Finance Department

Memo

To: The Board of Selectmen

From: Rawle Dummett

CC: Kim Allen

Date: June 30, 2021

Re: Bid Award – Bid#21-101 Actuary Services

Dear Mr. Brule:

Proposals for the above mentioned bid were opened on March 25, 2021 by Maryellen McConnell, and I with the attached results. After careful review of proposals, it is determined that Hooker & Holcombe is best qualified to provide these services to the Town.

I therefore respectfully seek the Board's approval to award the contract to Hooker & Holcombe in accordance with their schedule provided.

Funds will be available from Line Item 10160-59901 Operating Budget and 10116-51949 OPEB Trust Fund Contribution.

Respectfully

Rawle Dummett
Purchasing Agent,
Town of Waterford

FIFTEEN ROPE FERRY ROAD
WATERFORD, CT 06385-2886

Town of Waterford

PHONE: 860-442-0553
www.waterfordct.org

TO: Rob Brule
First Selectman

FROM: Kim Allen, Director of Finance

COPY: Rawle Dummett, Purcahsing Agent

RE: Bid Award Recommendation for Actuary Services

DATE: June 28, 2021

After careful review of proposals for Town Actuarial Services, Hooker & Holcombe is being recommended for a contract to provide services to the Town of Waterford for all services related to town pension & OPEB valuations and GASB reporting. The contracted services will include bi-annual OPEB valuations, annual Pension valuations and annual GASB reports.

The Town received six proposals in response to an RFP soliciting actuary services. The proposals were evaluated by Joyce Sauchuk, Human Resources Director; Rob Brule, First Selectman, and Kim Allen, Director of Finance. Criteria for selection included experience, fees, and additional services that can be provided.

The Retirement Commission met on June 23, 2021 and approved the recommendation of Hooker & Holcombe. The minutes are attached.

Retirement Commission
Special Meeting Minutes
Zoom Meeting

Wednesday, June 22, 2021
5:30pm

Present: Chair Susan Driscoll, Kevin Petchark, Richard Muckle, Mark Gelinas, Robert Brule, First Selectman

Absent: Marcia Benvenuti

Staff: Kimberly Allen, Director of Finance, and Maryellen McConnell, Secretary

1. Establishment of a quorum and call to order:

   A quorum was established and a call to order was established at 5:30 pm, July 22, 2021.

2. Consideration and possible action on recommendation to the Board of Selectmen for actuary firm to perform valuations on town's retirement accounts.

   Motion by Richard Muckle and **seconded** by Kevin Petchark to nominate Hooker and Holcombe as the actuary firm.

   Vote: 4-0-0 **Motion: Passed**

3. Adjournment:

   Motion by Richard Muckle and **seconded** by Mark Gelinas to adjourn the Meeting of the Retirement Commission at 5:40 p.m.

   Vote: 4-0-0 **Motion: Passed**

Respectfully submitted,

Maryellen McConnell, Secretary

Bid Tabulation Sheet Bid#21-101 Pension and Actuarial Services March 25, 2021 @10:00 am			
Vendor	**NOTES**		
FOSTER AND FOSTER	WE PROPOSE CHARGING THE TOWN AN ANNUAL RETAINER FOR THE SERVICES. FEES WILL BE EFFECTIVE FOR FIVE (5) YEARS BEGINNING JULY1, AND ARE SUBJECT TO NEGOTIATIONS. THE CONTRACT ALSO CALLS FOR THREE (3) ONE YEAR OPTIONAL RENEWALS		
ACTUARIAL VALUATION			
2021 Actuarial Valuation $6000.00			
2022 Actuarial Valuation $6000.00			
2023 Actuarial Valuation $6000.00			
2024 Actuarial Valuation $6000.00			
2025 Actuarial Valuation $6000.00			
TOTAL $30,000.00			
GASB 75 VALUATION			
FY 2022 GASB 75 Valuation $11,330.00			
FY 2023 GASB 75 Valuation $11,670.00			
FY 2024 GASB 75 Valuation $12,020.00			
FY 2025 GASB 75 Valuation $12,380.00			
FY 2026 GASB 75 Valuation $12,750.00			
TOTAL $60,150.00			
STAFF RATES (HOURLY)			
Senior Consultant $375.00	MEETINGS ARE BILLED BASED ON HOURLY RATES SET FORTH. WE WILL PROVIDE A FIRM FEE QUOTATION PRIOR TO COMMENCING ANY WORK AT THE TOWN'S REQUEST. ANY ADDITIONAL WORK PERFORMED FOR THE TOWN WILL BE INVOICED IN ACCORDANCE WITH OUR HOURLY RATES. NOT TO EXCEED QUOTES WILL BE PROVIDED AS REQUIRED BY RFP.		
Senior Staff $325.00			
Junior Staff $290.00			
Administrative $175.00			
Vendor	**NOTES**		
MILLIMAN ACTUARIAL SERVICES			
VALUATION 2021-2022 FEES			
Prepare Pension Valuations by September 15, July 1, 2021 $4,500.00			
Prepare OPEB Valuation biennially by September 15, july 1, 2021 $11,000.00			

Review Actuarial Accumptions; Included in Valuation Fee	
Assist in analysis of proposed plan changes; Based on hourly rates	
Assist in preparation of documents;Based on hourly rates	
Assist in implementation of audit recommendations: Based on hourly rates	
Determination of Benefits for individual employees; N/A- there are no active pension plan members	**For the biennial pension and OPEB valuation cycles, the Actuarially Determined Contribution for the off fiscal years will be calculated as part of the full valuations and will be equal to the Actuarially Determined Contribution for the preceding fiscal year plus one year of interest.Alternatively, for an additional fee, we could reflect the actual investment performance during the year since the last full valuation in the circulation of the Actuatially Determined Contribution, and provide abbreviated valuation reports supporting the circulation thereof. Additional information regarding fees stated in actual bid submission.**
Prepare annual financial statement reports; GASB 67/68 (pension) and GASB 74/75 (OPEB by September 15 Pension Plan $35,00.00, OPEB Plan $3,500.00	
Advise on compliance requirements: Based on hourly rates	
Provide factors, formulas and other administration assistance; Based on hourly rates.	
Prepare annual identification of emerging issues; Included in valuation fee.	
Coordinate liability estimates with investment consultant; Included in valuation fee.	
Prepare annual employee benefit statements N/A - there are no active pension plan members.	
Counsel the Town on other issues; Based on hourly rates.	

HOURLY RATES 2021-2022 PERIOD

Lead Actuary $355.00

Supporting Consultant $355.00

Peer Review Actuary $475.00

Healthcare Actuary $575.00

Senior Analysts $285.

Analysts $255.00

Vendor				
THE SEGAL COMPANY				
VALUATIONS	**FY2022**	**FY2024**	**FY2025**	**FY2026**
Defined Benefit Pension Plan Valuations	**$7,500.00**	**$7,950.00**	**N/A***	**$8,450.00**

Defined Benefit Pension Plan GASB 67/68 Disclosures	$2,650.00	$2,750.00	$2,800.00	$2,850.00
OPEB Plan Valuations	N/A	N/A	$13,000.00	N/A
OPEB Plan GASB 74/75 Disclosures	$2,650.00	$2,750.00	$2,800.00	$2,850.00
Benefit statements	Pricing varies based on quantity and type of information to be communicated.			
Total**	$12,800	$13,450	$18,600	$14,150

- **Pensionis currently on a biennial schedule. If annual valuations are needed for FY2023 and FY2025 the amounts will be $7,700 and $8,100, respectively.**

•• Pricing doesn't includeBenefit statements, when applicable.

HOURLY RATES OF SERVICE		NOTES
Consulting Actuary	$450.00 - $520.00	No additional fees for travel expenses
Consultant	$350.00 - $380.00	Our fees are all inclusive and there are no additional administration, start-up or implementation fees associated with the engagement. We do not bill separately for services performed by our clerical staff, or other miscellaneous charges associated with fulfilling our services such as printing, postage, etc. In situations where additional projects can have a project scope outlined in advance, we will devise an agreed-upon fee quote prior to beginning work.
Analyst	$260.00 - $290.00	

Vendor	
KEY BENEFIT CONCEPTS	
VALUATION	

Fiscal Year		Discounted Fees for Payment by Check or ACH		
Begin	End	OPEB	Pension	Total CostNear
2021	2022	$7,200.00	$6,600.00	$13,800.00
2022	2023	$7,200.00	$6,600.00	$13,800.00
2023	2024	$7,200.00	$6,600.00	$13,800.00
2024	2025	$7,400.00	$6,800.00	$14,200.00
2025	2026	$7,400.00	$6,800.00	$14,200.00
5-Yr Subtotal		$36,400.00	$33,400.00	$69,800.00
2026	2027	$7,400.00	$6,800.00	$14,200.00
2027	2028	$7,400.00	$7,000.00	$14,400.00
2028	2029	$7,600.00	$7,000.00	$14,600.00
Add'l 3- Yr Subtotal		$22,400.00	$20,800.00	$43,200.00
8 - YR TOTAL		$58,800.00	$54,200.00	$113,000.00

Fiscal Year		Fees if Paid by Debit/Credit Card		
Begin	End	OPEB	Pension	Total CostNear
2021	2022	$7,416.00	$6,798.00	$14,214.00
2022	2023	$7,416.00	$6,798.00	$14,214.00

2023	2024	$7,416.00	$6,798.00	$14,214.00
2024	2025	$7,622.00	$7,004.00	$14,626.00
2025	2026	$7,622.00	$7,004.00	$14,626.00
5-Yr Subtotal		$37,492.00	$34,402.00	$71,894.00
2026	2027	$7,622.00	$7,004.00	$14,626.00
2027	2028	$7,622.00	$7,210.00	$14,832.00
2028	2029	$7,828.00	$7,210.00	$15,038.00
Add'l 3- Yr Subtotal		$23,072.00	$21,424.00	$44,496.00
8 - YR TOTAL		$60,564.00	$55,826.00	$116,390.00

Vendor	NOTES
BOLTON PARTNERS INC.	

VALUATION

FISCAL YEAR		RATES		
Begin	End	PENSION	OPEB	TOTAL
2021	2022	$6,100.00	4000.00 (ROLL FORWARD)	$10,100.00
2022	2023	$6,200.00	$9,900.00	$16,100.00
2023	2024	$6,350.00	$4,000.00	$10,350.00
2024	2025	$6,450.00	$10,300.00	$16,750.00
2025	2026	$6,575.00	$4,100.00	$10,675.00
5-Yr Subtotal		$31,675.00	$32,300.00	$63,975.00
2026	2027(OPTIONAL)	$6,700.00	$10,700.00	$17,400.00
2027	2028(OPTIONAL)	$6,900.00	$4,300.00	$11,200.00
2028	2029(OPTIONAL)	$6,900.00	$11,200.00	$18,100.00
Add'l 3- Yr Subtotal		$20,500.00	$26,200.00	$46,700.00
8 - YR TOTAL		$52,175.00	$58,500.00	$110,675.00

HOURLY RATES OF SERVICE

Senior Actuary	$515.00
Consultant/Actuaries	$340.00
Senior Analyst	$235.00
Analysts/Technicians	$185.00

For services out of the scope of the regular valuation, a fee would be determined based on hourly rates.we typically would agree to a fixed fee before the starting of any project in order to provide cost certainty to the Town. Hourly rates are provided for July 1, 2021 - June 30, 2022 with an annual increase of 2% each year afterwards.

Travel Costs are included in above fees. No additional costs of expenses for in-scope services as defined in RFP

Vendor	NOTES
HOOKER AND HOLCOMBE	

VALUATION

FISCAL YEAR		RATES			
Begin	End	PENSION	OPEB Plan Valuation	GASB 67/65	GASB 75 Disclosure Report 1
2021	2022	$4,500.00		$2,900.00	$2,900.00
2022	2023	4500.00^	$13,700.00	$2,925.00	$2,925.00

2023	2024	$4,500.00		$2,950.00	$2,950.00
2024	2025	4500.00^	$14,300.00	$2,975.00	$2,975.00
2025	2026	$4,500.00		$3,000.00	$3,000.00
5-Yr Subtotal		$21,500.00	$32,000.00	$14,750.00	$14,750.00

HOURLY RATES OF SERVICE

Consultant/Actuaries	$300.00 - $490.00
Analysts/Technicians	$165.00 - $300.00
Administrative/Support	$100.00 - $165.00

2021 rates are subject to change annually. No other costs will be incurred for travel.

Other fees that may be incurred from time to time include analysis for plan and/ or assumption changes. I f a deletion date circulation is needed due to funding less than the full ADEC, these service fees would be agreed upon prior to work being completed.

TOWN OF WATERFORD, CONNECTICUT

RFP #21-101: Proposal for Pension and OPEB Actuarial Consulting Services

Submitted by:
Stephen Chykirda, ASA, FCA, MAAA
Consulting Actuary
Actuarial Services

Steve A. Lemanski, FSA, FCA, MAAA
Vice President, Practice Leader
Actuarial Services

Hooker & Holcombe
1300 Hall Boulevard, Suite 1C
Bloomfield, CT 06002
860.521.8400

hhconsultants.com

March 25, 2021

Actuarial | Retirement | Investment
CONSULTING

VIII. FEE PROPOSAL FORM

RFQ/RFP #3-1819 PENSION and OPEB ACTUARIAL SERVICES

RFQ/RFP DUE Tuesday, March 25, 2021 at 10:00 a.m.

Purchasing Agent
TOWN OF WATERFORD
15 Rope Ferry Road, Waterford, CT 06385
Attention: Purchasing Department

BIDDER

Company Name: Hooker & Holcombe
Address: 1300 Hall Boulevard,
Suite 1C
Bloomfield, CT 06002
Telephone: 860.521.8400 Fax: 860.521.3742

E-mail: SChykirda@hhconsultants.com
Contact Person: Stephen Chykirda Title: Consulting Actuary

To the Town of Waterford:

We submit for your consideration our RFQ/RFP #21-101. We have read the RFQ/RFP documents and are submitting our bid in full compliance with all terms and conditions except as noted below under "Exceptions." *We acknowledge receipt of all addenda to the bid documents and assume full responsibility to access those addenda from the Town website and/or DAS website, as applicable.*

Upon notification of the award, we will provide the following within five (5) business days after receipt of such notice:

(i) the requested Certificate of Insurance from the following company:

Hooker & Holcombe ; and

(ii) two original contracts, in a form provided by the Town, executed by authorized officer of awarded Respondent.

FEE PROPOSAL FORM CONTINUED

RFQ/RFP #21-101 PENSION and OPEB ACTUARIAL SERVICES

1. Please indicate your fee schedule for defined benefit pension plan valuations, defined benefit pension plan GASB disclosure reports, OPEB plan valuations, OPEB plan GASB disclosure, hourly rates for other services.

Our fees for the contract period are as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Pension Plan Valuations (3)* and Benefit Statements	$4,500	$4,500^	$4,500	$4,500^	$4,500
GASB 67/68 Disclosure Reports (3)**	$2,900	$2,925	$2,950	$2.975	$3,000
OPEB Plan Valuation (1)		$13,700		$14,300	
GASB 75 Disclosure Report (1)	$2,900	$2,925	$2,950	$2,975	$3,000

*Employees' Pension Plan; Police Retirement Fund; Public School Employees' (Non-Certified) Pension Plan.

^ If needed (pension plan valuations are currently performed biennially).

We are always available to assist our clients with special requests or ad hoc projects. Before beginning special or ad hoc projects, we would provide you with an estimate of anticipated project costs based on the project scope. Work would begin as soon as the estimate is approved.

Our 2021 hourly rates are provided below and are subject to change annually:

- Consultants/Actuaries: $300 - $490
- Analysts/Technicians: $165 - $300
- Administrative/Support: $100 - $165

2. Would you charge separately for travel expenses? If so, explain in detail your policy.

Due to the proximity of our office to the Town of Waterford, roughly a one-hour drive, there would be no expenses incurred for travel.

3. What other costs or expenses might we incur with your firm?

Other fees that may be incurred from time to time include cost analysis for plan and/or assumption changes. If a depletion date calculation is needed due to funding less than the full ADEC. These service fees would be agreed upon prior to work being completed.

4. Please describe how you determine consulting fees due, how such payments are made and the periodicity thereof.

Our billing frequency is determined by the needs of our clients. Typically, we will bill clients on a quarterly basis. If this does not meet the Town's needs, please let us know and we will develop an alternate billing cycle.

Exceptions:______________________________

The undersigned authorized representative hereby submits the above RFQ/RFP to the TOWN OF WATERFORD.

Name of Contractor Entity: Hooker & Holcombe

By Ellen Kucenski

Print Name
and Title: Ellen Kucenski, FSA, MAAA, Practice Leader

Duly authorized

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EXHIBITS

I. Required Forms
II. Sample Valuation Report
III. Team Bios
IV. Marketing Materials

THE ELEMENTS OF SUCCESS

Since our inception in 1956, we have been providing actuarial and consulting expertise to the public and private sectors.

As a current client, you already know our firm and its capabilities – and we already know your pension and OPEB plans and your organization. Our goal is to continue to help the Town identify opportunities and challenges, achieve goals and exceed expectations.

We value our existing relationship and look forward to continuing to deliver exceptional service and expert advice, proving that Hooker & Holcombe is the right choice for the Town of Waterford.

LETTER OF INTEREST

March 25, 2021

Purchasing Agent
Town of Waterford
15 Rope Ferry Road
Waterford, CT 06385
Attention: Purchasing Department

RE: Proposal for Pension and OPEB Actuarial Consulting Services

To Whom It May Concern:

Hooker & Holcombe thanks you for the opportunity to present this proposal for pension and OPEB actuarial consulting services to the Town of Waterford. As your current actuary, we believe that our firm offers the expertise and services the Town seeks for its pension and OPEB plans. As you review our proposal, we would like to confirm the advantages that Hooker & Holcombe will bring to this engagement:

Vast Resources

As many know, public pension and OPEB plans can be very complex. Our firm has over 65 years of experience working with municipalities in Connecticut and throughout the Northeast. During this time, we have built a proven track record of helping cities and towns of all sizes identify, achieve and exceed their financial goals. Our staff of professionals will utilize their knowledge to provide reliable data, exceptional service and timely deliverables.

The combination of our experience provides you with vast resources not often found in smaller, regional firms. Many of our clients have been with us for more than 20 years, a testament to the quality of our service and the professionalism of our consultants.

Experience

We are the actuary for more than 100 municipal pension and OPEB plans in the Northeast region of the country, and most of our public clients are in Connecticut. Our extensive background working with public pension and OPEB plans means there is no issue or situation that we have not encountered. We understand state laws and will provide work under the provisions of such laws. Our knowledge and consultative approach translates to on-point advice for the Town.

Our consultants and staff go beyond just number crunching

Our main objective is to help solve your problems and make your life easier. We don't deliver "cookie cutter" solutions. We work to understand our clients' needs and offer sound solutions that work.

Service

Our goal is to exceed your expectations for accurate information and responsive service. We utilize state-of-the-art systems and procedures to ensure that work is handled efficiently and effectively – with a minimum of effort on your part.

Value

As a regional consulting firm, we do not support an expensive infrastructure with layers of management and multiple offices. This not only keeps our pricing competitive, it enables us to work as a team to identify the best solutions for our clients.

In closing, we value our relationship with the Town and wish to retain your business. We look forward to discussing our proposal with you and appreciate your consideration for this important engagement. Please do not hesitate to contact me with any questions.

Yours truly,

Stephen Chykirda, ASA, FCA, MAAA
Consulting Actuary
SChykirda@hhconsultants.com

Enclosures

FIRM DESCRIPTION

- **State your firm's philosophy and approach in undertaking the services of the nature outlined in the RFQ/RFP, as well as a description of its primary business focus along with a detailed description of its municipal audit services group.**

We fully understand the scope of services outlined in this proposal and believe our firm can deliver the expertise and services the Town of Waterford is seeking for its pension and OPEB plans.

We understand your needs. The Town is seeking a professional actuary to perform pension plan and OPEB valuations and other related services as required under the current or future GASB standards for its three single-employer Defined Benefit Pension Plans which include the Employees' Pension Plan, the Police/Fire Retirement Fund, and Public School Employees' (Non-certified) Pension Plan. The Town currently administers and maintains the previously described three single-employer Defined Benefit Pension Plans to provide retirement benefits to town retirees. Employee contributions to the Plans may vary by individual and collective bargaining contracts.

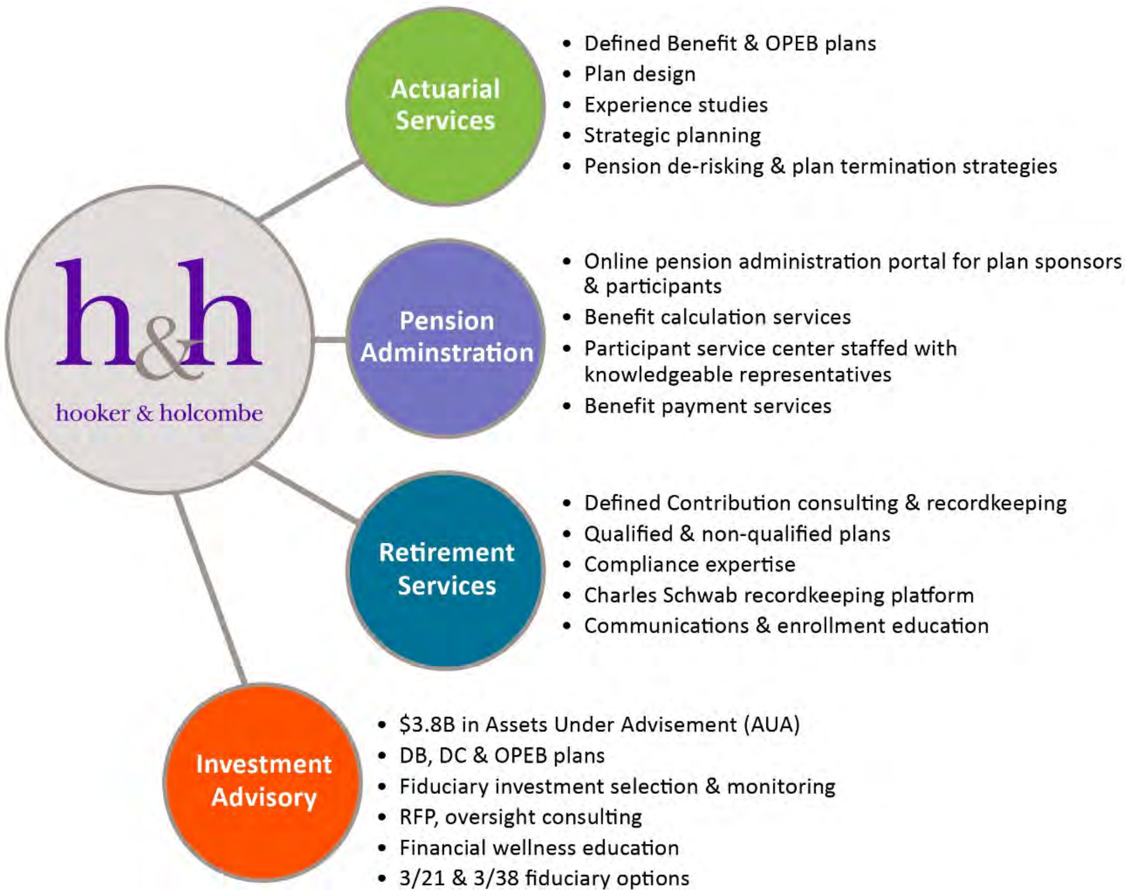
Our solution. Hooker & Holcombe (H&H) has the experience and know-how to provide superior actuarial services for the Town's three pension plans. We will conduct biennial actuarial valuations and GASB disclosures as a combined report for the 3 plans as needed. The reports will include all the necessary requirements of the Governmental Accounting Standards Boards (GASB) Statements, any future GASB pronouncements, and any data needed to prepare reports required by the federal government. We will prepare disclosures as required in compliance with GASB and distribute to the Town in a timely manner. We have expert knowledge of Federal and State laws and will advise the Town in regards to current and future regulations.

We know the municipal marketplace and will work with you to provide recommendations and solutions for future funding of the Town's pension and OPEB liabilities and achieving its fiscal goals.

Hooker & Holcombe (H&H) is one of the largest privately-held regional actuarial, investment advisory and retirement plan consulting firms in the Northeast. The firm was founded in 1956 as a pension and actuarial firm. As our clients' needs grew, the firm's service offerings grew with them. Today, in addition to actuarial services we offer institutional investment advisory and retirement plan administration services through two subsidiaries:

- **Hooker & Holcombe Investment Advisors, Inc.** which provides institutional investment advisory services for plan sponsors.
- **Hooker & Holcombe Retirement Services, Inc.** which provides defined contribution consulting and administrative services to plan sponsors and their participants.

The following depicts the firm's broad capabilities. Our unique infrastructure allows us to provide our clients with a comprehensive array of retirement planning services under one roof, allowing for significant economies of scale. Additionally, our structure fosters the sharing of intellectual capital between the different groups, ensuring that our clients receive the best solutions available to help them identify, achieve and exceed their retirement plan goals.



We have built our reputation on being responsive to our clients' needs. We do everything possible to assist our clients in ensuring that their plan operates according to each client's specifications. Our service teams are structured with enough depth to ensure that clients are always able to reach any one of the professionals on their H&H team. We also use state-of-the-art systems and proven best practices to ensure that plans are handled correctly, efficiently and cost-effectively. We are constantly seeking better ways to help our clients identify, achieve and exceed their retirement plan goals.

Our actuarial consulting team includes both pension and OPEB experts who are knowledgeable about all aspects of GASB 67 and 68, as well as GASB 74 and 75. We actively assist our public sector clients and their auditors, large and small, with the GASB rules and funding.

- **Describe the resources the firm currently has for effective delivery of these actuarial services.**

For over 65 years, we have met client expectations by continuously examining and refining the way in which we do business. We work hard to understand our clients' needs for efficiency, profitability and quality, and we will do everything we can to lower our clients' costs while ensuring their satisfaction.

Our actuarial services include:

- Plan valuations
- Funding strategies
- Plan design
- Asset liability modeling
- De-risking solutions
- Experience studies
- Union negotiation planning
- Arbitration testimony
- Benefit calculations
- Post-retirement medical benefits (OPEB)
- Plan termination expertise
- Online pension administration

We utilize state-of-the-art information systems to provide defined benefit services to assist our clients in the administration of their retirement plans. The following summarizes our primary software systems for our defined benefit and OPEB services:

ProVal, by Winklevoss Consultants, Inc. is the software used for actuarial valuation computations. ProVal is a widely respected product utilized by many pension and OPEB providers.

ProVal integrated valuation and projection software is continually monitored and upgraded by professionals, and allows us flexibility and efficiency in each client's valuation process.

ProVal allows us to provide the following services:

- Pension & OPEB funding projections
- Asset liability modeling
- Early retirement window plans
- Workforce projections
- Retiree medical and life insurance benefits
- A broad range of pension and OPEB formulas for all types of plans
- Negotiated future benefit changes and grandfathered benefits
- Unlimited assumptions
- Calculations of multiple liabilities at differing interest rates
- Unlimited contribution and expense scenarios
- Analysis of "what if" scenarios based on differing assets returns, accounting discount rates, inflation, funding interest rates and cost of living increases.

Microsoft Excel is used for a number of varied and complex actuarial calculations provided to our clients.

The need to protect the exchange of confidential information via email is a priority. All email that contains confidential information will be exchanged using the H&H Secure Message Center. The Message Center should also be used by clients to send secure messages and files to H&H.

- **What quality control and scheduling procedures does the firm employ to assure that the services provided are of acceptable quality and timely?**

We take quality control very seriously. Our firm is organized into three service units with firm-wide quality control and unit scheduling procedures. We use an internal online Worktrack system to manage workflow, ensuring that all work is properly reviewed and all deadlines are met.

All actuarial work is initially prepared by a highly-skilled actuarial analyst before being reviewed by a credentialed actuary. Both the analyst and reviewer have online checklists they must complete to certify that all of our processes and procedures have been followed correctly. Final valuation results are also subject to actuarial peer review. A draft report is reviewed with the Town before publication to ensure that there were no misunderstandings with regard to plan provisions or assumptions. A sample valuation report is provided in the Exhibits section of this proposal.

Additionally, our firm has successfully completed the SOC 1, Type 2 examination, ensuring trust and confidence in our service delivery processes and controls.

PERSONNEL AND GEOGRAPHY

- **What is the number of full-time employees in your firm?**

The firm employs nearly 70 dedicated and highly-experienced professionals.

- **What is the location of your nearest office to Waterford, Connecticut?**

All services are performed from our office located at 300 Hall Boulevard, Suite 1C, Bloomfield, CT 06002.

- **Provide a breakdown by classification (executive, professional or clerical) for both your national and local operations.**

The classification breakdown is as follows: 11 executives, 51 professionals and 11 clerical.

STAFFING AND CONTINUITY

- **Please submit biographical profiles, including actuarial credentials, on the individual(s) who will be assigned to our account and the person to whom they report.**

With more pension actuaries under one roof than any other regional firm of our size, we have the resources to provide expert consulting services for all types of defined benefit plans. We have built our reputation on being responsive to our clients' needs. We do everything possible to assist our clients in ensuring that their plan operates according to each client's specifications.

Our actuarial consulting team includes both pension and OPEB experts who are knowledgeable about all aspects of GASB 67 and 68, as well as GASB 74 and 75. We are actively assisting public sector clients, large and small, with GASB rules and funding.

As a current client, your actuarial team will continue to be led by **Stephen Chykirda, ASA, FCA, MAAA**, consulting actuary. Stephen has been in the actuarial consulting industry for 25 years, with extensive experience in New England, specifically Connecticut, Rhode Island and Massachusetts. Stephen will be supported by peer-review actuary **Steve A. Lemanski, FSA, FCA, MAAA,** vice president, practice leader, Theodora French, actuarial specialist, and Alex Pokorski, actuarial associate. All of your team members have experience working with Connecticut municipalities.

Bios for Stephen and Steve can be found in the Exhibits section of this proposal.

Most of the principals of the firm are credentialed actuaries, known as "consultants." Our consultants are supported by analysts and technical specialists who are highly skilled and hold the following designations:

Fellow of the Society of Actuaries	4
Fellow of the Conference of Consulting Actuaries	5
Associate of the Society of Actuaries	4
Enrolled Actuary	9

All of our consulting actuaries are Members of the American Academy of Actuaries and Enrolled Actuaries. Additionally, one or more of them are members of the following organizations:

- Society of Actuaries
- Conference of Consulting Actuaries
- American Society of Pension Professionals & Actuaries
- New England Employee Benefits Council
- American Benefits Council

- Government Finance Officers' Association (GFOA)
- Connecticut Public Pension Forum (CPPF)
- Connecticut Conference of Municipalities (CCM)

Our actuaries participate in continuing education meetings and webinars provided by the Conference of Consulting Actuaries, American Academy of Actuaries and the Society of Actuaries.

To ensure that our professionals are up-to-date on current trends, information obtained at these sessions is shared with our highly-trained actuarial and technical staff through a monthly series of continuing education programs conducted in-house. The firm also adheres to the formal program of annual continuing education requirements that has been implemented by the American Academy of Actuaries and the Joint Board for Enrolled Actuaries.

Since a significant portion of our business is governmental, a large part of our education efforts focus on public sector services. Our staff regularly attends GFOA, CPPF, CCM, and ConnPELRA meetings in addition to sessions related to the public sector at actuarial conferences.

- **Where are these individuals located? Who will attend review meetings? Will the same person(s) always be representing your firm?**

All of our actuarial employees work from our Bloomfield, CT office. Client continuity is important to building lasting relationships, which is why your H&H team is structured with enough depth so you are always able to reach your team members. Typically, review meetings are attended by your primary consultant. In the event that individual is not available, the peer-review consultant will attend on their behalf.

- **How many clients have you lost within the last three (3) years? How many clients have you gained in the last three (3) years?**

We gained 27 new clients and lost 11 clients in the past 3 years.

- **Please submit the matrix below to indicate your level of Connecticut Municipal Staffing:**

CT Municipal Pension Staff	Total number of staff persons	Number of additions within the last three years	Number of departures within the last three years
Executive Staff	**5**	**2**	**2**
Professional Staff	**36**	**17**	**15**
Clerical Staff	**5**	**2**	**2**

EXPERIENCE

- **Number of retirement plans for which actuarial consulting services are provided:**
  - **By the firm overall**
  - **By the office of the firm that will service this account**
  - **By the Project Manager/Leader who will service this account**

The number of retirement plans for which we provide actuarial consulting services are provided below:

By the firm overall: 400+

By the office of the firm that will service this account: 400+

By the Project Manager/Leader who will service this account: 69

- **Number of qualified municipal retirement plans for which actuarial consulting services are provided:**
  - **By the firm overall**
  - **By the office of the firm that will service this account**
  - **By the Project Manager/Leader who will service this account**

The number of qualified municipal retirement plans for which we provide actuarial consulting services are provided below:

By the firm overall: 150+

By the office of the firm that will service this account: 150+

By the Project Manager/Leader who will service this account: 32

- **List five (5) clients with plans similar to ours that we may contact for references. Please provide information in a table with the following information:**
  - **Plan Name**
  - **Number of Employees**
  - **Number of Retirees**
  - **Number of Vested Members**
  - **Value of Assets**
  - **Client since when?**
  - **Contact Person name and telephone number**

Plan Name and contact information	# Employees	# Retirees	# Vested	Value of Assets	Client Since
Town of Wilton Sarah Taffel Director of Human Resources, Labor Relations, and Administrative Services 203.563.0118	265	223	53	$117 million	1990
Town of Stonington James Sullivan Director of Finance 860.535.5070	136	150	49	$34 million	1985
City of New London David McBride Jr. Director of Finance 860.447.5218	68	223	29	$30 million	20+ years
City of Groton Ron Yuhas Finance Director 860.446.4110	202	155	33	$84 million	20+ years
Town of Essex Kelly Sterner Director of Finance 860.767.4340 x122	80	61	17	$6 million	2014

- **Number of municipal programs for which actuarial consulting services are provided for OPEB:**
  - **By the firm overall**
  - **By the office of the firm that will service this account**
  - **By the Project Manager/Leader who will service this account**

The number of municipal programs for which we provide actuarial consulting services for OPEB are provided below:

By the firm overall: 150+

By the office of the firm that will service this account: 150+

By the Project Manager/Leader who will service this account: 18

- **Describe the research capacity of your firm and explain how it may benefit the Pension Committee.**

Rather than have a dedicated research department, our firm forms committees utilizing the expertise of various employees to discuss clients' wants and needs, industry trends, and innovative solutions that ensure our services continue to evolve to meet client needs.

For example, a team of actuarial professionals worked with selected clients to build PensionEdge•, our online pension administration portal that enables plan sponsors and participants to access and work with their pension from any device with an internet connection.

Below are some additional solutions that have benefited Connecticut municipalities as a result of our collaborative approach:

Case study #1 - This city wanted to reduce pension-related liabilities and costs for current and future non-union employees. Our innovative consultants structured a plan design that enables employees to "opt-out" of their current DB plan to join a new DC plan, while giving retirees and terminating employees' new options to consider;

Case study #2 – Like many municipalities attempting to fund their pension plans, this town was facing a growing pension expense. With participants living longer and expected future asset returns decreasing, the client needed a solution to curb rising pension costs. Our consultants introduced a cash balance plan design which not only assisted with controlling costs, but created a convenient and valuable way for participants to understand their pension benefit.

The full case studies are available in the Exhibits section of this proposal.

Since a significant portion of our business is governmental, a large part of our education efforts focus on public sector services. Our consultants regularly attend and present at GFOA, CPPF, CCM, and ConnPELRA meetings in addition to sessions related to the public sector at actuarial conferences.

FAILURE TO COMPLETE WORK, DEFAULT AND LITIGATION

- **Have you ever failed to complete any work awarded to you? If so, where and why?**

Hooker & Holcombe has never failed to complete work awarded and assigned.

- **Have you ever defaulted on a contract? If so, where and why?**

Hooker & Holcombe has never defaulted on a contract.

- **Is there any pending litigation which could affect your organization's ability to perform this agreement? If so, please describe.**

Hooker & Holcombe is not now, nor has it ever been, investigated or litigated by any federal, state government or agency. We have not experienced any claims or settlements that we paid or were paid by our insurers. The same holds true for our consultants.

- **Has your firm ever had a contract terminated for cause within the past five years? If yes, provide details.**

No, Hooker & Holcombe has not had a contract terminated for cause within the past five years.

- **Has your firm been named in a lawsuit related to errors and omissions within the past five years? If yes, provide details.**

Hooker & Holcombe is not now, nor has it ever been, investigated or litigated by any federal, state government or agency. We have not experienced any claims or settlements that we paid or were paid by our insurers. The same holds true for our consultants.

- **During the past seven years, has your firm ever filed for protection under the Federal bankruptcy laws? If yes, provide details.**

The firm has never filed for protection under Federal bankruptcy law.

- **Are there any other factors or information that could affect your firm's ability to provide the services being sought about which the Town should be aware?**

No. We have fully read and understand this proposal and are confident we can provide the services requested.

OTHER INFORMATION

- **How is your firm uniquely qualified to serve our account?**

As the Town's current actuary, we already understand your goals and know you, your procedures, your data, and your retirement plans well. This means we are already up to speed with your program, and there will be no time lost going through a cumbersome and time-consuming transition.

Additionally, our extensive background working with pension plans, coupled with over 65 years of experience, means there is no issue or situation that we have not encountered. We understand state laws and will provide work under the provisions of such laws. Our knowledge translates to on-point advice for the Town of Waterford.

- **Feel free to include any other information in your proposal which will help the Town develop an understanding of the capabilities of your firm.**

Please take the following into consideration when making your decision:

INDEPENDENCE

We are independent pension and OPEB benefit consultants and actuaries. Unlike some other service providers, our primary business is defined benefit plan consulting and valuation work. Our commitment and energies are focused on working with you as the plan sponsor, as well as any other vendors involved with your retirement plans. We have no other agenda, nor do we have any other vested interests. Our independence is assured since our only vested interest is providing superior consulting, actuarial and administrative services.

COMPLIANCE

We are especially proud of our work in the compliance area. Since various government limitations and restrictions may have a direct impact on your plans, it is our policy to constantly review and evaluate the potential influence of new legislation and associated regulations on retirement plans. We also update our clients regularly on these issues.

COMPETITIVE FEE STRUCTURE

H&H provides value-added services at a very competitive price. Unlike large, national organizations with layers of management and operational overhead, our size permits us to provide the same services at a more economical rate.

INSURANCE

If awarded this contract, we can provide a certificate of insurance indicating the following minimum coverage:

- Worker's Compensation – As required by law
- General Liability with the Client as additionally insured, $1,000,000 CSL, aggregate of $2,000,000
- Automobile Liability - Hired automobiles; combined single limit of $1,000,000 per occurrence
- Professional Liability - Minimum limits of $5,000,000 per occurrence

If the policy is on a claims-made basis, the policy shall be continually renewed for two years beyond the termination date of this contract and its renewals.

CONSULTING GROUP SYNERGY

We all know that many heads are better than one. That's why our consultants meet monthly to discuss client cases and share beneficial strategies. This sharing of best practices brings fresh ideas and unique concepts to our clients on an ongoing basis.

NO CONFLICT OF INTEREST

We affirm that our selection and retention shall not result in any conflict of interest or create any appearance of impropriety with any person or organization which may be affected under this program.

Should any potential or existing conflict become known by us, we will specify the person or organization with which the conflict exists or might arise, the nature of the conflict and whether we would or would not resign from the conflicting engagement.

INFORMATION TECHNOLOGY

Because information systems are so important to the delivery of quality services, we have made a significant commitment to our Information Technology (IT) area – both in personnel and leading-edge computer systems and equipment.

Securing data is increasingly important to the delivery of quality services, which is why we place strong emphasis on ensuring that our client's data is secure:

Physical Security

We maintain physical security and accountability through the use of locked offices and rooms. All visitors must register at the main entrance and server room and must be escorted at all times.

Network Authentication

We require strong passwords to access our internal network. Passwords must be changed on a regular basis. H&H policy requires that passwords not be shared with anyone. Access to sensitive data is limited to those who need such information to perform their roles.

Data Recovery

We utilize procedures to ensure the availability of our data which include nightly backups of all data and applications, and offsite storage of critical applications and data. The reliability of backup procedures and media are verified on a frequent basis.

Data Integrity

We implement both personal desktop firewalls and a corporate firewall. Virus protection from multiple vendors is used on servers and desktop computers. Servers and desktops are patched on a regular and frequent basis to prevent security issues. IT staff monitors audit logs and external sources to remain aware of emerging threats.

Encryption

All H&H laptops are encrypted using 256-bit AES encryption. Sensitive Email is encrypted using ZixMail by Zix Corp.

Destruction of Paper and Media

We employ InfoShred for paper and media disposal. InfoShred is National Association for Information Destruction (NAID) AAA certified and maintains stringent security practices. InfoShred complies with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) the Gramm Leach Bailey Act (GLB) and the Fair and Accurate Credit Transaction Act (FACTA). Media including diskettes, CD's, and computer hard drives are destroyed by shredding and melting. H&H staff audits InfoShred procedures on a regular basis.

CONCLUDING STATEMENT

H&H is proud to have the Town of Waterford as a client. As your current actuary, we know your plans well and our staff of professionals will continue to utilize their knowledge of your plans to provide reliable data, exceptional service and timely deliverables. Our experience and consulting depth is what the Town requires to achieve – and exceed – its goals:

- Our actuaries are experts in pension and OPEB plan. They are hands-on and focused on providing clients with the depth of experience supported by proven processes and best practices.
- We know the municipal marketplace and realize that many municipalities have begun to move away from defined benefit plans. Our pro-active culture has enabled us to provide answers to municipalities that are confronting the challenges of funding their long-term pension and OPEB liabilities.
- Superior service and a focus on building solid client relationships is the hallmark of our firm. Your service team is experienced, readily accessible and you will be a priority.
- Our consultants have excellent communication skills which translate into the ability to turn complex issues and ideas into understandable language and actionable advice.
- We do not have multiple offices with layers of management. Our corporate structure is relatively flat which enables us to keep our fees competitive.
- We understand Connecticut state laws and all of our services are in accordance with such laws.

Thank you for the opportunity to submit information about our pension and OPEB plan services. We value your business and look forward to continuing our relationship with the Town of Waterford.

I. REQUIRED FORMS

VII. AFFIDAVITS

NON-COLLUSIVE / NON-CONFLICT AFFIDAVIT OF RESPONDENTS

FOR RFQ/RFP #21-101 PENSION and OPEB ACTUARIAL SERVICES

The undersigned bidder, having fully informed themselves regarding the accuracy of the statements made herein certifies that:

1. the bid has been arrived at by the bidder independently and has been submitted without collusion with, and without any agreement, understanding, or planned common course of action with any other vendor of materials, supplies, equipment, or services described in the invitation to bid, designed to limit independent bidding or competition;

2. the contents of the bid have not been communicated by the bidder and its employees or agents to any person not an employee or agent of the bidder or its surety on any bond furnished with the bid, and will not be communicated to any such person prior to the official opening of the bid;

3. no Selectman or other officer or employee or person whose salary is payable in whole or in part from the TOWN OF WATERFORD, nor any immediate family member thereof, is directly or indirectly interested in the Bid/Proposal, or in the supplies, materials, equipment, work or labor to which it relates, or in any profits thereof; and

4. he/she has read the Waterford Code of Ethics, set forth in Chapter 2.50 of the Code of the TOWN OF WATERFORD, which is available on the Town's website *https://library.municode.com/ct/waterford/ordinances/code_of_ordinances?nodeId=1058393* and he/she agrees on his/her behalf and on the behalf of his/her firm/company that he/she nor his/her firm/company are in violation of the Code with respect to this bid.

The undersigned further certifies that this statement is executed for the purpose of inducing the TOWN OF WATERFORD to consider the bid and make an award in accordance therewith.

Subscribed and sworn to me Ellen Kucenski
this 17th day of MARCH, 20 21.

Legal Name of Bidder: Ellen Kucenski, FSA, MAAA, Practice Leader

Business Name: Hooker & Holcombe

Business Address: 1300 Hall Boulevard, Suite 1C, Bloomfield, CT 06002

Signature: Ellen Kucenski

Subscribed and sworn to me Morgan Mackiewicz
this 17th day of March, 2021.

Morgan Mackiewicz
Notary Public

My Commission Expires 4/30/2025
Date

MORGAN MACKIEWICZ
Notary Public, State of Connecticut
My Commission Expires 04/30/2025

AFFIRMATIVE ACTION/EEO AFFIDAVIT

FOR RFQ/RFP #21-101 PENSION and OPEB ACTUARIAL SERVICES

Concerning Equal Employment Opportunities and/or Affirmative Action Policy

I/we, the respondent, certify to the TOWN OF WATERFORD that:

1. I/we are in compliance with the equal opportunity clause as set forth in Connecticut state law (Executive Order No. Three, http://www.cslib.org/exeorder3.htm).
2. I/we do not maintain segregated facilities.
3. I/we have filed all required employer's information reports.
4. I/we have developed and maintain written affirmative action programs.
5. I/we list job openings with federal and state employment services.
6. I/we attempt to employ and advance in employment qualified handicapped individuals.
7. I/we are in compliance with the Americans with Disabilities Act.
8. I/we (check one)

___X___have an Affirmative Action Program, or
________employ 10 people or fewer

Hooker & Holcombe
Legal Name of Bidder

[signature]
(Signature)

Bidder's Representative, Duly Authorized Ellen Kucenski
Name of Bidder's Authorized Representative Ellen Kucenski
Title of Bidder's Authorized Representative Practice Leader

Subscribed and sworn to me Morgan Mackiewicz
this 17th day of March, 2021.

[signature]
Notary Public

My Commission Expires 4/30/2025
Date

MORGAN MACKIEWICZ
Notary Public, State of Connecticut
My Commission Expires 04/30/2025

II. SAMPLE VALUATION REPORTS

SAMPLE MUNICIPALITY OPEB PLAN

ACTUARIAL VALUATION REPORT

JULY 1, 2020

hooker & holcombe

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Report Prepared By:

Consultant Name Title Phone email	Actuary Name Title Phone email	Actuary Name Title Phone email

Executive Summary

	July 1, 2020	July 1, 2018
Number of members		
Active members	40	39
Retired members and dependents	8	8
Total	48	47
Covered employee payroll	3,092,292	3,399,727
Average plan salary	77,307	87,172
Actuarial present value of future benefits	4,177,439	3,261,439
Actuarial accrued liability	2,551,692	1,990,586
Plan assets		
Market value of assets	1,119,033	695,238
Actuarial value of assets	1,119,033	695,238
Unfunded accrued liability	1,432,659	1,295,348
Funded ratio	43.9%	34.9%
Actuarially determined employer contribution (ADEC)		
Fiscal year ending	2022	2020
ADEC	185,602	134,964
Fiscal year ending	2023	2021
ADEC	188,225	135,439

Valuation Results and Highlights

Purpose of the Valuation

The purpose of the valuation is to develop the Actuarially Determined Employer Contribution (ADEC).

The ultimate cost of an OPEB plan is based primarily on the level of benefits promised by the plan. The OPEB fund's investment earnings serve to reduce the cost of plan benefits and expenses. Thus,

Ultimate cost = Benefits Paid + Expenses Incurred – Investment Return – Employee Contributions

The actuarial cost method distributes this ultimate cost over the working lifetime of current plan participants. By means of this budgeting process, costs are allocated to both past and future years, and a cost is assigned to the current year. The current year's allocated cost, or normal cost, is the building block upon which the actuarially determined employer contribution is developed. The July 1, 2020 valuation produces the contributions for the fiscal years ending 2022 and 2023.

Information Available in the Valuation Report

The Executive Summary is intended to emphasize the notable results of the valuation from the perspective of the Plan Sponsor. Supporting technical detail is documented in Results of the Valuation, Supporting Exhibits and Description of Actuarial Methods and Assumptions. A concise summary of the principal provisions of the Plan is outlined in Summary of Plan Provisions.

Changes Reflected in the Valuation

The mortality, inflation, rate of compensation increase and healthcare cost trend rate assumptions were updated. The change in trend rates increased liabilities by 9.0% and the change in mortality increased liability by approximately 1.0%

Cash Contribution for Fiscal Years Ending 2022 and 2023

The Town cost is:	2022 Fiscal Year	2023 Fiscal Year
	$185,602	$188,225

Liability Experience During Period Under Review

Liabilities were approximately $105,000 more than expected, or an increase of 4.5%, primarily due to increases in the Medical premiums that are now based on geographical location.

Asset Experience During Period Under Review

The plan's assets provided the following rates of return during the past two fiscal years:

	2019 Fiscal Year	2020 Fiscal Year
Market Value Basis	6.6%	3.1%

The Market Value of assets is used to determine plan contributions.

Certification

This report presents the results of the July 1, 2020 Actuarial Valuation for SAMPLE MUNICIPALITY OPEB PLAN (the Plan) for the purpose of estimating the funded status of the Plan and determining the Actuarially Determined Employer Contribution (ADEC) for the fiscal years ending June 30, 2022 and June 30, 2023. This report is intended to satisfy the requirements of Connecticut General Statute 7-450a. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Trustee. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the *Summary of Plan Provisions* section of this report and the actuarial assumptions and methods detailed in the *Description of Actuarial Methods and Assumptions* section of this report.

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 this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Consultant Name, FSA, MAAA
Enrolled Actuary 20-00000

February 4, 2021

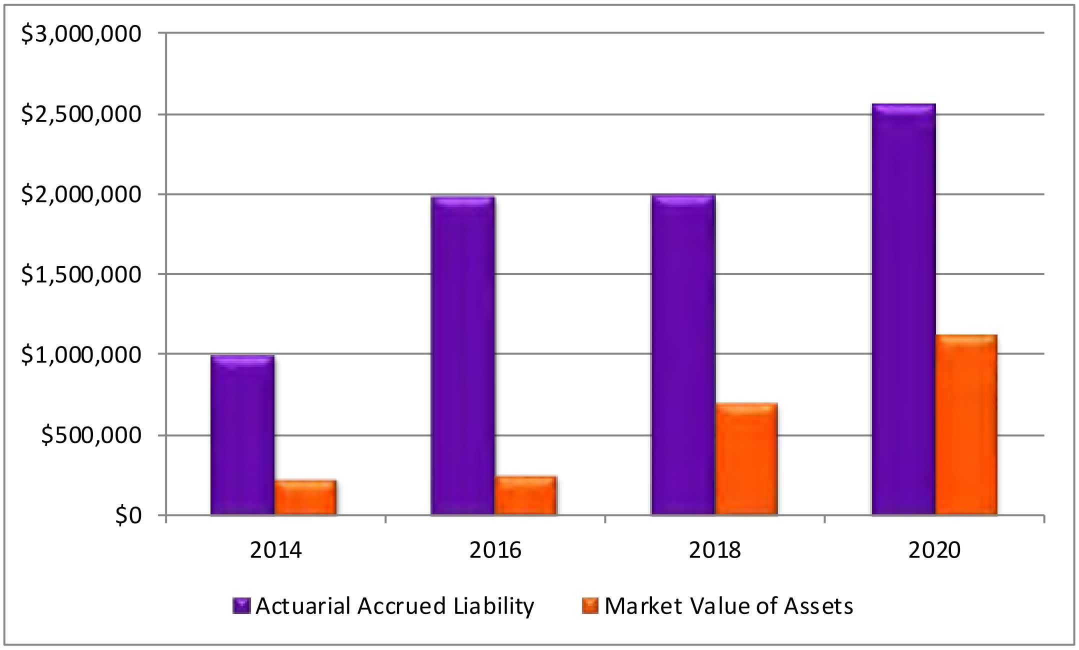
Development of Unfunded Accrued Liability and Funded Ratio

	July 1, 2020	July 1, 2018
Actuarial accrued liability for active members		
Members under age 65	$947,925	$725,659
Members over age 65	0	0
Dependents under age 65	879,116	647,943
Dependents over age 65	0	0
Total	1,827,041	1,373,602
Actuarial accrued liability for inactive members		
Members under age 65	354,979	292,295
Members over age 65	121,536	116,382
Dependents under age 65	248,136	208,307
Dependents over age 65	0	0
Total	724,651	616,984
Total actuarial accrued liability	2,551,692	1,990,586
Actuarial value of assets	1,119,033	695,238
Unfunded accrued liability	1,432,659	1,295,348
Funded ratio	43.9%	34.9%

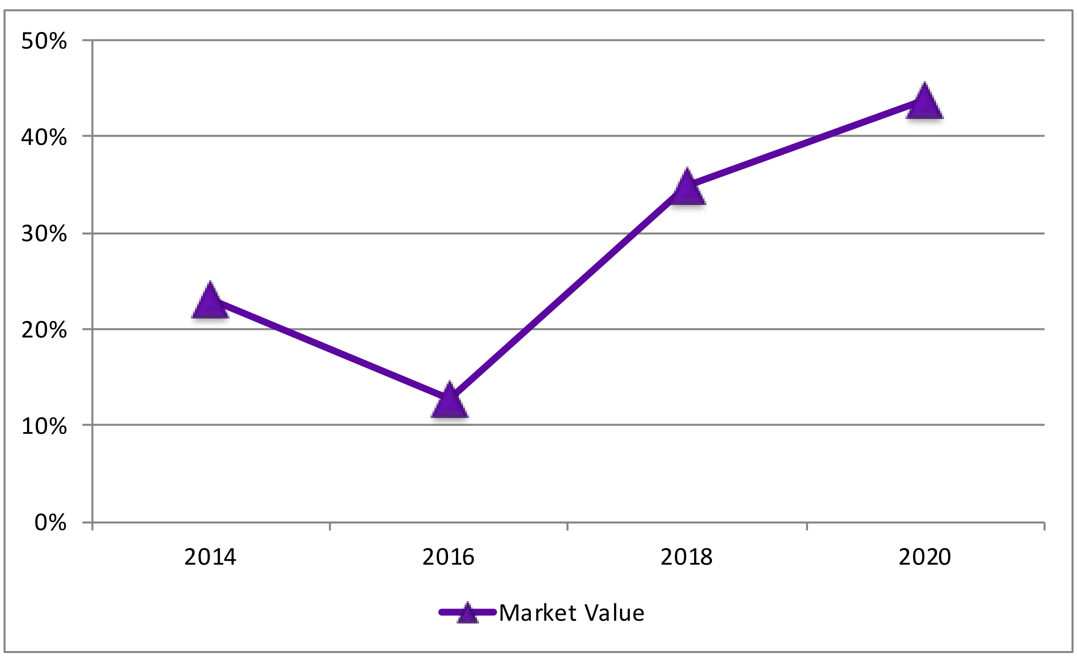
	Discount Rate (6.50%)	1% Decrease (5.50%)	1% Increase (7.50%)
Actuarial accrued liability for active members	1,827,041	2,051,297	1,627,962
Actuarial accrued liability for inactive members	724,651	755,134	696,240
Total actuarial accrued liability	2,551,692	2,806,431	2,324,202

	Healthcare Cost Trend Rates (6.50% decreasing to 4.40%)	1% Decrease (5.50% decreasing to 3.40%)	1% Increase (7.50% decreasing to 5.40%)
Actuarial accrued liability for active members	1,827,041	1,553,455	2,154,170
Actuarial accrued liability for inactive members	724,651	699,122	751,491
Total actuarial accrued liability	2,551,692	2,252,577	2,905,661

Actuarial Accrued Liability vs. Market Value of Assets



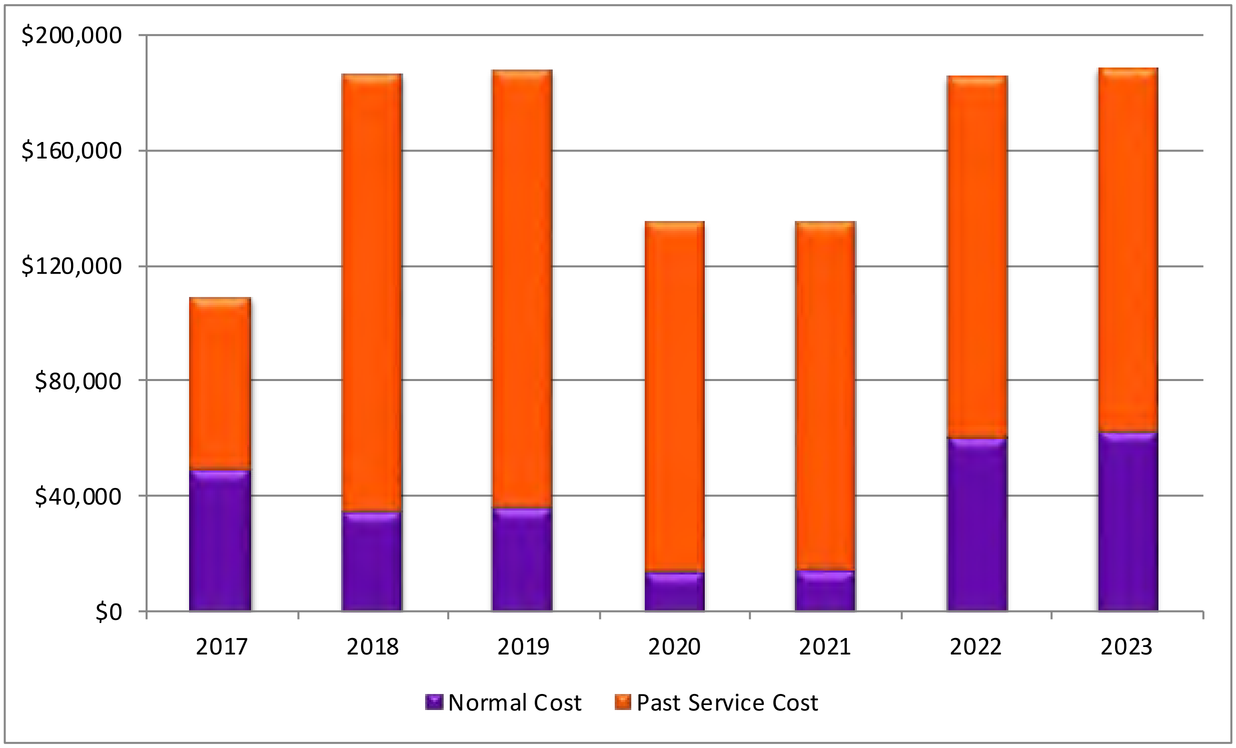
Funded Ratio



Determination of Normal Cost and Actuarially Determined Employer Contribution

	July 1, 2020		July 1, 2018	
	Cost	Percent of payroll	Cost	Percent of payroll
Gross normal cost	$148,097	4.8%	$116,423	3.4%
Estimated employee contributions	(92,769)	-3.0%	(103,713)	-3.0%
Town's normal cost	55,328	1.8%	12,710	0.4%
Amortization of unfunded accrued liability	122,087	3.9%	117,561	3.4%
Contribution before adjustment as of the valuation date	177,415	5.7%	130,271	3.8%
Estimated valuation year payroll for actives not yet at 100% assumed retirement age	3,092,292		3,457,092	
Fiscal year ending	2022		2020	
Adjustment for interest and inflation	8,187		4,693	
Actuarially determined employer contribution	185,602		134,964	
Expected benefit payments	129,439		85,821	
Fiscal year ending	2023		2021	
Adjustment for interest and inflation	2,623		475	
Actuarially determined employer contribution	188,225		135,439	
Expected benefit payments	152,143		105,532	

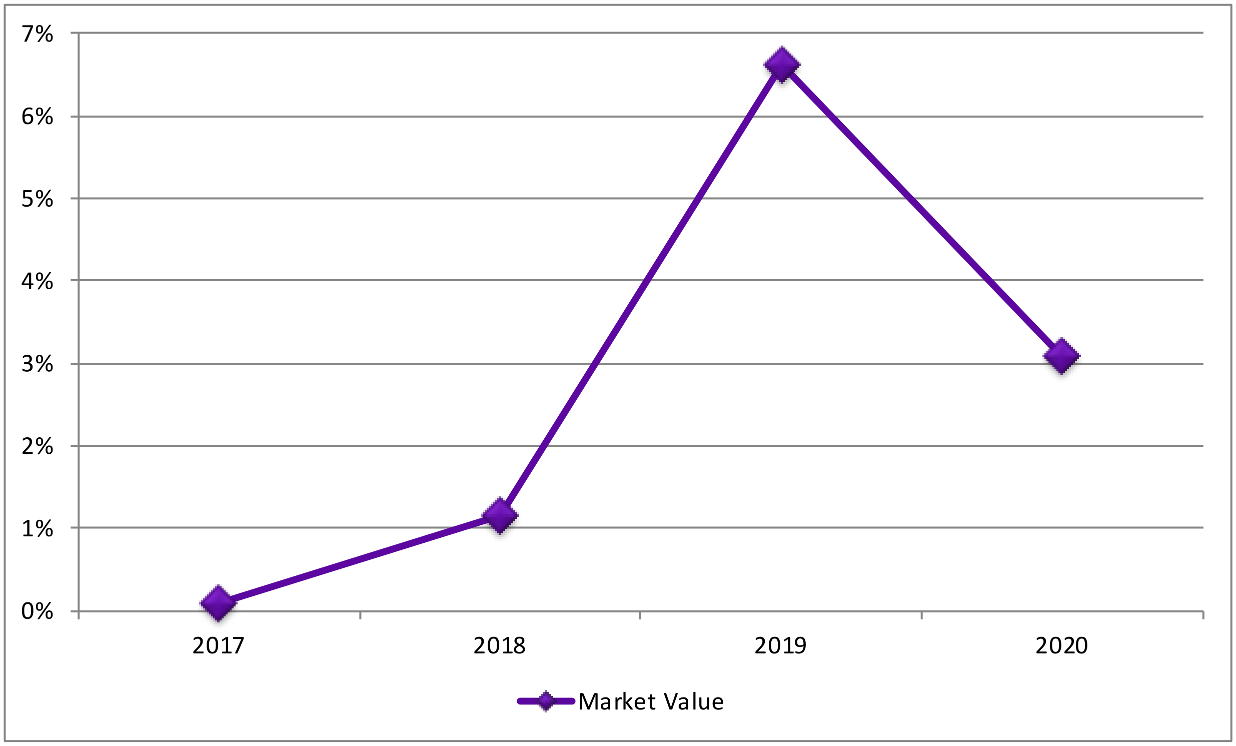
Actuarially Determined Employer Contribution



Development of Asset Values

Summary of Fund Activity		
	July 1, 2018 - June 30, 2019	**July 1, 2019 - June 30, 2020**
1. Beginning market value of assets		
Trust assets	$695,238	$1,004,729
2. Contributions		
Town contributions during year	187,868	0
Employee contributions during year	83,915	84,510
Total for plan year	271,783	84,510
3. Disbursements		
Benefit payments during year	0	0
Administrative expenses during year	12,000	2,800
Total for plan year	12,000	2,800
4. Net investment return		
Interest and dividends	0	0
Realized and unrealized gain / (loss)	49,708	32,594
Investment-related expenses	0	0
Total for plan year	49,708	32,594
5. Ending market value of assets		
Trust assets: (1) + (2) - (3) + (4)	1,004,729	1,119,033
6. Approximate rate of return	6.6%	3.1%

Actual Rate of Return on Assets



Target Allocation and Expected Rate of Return
July 1, 2020

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Fixed Income - Core	30.00%	1.45%	0.44%
Equity - US Large Cap	25.00%	4.75%	1.19%
Equity - US Small/Mid Cap	10.00%	5.15%	0.52%
Equity - International Developed	30.00%	5.45%	1.64%
Global REITs	5.00%	3.95%	0.20%
	100.00%		3.99%
Long-Term Inflation Expectation			2.40%
Long-Term Expected Nominal Return			6.39%

**Long-Term Real Returns are provided by XYZ Investment Advisor. The returns are geometric means.*

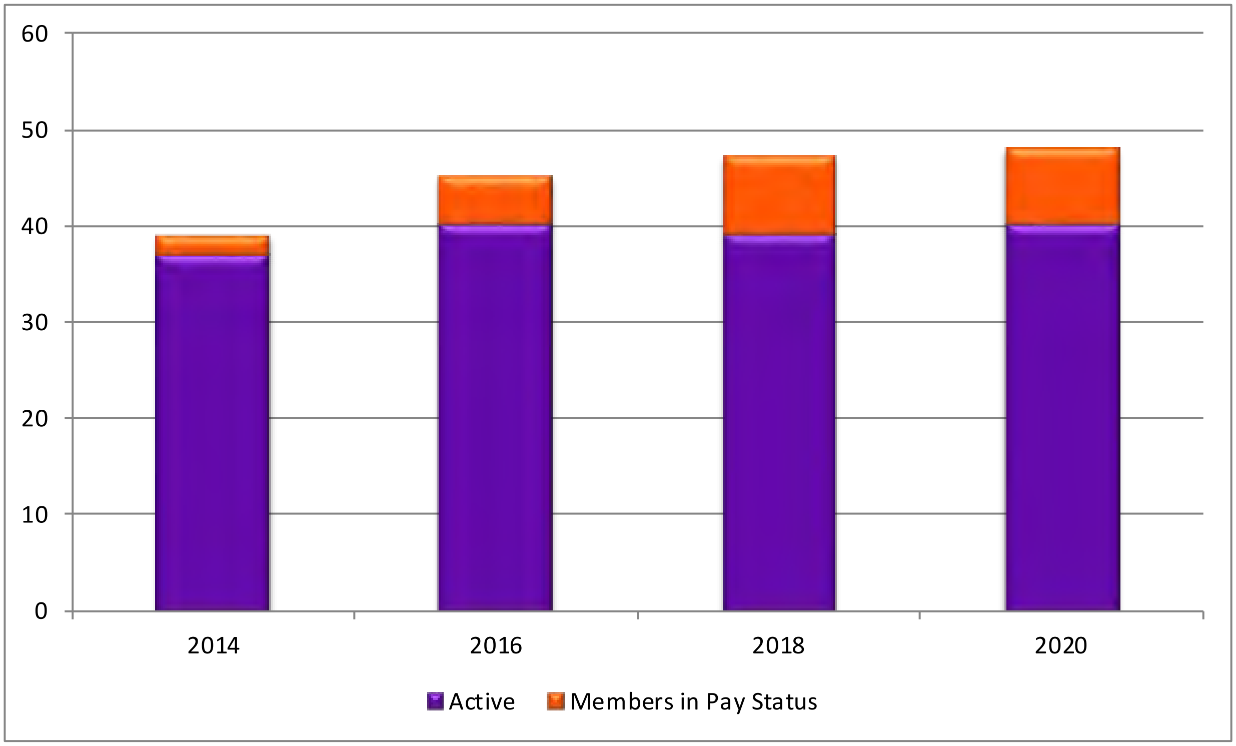
The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the OPEB plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 6.50% was used.

Amortization of Unfunded Liability

Schedule of Amortization Bases				
	Date established	Amortization installment	Years remaining	Present value of remaining installments as of July 1, 2020
2020 base	July 1, 2020	122,087	20	1,432,659

Member Counts by Status



Expected Benefit Payments from Trust Fund

An important consideration in formulating short-term or intermediate-term investment policy is the need for liquidity to meet the payment requirements of the Plan. The Plan's investment advisors may wish to compare expected benefit payments and expenses with anticipated cash income from investments and employer contributions.

The table below presents projected annual benefit payments for the next twenty plan years. The following assumptions are reflected in this table:

- Retirements among active participants will occur consistent with the Plan's retirement assumption.
- Benefits will continue to accrue according to the provisions of the Plan.

Differences between actual experience and that assumed will affect the pattern of benefit payments.

Participant categories reflect status as of July 1, 2020.

Year	Active as of July 1, 2020	Retired and Terminated as of July 1, 2020	Total Benefit Payments
2020	$7,000	$102,000	$109,000
2021	23,000	107,000	130,000
2022	40,000	112,000	152,000
2023	58,000	102,000	160,000
2024	77,000	106,000	183,000
2025	94,000	109,000	203,000
2026	95,000	96,000	191,000
2027	113,000	64,000	177,000
2028	140,000	65,000	205,000
2029	150,000	28,000	178,000
2030	187,000	28,000	215,000
2031	234,000	27,000	261,000
2032	264,000	6,000	270,000
2033	300,000	5,000	305,000
2034	344,000	4,000	348,000
2035	357,000	3,000	360,000
2036	407,000	2,000	409,000
2037	405,000	2,000	407,000
2038	447,000	1,000	448,000
2039	472,000	1,000	473,000

Description of Actuarial Methods

Asset Valuation Method

Market Value

Actuarial Cost Method

Changes in Actuarial Cost Method: None.

Description of Current Actuarial Cost Method:

Basic cost method: Entry Age Normal (level percentage of salary)

Normal Cost: Under this method, the total normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions).

Amortization Method

The Unfunded Accrued Liability is amortized each year over 23 years on a closed basis, as a level percentage.

Description of Actuarial Assumptions

Changes in Actuarial Assumptions

The valuation reflects changes in the actuarial assumptions listed below. (The assumptions used before and after these changes are more fully described in the next section.)

- Mortality
- Inflation
- Healthcare Cost Trend Rates
- Morbidity

The assumptions indicated were changed to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan.

Interest

7.00%.

Since the OPEB plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments for current plan members, the long-term expected rate of return on OPEB plan investments was used to discount liabilities.

Rate of compensation increase (including inflation)

Age	Town Non-DPW
20-22	5.60%
23-24	5.10%
25	4.85%
26-27	4.60%
28	3.60%
29-40	4.10%
41	4.05%
42	4.00%
43	3.95%
44	3.90%
45	3.85%
46	3.80%
47	3.75%
48	3.70%
49	3.65%
50	3.60%
51	3.55%
52	3.50%
53	3.45%
54	3.40%
55	3.35%
56	3.30%
57	3.25%
58	3.20%
59	3.15%
60+	3.10%

Age	Town DPW
20	7.10%
21	7.00%
22	6.90%
23	6.80%
24	6.70%
25	6.60%
26	6.50%
27	6.40%
28	6.30%
29	6.20%
30	6.10%
31	6.00%
32	5.90%
33	5.80%
34	5.70%
35	5.60%
36	5.40%
37	5.20%
38	5.00%
39	4.80%
40	4.60%
41	4.10%
42	3.60%
43	3.35%
44	3.15%
45-49	2.85%
50+	2.60%

The actuarial assumption in regards to rate of compensation increases shown above are based on the results of an actuarial experience study for the period 2011 through 2016 of the Pension Plan.

Inflation

2.60%. (Prior: 2.75%)

This assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2018 OASDI Trustees Report.

The assumption was changed to better reflect expected experience. The change to the inflation assumption increased liabilities by approximately 0.1%.

Mortality

RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.

(Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016.)

Disabled Mortality

RP-2014 Disabled Retiree Mortality Table projected to the valuation date with MP-2018.

(Prior: RP-2014 Disabled Retiree Mortality Table projected to the valuation date with MP-2016.)

Mortality Improvement

Projected to date of decrement using Scale MP-2018 (generational).

(Prior: Projected to date of decrement using Scale MP-2016 (generational).)

We have selected this mortality assumption because it is based on the latest published pension mortality study released by the Society of Actuaries.

The mortality assumption was updated to better reflect anticipated experience. The change in assumption decreased liabilities by approximately 1.1%.

Retirement

DPW:

Age	Town
55-58	2%
59	35%
60-69	20%
70+	100%

Non-DPW:

Age	Town
55-59	3.8%
60-61	7.0%
62	24.0%
63-64	17.4%
65	26.0%
66-74	24.0%
75-79	30.0%
80+	100.0%

Termination prior to retirement

DPW:

Age	Town
20	10.0%
25	8.5%
30	7.0%
35	5.5%
40	4.0%
45	1.5%
50+	1.0%

Non-DPW:

	Years of Service			
Age	0	5	10	>=15
20	60.0%	38.0%	15.0%	6.0%
25	52.0%	28.0%	10.0%	5.0%
30	30.0%	12.0%	7.0%	4.0%
35	26.0%	10.0%	7.0%	3.5%
40	26.0%	10.0%	7.0%	3.5%
45	26.0%	10.0%	7.0%	3.5%
50	20.0%	10.0%	6.0%	3.0%
55+	10.0%	6.0%	4.5%	3.0%

Disability

Age	Town Non-DPW	Town DPW
20	0.01%	0.02%
25	0.01%	0.03%
30	0.02%	0.04%
35	0.02%	0.05%
40	0.04%	0.07%
45	0.06%	0.12%
50	0.10%	0.20%
55	0.17%	0.34%
60	0.27%	0.54%

The actuarial assumptions in regards to rates of decrement shown above are based on the results of an actuarial experience study for the period 2011 through 2016 of the Pension Plan.

Spousal coverage

85% of employees are assumed to be married, with wives 3 years younger than husbands (includes spousal participation assumption).

Participation

100% of eligible employees are assumed to elect coverage at retirement.

Healthcare cost trend rates

7.00% in 2018 grading 0.5%/yr. to ultimate rate of 4.60%/yr. in 2023 and later.

(Prior: 7.75% in 2016 grading 0.5%/yr. to ultimate rate of 4.75%/yr. in 2022 and later.)

Health care trend rates reflect both the current and long-term outlook for increases in health care costs. The short term rates are based on recent industry surveys, plan experience and near-term expectations. The long term trend rate is based on our general inflation assumption plus an adjustment to reflect expectations for long-term medical inflation.

Cost Sharing

Department Heads	15.00%
PETA	16.00%
Non-Union	10.25%
Nurses	16.00%
TELE / ECC	13.50%
THEA	12.25%
Public Works	15.00%

Average Pre-65 Medical Costs, Including Prescription Drugs (blended active/retiree)

$14,410

Average Post-65 Medical Costs, Including Prescription Drugs

Future retirees: $5,166.00

Current retirees: $6,517.92

Average Dental Costs

$789

Expected per capita claims (without Medicare Coordination)

We assume that actual claims will be distributed according to the following morbidity table:

Sample Age	Expected Claim (Male)	Expected Claim (Female)
45	$9,188	$12,806
50	11,998	14,921
55	15,744	17,383
60	20,282	20,274
64	24,769	23,735

Expected per capita claims (with Medicare Coordination)

Future Retirees:

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	$4,335	$4,108
70	4,971	4,705
75	5,404	5,132
80	5,683	5,428
85	5,719	5,464

Current Retirees:

Sample Age	Expected Claim (Male)	Expected Claim (Female)
65	$5,470	$5,184
70	6,271	5,937
75	6,818	6,476
80	7,170	6,848
85	7,215	6,894

The sample per capita claim was developed as follows: Using the total count of active participants eligible for post-retirement medical benefits and retirees currently electing medical coverage, we calculate the total projected claims by multiplying the total count by the average annual premium. Using the cost increases derived from a study sponsored by the Society of Actuaries prepared by Dale H. Yamamoto from May 2013: "Health Care Costs from Birth to Death", we allocate the total projected claims by age and gender.

Patient Protection and Affordable Care Act (PPACA)

For purposes of this valuation, extended coverage for adult children and 100% coverage of preventive care are assumed to be reflected in per capita costs.

For purposes of this valuation, elimination of lifetime maximum benefits and removal of the limits on essential healthcare are assumed to have no impact on plan liabilities.

The change in the inflation assumption and the assumptions linked to inflation (such as trend rates and the Cadillac Tax indexed thresholds) decreased liabilities.

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. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility

Full time employees are eligible for retiree health benefits if they terminate after satisfying the following criteria for normal retirement:

Town (except public works) – Age 62 with 10 years of service.

Public works – Age 59 ½ with 10 years of service.

Benefits are also provided upon disability retirement.

Coverage is available to spouses for the spouse's lifetime.

Health Benefits

Pre-65, medical coverage continues under various medical plans offered through Anthem. Prescription drug, and dental coverage is also provided. All benefits are self-insured.

Post-65, participants eligible for Medicare benefits are required to participate in Medicare Part A and B. The Town provides supplementary coverage that includes prescription drugs. If the retiree is not eligible for Medicare, the Town will continue to provide benefits past age 65 under the pre-65 program. Prescription drug is now provided through the EGWP program with Express Scripts.

The cost of the Medicare Part B premium shall be borne by the retiree.

Life Insurance Benefits

A life insurance benefit is provided upon a retiree's death. Amount for new retirees varies by group, as follows:

Public Works and Nurses - $15,000

Professional & Technical - $30,000

Town Hall - $17,500

Communication Workers - $0

Retiree Contributions

THEA Union:

Members hired after July 1, 2010 pay the same percentage contribution as active employees for pre-65 coverage.

Members retiring after July 1, 2016 shall contribute 12% for post-65 coverage.

Members hired after July 1, 2016 shall contribute 50% for pre and post-65 coverage.

Effective January 1, 2019, members hired on or before 12/31/2018, beginning at age 65, as retirees shall be responsible for 13% of the cost of the Medicare Carve-Out and the Town shall be responsible for 87%. Members hired on or after 1/1/2019 shall pay the same as active members.

Retiree Contributions (cont.)

Nurses:

Hired on or before June 30, 2010 shall contribute to the cost of post-retirement benefits as they contributed at the time of their retirement.

Hired after June 30, 2010 shall contribute the same percentage as active employees as those amounts change from time to time

Post-65: 100% Town-paid.

Tele/ECC:

Members shall pay the same percentage contribution as active employees for pre-65 coverage.

Post-65: 100% Town-paid.

Professional & Technical:

Members hired after July 1, 2006 shall pay the same as they did at time of retirement for pre-65 coverage.

Post-65: 100% Town-paid.

PW:

Members hired on or before June 24, 2013 shall pay the same percentage as they did at time of retirement for pre-65 coverage.

Members hired after June 24, 2013 shall contribute the same percentage as active employees as the percent may change from time to time for pre-65 coverage.

Post-65: 100% Town-paid.

All Others:

100% Town-paid.

Employee Contributions

None.

SAMPLE MUNICIPALITY REPORT

ACTUARIAL VALUATION REPORT

JULY 1, 2020

hooker & holcombe

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Report Prepared By:

Consultant Name Title Phone email	Actuary Name Title Phone email	Actuary Name Title Phone email

Executive Summary

	July 1, 2020	July 1, 2019
Number of members		
Active employees	436	471
Terminated vested members	56	57
Vested in employee contributions only	46	41
Retired, disabled and beneficiaries	476	456
Total	1,014	1,025
Covered employee payroll	25,185,202	26,771,545
Average plan salary	57,764	56,840
Actuarial present value of future benefits	270,449,901	268,724,340
Actuarial accrued liability	251,623,592	247,234,471
Plan assets		
Market value of assets	200,344,325	205,612,044
Actuarial value of assets	210,648,519	206,819,680
Unfunded accrued liability	40,975,073	40,414,791
Funded ratio	83.7%	83.7%
Actuarially determined employer contribution (ADEC)		
Fiscal year ending	2022	2021
ADEC	5,602,793	5,717,218

Valuation Results and Highlights

Purpose of the Valuation

The purpose of the valuation is to develop the Actuarially Determined Employer Contribution (ADEC).

The ultimate cost of a pension plan is based primarily on the level of benefits promised by the plan. The pension fund's investment earnings serve to reduce the cost of plan benefits and expenses. Thus,

Ultimate cost = Benefits Paid + Expenses Incurred – Investment Return – Employee Contributions

The actuarial cost method distributes this ultimate cost over the working lifetime of current plan participants. By means of this budgeting process, costs are allocated to both past and future years, and a cost is assigned to the current year. The current year's allocated cost, or normal cost, is the building block upon which the actuarially determined employer contribution is developed. The July 1, 2020 valuation produces the contribution for the fiscal year ending 2022.

Information Available in the Valuation Report

The Executive Summary is intended to emphasize the notable results of the valuation from the perspective of the Plan Sponsor. Supporting technical detail is documented in Results of the Valuation, Supporting Exhibits and Description of Actuarial Methods and Assumptions. A concise summary of the principal provisions of the Plan is outlined in Summary of Plan Provisions.

Changes Reflected in the Valuation

We updated the mortality improvement scale from MP-2019 to MP-2020 and the inflation assumption from 2.60% to 2.40%. These changes decreased liabilities by 1.1%.

Cash Contribution for Fiscal Year Ending 2022

The Town cost is:	2022 Fiscal Year
Town	$3,722,614
Board of Education	1,880,179
Total	$5,602,793

Liability Experience During Period Under Review

The plan experienced a net actuarial gain on liabilities of $945,846 since the prior valuation.

Asset Experience During Period Under Review

The plan's assets provided the following rates of return during the past fiscal year:

	2020 Fiscal Year
Market Value Basis	0.6%
Actuarial Value Basis	5.0%

The Actuarial Value of assets, rather than the Market Value, is used to determine plan contributions. The Actuarial Value spreads the asset volatility over 5 years, thereby smoothing out fluctuations that are inherent in the Market Value.

Assessment and Measurement of Risks

Financial Significance of Plan

It is important to understand the size of the pension plan compared to the size of the sponsor of that plan. Additional pension contributions may be required at inopportune times for the plan sponsor. In general, a plan sponsor with assets or revenue that are much larger than the liabilities in its pension plans will be better able to withstand increases in required pension contributions.

Plan Maturity Measurements

	July 1, 2020	**July 1, 2019**
Actuarial accrued liability for members currently in pay status as a percentage of the total actuarial accrued liability	52.4%	51.2%

• A lower percentage results in greater volatility as the investment return assumption changes.

• A higher percentage results in greater demand on cash due to a proportionately higher percentage of benefits being in pay status.

	July 1, 2020
Duration of benefit payments using an investment rate of return of 7.00%	12.9 years

• A higher duration will occur if the plan's percentage of members in pay status decreases. A plan with a higher duration will have a liability that is more sensitive to changes in the investment return assumption.

	July 1, 2020	**July 1, 2019**
Ratio of market value of assets to covered payroll	8.0	7.7

• A higher ratio is more typical of relatively mature plans with a larger percentage of inactive members and may cause more potential contribution volatility as pension fund assets fluctuate.

Risks to Assess

Overriding Minimum Contribution

	Fiscal Year Ending 2022
Actuarially determined employer contribution (ADEC)	5,602,793
Overriding minimum contribution (OMC)*	5,306,452
Surplus (deficit) - ADEC vs. OMC	296,341

• A deficit suggests that a plan's current funding policy contribution approach may result in little to no progress being made towards: (1) reducing the plan's unfunded liability; and (2) increasing the plan's funded ratio in the near-term.

** As defined in "Public Pension Plan Funding Policy" (Society of Actuaries, 2010).*

Estimated Impact of a 5% Reduction in Market Value of Assets

	Fiscal Year Ending 2022
Increase in actuarially determined employer contribution (ADEC)	175,747

• Plans would generally be subject to a larger amortization payment if the market value of assets were 5% smaller. As a result, the ADEC would generally be higher for up to 21 years.

Due to the asset smoothing method, the ADEC will additionally increase by the same amount in each of the next few years. Each of these additional contributions will continue for up to 21 years.

Historical Results

Valuation Year Beginning	Investment Return Assumption	Annual Effective Rate of Return on Market Value of Assets	Market Value of Assets as a % of Actuarial Accrued Liability	Benefit Payments as a % of Market Value of Assets
2020	7.00%	N/A	79.6%	N/A
2019	7.00%	0.6%	83.2%	5.9%
2018	7.00%	5.2%	86.7%	6.0%
2017	7.00%	8.5%	83.7%	6.1%
2016	7.00%	10.1%	80.7%	6.0%

Certification

This report presents the results of the July 1, 2020 Actuarial Valuation for SAMPLE MUNICIPALITY REPORT (the Plan) for the purpose of estimating the funded status of the Plan and determining the Actuarially Determined Employer Contribution (ADEC) for the fiscal year ending June 30, 2022. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Trustee. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the *Summary of Plan Provisions* section of this report and the actuarial assumptions and methods detailed in the *Description of Actuarial Methods and Assumptions* section of this report.

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 this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

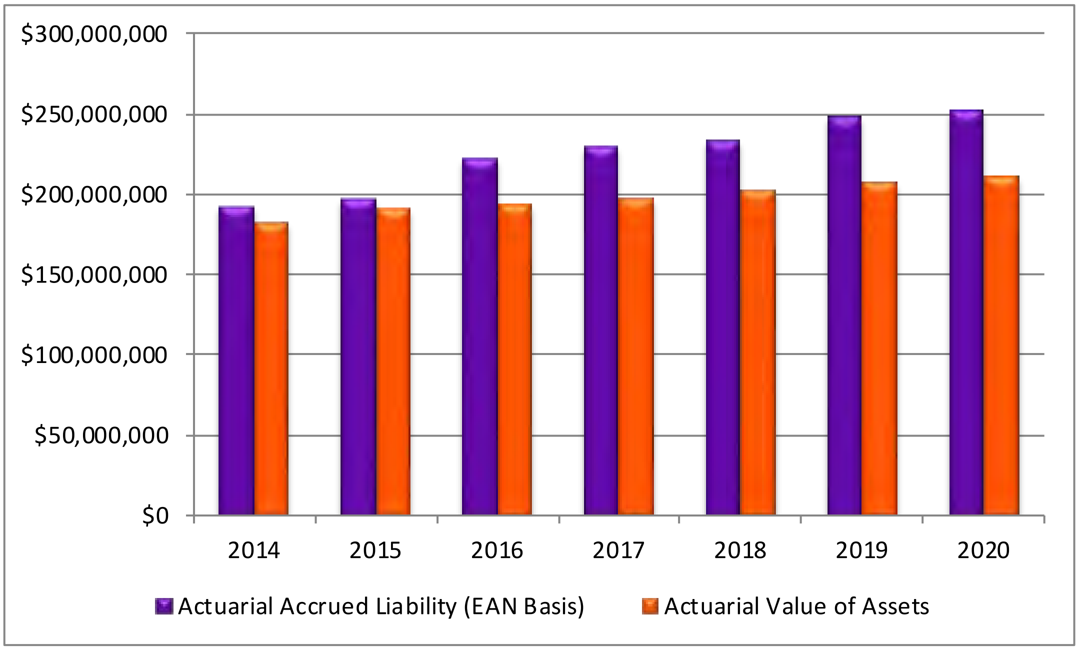
Consultant Name, FSA, MAAA
Enrolled Actuary 20-00000

February 4, 2021

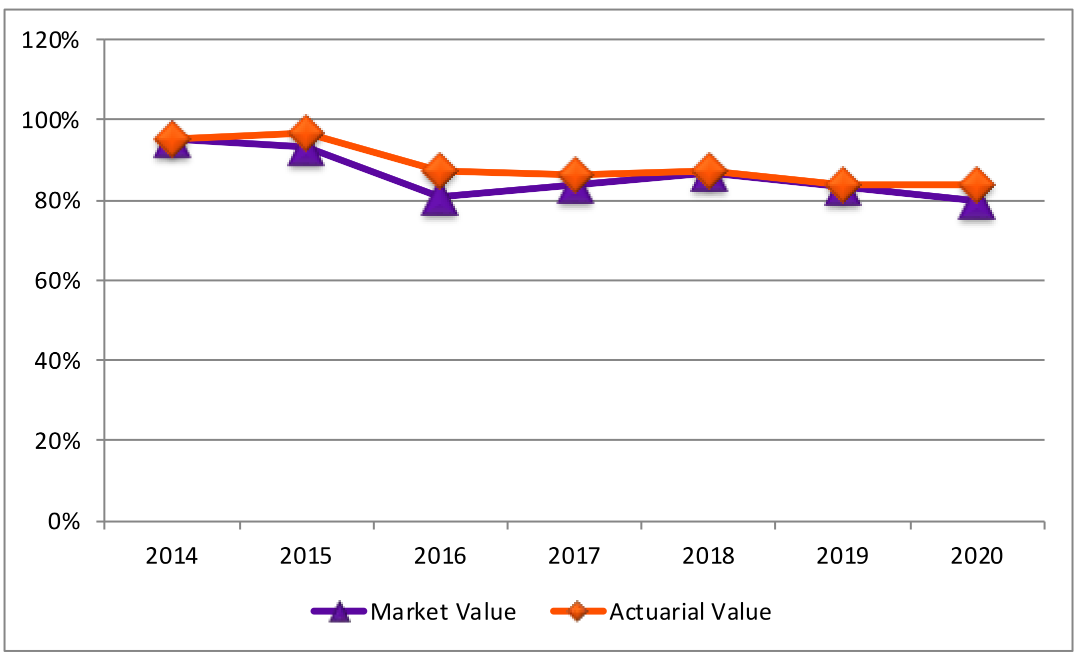
Development of Unfunded Accrued Liability and Funded Ratio

	July 1, 2020	July 1, 2019
Actuarial accrued liability for inactive members		
Retired pensioners	$124,675,524	$119,741,504
Disabled pensioners	2,424,601	2,417,747
Beneficiaries in payment status	4,823,683	4,341,084
Terminated vested members	10,384,126	10,794,478
Due refund of employee contributions only	157,796	125,970
Total	142,465,730	137,420,783
Actuarial accrued liability for active employees	109,157,862	109,813,688
Total actuarial accrued liability	251,623,592	247,234,471
Actuarial value of assets	210,648,519	206,819,680
Unfunded accrued liability	40,975,073	40,414,791
Funded ratio	83.7%	83.7%

Actuarial Accrued Liability vs. Actuarial Value of Assets



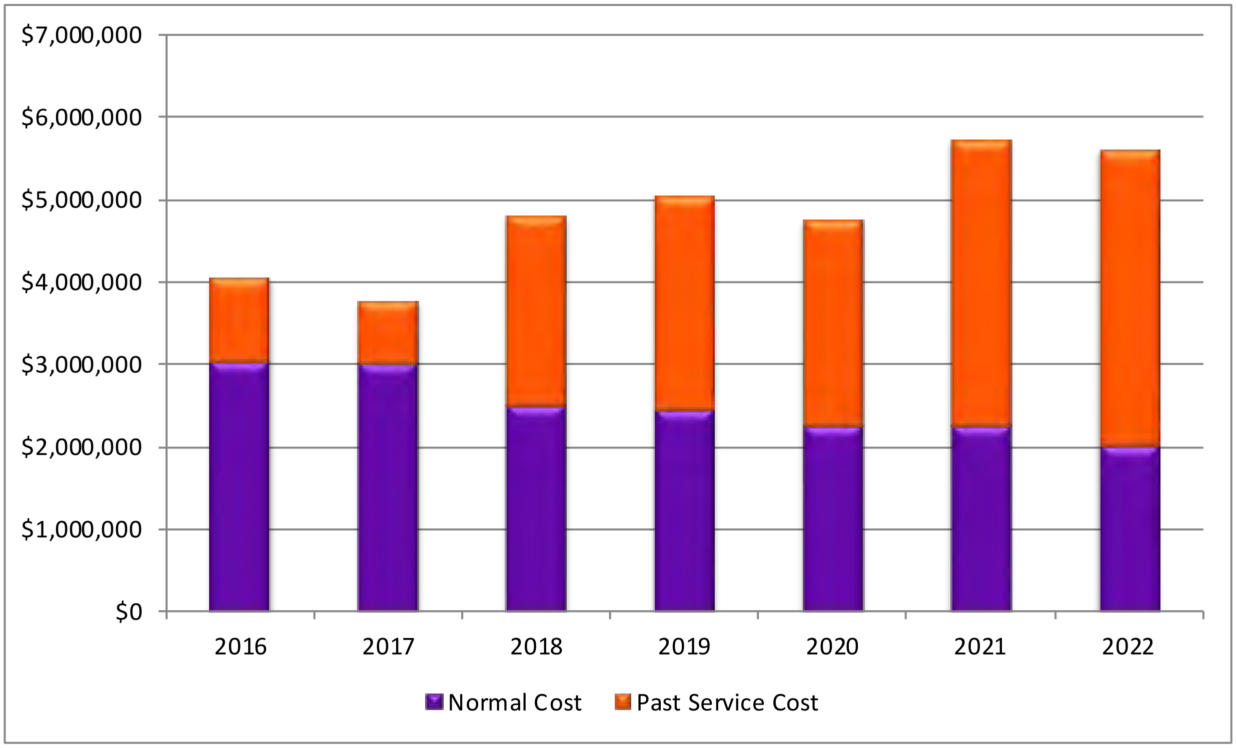
Funded Ratio



Determination of Normal Cost and Actuarially Determined Employer Contribution

	July 1, 2020		July 1, 2019	
	Cost	Percent of payroll	Cost	Percent of payroll
Gross normal cost	$2,861,577	11.4%	$3,163,763	11.8%
Estimated employee contributions	(1,045,634)	-4.2%	(1,106,934)	-4.1%
Estimated administrative expenses	155,000	0.6%	146,000	0.5%
Town's normal cost	1,970,943	7.8%	2,202,829	8.2%
Amortization of unfunded accrued liability	3,534,158	14.1%	3,414,701	12.8%
Contribution before adjustment as of the valuation date	5,505,101	21.9%	5,617,530	21.0%
Estimated valuation year payroll for actives not yet at 100% assumed retirement age	25,126,269		26,713,769	
Fiscal year ending	2022		2021	
Adjustment for interest and inflation	97,692		99,688	
Actuarially determined employer contribution	5,602,793		5,717,218	

Actuarially Determined Employer Contribution



Actuarially Determined Employer Contribution per Group

	Town	Board of Education	Total
Gross normal cost	$1,466,076	$1,395,501	$2,861,577
Estimated employee contributions	(510,067)	(535,567)	(1,045,634)
Estimated administrative expenses	113,501	41,499	155,000
Town's normal cost	1,069,510	901,433	1,970,943
Actuarial accrued liability	184,255,374	67,368,218	251,623,592
Actuarial value of assets	154,250,726	56,397,793	210,648,519
Unfunded accrued liability	30,004,648	10,970,425	40,975,073
Amortization of unfunded accrued liability	2,587,943	946,215	3,534,158
Contribution before adjustment as of the valuation date	3,657,453	1,847,648	5,505,101
Fiscal year ending June 30, 2022			
Adjustment for interest and inflation	65,161	32,531	97,692
Actuarially determined employer contribution	3,722,614	1,880,179	5,602,793

Determination of Actuarial Gain/Loss

The Actuarial Gain/Loss is the difference between the expected unfunded accrued liability and the actual unfunded accrued liability, without regard to any changes in actuarial methods, actuarial assumptions or plan provisions. This can also be referred to an Experience Gain/Loss, since it reflects the difference between what was expected and what was actually experienced.

Actuarial Gain / Loss		
Expected unfunded accrued liability July 1, 2020		
Expected unfunded accrued liability July 1, 2020		
Unfunded accrued liability July 1, 2019	$40,414,791	
Gross normal cost July 1, 2019	3,309,763	
Town and employee contributions for 2019-2020	(5,893,687)	
Interest at 7.00% to July 1, 2020	2,752,593	
Expected unfunded accrued liability July 1, 2020	40,583,460	
Actuarial (gain) / loss July 1, 2020	3,063,915	
Actual unfunded accrued liability July 1, 2020, prior to plan provision, assumption and method changes		43,647,375
Sources of (gain) / loss		
Assets	4,009,761	
Liabilities	(945,846)	
Total (gain) / loss	3,063,915	
Assumption and method changes since prior valuation		(2,672,302)
Actual unfunded accrued liability July 1, 2020, after plan provision, assumption and method changes		40,975,073

Development of Asset Values

Summary of Fund Activity		
	Market Value	**Actuarial Value**
1. Beginning value of assets July 1, 2019		
Trust assets	$205,612,044	$206,819,680
2. Contributions		
Town contributions during year	4,852,060	4,852,060
Employee contributions during year	1,041,627	1,041,627
Total for plan year	5,893,687	5,893,687
3. Disbursements		
Benefit payments during year	12,232,000	12,232,000
Administrative expenses during year	160,572	160,572
Total for plan year	12,392,572	12,392,572
4. Net investment return		
Interest and dividends	4,534,129	N/A
Realized and unrealized gain / (loss)	(3,233,524)	N/A
Expected return	N/A	14,237,420
Recognized gain / (loss)	N/A	(3,909,696)
Required adjustment due to corridor	N/A	0
Reversal of prior year required adjustment	N/A	0
Investment-related expenses	(69,439)	N/A
Total for plan year	1,231,166	10,327,724
5. Ending value of assets July 1, 2020		
Trust assets: (1) + (2) - (3) + (4)	200,344,325	210,648,519
6. Approximate rate of return	0.6%	5.0%

Relationship of Actuarial Value to Market Value

1. Market value 7/1/2020	$200,344,325
2. Gain / (loss) not recognized in actuarial value 7/1/2020	(10,304,194)
3. Preliminary actuarial value 7/1/2020: (1) - (2)	210,648,519
4. Preliminary actuarial value as a percentage of market value: (3) ÷ (1)	105.1%
5. Gain / (loss) recognized for corridor minimum / maximum	N/A
6. Actuarial value 7/1/2020 after corridor minimum / maximum: (3) + (5)	210,648,519
7. Actuarial value as a percentage of market value: (6) ÷ (1)	105.1%

Development of Market Value Gain / Loss for 2019-2020 Plan Year

1. Market value 7/1/2019	$205,612,044
2. Town contributions	4,852,060
3. Employee contributions	1,041,627
4. Benefit payments	12,232,000
5. Administrative expenses	160,572
6. Expected return at 7.00%	14,237,420
7. Expected value 7/1/2020: (1) + (2) + (3) - (4) - (5) + (6)	213,350,579
8. Market value 7/1/2020	200,344,325
9. Market value gain / (loss) for 2019-2020 plan year: (8) - (7)	(13,006,254)

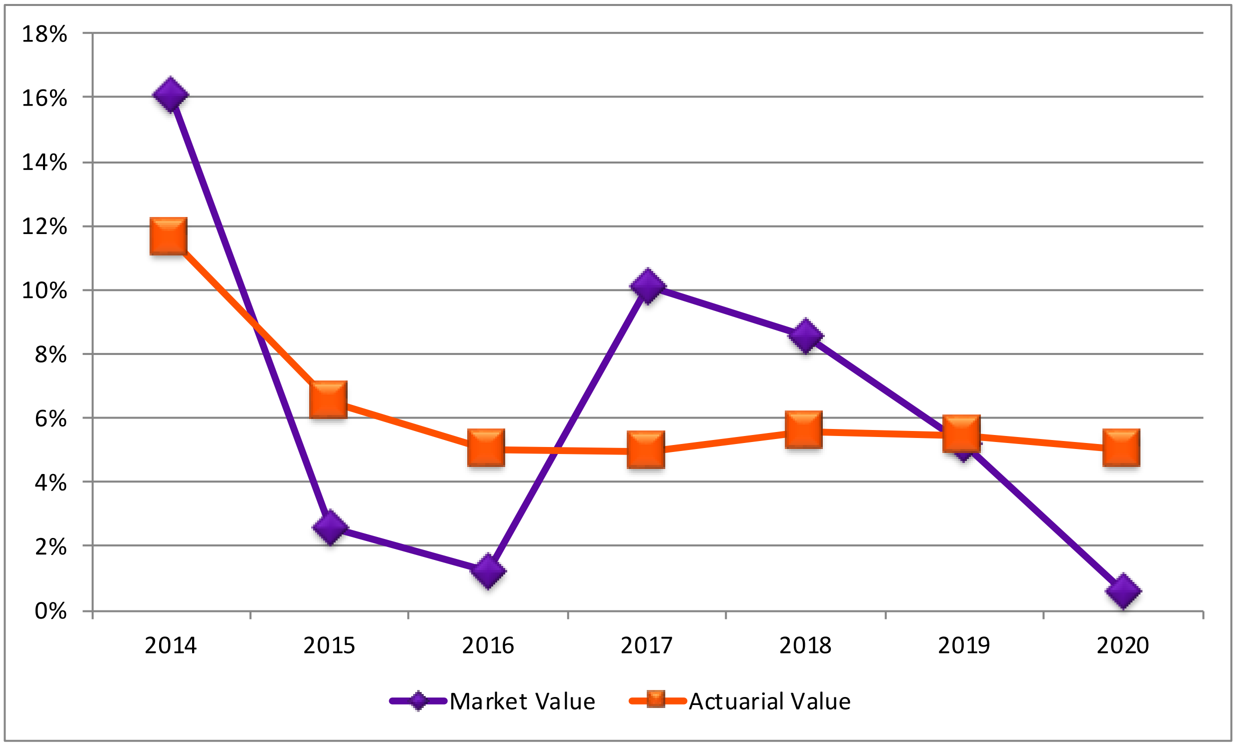
Recognition of Gain / Loss in Actuarial Value

Year	(a) Gain / (loss)	(b) Total recognized as of 7/1/2019	(c) Recognized in current year: 20% of (a)	(d) Total recognized as of 7/1/2020: (b) + (c)	(e) Not recognized as of 7/1/2020: (a) - (d)
2015-2016	($11,303,816)	($9,043,052)	($2,260,764)	($11,303,816)	$0
2016-2017	5,436,999	3,262,200	1,087,400	4,349,600	1,087,399
2017-2018	2,906,747	1,162,698	581,349	1,744,047	1,162,700
2018-2019	(3,582,150)	(716,430)	(716,430)	(1,432,860)	(2,149,290)
2019-2020	(13,006,254)	0	(2,601,251)	(2,601,251)	(10,405,003)
Total			(3,909,696)		(10,304,194)

Rate of Return on Market Value of Assets				
Period Ending June 30	Average Annual Effective Rate of Return			
	1 Year	3 Years	5 Years	10 Years
2011	N/A	N/A	N/A	N/A
2012	2.9%	N/A	N/A	N/A
2013	10.3%	N/A	N/A	N/A
2014	16.1%	9.6%	N/A	N/A
2015	2.6%	9.5%	N/A	N/A
2016	1.2%	6.4%	6.5%	N/A
2017	10.1%	4.6%	7.9%	N/A
2018	8.5%	6.5%	7.6%	N/A
2019	5.2%	7.9%	5.5%	N/A
2020	0.6%	4.7%	5.1%	N/A

Rate of Return on Actuarial Value of Assets				
Period Ending June 30	Average Annual Effective Rate of Return			
	1 Year	3 Years	5 Years	10 Years
2011	N/A	N/A	N/A	N/A
2012	0.2%	N/A	N/A	N/A
2013	4.3%	N/A	N/A	N/A
2014	11.6%	5.3%	N/A	N/A
2015	6.5%	7.4%	N/A	N/A
2016	5.0%	7.7%	5.5%	N/A
2017	5.0%	5.5%	6.4%	N/A
2018	5.6%	5.2%	6.7%	N/A
2019	5.4%	5.3%	5.5%	N/A
2020	5.0%	5.4%	5.2%	N/A

Actual Rate of Return on Assets



Target Allocation and Expected Rate of Return
July 1, 2020

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
U.S. Equities	33.00%	3.00%	0.99%
Non-U.S. Equities	22.00%	6.30%	1.39%
U.S. Bonds	25.00%	1.10%	0.28%
Non-U.S. Bonds	10.00%	0.80%	0.08%
Private Equity	5.00%	9.20%	0.46%
Private Real Estate	5.00%	5.50%	0.28%
	100.00%		3.48%
Long-Term Inflation Expectation			2.40%
Long-Term Expected Nominal Return			5.88%

**Long-Term Real Returns are provided by XYZ Investment Advisor. The returns are geometric means.*

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on geometric means. The investment return assumption was selected using the long term asset allocation shown above. An expected rate of return of 7.00% was used.

Amortization of Unfunded Liability

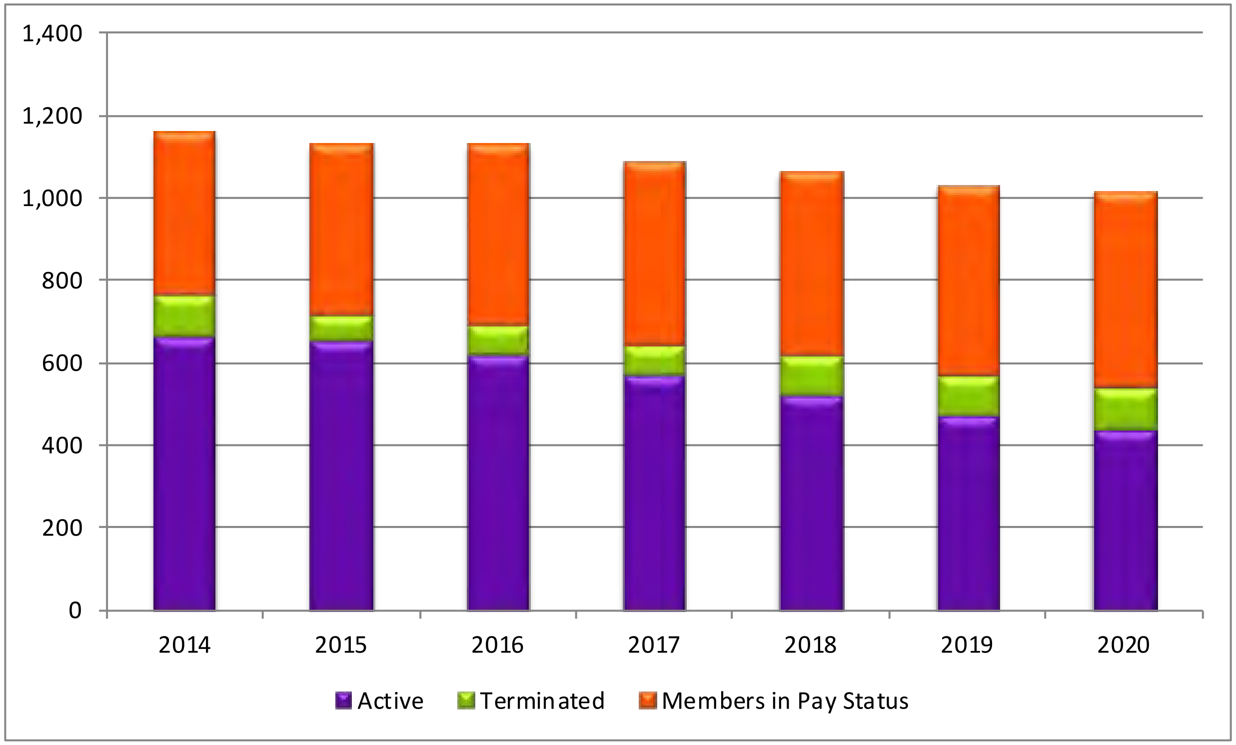
Schedule of Amortization Bases				
	Date established	Amortization installment	Years remaining	Present value of remaining installments as of July 1, 2020
2020 base	July 1, 2020	3,534,158	21	40,975,073

Member Data

The data reported by the Plan Sponsor for this valuation includes 436 active employees who met the Plan's minimum age and service requirements as of July 1, 2020.

Member Data							
	Active	Terminated vested	Due refund of contributions	Retirees	Disabilities	Beneficiaries	Total
Total members July 1, 2019	471	57	41	418	8	30	1,025
Adjustments	0	0	0	0	0	-2	-2
Retirements	-19	-8	N/A	+27	N/A	N/A	0
Disabilities	0	N/A	N/A	N/A	0	N/A	0
Terminations							
Vested	-7	+7	N/A	N/A	N/A	N/A	0
Lump sum payments	-4	0	0	N/A	N/A	N/A	-4
Due contributions only	-5	N/A	+5	N/A	N/A	N/A	0
Deaths							
With death benefit	0	0	0	-2	0	0	-2
Without death benefit	0	0	0	-5	0	0	-5
Transfers	0	0	0	N/A	N/A	N/A	0
Rehires	0	0	0	N/A	N/A	N/A	0
New beneficiaries	N/A	N/A	N/A	N/A	N/A	+3	+3
New entrants	0	N/A	0	N/A	N/A	N/A	0
Total members July 1, 2020	436	56	46	438	8	31	1,015

Member Counts by Status



Member Data						
	Active	Terminated vested	Due refund of contributions	Retirees	Disabilities	Beneficiaries
Average age						
July 1, 2019	54.9	55.3	41.8	75.0	71.8	76.0
July 1, 2020	55.6	54.3	42.6	75.2	72.8	78.2
Average service						
July 1, 2019	15.6	N/A	N/A	N/A	N/A	N/A
July 1, 2020	16.6	N/A	N/A	N/A	N/A	N/A
Covered employee payroll						
July 1, 2019	$26,771,545	N/A	N/A	N/A	N/A	N/A
July 1, 2020	25,185,202	N/A	N/A	N/A	N/A	N/A
Total annual benefits						
July 1, 2019	N/A	$1,121,536	N/A	$11,094,335	$249,992	$586,951
July 1, 2020	N/A	1,105,868	N/A	11,742,360	257,775	574,896

Active Member Count by Age and Years of Service

Completed Years of Credited Service											
Attained age	**Under 1**	**1 to 4**	**5 to 9**	**10 to 14**	**15 to 19**	**20 to 24**	**25 to 29**	**30 to 34**	**35 to 39**	**40 and over**	**All years**
Under 25											
25 to 29		2	2								4
30 to 34		5	11	4							20
35 to 39		1	6	3	3						13
40 to 44		2	11	7	4	1					25
45 to 49		1	10	15	6	5					37
50 to 54		2	10	18	20	15	3	5	1		74
55 to 59		2	18	22	23	20	5	8	4	1	103
60 to 64		5	7	19	37	19	7	9	3	1	107
65 to 69			5	4	13	11	5		1		39
70 & over			2	3	2	1	2	2	2		14
All ages		**20**	**82**	**95**	**108**	**72**	**22**	**24**	**11**	**2**	**436**

Description of Actuarial Methods

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year.

Actuarial Cost Method

Changes in Actuarial Cost Method: None.

Description of Current Actuarial Cost Method: Entry Age Normal (level percentage of salary)

Normal Cost: Under this method, the total normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions). This amount is amortized over 21 years on a closed basis.

Experience Gains and Losses: All experience gains and losses (the financial effect of the difference between the actual experience during the prior period and the result expected by the actuarial assumptions for that prior period) appear directly in the past service liability and are amortized at the same rate the plan is amortizing the remaining unfunded past service liability.

Description of Actuarial Assumptions

Changes in Actuarial Assumptions

The valuation reflects changes in the actuarial assumptions listed below. (The assumptions used before and after these changes are more fully described in the next section.)

- Mortality
- Inflation

The assumptions indicated were changed to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan.

Investment rate of return (net of investment-related and administrative expenses)

7.00%.

Rate of compensation increase (including inflation)

Age	Town Non-DPW
20-22	5.60%
23-24	5.10%
25	4.85%
26-27	4.60%
28	3.60%
29-40	4.10%
41	4.05%
42	4.00%
43	3.95%
44	3.90%
45	3.85%
46	3.80%
47	3.75%
48	3.70%
49	3.65%
50	3.60%
51	3.55%
52	3.50%
53	3.45%
54	3.40%
55	3.35%
56	3.30%
57	3.25%
58	3.20%
59	3.15%
60+	3.10%

Age	Town DPW
20	7.10%
21	7.00%
22	6.90%
23	6.80%
24	6.70%
25	6.60%
26	6.50%
27	6.40%
28	6.30%
29	6.20%
30	6.10%
31	6.00%
32	5.90%
33	5.80%
34	5.70%
35	5.60%
36	5.40%
37	5.20%
38	5.00%
39	4.80%
40	4.60%
41	4.10%
42	3.60%
43	3.35%
44	3.15%
45-49	2.85%
50+	2.60%

The actuarial assumption in regards to rate of compensation increases shown above are based on the results of an actuarial experience study for the period 2011 through 2016.

Inflation

2.40%. (Prior: 2.60%)

This assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2020 OASDI Trustees Report.

Mortality

Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables with separate tables for General Employees, projected to the valuation date with Scale MP-2020.

Prior: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables with separate tables for General Employees, projected to the valuation date with Scale MP-2019.

Mortality Improvement

Projected to date of decrement using Scale MP-2020 (generational).

Prior: Projected to date of decrement using Scale MP-2019 (generational).

We have selected this mortality assumption because it is based on the latest published pension mortality study released by the Society of Actuaries.

The mortality assumption was updated to better reflect anticipated experience. The change in assumption decreased liabilities by about 0.7%.

Retirement age

DPW

Age	Rate
55-58	2%
59	35%
60-69	20%
70+	100%

Non-DPW

Age	Rate
55-59	3.8%
60-61	7.0%
62	24.0%
63-64	17.4%
65	26.0%
66-74	24.0%
75-79	30.0%
80+	100.0%

Termination prior to retirement

DPW

Age	Town
20	10.0%
25	8.5%
30	7.0%
35	5.5%
40	4.0%
45	1.5%
50+	1.0%

Non-DPW

	Years of Service			
Age	0	5	10	>=15
20	60.0%	38.0%	15.0%	6.0%
25	52.0%	28.0%	10.0%	5.0%
30	30.0%	12.0%	7.0%	4.0%
35	26.0%	10.0%	7.0%	3.5%
40	26.0%	10.0%	7.0%	3.5%
45	26.0%	10.0%	7.0%	3.5%
50	20.0%	10.0%	6.0%	3.0%
55+	10.0%	6.0%	4.5%	3.0%

Disability

Age	Town Non-DPW	Town DPW
20	0.01%	0.02%
25	0.01%	0.03%
30	0.02%	0.04%
35	0.02%	0.05%
40	0.04%	0.07%
45	0.06%	0.12%
50	0.10%	0.20%
55	0.17%	0.34%
60	0.27%	0.54%

The actuarial assumptions in regards to rates of decrement shown above are based on the results of an actuarial experience study for the period 2011 through 2016. Rationale and the impact of the changes can be found in the study.

Administrative expenses

The estimate is based on actual expenses paid from the trust in the past 4 years.

Cost of living increases

Average of 2.4% per year.

Percent of active employees married

85%.

Spouse's age

Husbands are assumed to be 3 years older than wives.

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. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Final Salary

Public Works: Base pay including longevity over period of highest two consecutive years divided by two.

All Others: Base pay including longevity.

Highest Salary

Highest Salary (including base pay plus longevity) earned over a period of 12 consecutive paid months during the active years of employment.

Normal Retirement

Eligibility: Public Works: Later of age 59½ and 10 years of service.

All Others: Later of age 62 and 10 years of service.

Benefit: Public Works: 2.2% of Final Salary times years of service.

Educational Office Professionals and Professional and Technical Employees: 2.275% of member's Highest Salary times years of service.

All Others: 1.25% of Final Salary up to $7,800 plus 2.3% of the excess times years of service.

Early Retirement

Eligibility: Later of age 55 or 15 years of service.

Benefit: Normal Retirement Benefit reduced 5/9% for each month younger than age 62 (59½ for Public Works).

Disability Retirement Benefit

Job Related:

Benefit: 50% of final salary less Workers Compensation.

Not Job Related:

Eligibility: 10 years of continuous service.

Benefit: Accrued benefit at time of disability.

Post-Retirement Death Benefit

Balance of 60 total payments to participant and beneficiary, or according to terms of optional form of payment elected.

Pre-Retirement Death Benefit

Job Related:

Eligibility: All are eligible.

Benefit: 50% of final salary payable to spouse until death or remarriage, then continuing to surviving children younger than age 18.

Not Job Related:

Eligibility: Eligible to retire.

Benefit: Pension that employee would have received if retired day before death and elected the 100% Joint & Survivor form of benefit.

Deferred Vested Retirement Benefit

Eligibility: 10 years of full-time employment with the Town

Benefit: Accrued benefit at time of termination payable at age 62.

Cost of Living Increases

On July 1st based on CPI-U, not to exceed 3%.

Employee Contributions

4% of basic salary including longevity.

Division Freeze Dates

Group/BU	BU Code	Freeze date
Town	01 - NON-UNION	11/1/2015
Town	02 - PETA / Mid Mngmnt	4/23/2013
Town	03 - DEPARTMENT HEADS	11/1/2015
Town	11 - THEA	4/1/2011
Town	21 - DPW	9/9/2013
Town	40 - ECC	7/1/2012
Town	72 - Nurses	3/11/2013
BOE	04 – Secretaries	9/23/2014
BOE	05 – Paraprofessionals	12/8/2015
BOE	13 – Support Staff	7/1/2015
BOE	24 – IT Tech	3/7/2014
BOE	28 – Educational Trainers	3/7/2014
BOE	46- Custodians	11/6/2014
BOE	49 – Maintenance	11/6/2014

Employees hired after the freeze dates listed above are eligible for the 401A Plan.

III. TEAM BIOS

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Stephen Chykirda, ASA, FCA, MAAA

Consulting Actuary
Actuarial Services Group

As Consulting Actuary for the firm's Actuarial Services Group, Stephen is responsible for a wide range of projects including consulting on qualified and non-qualified defined benefit and post-retirement welfare plans, performing pension valuations, benefit calculations, cost estimates and reporting under FASB and GASB. He is also involved in plan studies and design work.

Stephen has been in the actuarial consulting industry since 1995 and has experience with a diverse group of municipalities, multi-employer pension funds and Fortune 500 companies of all sizes. He provides expert analysis on a plan's funding position, plan design, experience studies and de-risking solutions for both defined benefit and other post-employment benefits (OPEB) plans.

Prior to joining the firm, Stephen was with MassMutual, where he provided actuarial consulting services to a number of municipalities and Fortune 500 companies.

Stephen received his bachelor of science in electrical engineering from the University of Rhode Island.

He is an Enrolled Actuary, an Associate of the Society of Actuaries (ASA), a Fellow of the Conference of Actuaries (FCA), and a member of the American Academy of Actuaries (MAAA).

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Steve A. Lemanski, FSA, FCA, MAAA

Vice President, Practice Leader

Actuarial Services

Steve is responsible for overseeing a team of actuarial professionals who manage the firm's pension and other post-employment benefits (OPEB) plans. In this role, he is responsible for a wide range of projects including consulting on qualified and non-qualified defined benefit and post-retirement welfare plans, performing pension valuations, benefit calculations, cost estimates and reporting for FASB and GASB. He is also involved in plan studies and design work.

Steve has been in the actuarial consulting industry since 1988 and has provided services to a diverse client base including municipalities, multi-employer pension funds, and Fortune 500 companies. His expertise covers valuations of defined benefit and OPEB plans, plan design, benefit certifications, experience studies, general administration of qualified plans, and consulting on a number of compliance related issues.

Steve joined H&H in 2016 as a consulting actuary. He was promoted to practice leader in 2018, and in 2019 he was named vice president and a principal of the firm. Prior to joining the firm, Steve was with Milliman where he served as principal and consulting actuary for a number of municipalities throughout Connecticut, Rhode Island and Massachusetts.

Steve graduated summa cum laude from Drew University with a bachelor's degree in applied mathematics and economics.

Steve is an Enrolled Actuary and holds a number of professional designations including fellow of the Society of Actuaries (FSA), fellow of the Conference of Consulting Actuaries (FCA), and member of the American Academy of Actuaries (MAAA). Steve is a past board member for the Connecticut Public Pension Forum and is chairperson of the EA-1 Actuarial Examination Committee.

IV. MARKETING MATERIALS

h&h

hooker & holcombe

2020 year in review

"At H&H, taking care of people is at the heart of everything we do. In the midst of a global pandemic, I'm proud of the way our dedicated team of professionals came together to help each other and seamlessly provide our clients with exceptional service."

2020 was certainly a different kind of year. The pandemic pushed us to adapt and reinvent ourselves as clients called on us to assist them in unprecedented times. In typical H&H fashion, we responded with innovative solutions – and a healthy dose of empathy and understanding along the way.

This past year, we focused on balancing the health and welfare of our employees with government guidelines, while staying close to the needs of our clients and their employees. Like many, we quickly learned to embrace technology in new ways. Any adversity was overcome through teamwork and sheer determination. Employees adapted to working from home and online meetings became the norm. The SECURE and CARES Acts brought welcome relief for many; it also meant system and process modifications and our teams met client expectations without interruption.

Despite the challenges, the firm continued to grow and build on our expertise. We happily welcomed nine new employees and added three H&H leaders to the shareholder table. Their vast knowledge and fresh perspectives will further challenge the firm to continue reinventing itself so it is better positioned for future growth.

As we look back on 2020 and ahead into the New Year, there is no doubt that we owe a great deal of gratitude to healthcare and other front line professionals. I am proud that H&H supported charities that helped these and other organizations bring hope to those facing immense challenges.

Yes, a lot has changed. But what did not change was our approach to delivering quality actuarial, administration, TPA and investment advisory services for retirement plan sponsors throughout the Northeast.

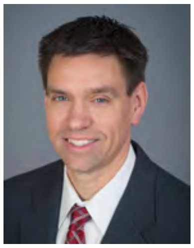
Thank you to our employees, clients and business partners who shared this journey with us. As we enter 2021, I remain hopeful that some sense of normalcy is on the horizon. I am also honored to be part of an exceptional team dedicated to helping each other do what is right for our clients each and every day.

Sincerely,

Richard S. Sych

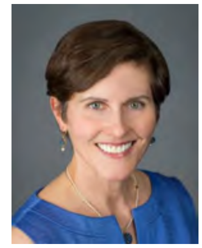
Richard S. Sych
President
Hooker & Holcombe

Congratulations to our newest shareholders



Marc R. Condon, FSA, MAAA
Vice President, Practice Leader
Pension Administration Services

Norm Yamamoto, ASA, FCA, MAAA
Vice President
Actuarial Services



Pamela E. Minish, CFA, CAIA
Vice President, Managing Director
Investment Advisory

4 lines of business & award-winning teams

As — ACTUARIAL SERVICES

Ia — INVESTMENT ADVISORY

Rs — RETIREMENT SERVICES

Pa — PENSION ADMINISTRATION

Our integrated services across four lines of business provides clients with comprehensive retirement planning solutions for all types of employer-sponsored retirement plans. No matter what your need, H&H is an all-in-one partner for companies of all sizes and in all industries.

planadviser's 2020 TOP100 RETIREMENT PLAN ADVISERS

On PLANADVISER's list of Top 100 Retirement Plan Advisors since 2016

70 experienced professionals dedicated to our clients' success

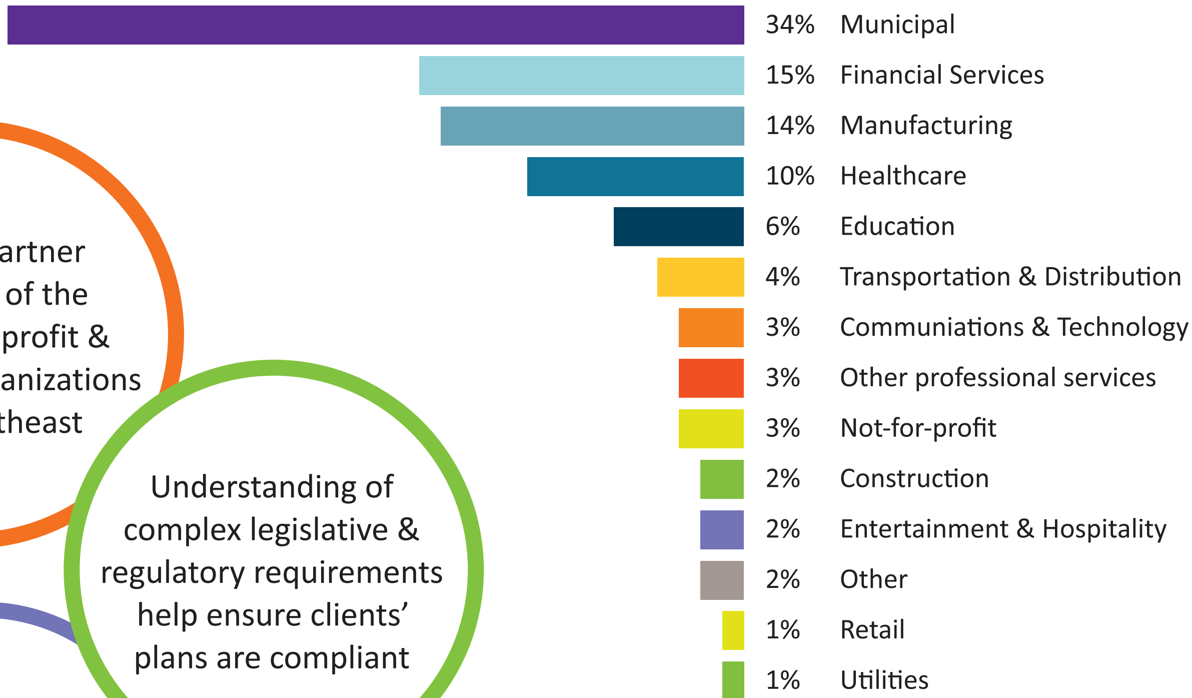
Educational resources for Committees & participants

11 Enrolled Actuaries

5 CFA Charterholders

2020 HBJ BEST PLACES TO WORK IN CONNECTICUT AWARDS

Leadership across a spectrum of industries



Proud to partner with some of the leading non-profit & healthcare organizations in the Northeast

Understanding of complex legislative & regulatory requirements help ensure clients' plans are compliant

Municipalities have been at the heart of our business for over six decades

Clients range from start-ups to Fortune 500 companies

Visit our Knowledge Center for retirement trends and tips >

A new face for a proven service

For over 2 decades, our online PensionEdge® portal has provided plan sponsors and participants with instant access to pension information.

This year, we added PIM to the team. PIM – short for pension information manager – was designed to help both sponsors and participants get the most out of PensionEdge®, our full-service, secure pension administration portal.

You'll see more of PIM in the future!

Commitment to our communities

As we continue to fight through this pandemic, we would like to take the opportunity to thank all of those on the front lines who risk their own health and safety every day. We truly appreciate the resilience each and every one of you have shown this past year, and look forward to brighter days ahead.

Thank you

H&H was pleased to continue its support for a number of fundraising events, bringing hope and joy to many facing unforeseen challenges. In addition to the firm's ongoing commitment to Connecticut Children's, our employees also went above and beyond by surpassing our annual fundraising goal for the United Way.

- American School for the Deaf
- Animal Medical Center
- Billings Farm and Museum
- CT AmVets
- Daughters of St. Paul
- Day Kimball Hospital
- The Ferguson Library
- Francis Ouimet Scholarship Fund
- Hartford Area Habitat for Humanity
- Hartford Marathon Foundation
- The Master's School
- Mount Sinai South Nassau
- Wheeler Clinic

Connecticut Children's

United Way

Our employees achieved 104% of their United Way goal

Since 1956, Hooker & Holcombe has delivered the solutions needed to identify, achieve and exceed our clients' retirement plan goals.

ACTUARIAL SERVICES

Pension & OPEB Plans

- Actuarial valuations
- Benefit calculations
- Plan terminations
- Plan design & optimization
- Funding strategies
- Asset liability modeling
- De-risking strategies
- Experience studies
- Union negotiation planning
- Arbitration testimony

PENSION ADMINISTRATION

- Online pension administration for plan sponsors and participants
- Comprehensive, secure and easy-to-use database of all participant data
- Self- and full-service benefit calculations
- Storage of and access to all plan documents, including forms packages
- Participant statements and tools
- H&H Service Center

H&H SERVICE CENTER

- Participant account assistance
- Forms audit & processing
- Benefit payment services

INVESTMENT ADVISORY

- Investment oversight
- Expense & performance audits
- Investment policy guidelines & objectives
- Asset allocation strategies
- Asset liability modeling
- Investment manager searches
- Fund evaluation & selection
- Performance monitoring & reporting
- Assistance with RFPs
- Executive & fiduciary workshops
- Financial wellness education

RETIREMENT SERVICES

Defined Contribution Plans

TPA & consulting

- Plan document
- Plan demographic analysis
- Plan design consultation & preparation
- Compliance testing
- Form 5500 preparation & filing
- Contribution calculations
- Participant education & communication
- Fee benchmarking

Recordkeeping

- Plan administration
- Data collection
- Benefit statements
- Management reports
- Daily or periodic valuations
- Loan, transfer, rollover & withdrawal determinations
- Retirement or termination payout calculations & vesting
- Processing investment trades

The "PLANADVISER Top 100 Retirement Plan Advisers" list is compiled from responses to the PLANADVISER Retirement Plan Adviser Survey. The list is drawn solely from a set of quantitative variables & information in the survey supplied by the advisers themselves. For an adviser to be eligible for recognition in the Top 100 for any calendar year, their firm had to submit a completed entry in the prior year to the Retirement Plan Adviser Survey. A sub-segment of the questions was used to determine eligibility for the Top 100. H&H qualified under the small team category which is an advisor with 10 or fewer team members. Go to planadviser.com/awards/Top-100 for more information. No fee is charged to participate.

Hartford Business Journal's Best Places to Work: This program is open to all public and privately-held organizations with at least 15 employees working within the state of Connecticut. Organizations pay a fee to participate. Organizations go through a workplace assessment which includes a confidential employee survey and an inventory of company benefits and working conditions. Results are then tallied and the organizations that meet the minimum threshold score as determined by Best Places to Work are awarded the designation. Go to hartfordbusiness.com/article/hooker-holcombe for more information.

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hooker & holcombe

New options for non-union members

Hooker & Holcombe, founded in 1956, is a leading regional provider of comprehensive actuarial, investment advisory and retirement plan consulting services. Through the expertise of dedicated and knowledgeable professionals, including skilled actuaries and CFA Charterholders, the firm designs and implements customized retirement plan programs based on proven best practices and advanced technology that exceed client expectations. The firm also provides portfolio management services for individuals. Learn more at **hhconsultants.com**

Identify

A large municipality recently amended its ordinances to provide additional retirement options to non-union active participants in the City's pension plan. Their goal was to identify ways to reduce pension-related liabilities and costs for current and future non-union employees, while not losing sight of their responsibility to provide these employees with retirement income.

Achieve

As the current actuary, we understood the City's pension plans and goals. Using our extensive knowledge, we were able to craft an innovative plan design that includes an ongoing "opt-out" feature that enables active pension plan participants to elect to stop participating in the current defined benefit (DB) plan and join the City's defined contribution (DC) plan going forward.

Additionally, retiring or terminating participants with a vested benefit now have various new options, such as:

- **Active members not yet age 62** may opt-out of the DB plan via a plan-to-plan transfer of the lump sum value of the member's vested DB plan accrued benefit to the City's DC plan.
- **Active members age 62+** may elect to opt out of the DB plan and transfer the lump sum value of the their vested DB plan accrued benefit to any qualified plan or receive the lump sum as taxable cash. All future contributions are made to the DC plan only.
- **Retiring members with a vested benefit** may choose a lump sum option that can be rolled over into any qualified plan or may elect to receive the distribution as taxable cash, in addition to the current annuity options.
- **Terminating members** may elect to receive a lump sum distribution of the value of the member's vested DB plan benefit in lieu of receiving a future benefit from the DB plan at retirement.
- **New employees** may elect to participate in either the DB or DC plan within 60 days of hire, with a default provision to participate in the DB plan.

Current non-union members who opt-out of the DB plan, as well as new hires electing to participate in the DC plan, will receive an employer contribution to a specified fixed percentage of their base pay.

Exceed

Feedback from the retirement plan committee was overwhelmingly positive. Because the actuarial basis for determining the lump sum option was consistent with the assumptions used in the funding valuation that develops the City's Actuarially Determined Employer Contribution (ADEC), adding the lump sum option was cost-neutral. The City was able to eliminate a portion of the accrued liabilities associated with the City's DB plan, while exceeding the expectations of its non-union employees by giving them choices specific to their unique situation and retirement goals.

Lowering municipal pension costs through cash balance plan design

Identify

Like many cities and towns attempting to fund their pension plans, the Town of Wallingford was facing a growing pension expense. With participants living longer and expected future asset returns decreasing, the town needed a solution to curb rising pension costs. Hooker & Holcombe (H&H) stepped in to offer an innovative alternative approach.

Achieve

In order to help the Town control the rising cost of its pension, a cash balance plan design was introduced. Although not commonly used by municipalities, our consultants explained the benefits that could be achieved through this approach, which basically combines the best features of defined benefit and defined contribution plans.

Currently, the Town carries all of the investment risk for its defined benefit plan. Over the years, both actual and expected returns have been decreasing and this led to higher Town contribution levels. For the cash balance plan, we recommended a credit to the participants' accounts with the actual interest from plan returns.

This idea was presented to the union, who had concerns about the possibility of negative returns. We proposed a cost neutral solution that included both a floor and a cap on investment returns that resulted in never crediting less than 0% or more than 10.8%.

Our consultants quickly simplified the combined plan design features into one plan which not only assisted in controlling cost, but created a convenient and valuable way for participants to understand their pension benefit. Additionally, unlike defined contribution plans, disability benefits may also be funded in a cash balance plan, eliminating the need for the Town to purchase separate disability insurance.

Exceed

Switching to a cash balance plan made predictability for costs easier on the Town and paved the way for less difficulty during budget season. Our consultants were able to confidently show the client how this innovative plan design could help them better predict pension costs, assist with reducing expenses, and provide a better overall retirement plan for its employees.

This is just one example of the many ways we help plan sponsors and their participants maximize benefits while lowering costs. Leverage our experience for your retirement plan needs. Visit **hhconsultants.com** to learn more.

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The elements of success