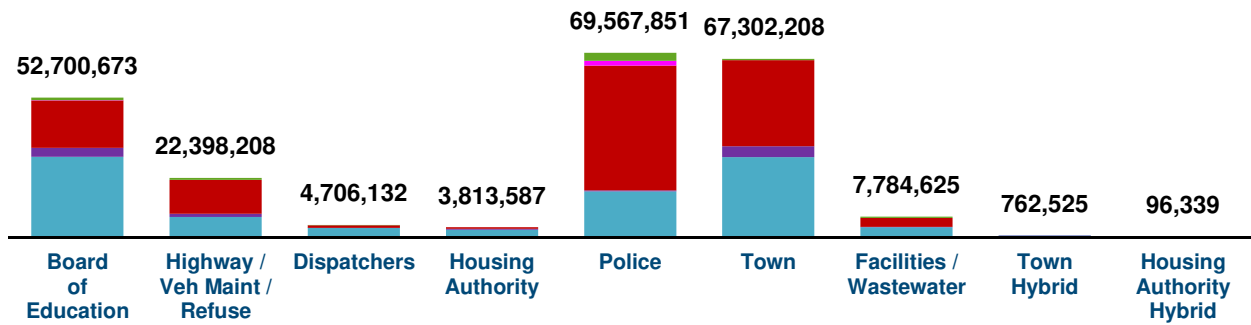
The table below illustrates the age and years of service of the active membership:

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	2	1						3
25-29	13	2						15
30-34	14	11	3					28
35-39	13	6	12	5				36
40-44	7	4	6	2	1			20
45-49	6	7	10	10	3	1		37
50-54	19	19	13	18	4	1	5	79
55-59	11	23	18	16	10	6	12	96
60-64	1	8	17	23	10	4	11	74
65+		3	8	10	6	4	14	45
Total	86	84	87	84	34	16	42	433

Section I - Executive Summary Accrued Liability

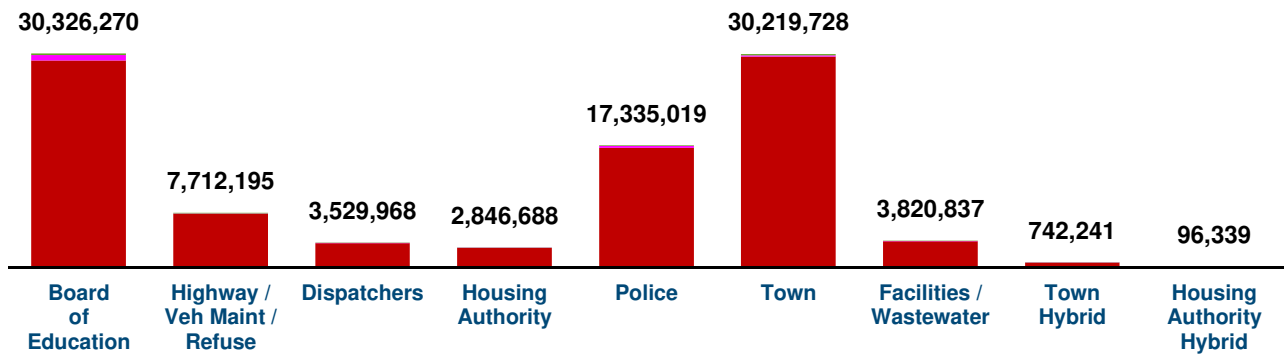
The Accrued Liability as of July 1, 2019 equals \$229,132,148, which consists of the following pieces:

- **Beneficiaries = \$6.0 million**
- **Disabled Retirees = \$1.8 million**
- **Service Retirees = \$115.0 million**
- **Terminated Vested Members = \$9.7 million**
- **Active Members = \$96.6 million**



The Accrued Liability for active members can be broken down further by the different types of benefits provided by the plan:

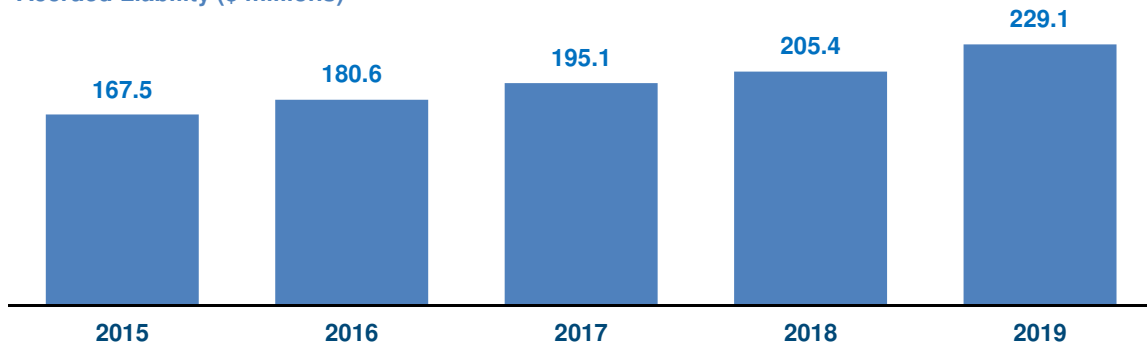
- **Preretirement Death = \$35,461**
- **Disability = \$44,042**
- **Retirement = \$3,712,081**
- **Termination = \$58,960**



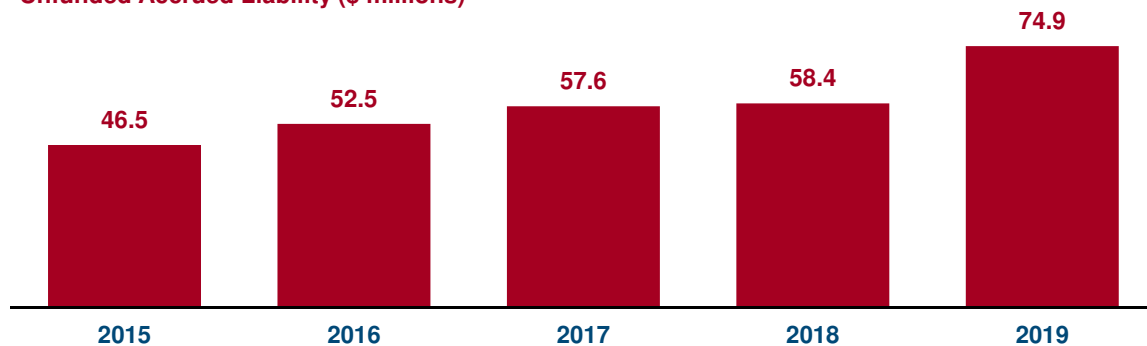
Section I - Executive Summary Funded Status

The Accrued Liability grows over time as active members earn additional benefits, and goes down over time as members receive benefits; it may also change when there are changes to the plan provisions or changes in the actuarial assumptions. The Unfunded Accrued Liability is the dollar difference between the Accrued Liability and the Actuarial Value of Assets; the Funded Ratio is the ratio of the two.

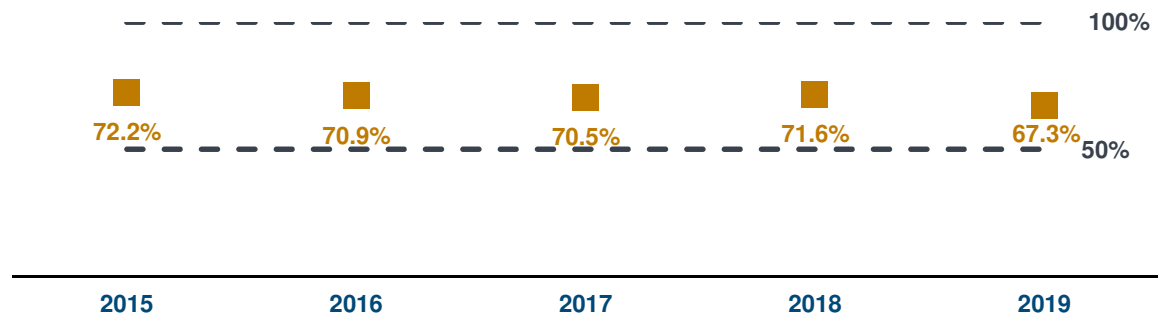
Accrued Liability (\$ millions)



Unfunded Accrued Liability (\$ millions)



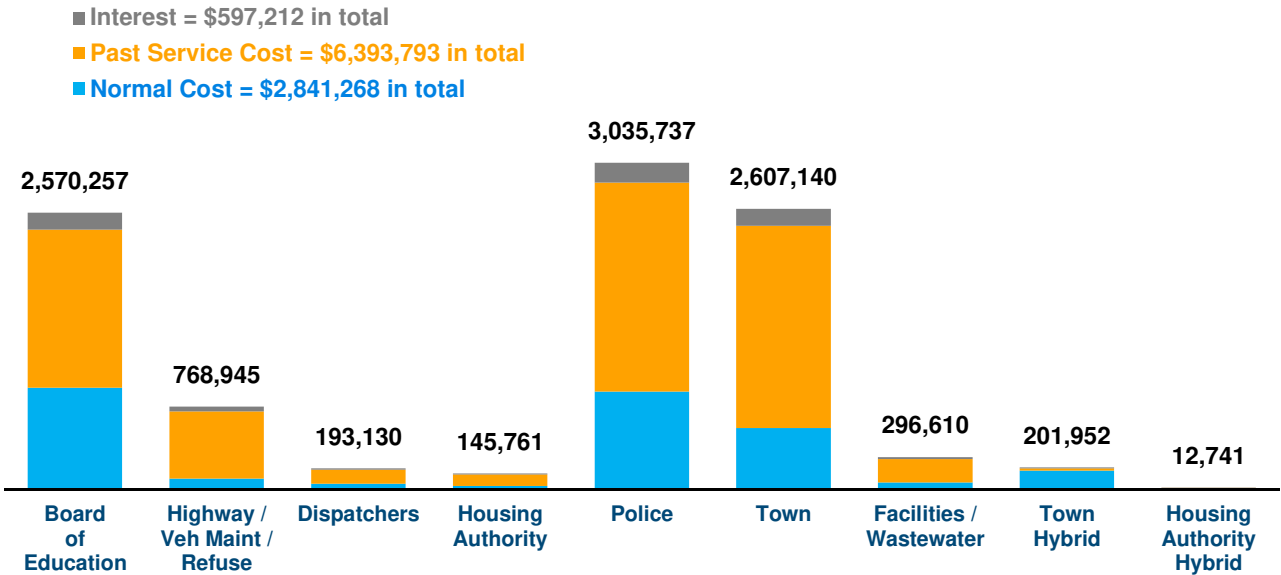
Funded Ratio



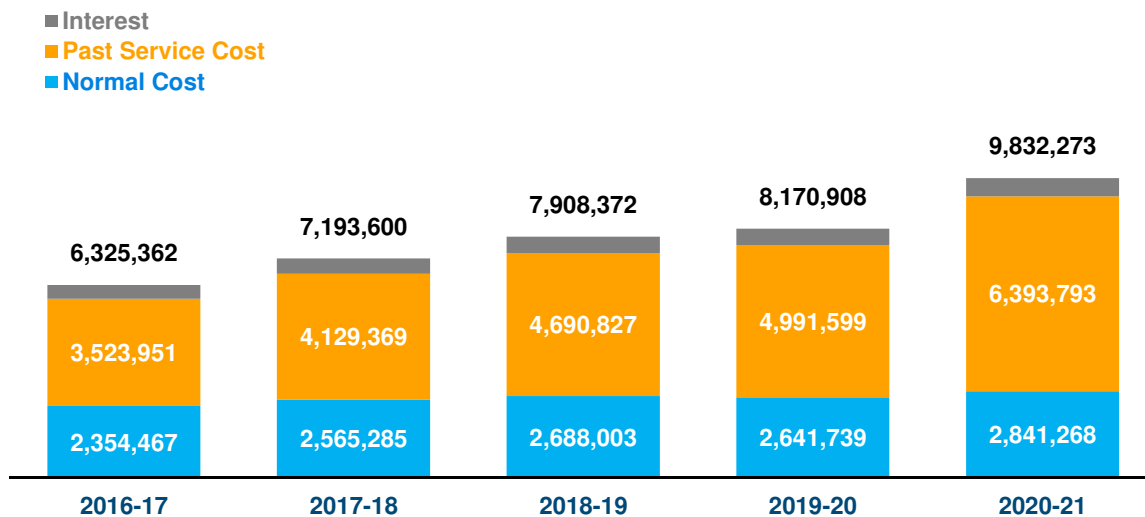
Section I - Executive Summary Actuarially Determined Contribution

The Actuarially Determined Contribution consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and Interest to reflect the timing of the contribution relative to the valuation date.

The Actuarially Determined Contribution for fiscal year 2020-21 is \$9,832,273; its component pieces are shown graphically below.

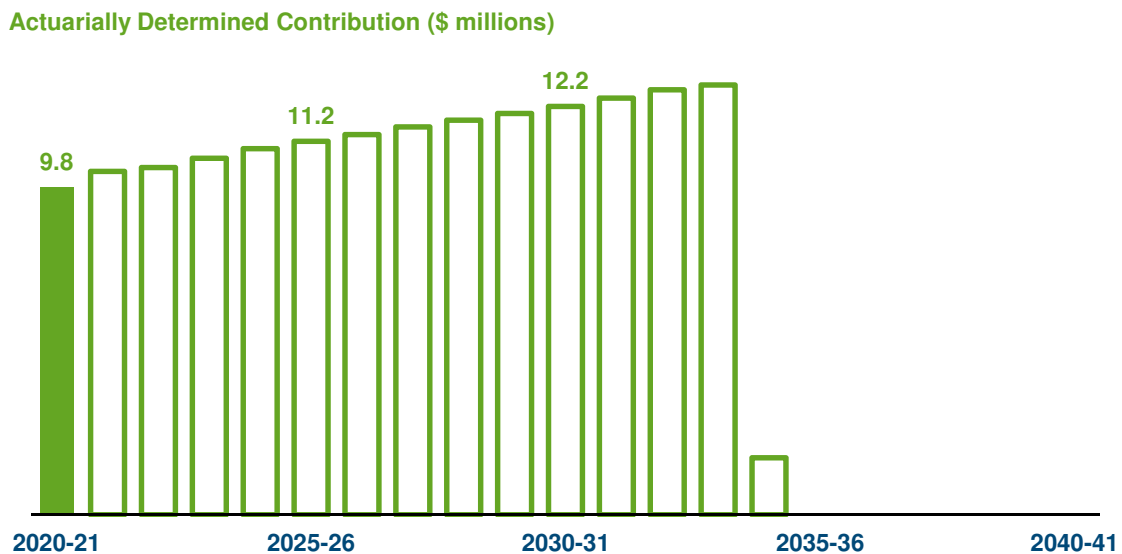
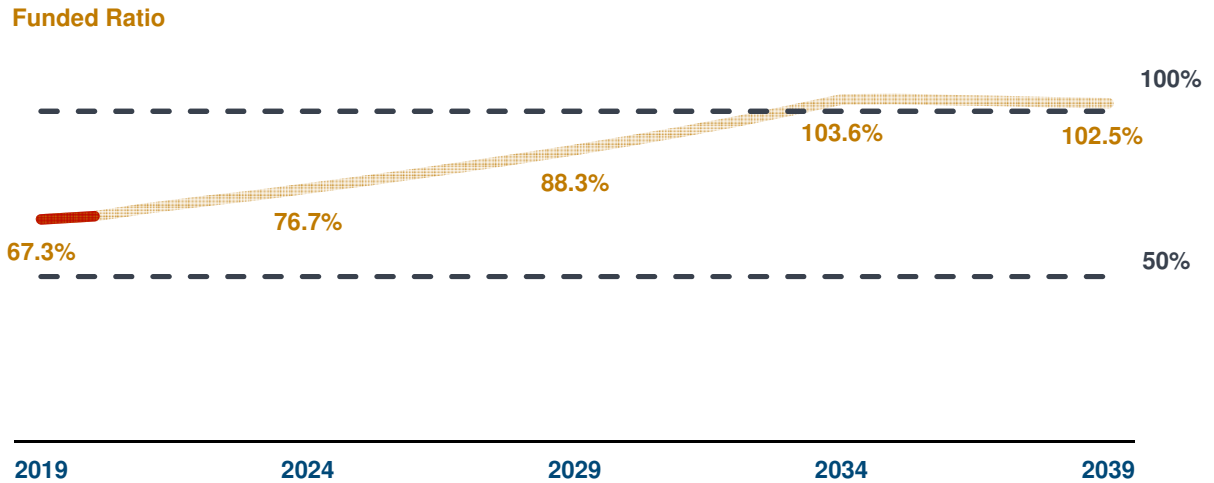


The chart below shows the Actuarially Determined Contribution for the past five fiscal years. Note that the Normal Cost is relatively consistent from year to year, whereas the Past Service Cost tends to be more volatile since it reflects the impact of asset performance.



Section I - Executive Summary Long-Range Forecast

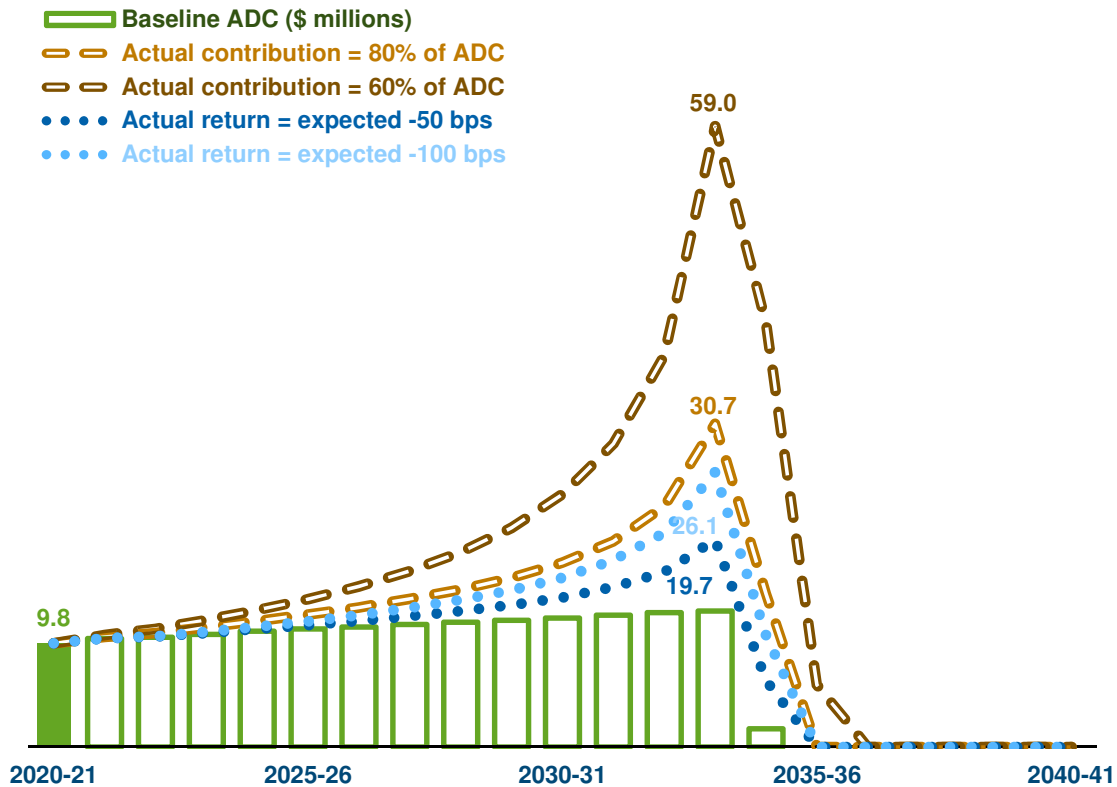
If the Town pays the Actuarially Determined Contribution each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following changes in the plan's funded status and the long-range contribution levels:



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III E for more details of the long range forecast.

Section I - Executive Summary Long-Range Forecast (continued)

Pension benefits are paid for through a combination of contributions from the Town and from employees, and from investment income. If the Town pays less than the Actuarially Determined Contribution each year, or if the investments persistently earn less than the assumed interest rate, then the plan's funded status would suffer, and to compensate, the Town's contribution levels would be pushed higher. The risks of underfunding and underearning are illustrated in the hypothetical scenarios below:



The scenarios illustrated above are based on deterministic projections that assume emerging plan experience always exactly matches the actuarial assumptions; in particular that actual asset returns will be constant in every year of the projection period. Variation in asset returns, contribution amounts, and many other factors may have a significant impact on the long-term financial health of the plan, the liquidity constraints on plan assets, and the Town's future contribution levels. Stochastic projections could be prepared that would enable the Town to understand the potential range of future results based on the expected variability in asset returns and other factors. Such analysis was beyond the scope of this engagement.

Section I - Executive Summary Summary of Principal Results

Membership as of	July 1, 2018	July 1, 2019
Active Members	429	433
Terminated Members	127	130
Members in Pay Status	<u>337</u>	<u>347</u>
Total Count	893	910
 Payroll	 \$28,602,606	 \$29,331,962
Assets and Liabilities as of	July 1, 2018	July 1, 2019
Market Value of Assets	\$146,845,104	\$153,299,253
Actuarial Value of Assets	146,970,419	154,273,071
Accrued Liability for Active Members	92,009,281	96,629,285
Accrued Liability for Terminated Members	8,258,160	9,656,137
Accrued Liability for Members in Pay Status	<u>105,133,070</u>	<u>122,846,726</u>
Total Accrued Liability	205,400,511	229,132,148
 Unfunded Accrued Liability	 58,430,092	 74,859,077
 Funded Ratio	 71.6%	 67.3%
Actuarially Determined Contribution for Fiscal Year	2019-20	2020-21
Normal Cost	\$2,641,739	\$2,841,268
Past Service Cost	4,991,599	6,393,793
Interest*	<u>537,570</u>	<u>597,212</u>
Actuarially Determined Contribution	8,170,908	9,832,273

*Assumes that the Town contribution is made on or about August 1.

Section II - Plan Assets

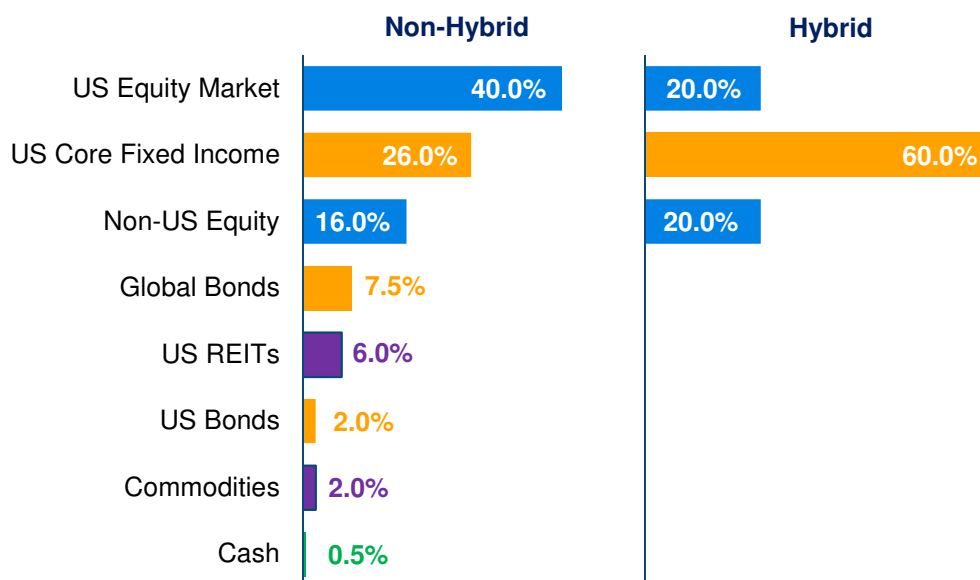
A. Summary of Fund Transactions

	Non-Hybrid	Hybrid	Total
Market Value as of July 1, 2018	\$146,542,171	\$302,933	\$146,845,104
Town Contributions	7,820,418	87,954	7,908,372
Member Contributions	1,724,130	150,474	1,874,604
Net Investment Income	6,200,458	28,603	6,229,061
Benefit Payments	(9,446,637)	0	(9,446,637)
Administrative Expenses	(111,026)	(225)	(111,251)
Market Value as of June 30, 2019	152,729,514	569,739	153,299,253
Expected Return on Market Value of Assets	9,527,891	21,094	9,548,985
Market Value (Gain)/Loss	3,327,433	(7,509)	3,319,924
Approximate Rate of Return *	4.23%	6.78%	4.24%

* The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

Target Asset Allocation as of June 30, 2019

■ Equity ■ Fixed Income ■ Other ■ Cash



Section II - Plan Assets

B. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses over a five year period. The Actuarial Value of Assets as of July 1, 2019 is determined below.

	Non-Hybrid	Hybrid	Total			
1. Expected Rate of Return, July 1, 2018 Valuation	6.50%	5.00%				
2. Expected Market Value of Assets:						
Market Value as of July 1, 2018	\$146,542,171	\$302,933	\$146,845,104			
Employer and Employee Contributions	9,544,548	238,428	9,782,976			
Benefit Payments and Administrative Expenses	(9,557,663)	(225)	(9,557,888)			
Expected Net Investment Income	<u>9,527,891</u>	<u>21,094</u>	<u>9,548,985</u>			
Expected Market Value as of July 1, 2019	156,056,947	562,230	156,619,177			
3. Actual Market Value as of July 1, 2019	152,729,514	569,739	153,299,253			
4. Market Value (Gain)/Loss: (2) - (3)	3,327,433	(7,509)	3,319,924			
5. Delayed Recognition of Market (Gains)/Losses:						
	Market (Gains)/Losses		Amount Not Recognized			
Year	Percent	Non-Hybrid	Hybrid	Non-Hybrid	Hybrid	Total
2019	80%	\$3,327,433	(\$7,509)	\$2,661,946	(\$6,007)	\$2,655,939
2018	60%	(1,455,334)	7,268	(873,200)	4,361	(868,839)
2017	40%	(7,068,384)	(200)	(2,827,354)	(80)	(2,827,434)
2016	20%	10,070,531	232	<u>2,014,106</u>	<u>46</u>	<u>2,014,152</u>
				975,498	(1,680)	973,818
6. Actuarial Value of Assets as of July 1, 2019: (3) + (5)		153,705,012		568,059		154,273,071
7. Rate of Return on Actuarial Value of Assets		4.81%		4.94%		4.81%
8. Actuarial Value (Gain)/Loss		2,479,286		257		2,479,543

Section III - Development of Contribution

A. Non-Hybrid Past Service Cost

In determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over 14 years starting on July 1, 2019.

	Board of Education	Highway / Veh Maint / Refuse	Dispatchers	Housing Authority	Police	Town	Facilities / Wastewater	Non-Hybrid Total
1. Accrued Liability								
Active Members	30,326,270	7,712,195	3,529,968	2,846,688	17,335,019	30,219,728	3,820,837	95,790,705
Terminated Members	3,406,876	1,141,619	27,571	354,229	377,145	4,158,109	170,304	9,635,853
Service Retirees	17,866,276	12,837,094	953,397	612,670	47,027,627	32,343,839	3,352,701	114,993,604
Disabled Retirees	48,339	0	0	0	1,757,001	0	0	1,805,340
Beneficiaries	<u>1,052,912</u>	<u>707,300</u>	<u>195,196</u>	<u>0</u>	<u>3,071,059</u>	<u>580,532</u>	<u>440,783</u>	<u>6,047,782</u>
Total Accrued Liability	52,700,673	22,398,208	4,706,132	3,813,587	69,567,851	67,302,208	7,784,625	228,273,284
2. Actuarial Value of Assets* (see Section IIB)	35,485,351	15,081,558	3,168,816	2,567,832	46,842,658	45,317,115	5,241,682	153,705,012
3. Unfunded Accrued Liability: (1) - (2)	17,215,322	7,316,650	1,537,316	1,245,755	22,725,193	21,985,093	2,542,943	74,568,272
4. Funded Ratio: (2) / (1)	67.3%	67.3%	67.3%	67.3%	67.3%	67.3%	67.3%	67.3%
5. Amortization Period	14	14	14	14	14	14	14	14
6. Amortization Growth Rate	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
7. Past Service Cost: (3) amortized over (5)	1,470,856	625,126	131,346	106,436	1,941,613	1,878,380	217,266	6,371,023

*The Actuarial Value of Assets was allocated in proportion to the Accrued Liability.

Section III - Development of Contribution
B. Non-Hybrid Actuarially Determined Contribution for FY 2020-21

	Board of Education	Highway / Veh Maint / Refuse	Dispatchers	Housing Authority	Police	Town	Facilities / Wastewater	Non-Hybrid Total
1. Total Normal Cost	\$1,534,551	\$185,491	\$116,402	\$69,383	\$1,335,264	\$941,387	\$122,547	\$4,305,025
2. Expected Member Contributions	618,431	99,828	68,763	40,865	461,285	405,477	65,207	1,759,856
3. Expected Administrative Expenses	26,411	11,225	2,358	1,911	34,865	33,729	3,901	114,400
4. Net Normal Cost: (1) - (2) + (3)	942,531	96,888	49,997	30,429	908,844	569,639	61,241	2,659,569
5. Past Service Cost (see Section IIIA)	1,470,856	625,126	131,346	106,436	1,941,613	1,878,380	217,266	6,371,023
6. Interest on (4) + (5) for 13 months	156,870	46,931	11,787	8,896	185,280	159,121	18,103	586,988
7. Actuarially Determined Contribution for FY 2020-21: (4) + (5) + (6)	2,570,257	768,945	193,130	145,761	3,035,737	2,607,140	296,610	9,617,580

Section III - Development of Contribution

C. Hybrid Past Service Cost

In determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over 14 years starting on July 1, 2019.

	Town Hybrid	Housing Authority Hybrid	Hybrid Total
1. Accrued Liability			
Active Members	742,241	96,339	838,580
Terminated Members	20,284	0	20,284
Service Retirees	0	0	0
Disabled Retirees	0	0	0
Beneficiaries	<u>0</u>	<u>0</u>	<u>0</u>
Total Accrued Liability	762,525	96,339	858,864
2. Actuarial Value of Assets* (see Section IIB)	504,340	63,719	568,059
3. Unfunded Accrued Liability: (1) - (2)	258,185	32,620	290,805
4. Funded Ratio: (2) / (1)	66.1%	66.1%	66.1%
5. Amortization Period	14	14	14
6. Amortization Growth Rate	3.50%	3.50%	3.50%
7. Past Service Cost: (3) amortized over (5)	20,216	2,554	22,770

*The Actuarial Value of Assets was allocated in proportion to the Accrued Liability.

Section III - Development of Contribution
D. Hybrid Actuarially Determined Contribution for FY 2020-21

	Town Hybrid	Housing Authority Hybrid	Hybrid Total
1. Total Normal Cost	\$318,614	\$28,102	\$346,716
2. Expected Member Contributions	146,673	18,544	165,217
3. Expected Administrative Expenses	178	22	200
4. Net Normal Cost: (1) - (2) + (3)	172,119	9,580	181,699
5. Past Service Cost (see Section IIIC)	20,216	2,554	22,770
6. Interest on (4) + (5) for 13 months	9,617	607	10,224
7. Actuarially Determined Contribution for FY 2020-21: (4) + (5) + (6)	201,952	12,741	214,693

Section III - Development of Contribution E. Long Range Forecast

This forecast is based on the results of the July 1, 2019 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 1 years in order to shield the Town from contribution volatility. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Values as of the Valuation Date				Fiscal Year	Cash Flows Projected to the Following Fiscal Year			
	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio		Town Contributions	Member Contributions	Benefit Payments	Net Cash Flows
7/1/2019	\$229,132,148	\$154,273,071	\$74,859,077	67.3%	2020-21	\$9,832,273	\$1,981,662	(\$11,097,000)	\$716,935
7/1/2020	237,991,000	162,515,000	75,476,000	68.3%	2021-22	10,297,000	2,012,000	(11,938,000)	371,000
7/1/2021	247,046,000	174,736,000	72,310,000	70.7%	2022-23	10,415,000	2,070,000	(12,607,000)	(122,000)
7/1/2022	255,756,000	185,910,000	69,846,000	72.7%	2023-24	10,690,000	2,098,000	(13,405,000)	(617,000)
7/1/2023	264,382,000	197,031,000	67,351,000	74.5%	2024-25	10,980,000	2,133,000	(14,314,000)	(1,201,000)
7/1/2024	272,724,000	209,068,000	63,656,000	76.7%	2025-26	11,201,000	2,147,000	(15,249,000)	(1,901,000)
7/1/2025	280,629,000	221,279,000	59,350,000	78.9%	2026-27	11,400,000	2,188,000	(16,090,000)	(2,502,000)
7/1/2026	288,000,000	233,558,000	54,442,000	81.1%	2027-28	11,638,000	2,199,000	(17,013,000)	(3,176,000)
7/1/2027	294,965,000	246,012,000	48,953,000	83.4%	2028-29	11,837,000	2,212,000	(18,001,000)	(3,952,000)
7/1/2028	301,318,000	258,573,000	42,745,000	85.8%	2029-30	12,035,000	2,238,000	(18,929,000)	(4,656,000)
7/1/2029	306,928,000	271,145,000	35,783,000	88.3%	2030-31	12,248,000	2,274,000	(19,770,000)	(5,248,000)
7/1/2030	311,872,000	283,804,000	28,068,000	91.0%	2031-32	12,502,000	2,314,000	(20,611,000)	(5,795,000)
7/1/2031	316,209,000	296,669,000	19,540,000	93.8%	2032-33	12,747,000	2,316,000	(21,498,000)	(6,435,000)
7/1/2032	319,943,000	309,801,000	10,142,000	96.8%	2033-34	12,894,000	2,335,000	(22,218,000)	(6,989,000)
7/1/2033	322,869,000	323,120,000	(251,000)	100.1%	2034-35	1,710,000	2,397,000	(22,738,000)	(18,631,000)
7/1/2034	325,105,000	336,728,000	(11,623,000)	103.6%	2035-36	0	2,465,000	(23,122,000)	(20,657,000)
7/1/2035	326,933,000	339,195,000	(12,262,000)	103.8%	2036-37	0	2,496,000	(23,642,000)	(21,146,000)
7/1/2036	328,491,000	339,724,000	(11,233,000)	103.4%	2037-38	0	2,538,000	(24,110,000)	(21,572,000)
7/1/2037	329,558,000	339,777,000	(10,219,000)	103.1%	2038-39	0	2,634,000	(24,380,000)	(21,746,000)
7/1/2038	330,214,000	339,388,000	(9,174,000)	102.8%	2039-40	0	2,722,000	(24,629,000)	(21,907,000)

Section III - Development of Contribution
F. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2012	\$94,225,842	\$141,513,642	\$47,287,800	66.6%
July 1, 2013	100,043,439	149,596,651	49,553,212	66.9%
July 1, 2014	111,242,055	157,479,604	46,237,549	70.6%
July 1, 2015	121,001,212	167,525,980	46,524,768	72.2%
July 1, 2016	128,069,667	180,580,934	52,511,267	70.9%
July 1, 2017	137,484,904	195,101,288	57,616,384	70.5%
July 1, 2018	146,970,419	205,400,511	58,430,092	71.6%
July 1, 2019	154,273,071	229,132,148	74,859,077	67.3%

Section III - Development of Contribution

G. History of Town Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Payroll	Actual Contribution as a Percent of Payroll
2013-14	\$5,771,396	\$5,771,396	\$24,455,208	23.6%
2014-15	6,001,585	6,001,585	27,153,582	22.1%
2015-16	6,118,624	6,118,624	26,362,701	23.2%
2016-17	6,325,362	6,325,363	27,677,315	22.9%
2017-18	7,193,600	7,137,123	28,655,358	24.9%
2018-19	7,908,372	7,908,372	29,581,276	26.7%
2019-20	8,170,908	TBD	28,602,606	TBD
2020-21	9,832,273	TBD	29,331,962	TBD

Section IV - Membership Data

A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section IV.

	Active Members	Terminated Vested Members	Nonvested Members Due Refunds	Service Retirees	Disabled Retirees	Bene- ficiaries	Total
Count July 1, 2018	429	114	13	299	2	36	893
Terminated							
- refunds due	(1)	-	1	-	-	-	0
- paid refund	(6)	(1)	-	-	-	-	(7)
- vested benefits due	(6)	6	-	-	-	-	0
Retired	(19)	(1)	-	19	1	-	0
Died							
- with beneficiary	-	-	-	-	-	-	0
- no beneficiary	-	(3)	2	(8)	-	(3)	(12)
Benefits expired	-	-	-	-	-	-	0
New member	35	-	-	-	-	-	35
Rehired	1	-	(1)	-	-	-	0
New Alternate Payee	-	-	-	-	-	1	1
Correction	-	-	-	-	-	-	0
Count July 1, 2019	433	115	15	310	3	34	910

Section IV - Membership Data

B. Statistics of Active Membership

		As of July 1, 2018	As of July 1, 2019
Number of Active Members	Board of Education	218	216
	Highway / Veh Maint / Refuse	21	17
	Dispatchers	12	11
	Housing Authority	9	9
	Police	51	53
	Town	77	75
	Facilities / Wastewater	13	12
	Town Hybrid	28	37
	Housing Authority Hybrid	<u>0</u>	<u>3</u>
	Total	429	433
Average Age	Board of Education	55.4	55.1
	Highway / Veh Maint / Refuse	54.7	54.2
	Dispatchers	43.9	42.9
	Housing Authority	56.4	57.4
	Police	40.4	39.3
	Town	56.2	57.0
	Facilities / Wastewater	53.5	54.6
	Town Hybrid	41.5	43.5
	Housing Authority Hybrid	N/A	33.1
	Total	52.4	52.0
Average Service	Board of Education	11.8	11.8
	Highway / Veh Maint / Refuse	21.7	21.1
	Dispatchers	13.6	14.2
	Housing Authority	15.4	16.4
	Police	10.3	9.1
	Town	17.3	18.2
	Facilities / Wastewater	17.2	18.5
	Town Hybrid	1.6	2.0
	Housing Authority Hybrid	N/A	2.7
	Total	12.7	12.4

Section IV - Membership Data
B. Statistics of Active Membership (continued)

		As of July 1, 2018	As of July 1, 2019
Total Payroll	Board of Education	\$11,018,533	\$10,976,370
	Highway / Veh Maint / Refuse	1,875,805	1,535,821
	Dispatchers	905,674	1,018,713
	Housing Authority	661,227	693,010
	Police	5,233,267	5,426,886
	Town	6,277,291	6,207,837
	Facilities / Wastewater	1,028,942	931,524
	Town Hybrid	1,601,867	2,256,508
	Housing Authority Hybrid	<u>0</u>	<u>285,293</u>
	Total	28,602,606	29,331,962
Average Payroll	Board of Education	50,544	50,817
	Highway / Veh Maint / Refuse	89,324	90,342
	Dispatchers	75,473	92,610
	Housing Authority	73,470	77,001
	Police	102,613	102,394
	Town	81,523	82,771
	Facilities / Wastewater	79,149	77,627
	Town Hybrid	57,210	60,987
	Housing Authority Hybrid	N/A	95,098
	Total	66,673	67,741

Section IV - Membership Data

C. Distribution of Active Members as of July 1, 2019

Board of Education

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	1	1						2
25-29		2						2
30-34	4	3	2					9
35-39	4	2	3	1				10
40-44	1	1	1					3
45-49	3	5	5	3	2			18
50-54	8	14	9	7	1		1	40
55-59	8	18	13	11	4		4	58
60-64	1	3	12	14	6	2	4	42
65+		3	7	8	5	3	6	32
Total	30	52	52	44	18	5	15	216

Highway / Veh Maint / Refuse

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34		1						1
35-39		1						1
40-44								0
45-49			1	1				2
50-54							2	2
55-59			1	1		1	4	7
60-64			1	1			2	4
65+								0
Total	0	2	3	3	0	1	8	17

Dispatchers

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	1							1
25-29	2							2
30-34	1							1
35-39	1		1					2
40-44								0
45-49								0
50-54				2				2
55-59						1		1
60-64							2	2
65+								0
Total	5	0	1	2	0	1	2	11

Section IV - Membership Data

C. Distribution of Active Members as of July 1, 2019 (continued)

Housing Authority

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39								0
40-44								0
45-49		1		1		1		3
50-54			1				1	2
55-59						1		1
60-64				1				1
65+			1	1				2
Total	0	1	2	3	0	2	1	9

Police

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29	8							8
30-34	3	6	1					10
35-39	2	1	7	3				13
40-44	1	2	1	1				5
45-49	1	1	2	1	1			6
50-54		3		5	1		1	10
55-59					1			1
60-64								0
65+								0
Total	15	13	11	10	3	0	1	53

Town

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39		1	1					2
40-44		1	4	1	1			7
45-49			1	3				4
50-54		1	3	2	2	1		9
55-59		3	3	3	5	3	4	21
60-64		5	4	7	4		2	22
65+				1	1	1	7	10
Total	0	11	16	17	13	5	13	75

Section IV - Membership Data

C. Distribution of Active Members as of July 1, 2019 (continued)

Facilities / Wastewater

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34								0
35-39				1				1
40-44								0
45-49			1	1				2
50-54				2				2
55-59		1	1	1				3
60-64						2	1	3
65+							1	1
Total	0	1	2	5	0	2	2	12

Town Hybrid

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29	3							3
30-34	4	1						5
35-39	6							6
40-44	5							5
45-49	2							2
50-54	11	1						12
55-59	3	1						4
60-64								0
65+								0
Total	34	3	0	0	0	0	0	37

Housing Authority Hybrid

Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25								0
25-29								0
30-34	2							2
35-39		1						1
40-44								0
45-49								0
50-54								0
55-59								0
60-64								0
65+								0
Total	2	1	0	0	0	0	0	3

Section IV - Membership Data

D. Statistics of Inactive Membership

	As of July 1, 2018	As of July 1, 2019
Terminated Vested Members		
Number	114	115
Total Annual Benefit	\$890,707	\$949,237
Average Annual Benefit	7,013	8,254
Average Age	53.9	55.2
Nonvested Members Due Refunds		
Number	13	15
Service Retirees		
Number	299	310
Total Annual Benefit	\$8,155,923	\$8,857,481
Average Annual Benefit	27,277	28,573
Average Age	71.9	72.0
Disabled Retirees		
Number	2	3
Total Annual Benefit	\$43,941	\$87,249
Average Annual Benefit	21,971	29,083
Average Age	54.0	51.3
Beneficiaries		
Number	36	34
Total Annual Benefit	\$600,468	\$614,555
Average Annual Benefit	16,680	18,075
Average Age	77.0	75.5

Section IV - Membership Data
E. Distribution of Inactive Members as of July 1, 2019

	Age	Number	Annual Benefits
Terminated Vested Members	< 50	31	\$89,731
	50 - 59	49	388,262
	60 - 69	48	469,276
	70 - 79	2	1,967
	80 - 89	0	0
	90 +	<u>0</u>	<u>0</u>
	Total	130	949,237
Service Retirees	< 50	3	\$109,976
	50 - 59	23	1,261,836
	60 - 69	100	3,576,214
	70 - 79	129	3,028,053
	80 - 89	41	772,576
	90 +	<u>14</u>	<u>108,827</u>
	Total	310	8,857,481
Disabled Retirees	< 50	2	\$83,022
	50 - 59	0	0
	60 - 69	1	4,227
	70 - 79	0	0
	80 - 89	0	0
	90 +	<u>0</u>	<u>0</u>
	Total	3	87,249
Beneficiaries	< 50	0	\$0
	50 - 59	4	77,783
	60 - 69	8	153,514
	70 - 79	8	143,386
	80 - 89	8	168,300
	90 +	<u>6</u>	<u>71,572</u>
	Total	34	614,555

Section V - Analysis of Risk

A. Introduction

The results of this actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match these assumptions. As an example, the plan's investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the plan, or of the plan's members.

In addition, as plans mature they accumulate larger pools of assets and liabilities. The increase in size in turn increases the potential magnitude of adverse experience. As an example, the dollar impact of a 10% investment loss on a plan with \$1 billion in assets and liabilities is much greater than the dollar impact for a plan with \$1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) directs actuaries to provide pension plan sponsors with information concerning the risks associated with the plan:

- Identify risks that may be significant to the plan.
- Assess the risks identified as significant to the plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the plan's risks.

This section of the report uses the framework of ASOP 51 to communicate important information about significant risks to the plan, the plan's maturity, and relevant historical plan data.

Please see Section III E for more information on the basis for the projected results shown on the following pages.

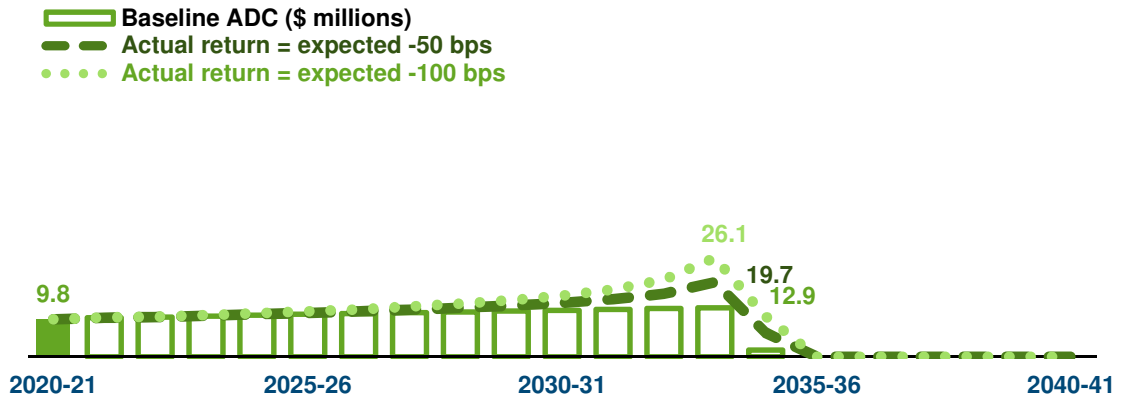
Section V - Analysis of Risk

B. Risk Identification and Assessment

Investment Risk

Definition: This is the potential that investment returns will be different than expected.

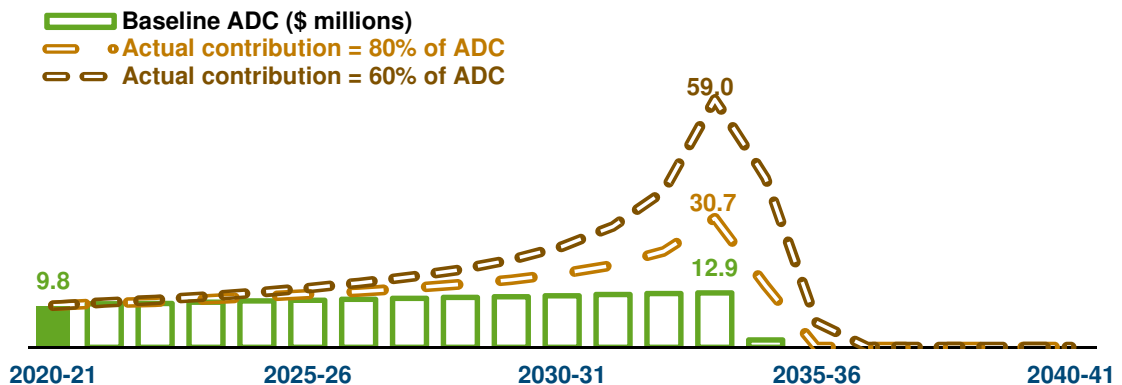
Identification: To the extent that actual investment returns differ from the assumed investment return, the plan's future assets, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. The consequences of persistent underperformance on future Actuarially Determined Contribution levels are illustrated below:



Contribution Risk

Definition: This is the potential that actual future contributions will be less than the Actuarially Determined Contribution.

Identification: Over the past 6 years, actual contributions have been 99.9% of the Actuarially Determined Contribution in total. The consequences of persistent underfunding on future Actuarially Determined Contribution levels are illustrated below:



Section V - Analysis of Risk

B. Risk Identification and Assessment

Liquidity Risk

Definition: This is the potential that assets must be liquidated at a loss earlier than planned in order to pay for the plan's benefits and operating costs. This risk is heightened for plans with negative cash flows, in which contributions are not sufficient to cover benefit payments plus expenses.

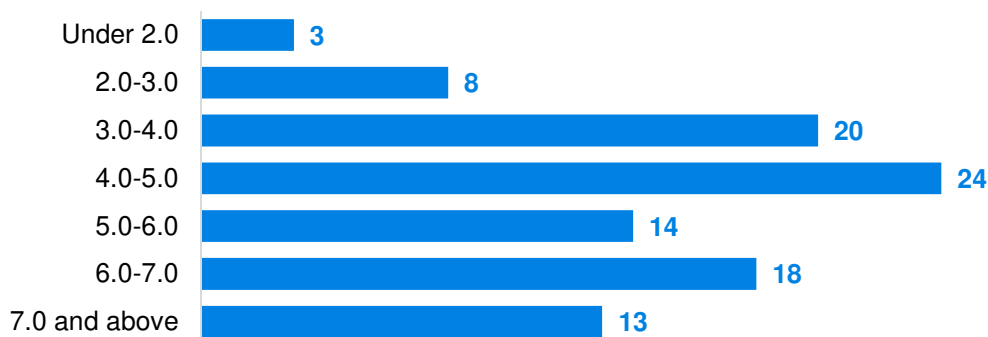
Identification: In 2018-19, the plan had positive cash flow, with town and member contributions to the plan of \$9,782,976 compared to \$9,557,888 of benefit payments and administrative expenses paid out of the plan. We suggest that you consult with your investment advisors with respect to the liquidity characteristics of the plan's investment holdings.

Maturity Risk

Definition: This is the potential for total plan liabilities to become more heavily weighted toward inactive liabilities over time, and for plan assets and/or liabilities to become larger relative to the active member liability.

Identification: The plan is subject to maturity risk because as plan assets and liabilities continue to grow, the dollar impact of any gains or losses on the assets or liabilities also becomes larger.

Assessment: As of July 1, 2019, the plan's Asset Volatility Ratio (the ratio of the market value of plan assets to payroll) is 5.2. According to Milliman's 2018 Public Pension Funding Study, the 100 largest US public pension plans have the following range of Asset Volatility Ratios:



Inflation Risk

Definition: This is the potential for a pension to lose purchasing power over time due to inflation.

Identification: The members of pension plans without fully inflation-indexed benefits are subject to the risk that their purchasing power will be reduced over time due to inflation.

Assessment: This plan provides for postretirement benefit increases that are directly tied to each year's rate of actual inflation. However, there is a maximum annual adjustment and a maximum lifetime adjustment. Further, not all members are eligible for these increases; this leaves members bearing some inflation risk.

Section V - Analysis of Risk

B. Risk Identification and Assessment

Insolvency Risk

Definition: This is the potential that a plan will become insolvent; that is, assets will be fully depleted.

Identification: If a plan becomes insolvent, contractually required benefits must be paid from the plan sponsor's other remaining assets.

Assessment: Under the GASB 68 depletion date methodology, the plan is not projected to become insolvent. Please see the GASB 68 report for more details on the underlying analysis.

Demographic Risks

Definition: This is the potential that mortality, turnover, retirement, or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that members will follow patterns of demographic experience as described in Appendix B. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. Formal Experience Studies performed on a regular basis are helpful in ensuring that the demographic assumptions reflect emerging plan experience.

Retirement Risk

Definition: This is the potential for members to retire and receive subsidized benefits that are more valuable than expected.

Identification: This plan has valuable early retirement benefits. If members retire at earlier ages than are anticipated by the actuarial assumptions, this will put upward pressure on subsequent Actuarially Determined Contributions.

Pensionable Earnings Risk

Definition: This is the potential for active members to add items to their pensionable earnings and receive pension benefits that are higher than expected.

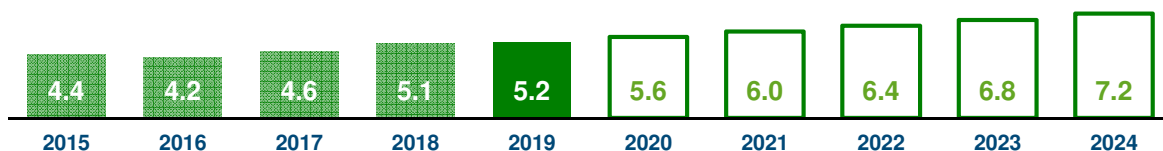
Identification: As Earnings include overtime payments, commissions, bonuses and any other additional compensation, a participant can significantly increase their final years of Earnings which are included in their Average Annual Earnings to calculate their final benefit. We have reflected a load for compensated absences for the groups that are eligible for these adjustments.

Section V - Analysis of Risk

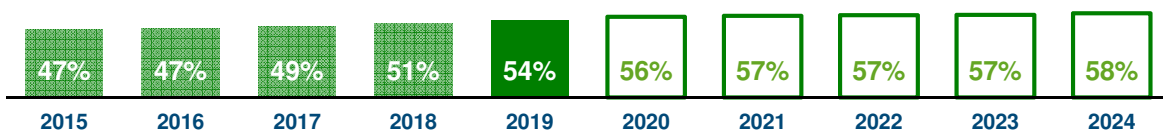
C. Maturity Measures

The metrics presented below are different ways of understanding the plan's maturity level, both in the past and as it is expected to change in the coming years.

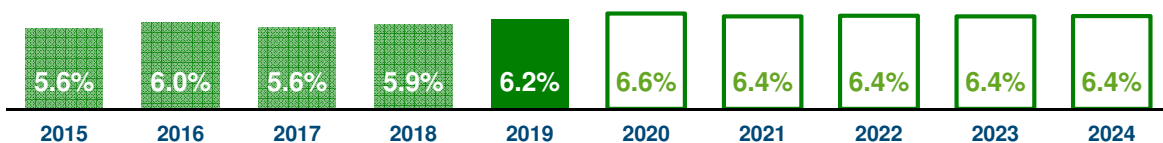
Asset Volatility Ratio: Market Value of Assets compared to Payroll



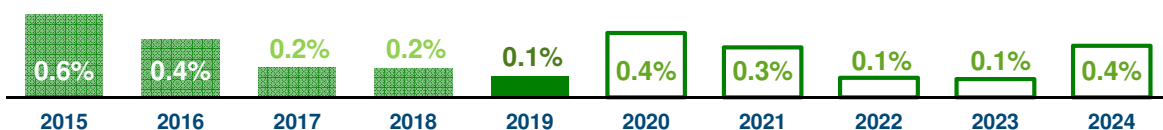
Accrued Liability for members in pay status compared to total Accrued Liability



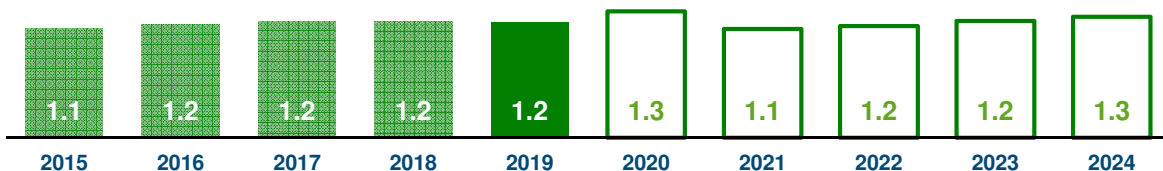
Benefit Payments compared to Market Value of Assets



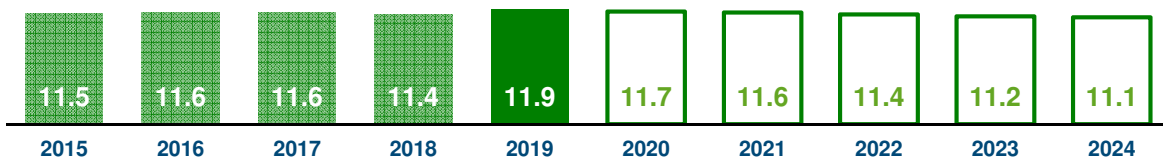
Net Cash Flows compared to Market Value of Assets



Benefit Payments compared to Town Contributions



Duration of Accrued Liability (based on GASB 68 sensitivity disclosures)



Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the Entry Age Normal Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the timing of the contribution relative to the valuation date.

The Normal Cost is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The Unfunded Accrued Liability is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level percent over 14 years starting with July 1, 2019. The amortization period will decline by 1 each year until it reaches 10 years, after which time it will remain at 10 years.

The Actuarial Value of Assets is determined by recognizing market gains and losses non-asymptotically over a five year period.

The long-range forecasts included in this report have been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions. For those unions whose new employees are eligible to participate in this plan, members who are projected to leave active employment are assumed to be replaced by new active members with the same age, service, gender, and pay characteristics as those hired in the past few years.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest Rate Non-Hybrid plan: 6.50%

Hybrid plan: 5.00%

Inflation 2.75%

Salary Scale Graded salary growth with an ultimate rate of 3.00%.

Age	Police	Town/BOE
25	6.50%	6.25%
30	6.00%	5.75%
35	4.75%	4.50%
40	3.75%	4.25%
45	3.50%	4.00%
50	3.50%	3.50%
55	3.25%	3.25%
60+	3.00%	3.00%

Amortization Growth Rate 3.50%

Administrative Expenses Prior year administrative expenses increased 3.0% and rounded to the nearest thousand.

Mortality Public Safety and Blue Collar Employees: PubS-2010 Mortality Table with generational projection with 100% of MP Ultimate Scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.

All Others: PubG-2010 Mortality Table with generational projection with 100% of MP Ultimate Scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.

Prior: RP-2000 Mortality Tables for employees and annuitants, with separate male and female rates, with generational projection per Scale AA.

Appendix B - Actuarial Assumptions

Survivor's Benefit

It is assumed that husbands are 3 years older than wives and that 90% of the male participants and 60% of the female participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

Turnover

Police: None

Town/BOE: The probability that a participant at the indicated age will terminate is:

Age	Rate
20	13.95%
25	10.20%
30	7.58%
35	5.93%
40	4.88%
45	4.13%
50	3.38%
55	2.33%
60+	0.00%

Retirement

Participants are assumed to retire as shown below:

Town		BOE	
Age	Rate	Age	Rate
60	3%	63-64	10%
61-64	15%	65	50%
65	50%	66-69	30%
66-69	30%	70	100%
70	100%		

Police		Police	
Hired before January 1, 2013		Hired on or after January 1, 2013	
Service	Rate	Service	Rate
20	10%	25	50%
21	15%	26-29	20%
22	30%	30	100%
23-24	15%		
25-29	30%		
30	100%		

For **Police**, minimum assumed retirement age is 50; 100% are assumed to retire at age 60.

Appendix B - Actuarial Assumptions

Disability	50% of the 1985 Disability Pension Table Class 1 Rates. 50% of Police who become disabled are assumed to have a Service Connected Disability.
Compensated Absences	Increase active liability and normal cost by 7% for Town and Highway and by 10% for Police hired before January 1, 2013.
Cost of Living Adjustments	Non-Hybrid: 2.75% Hybrid: 2.00% Cost of Living Adjustments are not available for some groups and are subject to limitations for some groups. These restrictions are reflected in accordance with the plan provisions.

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility

Completed one year of continuous Service and elects to make Mandatory Employee Contributions. No Division 005 (Highway / Vehicle Maintenance / Refuse) or Division 007 (Facilities / Wastewater) employees hired on or after September 1, 2013 are eligible to enter the Plan. All other Town and Housing Authority employees hired on or after June 1, 2013 will be eligible for benefits under the Hybrid plan benefit structure.

Earnings

Basic compensation received from the Employer for services as an Employee, plus overtime payments, commissions, bonuses and any other additional compensation.

Effective July 1, 2004, for Employees hired on or after such date, Highway / Vehicle Maintenance / Refuse employees shall not include sick leave payments as Earnings.

Effective July 1, 1994, Facilities / Wastewater employees shall not include sick leave payments as Earnings.

Effective January 1, 2013, for Employees hired on or after such date, Police employees shall not include overtime, private duty or sick leave payments as Earnings.

Average Annual Earnings

Town, Board of Education, Dispatchers, Housing Authority and Facilities / Wastewater

The highest average Earnings received in any five consecutive Earnings Computation Periods during the Participant's period of Credited Service in which their Earnings were highest and dividing the aggregate of such five years Earnings by 5.

Police

The highest average Earnings received in any 48 consecutive calendar months during the Participant's period of Credited Service in which Earnings were highest and dividing the aggregate of such 48 months Earnings by 4.

Highway / Vehicle Maintenance / Refuse / Hybrid plan groups

The highest average Earnings received in any 60 consecutive calendar months during the Participant's period of Credited Service in which their Earnings were highest and dividing the aggregate of such five years Earnings by 5.

Appendix C - Summary of Plan Provisions

Service	All years of Service with the employer, computed to the nearest 1/12 of a year, from date of employment to date of termination of employment, retirement date or date of death.
Credited Service	Participant's continuous Service completed prior to July 1, 1963 and subsequent to the date of coverage during which they have made contributions in accordance with the eligibility requirements, computed to the nearest 1/12 of a year, excluding any time absent from work due to a qualified disability, and excluding service after age 60 for police officers.
Social Security	The yearly Primary Insurance Amount for which the participant is estimated to be eligible at his or her Social Security Normal Retirement Age under the Social Security Act as in effect on their Normal Retirement Date, or the date their Service ceases, if earlier. The estimate is based upon the participant's compensation for which they have paid taxes under the Social Security Act. It is assumed that the participant will not receive any future compensation which would be treated as wages for the purpose of the Social Security Act.
Normal Form of Annuity	Single Life Annuity
Normal Retirement Date	Town, Board of Education, Highway / Vehicle Maintenance / Refuse, Housing Authority and Facilities / Wastewater / Hybrid plan groups If a participant became covered under the Plan prior to January 1, 1983, the day on which the participant attains age 65. If a participant becomes covered under the plan on or after January 1, 1983, the day on which the participant attains age 65, or, if later, the earlier of the day on which the participant completes ten years of Service or the tenth anniversary of their participation commencement date. Police Effective July 1, 1991, the day on which the participant attains age 55 or, if earlier, the day on which the participant completes 25 years of Service. Effective July 1, 1994, for a participant with an Hour of Service on or after July 1, 1994, the day on which the participant attains age 55 or, if earlier, the day on which the participant completes 20 years of Service or the date the participant would have completed 20 years of Service if the participant's employment had not ceased. For new participants hired on or after January 1, 2013, the day on which the participant attains age 55, or, if earlier, the day on which the participant completes 25 years of Service.

Appendix C - Summary of Plan Provisions

Normal Retirement Date

Dispatchers

If a participant became covered under the Plan prior to January 1, 1983, the day on which the participant attains age 65.

If a participant became covered under the Plan on or after January 1, 1983, but prior to July 1, 1991, the day on which the participant attains age 65 or, if later, the earlier of the day on which the participant completes 10 years of Service with the Employer or the 10th anniversary of their participation commencement date.

On or after July 1, 1991, the day on which the participant attains age 62 or, if later the earlier of the day on which the Participant completes 10 years of Service or the 10th anniversary of their participation commencement date.

Normal Retirement Benefit

Town, Housing Authority, Dispatchers, and Highway / Vehicle Maintenance / Refuse (CILU)

1.75% of Average Annual Earnings times Credited Service plus 0.50% of Average Annual Earnings over \$15,000 times Credited Service.

Board of Education

2.00% of Average Annual Earnings times Credited Service.

Police

Greater of 2.50% of Average Annual Earnings times Credited Service (maximum 30 years of Credited Service or 75% of Annual Average Earnings) or \$360.

For Officers hired on or after January 1, 2013, 2.0% of Final Average Earnings times Credited Service to a maximum of 70% of Annual Average Earnings.

Facilities / Wastewater (AFSCME)

2.15% of Average Annual Earnings times Credited Service.

Maximum Benefit – 70% of Average Annual Earnings for Employees hired after November 29, 2005. 60% of Average Annual Earnings for Employees hired after June 30, 2008.

Hybrid plan groups

1.50% of Average Annual Earnings times Credited Service (maximum 30 years of Credited Service or 45% of Annual Average Earnings).

Appendix C - Summary of Plan Provisions

Vested Benefit Accrued benefit as of date of termination adjusted by the applicable vesting percentage, payable as of Normal Retirement Date.

Vesting Schedule **Town, Housing Authority, Board of Education, Highway / Vehicle Maintenance / Refuse and Dispatchers**

Years of Service	Vesting Percentage
0 ≤ Years of Service < 5	0%
5 ≤ Years of Service < 6	50%
6 ≤ Years of Service < 7	60%
7 ≤ Years of Service < 8	70%
8 ≤ Years of Service < 9	80%
9 ≤ Years of Service < 10	90%
10 ≤ Years of Service	100%

Police / Hybrid plan groups

Years of Service	Vesting Percentage
0 ≤ Years of Service < 10	0%
10 ≤ Years of Service	100%

Facilities / Wastewater

Years of Service	Vesting Percentage
0 ≤ Years of Service < 5	0%
5 ≤ Years of Service < 6	80%
6 ≤ Years of Service < 7	90%
7 ≤ Years of Service	100%

Early Retirement Date Ten years early with 10 years of Service.

Early Retirement Benefit Normal Retirement benefit accrued to early retirement, actuarially reduced for the number of months the participant's Annuity Commencement Date precedes the participant's Normal Retirement Date.

Appendix C - Summary of Plan Provisions

Pre Retirement Spouse Benefit

Town, Housing Authority, Board of Education, Highway / Vehicle Maintenance / Refuse, Dispatchers and Facilities / Wastewater / Hybrid plan groups

To be eligible, must be actively contributing to the plan, have attained age 40 with 10 years of Service, and been married one full year prior to death. The benefit is the greater of 50% of the Ultimate Benefit times a Spouse Age Adjustment Factor or \$120.

Police

To be eligible, must be actively contributing to the plan, have been married one full year prior to death, and death occurs within two years of a Service connected incident. The benefit is the lesser of 2.50% of Average Annual Earnings times Credited Service at NRD or 75% of Average Annual Earnings.

Disability Eligibility

Town, Housing Authority, Board of Education, Highway / Vehicle Maintenance / Refuse, Dispatchers and Facilities / Wastewater / Hybrid

Actively contributing to the plan and 10 years of continuous Service and total disablement.

Police

Non Service Connected Disability - Attained age 40 with 10 years of Service.

Service Connected Disability - Totally and permanently disabled.

Disability Benefit Payable Before Normal Retirement Date

Town / Housing Authority / Hybrid plan groups

The lesser of 75% of Earnings at date of disability or \$15,000, minus Worker's Compensation.

Highway / Vehicle Maintenance / Refuse and Facilities / Wastewater

Lesser of 75% of Earnings at date of disability or \$18,750.

Police

Non Service Connected Disability: 2.50% of Average Annual Earnings times Credited Service as of date of disability (maximum 30).

Service Connected Disability: lesser of 2.50% of Average Annual Earnings times Credited Service at NRD (maximum 30) or 75% of Average Annual Earnings as of date of disability.

Appendix C - Summary of Plan Provisions

Disability Benefit Payable Before Normal Retirement Date

Board of Education and Dispatchers

Non Service Connected Disability: lesser of (A) or (B), minus Worker's Compensation

- A. 1.0% of Average Annual Earnings times Credited Service at Disability plus 0.67% of Average Annual Earnings over \$4,800 times Credited Service at Disability.
- B. 66.67% of Average Annual Earnings less 66.67% of Social Security.

Service Connected Disability: lesser of [greater of (A) or (B)] and (C), minus Worker's Compensation

- A. 1.0% of Average Annual Earnings times Credited Service at Disability plus 0.67% of Average Annual Earnings over \$4,800 times Credited Service at Disability.
- B. 50.00% of Average Annual Earnings less 66.67% of Social Security.
- C. 66.67% of Average Annual Earnings less 66.67% of Social Security.

Disability Benefit Payable After Normal Retirement Date

Town / Housing Authority / Dispatchers / Hybrid plan groups

Lesser of 50% of Earnings at date of disability or \$10,000.

Highway / Vehicle Maintenance / Refuse and Facilities / Wastewater

Lesser of 50% of Earnings at date of disability or \$14,000.

Police

Non Service Connected Disability: 2.50% of Average Annual Earnings times Credited Service as of date of disability (maximum 30).

Service Connected Disability: Lesser of 2.50% of Average Annual Earnings times Credited Service at NRD (maximum 30) or 75% of Average Annual Earnings as of date of disability.

Appendix C - Summary of Plan Provisions

**Disability Benefit Payable
After Normal Retirement
Date**

Board of Education

Non Service Connected Disability: lesser of 1.0% of Average Annual Earnings times Credited Service at Disability plus 0.67% of Average Annual Earnings over \$4,800 times Credited Service at Disability, or 66.67% of Average Annual Earnings less 66.67% of Social Security.

Service Connected Disability: lesser of [greater of (A) or (B)] and (C) minus Worker's Compensation

- A. 1.0% of Average Annual Earnings times Credited Service at Disability plus 0.67% of Average Annual Earnings over \$4,800 times Credited Service at Disability.
- B. 50.00% of Average Annual Earnings less 66.67% of Social Security.
- C. 66.67% of Average Annual Earnings less 66.67% of Social Security.

Death / Termination Refund

Pre Retirement: Refund of Employee Contributions with interest to date of termination or death, if not eligible for Spouse benefit.

Post Retirement: Excess of Employee Contributions with interest over annuity payments.

Appendix C - Summary of Plan Provisions

Employee Contributions

Town and Housing Authority

7.00% of Earnings as of July 1, 2020, previously 6.75%. Animal Control Officer is 6.75% of Earnings as of July 1, 2020, previously 6.50%.

Effective August 1, 2013, Employee Contributions are made on a pre-tax (Section 414(h)(2)) basis.

Hybrid plan group

6.50% of Earnings.

Board of Education (excluding Custodians)

6.25% of Earnings as of July 1, 2019, increasing to 6.50% of Earnings as of July 1, 2020, previously 6.00% of Earnings plus 1.25% of Earnings in excess of the Taxable Wage Base.

Board of Education (Custodians)

5.25% of Earnings as of July 1, 2019, increasing to 6.00% of Earnings as of July 1, 2020 and 6.75% as of July 1, 2021, previously 4.75% of Earnings plus 1.25% of Earnings in excess of the Taxable Wage Base.

Police

8.75% of Earnings as of July 1, 2020, previously 8.50%. Reduced to 5.25% after 30 years of service.

Highway / Vehicle Maintenance / Refuse

6.75% of Earnings as of July 1, 2020 increasing to 7.00% as of January 1, 2021, previously 6.50% plus 1.25% of Earnings in excess of the Taxable Wage Base.

Effective September 1, 2013, Employee Contributions are made on a pre-tax (Section 414(h)(2)) basis.

Dispatchers

7.00% of Earnings as of July 1, 2020, previously 6.75%.

Facilities / Wastewater

7.25% of Earnings as of July 1, 2020 increasing to 7.50% as of January 1, 2021, previously 7.00%.

Effective September 1, 2013, Employee Contributions are made on a pre-tax (Section 414(h)(2)) basis.

Appendix C - Summary of Plan Provisions

Interest Credited on Employee Contributions 6.00%

Eligibility for Cost of Living Adjustments Any participant, contingent annuitant, dependent spouse or beneficiary who is currently receiving retirement payments. Police who retired prior to February 1, 2013: at age 55. Police who retire on or after February 1, 2013: at age 57. Hybrid plan: at age 67.

Amount of Cost of Living Adjustments The annual cost-of-living adjustment is effective May 1st each year and is equal to the ratio of the current year's Consumer Price Index over the Consumer Price Index in the year of retirement, subject to certain applicable annual and lifetime maximums:

Town, Housing Authority, Board of Education and Dispatchers

Maximum Annual Adjustment 5.00%
 Maximum Lifetime Adjustment 50.00%

Highway / Vehicle Maintenance / Refuse

Maximum Annual Adjustment 5.00% Employment Date ≤ 6/30/2004
 Maximum Lifetime Adjustment 50.00%

Highway employees hired on or after July 18, 2005 are not eligible for cost-of-living adjustments.

Facilities / Wastewater

Maximum Annual Adjustment 5.00% Employment Date ≤ 11/28/2005
 Maximum Annual Adjustment 2.50% Employment Date > 11/28/2005 and ≤ 06/30/2008
 Maximum Lifetime Adjustment 50.00%

Wastewater / Building Maintenance employees hired on or after July 1, 2008 are not eligible for cost-of-living adjustments.

Police

Maximum Annual Adjustment 4.00% Employment Date ≤ 12/13/2005
 Maximum Annual Adjustment 3.00% Employment Date ≥ 12/14/2005
 Maximum Lifetime Adjustment 50.00% Retirement Date ≤ 06/30/1987
 Maximum Lifetime Adjustment N/A Retirement Date ≥ 07/01/1987

Police hired on or after January 1, 2013 are not eligible for cost-of-living adjustments.

Hybrid plan group

Maximum Annual Adjustment 2.00%
 Maximum Lifetime Adjustment 50.00%

Appendix D - Glossary

Actuarial Cost Method - This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Actuarial Accrued Liability and the Normal Cost.

Accrued Liability - This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).

Actuarial Assumptions - With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.

Actuarial Present Value of Benefits - This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.

Actuarial Value of Assets - This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.

Actuarially Determined Contribution (“ADC”) - This is the employer’s periodic contributions to a defined benefit plan, calculated in accordance with actuarial standards of practice.

Attribution Period - The period of an employee’s service to which the expected benefit obligation for that employee is assigned. The beginning of the attribution period is the employee’s date of hire and costs are spread across all employment.

Interest Rate - This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 68) this is termed the Discount Rate.

Normal Cost - This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.

Past Service Cost - This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.

Return on Plan Assets - This is the actual investment return on plan assets during the fiscal year.

Unfunded Accrued Liability - This is the excess of the Accrued Liability over the Actuarial Value of Assets.