



April 27, 2022

Ms. Mayte D. Gamiotea
Pension Administrator
Retirement Plan for Employees of the
Town of Surfside
9293 Harding Avenue
Surfside, Florida 33154

Re: Retirement Plan for Employees of the Town of Surfside

Dear Mayte:

As requested, we are pleased to enclose twenty (20) copies of the October 1, 2021 Actuarial Valuation Report for the Retirement Plan for Employees of the Town of Surfside.

Upon Board approval of the Actuarial Valuation Report, we will upload an electronic copy of the Actuarial Valuation Report along with the required disclosure information to the State portal as required by the State.

We appreciate the opportunity to have performed this important assignment on behalf of the Board and look forward to presenting the key results at May 5th Board Meeting.

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Michelle Jones". The signature is written in a cursive, flowing style.

Shelly L. Jones, A.S.A., E.A.
Consultant and Actuary

Enclosures

RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF SURFSIDE

Actuarial Valuation as of October 1, 2021

This Valuation Determines the Annual Contribution for the Plan and Fiscal Year October 1, 2022 through September 30, 2023 to Be Paid in Fiscal Year October 1, 2022 through September 30, 2023

April 27, 2022



**Retirement Plan for Employees of
the Town of Surfside**

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April 27, 2022

Pension Board
Retirement Plan for Employees
of the Town of Surfside
c/o Ms. Mayte Gamiotea
9293 Harding Avenue
Surfside, Florida 33154

Dear Board Members:

October 1, 2021 Actuarial Valuation

We are pleased to present our October 1, 2021 Actuarial Valuation for the Retirement Plan for Employees of the Town of Surfside (Plan). The purpose of this report is to indicate appropriate contribution levels, comment on the actuarial soundness of the Plan and to satisfy State requirements. Gabriel, Roeder, Smith & Company, as Plan actuary, is authorized by the Pension Board to prepare an annual actuarial valuation under Section 2-185(i)(11)(c) of the Plan. This report is prepared for and at the request of the Pension Board.

This report consists of this commentary, detailed Tables I through XVI, the State Required Exhibit on Table XVII and Glossary on Table XVIII. The Tables contain basic Plan cost figures plus significant details on the benefits, liabilities and experience of the Plan. We suggest that you thoroughly review the report at your convenience and contact us with any questions that may arise.

Pension Plan Costs

Our Actuarial Valuation develops the required minimum Pension Plan payment under the Florida Protection of Public Employee Retirement Benefits Act and Police Officers Retirement Chapter 185. The minimum payment consists of payment of annual normal costs and amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The minimum payment for the Plan year ending September 30, 2023 is **\$1,853,857 (28.5%)**. The figure in parentheses is the Plan cost expressed as a percentage of covered annual payroll (\$6,507,278) as of October 1, 2021.

This total cost is to be met by Member, State and Town contributions. We anticipate Member contributions will be **\$520,582 (8.0%)**. The resulting minimum required Town and State contribution to be paid in **fiscal year ending September 30, 2023** is **\$1,333,275 (20.5%)**. This Actuarial Valuation assumes Town contributions will be made on the first day of the Plan Year. The

Plan is holding a funding standard account credit balance in the amount of \$100,000 available to reduce the Town contribution requirement.

Changes in Actuarial Assumptions, Methods and Plan Benefits

Plan provisions remain unchanged from the October 1, 2020 Actuarial Valuation. Plan provisions are summarized on Table X.

The actuarial assumptions and methods remain unchanged from the October 1, 2020 Actuarial Valuation and are outlined on Table XI.

Comparison of October 1, 2020 and October 1, 2021 Valuation Results

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated for the October 1, 2020 Actuarial Valuation. The right columns indicate the costs as calculated for October 1, 2021.

Comparing the left and right columns of Table II shows the effect of Plan experience during the year. The number of active participants decreased by approximately 1% while covered payroll increased by approximately 2%. The total normal cost increased both as a dollar amount and as a percentage of covered payroll. The unfunded actuarial accrued liability decreased both as a dollar amount and as a percentage of covered payroll. The Town minimum funding requirement increased as a dollar amount but decreased as a percentage of covered payroll.

Assets exceed the value of vested accrued benefits resulting in a Vested Benefit Security Ratio (VBSR) of 116.4%. This is an increase from 101.2% as of the October 1, 2020 Actuarial Valuation. The Vested Benefit Security Ratio is based upon the market value of assets.

Actuarial Gains / (Losses)

The Plan experienced an actuarial gain of **\$316,513 (4.9%)** during the year. Our Actuarial Valuation Report tracks the actual experience in areas that are very significant in determining whether a gain or loss occurs. Table XV presents investment return, salary experience and termination experience.

Table XV provides the investment experience under the Plan in comparison to the actuarial assumption. During 2020-2021, the fund experienced a smoothed actuarial value net return of approximately 9.82%. This return is more than the assumed 7.25% rate of return. Investment return was generally a source of actuarial gain this year. The average smoothed actuarial value return over the last three, five and ten-years is 7.76%, 7.64% and 7.0%, respectively. The one, three, five and ten-year average market value returns are 23.44%, 10.61%, 9.95% and 9.9%, respectively.



Table XV also provides salary increase experience for the Plan in comparison to assumed salary increases. Salary increases averaged 7.1% and 8.2%, respectively for General Employees and Police Officers this year. The average salary increase assumption was 5.1% for General Employees and 5.0% for Police Officers. Salary increases were an offsetting source of actuarial loss for General Employees and Police Officers. General Employee average annual salary increases for the three, five and ten-year periods are 6.0%, 5.0% and 6.2%, respectively. Police Officer average annual salary increases for the three, five and ten-year periods are 6.4%, 4.6% and 4.6%, respectively.

Employee turnover this year was 130% and 80%, respectively of the assumed turnover for General Employees and Police Officers. General Employee turnover for the three, five and ten-year periods are 90%, 90% and 100%, respectively of expected turnover. Police Officer turnover for the three, five and ten-year periods are 50%, 40% and 40%, respectively of expected turnover. Employee turnover was an additional source of actuarial gain for General Employees and an offsetting source of actuarial loss for Police Officers.

Member Census and Financial Data

The Member census data as of October 1, 2021 used for this Actuarial Valuation was submitted to us by the Town. This information contains name, Social Security number, date of birth, date of hire, October 1, 2021 rate of pay, actual salary paid and member contributions for the previous fiscal year. Dates of termination and retirement are provided where applicable. Information on inactive participants including retirees, beneficiaries and vested terminees was also provided by the Town.

We were supplied with information on the assets of the Plan as of September 30, 2021 by the Board. We do not audit the member census data and asset information provided to us; however, we perform certain reasonableness checks. The Plan is responsible for the accuracy of the data.

Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; 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. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the Plan's future financial condition include:

1. Investment risk – actual investment returns may differ from expected returns;
2. Asset / Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and the actuarially determined contribution requirements;
3. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the Plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll or other relevant contribution base;
4. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and the actuarially determined contributions differing from expected;
5. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
6. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and the actuarially determined contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the actuarially determined contribution can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in the actuarially determined contribution can be anticipated.

The actuarially determined contribution rate shown on page one of the report may be considered as a minimum contribution rate that complies with the Plan's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the Plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.



Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust fund may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2020</u>	<u>2021</u>
Ratio of market value of assets to payroll	4.12	5.10
Ratio of actuarial accrued liability to payroll	5.09	5.44
Ratio of actives to retirees and beneficiaries	1.86	1.80
Ratio of net cash flow to market value of assets	3.5%	3.0%
Duration of the actuarial accrued liability	14.60	14.50

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of the actuarially determined contribution. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates higher (lower) or increasing (decreasing) volatility in the actuarially determined contribution as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of the actuarially determined contributions for a fully funded plan. A funding policy targeting a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of actuarial accrued liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times payroll, a change in actuarial accrued liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in actuarial accrued liability (and also the actuarially determined contribution) as a percentage of payroll.



Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Duration of Actuarial Accrued Liability

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, a duration of 10 indicates the actuarial accrued liability would increase approximately 10% if the assumed rate of return were lowered 1%.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

Summary

In our opinion the benefits provided for under the current Plan will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the Plan through our Actuarial Valuation reports. These reports will also continue to monitor emerging experience of the Plan.

The actuarial assumptions used in this Actuarial Valuation are as adopted by the Board. The economic and demographic actuarial assumptions were last updated based on the results of Experience Study for the period October 1, 2009 – September 30, 2014. The mortality assumptions are as prescribed by statute. Each assumption represents an estimate of future Plan experience.



The Government Finance Officers Association (GFOA) recommends an experience study every five years. The last experience study performed was seven years ago. Therefore, we recommend an experience study to align the assumptions with more recent experience.

If all actuarial assumptions are met and if all future minimum required contributions are paid, Plan assets will be sufficient to pay all Plan benefits, future contributions are expected to remain relatively stable as a percent of payroll and the funded status is expected to improve. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 30 years.

The Unfunded Actuarial Accrued Liability (UAAL) may not be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions. The UAAL would be different if it reflected the market value of assets rather than the smoothed actuarial value of assets.

The Government Accounting Standards Board Net Pension Liability and Plan Fiduciary Net Position as a Percentage of Total Pension Liability may not be appropriate for assessing the sufficiency of Plan assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

This report should not be relied upon for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement plans. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.



This report may be provided to parties other than the Board only in its entirety and only with the permission of an approved representative of the Board.

The signing actuaries are independent of the Plan sponsor.

The undersigned are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are available to respond to any questions with regards to matters covered in this report.

Very truly yours,
Gabriel, Roeder, Smith & Company



Jennifer M. Borregard, E.A.
Consultant and Actuary



Shelly L. Jones, E.A., A.S.A., C.F.A.
Consultant and Actuary



Both Groups Combined

Summary of Retirement Plan Costs as of October 1, 2021

	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)		
1. Active Employees	90	N/A
2. Terminated Vested	8	N/A
3. Receiving Benefits (including DROPs)	50	N/A
4. Annual Payroll of Active Employees	\$ 6,507,278	100.0%
B. Total Normal Cost		
1. Age Retirement Benefits	\$ 1,030,657	15.8%
2. Deferred Vesting Benefits	134,789	2.1%
3. Disability Benefits	155,103	2.4%
4. Return of Employee Contributions	17,106	0.3%
5. Administrative Expenses	131,277	2.0%
6. Total Annual Normal Cost	\$ 1,468,932	22.6%
C. Total Actuarial Accrued Liability		
1. Active Employees	\$ 21,818,837	335.3%
2. Service Retirees and Beneficiaries (including DROPs)	11,973,127	184.0%
3. Disabilities	555,401	8.5%
4. Terminated Vested Members	1,066,661	16.4%
5. Miscellaneous Liability	0	0.0%
6. Total Actuarial Accrued Liability	\$ 35,414,026	544.2%
D. Plan Assets		
1. Net Smoothed Actuarial Value	\$ 30,314,123	465.8%
2. Net Market Value	\$ 33,181,476	509.9%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 5,099,903	78.4%
F. Minimum Required Contribution		
1. Total Normal Cost	\$ 1,468,932	22.6%
2. Amortization of Unfunded Liability	367,330	5.6%
3. Interest Adjustment	17,595	0.3%
4. Total Contribution	\$ 1,853,857	28.5%

Both Groups Combined

Summary of Retirement Plan Costs as of October 1, 2021

	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2022 - 2023 Plan Year (\$6,507,278 x 1.000)	\$ 6,507,278	100.0%
H. Expected Contribution Sources (percent of expected 2022 - 2023 payroll)		
1. Town and State	\$ 1,333,275	20.5%
2. Employees	520,582	8.0%
I. Years to Which Contribution Applies:		
1. Plan Year Ending	September 30, 2023	
2. Town Fiscal Year Ending	September 30, 2023	
3. Assumed Dates of Town Contribution	October 1, 2022	
J. Actuarial Gain / (Loss) (Table VII)	\$ 316,513	4.9%
K. Actuarial Present Value of Vested Accrued Benefits		
1. Members Currently Receiving Benefits (including DROPs)	\$ 12,528,528	192.5%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	1,066,661	16.4%
3. Active Employees	<u>14,899,453</u>	229.0%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 28,494,642	437.9%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	116.4%	N/A

General Employees / Senior Management Employees

Summary of Retirement Plan Costs as of October 1, 2021

	Cost Data	% of Payroll
A. Participant Data Summary (Table III)		
1. Active Employees	59	N/A
2. Terminated Vested	5	N/A
3. Receiving Benefits (including DROPs)	33	N/A
4. Annual Payroll of Active Employees	\$ 3,500,927	100.0%
B. Total Normal Cost		
1. Age Retirement Benefits	\$ 359,296	10.3%
2. Deferred Vesting Benefits	78,194	2.2%
3. Disability Benefits	41,785	1.2%
4. Return of Employee Contributions	11,716	0.3%
5. Administrative Expenses	48,023	1.4%
6. Total Annual Normal Cost	<u>\$ 539,014</u>	15.4%
C. Total Actuarial Accrued Liability		
1. Active Employees	\$ 6,814,829	194.7%
2. Service Retirees and Beneficiaries (including DROPs)	7,356,417	210.1%
3. Disabilities	0	0.0%
4. Terminated Vested Members	302,473	8.6%
5. Miscellaneous Liability	0	0.0%
6. Total Actuarial Accrued Liability	<u>\$ 14,473,719</u>	413.4%
D. Plan Assets		
1. Net Smoothed Actuarial Value	\$ 11,088,074	316.7%
2. Net Market Value	\$ 12,136,873	346.7%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 3,385,645	96.7%
F. Minimum Required Contribution		
1. Total Normal Cost	\$ 539,014	15.4%
2. Amortization of Unfunded Liability	276,364	7.9%
3. Interest Adjustment	9,466	0.3%
4. Total Contribution	<u>\$ 824,844</u>	23.6%

General Employees / Senior Management Employees

Summary of Retirement Plan Costs as of October 1, 2021

	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2022 - 2023 Plan Year (\$3,500,927 x 1.000)	\$ 3,500,927	100.0%
H. Expected Contribution Sources (percent of expected 2022 - 2023 payroll)		
1. Town	\$ 544,770	15.6%
2. Employees	280,074	8.0%
I. Years to Which Contribution Applies:		
1. Plan Year Ending	September 30, 2023	
2. Town Fiscal Year Ending	September 30, 2023	
3. Assumed Date of Town Contribution	October 1, 2022	
J. Actuarial Gain / (Loss) (Table VII)	\$ 111,848	3.2%
K. Actuarial Present Value of Vested Accrued Benefits		
1. Members Currently Receiving Benefits (including DROPs)	\$ 7,356,417	210.1%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	302,473	8.6%
3. Active Employees	<u>3,809,382</u>	108.8%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 11,468,272	327.6%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	105.8%	N/A

Police Officers

Summary of Retirement Plan Costs as of October 1, 2021

	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)		
1. Active Employees	31	N/A
2. Terminated Vested	3	N/A
3. Receiving Benefits (including DROPs)	17	N/A
4. Annual Payroll of Active Employees	\$ 3,006,351	100.0%
B. Total Normal Cost		
1. Age Retirement Benefits	\$ 671,361	22.3%
2. Deferred Vesting Benefits	56,595	1.9%
3. Disability Benefits	113,318	3.8%
4. Return of Employee Contributions	5,390	0.2%
5. Administrative Expenses	83,254	2.8%
6. Total Annual Normal Cost	<u>\$ 929,918</u>	30.9%
C. Total Actuarial Accrued Liability		
1. Active Employees	\$ 15,004,008	499.1%
2. Service Retirees and Beneficiaries (including DROPs)	4,616,710	153.6%
3. Disabilities	555,401	18.5%
4. Terminated Vested Members	764,188	25.4%
5. Miscellaneous Liability	0	0.0%
6. Total Actuarial Accrued Liability	<u>\$ 20,940,307</u>	696.5%
D. Plan Assets		
1. Net Smoothed Actuarial Value	\$ 19,226,049	639.5%
2. Net Market Value	\$ 21,044,603	700.0%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 1,714,258	57.0%
F. Minimum Required Contribution		
1. Total Normal Cost	\$ 929,918	30.9%
2. Amortization of Unfunded Liability	90,966	3.0%
3. Interest Adjustment	8,129	0.3%
4. Total Contribution	<u>\$ 1,029,013</u>	34.2%

Police Officers

Summary of Retirement Plan Costs as of October 1, 2021

	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2022 - 2023 Plan Year (\$3,006,351 x 1.000)	\$ 3,006,351	100.0%
H. Expected Contribution Sources (percent of expected 2022 - 2023 payroll)		
1. Town and State	\$ 788,505	26.2%
2. Employees	240,508	8.0%
I. Years to Which Contribution Applies:		
1. Plan Year Ending	September 30, 2023	
2. Town Fiscal Year Ending	September 30, 2023	
3. Assumed Date of Town Contribution	October 1, 2022	
J. Actuarial Gain / (Loss) (Table VII)	\$ 204,665	6.8%
K. Actuarial Present Value of Vested Accrued Benefits		
1. Members Currently Receiving Benefits (including DROPs)	\$ 5,172,111	172.0%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	764,188	25.4%
3. Active Employees	<u>11,090,071</u>	368.9%
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 17,026,370	566.3%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	123.6%	N/A

Both Groups Combined

Comparison of Cost Data of October 1, 2020 and October 1, 2021 Valuations

	October 1, 2020		October 1, 2021	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants				
1. Active Employees	91	N/A	90	N/A
2. Terminated Vested	7	N/A	8	N/A
3. Receiving Benefits (including DROPs)	49	N/A	50	N/A
4. Annual Payroll of Active Employees	\$ 6,361,141	100.0%	\$ 6,507,278	100.0%
B. Total Normal Costs	\$ 1,421,772	22.4%	\$ 1,468,932	22.6%
C. Total Actuarial Accrued Liability	\$ 32,402,674	509.4%	\$ 35,414,026	544.2%
D. Net Smoothed Actuarial Value of Assets	\$ 26,893,203	422.8%	\$ 30,314,123	465.8%
E. Unfunded Actuarial Accrued Liability	\$ 5,509,471	86.6%	\$ 5,099,903	78.4%
F. Town Minimum Funding Payment	\$ 1,326,786	20.9%	\$ 1,333,275	20.5%
G. Actuarial Gain / (Loss)	\$ (519,011)	(8.2%)	\$ 316,513	4.9%
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	101.2%	N/A	116.4%	N/A

General Employees / Senior Management Employees

Comparison of Cost Data of October 1, 2020 and October 1, 2021 Valuations

	October 1, 2020		October 1, 2021	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants				
1. Active Employees	59	N/A	59	N/A
2. Terminated Vested	4	N/A	5	N/A
3. Receiving Benefits (including DROPs)	33	N/A	33	N/A
4. Annual Payroll of Active Employees	\$ 3,353,715	100.0%	\$ 3,500,927	100.0%
B. Total Normal Costs	\$ 501,241	14.9%	\$ 539,014	15.4%
C. Total Actuarial Accrued Liability	\$ 13,438,105	400.7%	\$ 14,473,719	413.4%
D. Net Smoothed Actuarial Value of Assets	\$ 9,844,248	293.5%	\$ 11,088,074	316.7%
E. Unfunded Actuarial Accrued Liability	\$ 3,593,857	107.2%	\$ 3,385,645	96.7%
F. Town Minimum Funding Payment	\$ 530,845	15.8%	\$ 544,770	15.6%
G. Actuarial Gain / (Loss)	\$ (533,105)	(15.9%)	\$ 111,848	3.2%
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 1,074,417	32.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	89.9%	N/A	105.8%	N/A

Police Officers

Comparison of Cost Data of October 1, 2020 and October 1, 2021 Valuations

	October 1, 2020		October 1, 2021	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants				
1. Active Employees	32	N/A	31	N/A
2. Terminated Vested	3	N/A	3	N/A
3. Receiving Benefits (including DROPs)	16	N/A	17	N/A
4. Annual Payroll of Active Employees	\$ 3,007,426	100.0%	\$ 3,006,351	100.0%
B. Total Normal Costs	\$ 920,531	30.6%	\$ 929,918	30.9%
C. Total Actuarial Accrued Liability	\$ 18,964,569	630.6%	\$ 20,940,307	696.5%
D. Net Smoothed Actuarial Value of Assets	\$ 17,048,955	566.9%	\$ 19,226,049	639.5%
E. Unfunded Actuarial Accrued Liability	\$ 1,915,614	63.7%	\$ 1,714,258	57.0%
F. Town Minimum Funding Payment	\$ 795,941	26.5%	\$ 788,505	26.2%
G. Actuarial Gain / (Loss)	\$ 14,094	0.5%	\$ 204,665	6.8%
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	109.1%	N/A	123.6%	N/A

**Characteristics of Participants in Actuarial
Valuation as of October 1, 2021**

	General/ Senior Management Employees	Police Officers	Total
A. <u>Active Plan Participants Summary</u>			
1. Active Participants Vested	18	25	43
2. Active Participants Partially Vested	15	0	15
3. Active Participants Non-Vested	26	6	32
4. Total Active Participants	59	31	90
5. Annual Payroll of Active Participants	\$ 3,500,927	\$ 3,006,351	\$ 6,507,278
B. <u>Retired and Terminated Vested Participant Summary</u>			
1. Service Retirees Receiving Benefits (including DROPs)	26	12	38
2. Beneficiaries Receiving Benefits	7	4	11
3. Disabled Participants Receiving Benefits	0	1	1
4. Terminated Vested Participants Entitled to Future Benefits	5	3	8

Statement of Assets as of October 1, 2021

	<u>Market Value</u>
<u>Investments</u>	
Money market funds	\$ 570,202
Certificates of deposit	0
U.S. Treasury securities	211,801
U.S. Government agency bonds	0
Municipal obligations	356,084
Corporate bonds	4,356,887
Mortgage backed securities	2,250,945
Equity securities	
- Common stock, American depositary receipts and ETFs	8,462,199
- Mutual funds	11,132,596
- Real estate investment, management and development	129,387
Collective investment trust	3,415,032
Core real estate fund	2,385,567
Total Investments	<u>\$ 33,270,700</u>
<u>Receivables</u>	
Accrued Interest	\$ 45,463
Other receivables	0
Employee contributions	20,980
Due from broker	0
Prepaid expenses	0
Total Receivables	<u>\$ 66,443</u>
<u>Liabilities</u>	
Refunds payable	\$ 39,345
Accounts payable	16,322
Due to broker	0
Total Liabilities	<u>\$ 55,667</u>
<u>Assets Available For Benefits</u>	<u>\$ 33,281,476</u>
<u>Credit Balance</u>	<u>\$ 100,000</u>
<u>Net Assets Available For Benefits</u>	<u>\$ 33,181,476</u>

Table V

Reconciliation of Plan Assets

		<u>Market Value</u>
A. <u>Value of Assets as of October 1, 2020</u>		\$ 26,249,729
B. <u>Receipts during Period</u>		
1. Employee Contributions		\$ 489,986
2. Service Purchase Contributions		0
3. Town Contributions		1,420,078
4. Net Investment Return		
i. Interest, Dividends and Other Income	\$ 771,425	
ii. Realized Gains / (Losses)	1,316,257	
iii. Unrealized Gains / (Losses)	4,298,274	
iv. Investment Expenses	(141,071)	
v. Net Investment Return		<u>6,244,885</u>
5. Total Receipts during Period		\$ 8,154,949
C. <u>Disbursements during Period</u>		
1. Benefit Payments		\$ 873,402
2. DROP Distributions		0
3. Contribution Refunds		118,523
4. Administrative Expenses		<u>131,277</u>
5. Total Disbursements during Period		\$ 1,123,202
D. <u>Value of Assets as of September 30, 2021</u>		\$ 33,281,476
E. <u>Credit Balance</u>		\$ 100,000
F. <u>Net Value of Assets as of September 30, 2021</u>		\$ 33,181,476
G. <u>Reconciliation of DROP Account Balances</u>		
1. DROP Accounts Balance as of October 1, 2020		\$ 112,216
2. Benefit Payments into DROP Accounts during Year		196,124
3. Investment Gains / (Losses) during Year		40,513
4. Distributions from DROP Accounts during Year		<u>0</u>
5. DROP Accounts Balance as of September 30, 2021		\$ 348,853

Development of Smoothed Actuarial Value of Assets as of September 30

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
A. Preliminary smoothed actuarial value from prior year	24,401,166	26,943,203	30,414,123			
B. Market value end of year	26,249,729	33,281,476				
C. Market beginning of year	24,188,592	26,249,729	33,281,476			
D. Non-investment net cash flow	793,840	786,862				
E. Investment return						
1. Total market value return: B. - C. - D.	1,267,297	6,244,885				
2. Amount for immediate recognition (7.25%)	1,782,450	1,931,629				
3. Amount for phased-in recognition: E.1. - E.2.	(515,153)	4,313,256				
F. Phased-in recognition of investment return						
1. Current year: 20% of E.3.	(103,031)	862,651				
2. First prior year	(139,105)	(103,031)	862,651			
3. Second prior year	4,053	(139,105)	(103,031)	862,651		
4. Third prior year	127,859	4,053	(139,105)	(103,031)	862,651	
5. Fourth prior year	75,971	127,861	4,051	(139,107)	(103,029)	862,652
6. Total phased-in recognition of investment return	<u>(34,253)</u>	<u>752,429</u>	<u>624,566</u>	<u>620,513</u>	<u>759,622</u>	<u>862,652</u>
G. Smoothed actuarial value end of year						
1. Preliminary smoothed actuarial value end of year:						
A. + D. + E.2. + F.6.	26,943,203	30,414,123				
2. Upper corridor limit: 120% of B.	31,499,675	39,937,771				
3. Lower corridor limit: 80% of B.	20,999,783	26,625,181				
4. Smoothed actuarial value end of year:						
G.1., not more than G.2., nor less than G.3.	26,943,203	30,414,123				
H. Difference between market value and smoothed actuarial value	(693,474)	2,867,353				
I. Smoothed actuarial value rate of return	7.05%	9.82%				
J. Market value rate of return	5.15%	23.44%				
K. Credit Balance	50,000	100,000				
L. Net smoothed actuarial value: G.4. - K.	26,893,203	30,314,123				

Allocation of Smoothed Actuarial Value of Assets for Budgeting Purposes

	General / Senior Management Employees	Police Officers	Total
A. <u>Value of Smoothed Assets as of October 1, 2020</u>	\$ 9,858,748	\$ 17,084,455	\$ 26,943,203
B. <u>Receipts During Period</u>			
1. Employee Contributions	\$ 266,852	\$ 223,134	\$ 489,986
2. Service Purchases	0	0	0
3. Town Contributions*	585,526	834,552	1,420,078
4. Net Investment Return	981,857	1,702,201	2,684,058
5. Total Receipts During Period	<u>\$ 1,834,235</u>	<u>\$ 2,759,887</u>	<u>\$ 4,594,122</u>
C. <u>Disbursements During Period</u>			
1. Pension Benefit Payments	\$ 403,263	\$ 470,139	\$ 873,402
2. DROP Distributions	0	0	0
3. Contribution Refunds	118,523	0	118,523
4. Administrative Expenses	48,023	83,254	131,277
5. Total Disbursements During Period	<u>\$ 569,809</u>	<u>\$ 553,393</u>	<u>\$ 1,123,202</u>
D. <u>Value of Smoothed Assets as of September 30, 2021</u>	\$ 11,123,174	\$ 19,290,949	\$ 30,414,123
E. <u>Credit Balance*</u>	\$ 35,100	\$ 64,900	\$ 100,000
F. <u>Net Value of Smoothed Assets as of September 30, 2021</u>	\$ 11,088,074	\$ 19,226,049	\$ 30,314,123

* Any additional contributions/increases in credit balances are allocated between General/Senior Management Employees and Police Officer groups based on the respective Group's budgeted required minimum contribution in relation to the total minimum contribution due for the year.

Funding Standard Account for Plan Year Ended September 30, 2021

A. Charges to the Funding Standard Account

1. Prior year funding deficiency	\$ 0
2. Net minimum charges for the year	1,264,960
3. Additional applicable charges for the year	105,118
4. Total employer charges	\$ 1,370,078

B. Credits to the Funding Standard Account

1. Prior year credit balance	\$ 50,000
2. Town contributions	1,420,078
3. Total credits	\$ 1,470,078

C. <u>Credit Balance / (Funding Deficiency)</u> (B.4. - A.3.)	\$ 100,000
--	------------

Actuarial Gain / (Loss) for Plan Year Ended September 30, 2021

	General / Senior Management Employees	Police Officers	Total
A. <u>Derivation of Actuarial Gain / (Loss)</u>			
1. Town normal cost previous Actuarial Valuation	\$ 232,944	\$ 679,937	\$ 912,881
2. Net unfunded actuarial accrued liability (UAAL) previous Actuarial Valuation	3,593,857	1,915,614	5,509,471
3. Net employer contributions previous year	\$ 585,526	\$ 834,552	\$ 1,420,078
4. Interest on:			
(a) Employer normal cost	\$ 16,888	\$ 49,295	\$ 66,183
(b) Net unfunded actuarial accrued liability	260,555	138,882	399,437
(c) Net contribution	21,225	30,253	51,478
(d) Net total: (a) + (b) - (c)	<u>\$ 256,218</u>	<u>\$ 157,924</u>	<u>\$ 414,142</u>
5. Expected net unfunded actuarial accrued liability current year (1. + 2. - 3. + 4.)	\$ 3,497,493	\$ 1,918,923	\$ 5,416,416
6. Actual net unfunded actuarial accrued liability current year	\$ 3,385,645	\$ 1,714,258	\$ 5,099,903
7. Actuarial gain / (loss): (5. - 6.)	\$ 111,848	\$ 204,665	\$ 316,513
B. <u>Approximate Portion of Gain / (Loss) due to Investments</u>			
1. Net smoothed actuarial value of assets previous year	\$ 9,844,248	\$ 17,048,955	\$ 26,893,203
2. Contributions during period	831,778	1,028,286	1,860,064
3. Benefits and administrative expenses during period	569,809	553,393	1,123,202
4. Expected appreciation for period	723,204	1,253,264	1,976,468
5. Expected net smoothed actuarial value of assets current year (1. + 2. - 3. + 4.)	\$ 10,829,421	\$ 18,777,112	\$ 29,606,533
6. Actual net smoothed actuarial value of assets current year	11,088,074	19,226,049	30,314,123
7. Approximate gain / (loss) due to investments: (6. - 5.)	\$ 258,653	\$ 448,937	\$ 707,590
C. <u>Approximate Portion of Gain / (Loss) due to Liabilities: A.7. - B.7.</u>			
	\$ (146,805)	\$ (244,272)	\$ (391,077)

Amortization of Unfunded Actuarial Accrued Liability

Valuation Date	Unfunded Liability	Amortization Payment
10/01/2021	\$ 5,099,903	\$ 367,330
10/01/2022	\$ 5,075,685	\$ 367,330
10/01/2023	\$ 5,049,711	\$ 367,330
10/01/2024	\$ 5,021,854	\$ 367,330
10/01/2025	\$ 4,991,977	\$ 367,330
...
10/01/2051	\$ 0	\$ 0

Both Groups Combined

Accounting Disclosure Exhibit

<u>I. Financial Accounting Standards Board Allocation as of</u>	<u>10/01/2020</u>	<u>10/01/2021</u>
<u>A. Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 12,071,995	\$ 12,528,528
b. Other participants	13,819,783	15,966,114
c. Total	<u>\$ 25,891,778</u>	<u>\$ 28,494,642</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>1,088,155</u>	<u>1,013,941</u>
3. Total actuarial present value of accumulated plan benefits	\$ 26,979,933	\$ 29,508,583
<u>B. Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2020		\$ 26,979,933
2. Increase / (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid (includes refunds and DROP distributions)		(991,925)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		<u>3,520,575</u>
e. Net increase		<u>\$ 2,528,650</u>
3. Actuarial present value of accumulated plan benefits as of October 1, 2021		\$ 29,508,583
<u>C. Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.25%
2. Change in Plan provisions		None.
3. Change in actuarial assumptions		None.

General Employees / Senior Management Employees

Accounting Disclosure Exhibit

<u>I. Financial Accounting Standards Board Allocation as of</u>	<u>10/01/2020</u>	<u>10/01/2021</u>
<u>A. Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 7,130,975	\$ 7,356,417
b. Other participants	3,533,844	4,111,855
c. Total	\$ 10,664,819	\$ 11,468,272
2. Actuarial present value of accumulated non-vested plan benefits	741,094	682,467
3. Total actuarial present value of accumulated plan benefits	\$ 11,405,913	\$ 12,150,739
<u>B. Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2020		\$ 11,405,913
2. Increase / (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid (includes refunds and DROP distributions)		(521,786)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		1,266,612
e. Net increase		\$ 744,826
3. Actuarial present value of accumulated plan benefits as of October 1, 2021		\$ 12,150,739
<u>C. Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.25%
2. Change in Plan provisions		None.
3. Change in actuarial assumptions		None.

Police Officers

Accounting Disclosure Exhibit

<u>I. Financial Accounting Standards Board Allocation as of</u>	<u>10/01/2020</u>	<u>10/01/2021</u>
<u>A. Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested plan benefits		
a. Participants currently receiving benefits	\$ 4,941,020	\$ 5,172,111
b. Other participants	10,285,939	11,854,259
c. Total	\$ 15,226,959	\$ 17,026,370
2. Actuarial present value of accumulated non-vested plan benefits	347,061	331,474
3. Total actuarial present value of accumulated plan benefits	\$ 15,574,020	\$ 17,357,844
<u>B. Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2020		\$ 15,574,020
2. Increase / (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid (includes refunds and DROP distributions)		(470,139)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		2,253,963
e. Net increase		\$ 1,783,824
3. Actuarial present value of accumulated plan benefits as of October 1, 2021		\$ 17,357,844
<u>C. Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		7.25%
2. Change in Plan provisions		None.
3. Change in actuarial assumptions		None.

Accounting Disclosure Exhibit

II. Net Pension Liability and Related Ratios (GASB No. 67 & No. 68)

Measurement date	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021 *	Projected 9/30/2022 **
A. Total Pension Liability (TPL)									
Service Cost	\$ 888,988	\$ 901,998	\$ 932,365	\$ 1,052,014	\$ 1,002,537	\$ 1,113,128	\$ 1,317,790	\$ 1,313,601	\$ 1,337,655
Interest	1,227,596	1,336,817	1,458,652	1,646,114	1,745,881	1,870,676	2,186,887	2,433,741	2,627,749
Benefit Changes	35,244	0	0	282,066	0	0	2,630,481	0	0
Difference Between Actual and Expected Experience Assumption Changes	170,264	100,031	(35,527)	297,252	(348,726)	388,826	(293,683)	525,596	255,935
Benefit Payments, including Refunds of Member Contributions	(545,746)	(665,021)	(602,692)	(651,287)	(819,116)	(1,308,821)	(877,926)	(991,925)	(1,013,747)
Net Change in Total Pension Liability	\$ 1,776,346	\$ 1,673,825	\$ 2,155,453	\$ 2,719,471	\$ 1,580,576	\$ 2,063,809	\$ 4,345,560	\$ 3,281,013	\$ 3,207,592
Total Pension Liability (TPL) - (beginning of year)	15,562,038	17,338,384	19,012,209	21,167,662	23,887,133	25,467,709	27,531,518	31,877,078	35,158,091
Total Pension Liability (TPL) - (end of year)	\$ 17,338,384	\$ 19,012,209	\$ 21,167,662	\$ 23,887,133	\$ 25,467,709	\$ 27,531,518	\$ 31,877,078	\$ 35,158,091	\$ 38,365,683
B. Plan Fiduciary Net Position									
Contributions - Town and State	\$ 631,584	\$ 727,022	\$ 757,304	\$ 797,359	\$ 917,274	\$ 817,472	\$ 1,141,115	\$ 1,420,078	\$ 1,326,786
Contributions - Member	349,600	391,213	383,619	462,846	459,190	498,404	696,439	489,986	520,582
Net Investment Income	1,396,431	(132,329)	1,850,417	2,017,750	1,579,816	990,373	1,267,297	6,273,528	2,438,300
Benefit Payments, including Refunds of Member Contributions	(545,746)	(665,021)	(602,692)	(651,287)	(819,116)	(1,308,821)	(877,926)	(991,925)	(1,013,747)
Administrative Expenses	(80,194)	(85,426)	(130,686)	(85,518)	(120,389)	(118,212)	(108,171)	(161,767)	(131,277)
Other	0	0	0	0	0	0	(57,617)	0	1,847
Net Change in Plan Fiduciary Net Position	\$ 1,751,675	\$ 235,459	\$ 2,257,962	\$ 2,541,150	\$ 2,016,775	\$ 879,216	\$ 2,061,137	\$ 7,029,900	\$ 3,142,491
Plan Fiduciary Net Position - (beginning of year)	14,506,355	16,258,030	16,493,489	18,751,451	21,292,601	23,309,376	24,188,592	26,249,729	33,279,629
Plan Fiduciary Net Position - (end of year)	\$ 16,258,030	\$ 16,493,489	\$ 18,751,451	\$ 21,292,601	\$ 23,309,376	\$ 24,188,592	\$ 26,249,729	\$ 33,279,629	\$ 36,422,120
C. Net Pension Liability (NPL) - (end of year): (A) - (B)	\$ 1,080,354	\$ 2,518,720	\$ 2,416,211	\$ 2,594,532	\$ 2,158,333	\$ 3,342,926	\$ 5,627,349	\$ 1,878,462	\$ 1,943,563
D. Plan Fiduciary Net Position as a Percentage of TPL: (B) / (A)	93.77 %	86.75 %	88.59 %	89.14 %	91.53 %	87.86 %	82.35 %	94.66 %	94.93 %
E. Covered Payroll ***	\$ 5,103,795	\$ 5,321,296	\$ 5,710,172	\$ 5,766,823	\$ 5,849,505	\$ 6,239,285	\$ 6,702,791	\$ 6,360,884	\$ 6,507,278
F. NPL as a Percentage of Covered Payroll: (C) / (E)	21.17 %	47.33 %	42.31 %	44.99 %	36.90 %	53.58 %	83.96 %	29.53 %	29.87 %
G. Notes to Schedule:									
Valuation Date	10/1/2013	10/1/2014	10/1/2015	10/1/2016	10/1/2017	10/1/2018	10/1/2019	10/01/2020	10/01/2021
Reporting Date (GASB No. 68)	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023

Update procedures used to roll forward TPL excluding DROP account balances to the measurement dates - actual DROP account balances as of measurement dates included in TPL.

See Table IX, Item IV. for a history of benefit and assumption changes prior to September 30, 2021 measurement date. For measurement period ending September 30, 2021: No benefit or assumption change.

* As reported in the Plan's financial statement

** Projected - actual amounts will be available after fiscal year end.

*** Reported payroll used to determine contribution as provided under GASB No. 82.



Accounting Disclosure Exhibit

III. Schedule of Employer Contributions (GASB No. 67 & No. 68)

Fiscal Year End 9/30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll ^{1,2}	Actual Contribution as a % of Covered Payroll
2012	\$ 515,440	\$ 515,440	\$ 0	\$ 4,053,208	12.72%
2013	534,209	534,209	0	4,359,957	12.25%
2014	631,584	631,584	0	5,103,795	12.37%
2015	727,022	727,022	0	5,321,296	13.66%
2016	757,304	757,304	0	5,710,172	13.26%
2017	797,359	797,359	0	5,766,823	13.83%
2018	917,274	917,274	0	5,849,505	15.68%
2019	817,472	817,472	0	6,239,285	13.10%
2020	945,871	1,141,115	(195,244)	6,702,791	17.02%
2021	1,264,960	1,420,078	(155,118)	6,360,884	22.33%
2022 ³	1,326,786	1,326,786	0	6,507,278	20.39%

¹ Projected prior to fiscal year ended September 30, 2014

² Reported payroll on which contributions to the Plan are based as provided under GASB No. 82

³ Projected - actual amounts will be available after fiscal year end

Accounting Disclosure Exhibit

IV. Notes to Schedule of Contributions (GASB No. 67 & No. 68)

Valuation Date: Actuarially determined contributions are calculated as of October 1st - two years prior the fiscal year end in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year Ended September 30, 2021:

Actuarial Cost Method	Entry Age
Amortization Method	Level dollar amount, Closed
Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	4.0% - 8.0%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled Police Officers, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projected. For disabled General Employees, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without mortality improvements projected.

Cost of Living Adjustment 1.5% / 2.0%

Other Information:

Benefit Changes

2019: Normal and early retirement eligibility was updated for Police Officers, General and Senior Management members, maximum benefit was updated to 80% for General members and the COLA was updated from 1.5% to 2.0% for retirements after January 14, 2020 for Police Officers and January 1, 2020 for General and Senior Management members; 2016: Created a senior management member class, changed retirement eligibility and vesting for Town Attorney along with increased benefit accrual rates, benefit cap and employee contributions for general employees and senior management. 2013: Police Officers - normal retirement eligibility updated to include completion of 15 years and 4 months of service if hired on a full time basis in March 2003; General Employees - may enter DROP upon attainment of normal retirement. 2012: Police Officers - normal retirement eligibility updated to the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service or (3) completion of 25 years of Creditable Service. 2011: Town Manager and Town Attorney allowed to opt out of Plan.



Accounting Disclosure Exhibit

IV. Notes to Schedule of Contributions (GASB No. 67 & No. 68) (cont'd)

Assumption Changes

2019: Mortality assumptions and retirement rates for General and Senior Management members updated. 2016: Mortality rates updated for healthy participants per State statute. 2015: Investment return updated from 7.5% to 7.25%; mortality, withdrawal rates, salary increase factors and retirement rates updated. 2012: Mortality assumption for healthy General Employees updated to RP 2000 Combined Mortality Table (RP 2000 Disabled Mortality Table for disabled lives), separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA; mortality assumption for healthy Police Officer participants updated to RP 2000 Combined Mortality Table with Blue Collar Adjustment, separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA. 2010: Salary increase factors updated.

V. Discount Rate (GASB No. 67 & No. 68)

A discount rate of 7.25% was used to measure the TPL. This discount rate was based on the expected rate of return on Plan investments of 7.25%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the TPL.

VI. Sensitivity of the NPL to the Discount Rate Assumption (GASB No. 67 & No. 68)

Measurement date: September 30, 2021

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
NPL	\$ 6,891,017	\$ 1,878,462	\$ (2,210,017)

Measurement date: September 30, 2022 *

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
NPL	\$ 7,327,449	\$ 1,943,563	\$ (2,452,349)

* Projected - actual amounts will be available after fiscal year end

Accounting Disclosure Exhibit

VII. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Reporting Date (GASB No. 68)

Pension Expense for Fiscal Year Ending September 30, 2022 \$ 820,416

Summary of Outstanding Deferred Inflows and Outflows of Resources as of September 30, 2022

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience on liabilities	\$ 671,229	\$ 308,572
Changes of assumptions or other inputs	37,239	401,151
Net difference between projected and actual earnings on pension Plan investments	<u>0</u>	<u>2,892,404</u>
Total	<u>\$ 708,468</u>	<u>\$ 3,602,127</u>

Projected Deferred Outflows for Town Contributions after the Measurement Date \$ 1,326,786

Summary of Deferred Outflows and Inflows of Resources that will be Recognized in Pension Expense in Future Years.

<u>Year Ending 30-Sep</u>	<u>Amount</u>
2023	\$ (595,278)
2024	(659,103)
2025	(752,690)
2026	(886,588)
2027	0
Thereafter	0

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

VIII. Components of Pension Expense (GASB No. 68)

Measurement Date	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	Projected 9/30/2022 *
Service Cost	\$ 888,988	\$ 901,998	\$ 932,365	\$ 1,052,014	\$ 1,002,537	\$ 1,113,128	\$ 1,317,790	\$ 1,313,601	\$ 1,337,655
Interest on Total Pension Liability	1,227,596	1,336,817	1,458,652	1,646,114	1,745,881	1,870,676	2,186,887	2,433,741	2,627,749
Current-Period Benefit Changes	35,244	0	0	282,066	0	0	2,630,481	0	0
Contributions - Member	(349,600)	(391,213)	(383,619)	(462,846)	(459,190)	(498,404)	(696,439)	(489,986)	(520,582)
Projected Earnings on Plan Investments	(1,101,298)	(1,233,144)	(1,210,551)	(1,378,453)	(1,559,553)	(1,685,900)	(1,780,361)	(1,930,524)	(2,438,300)
Administrative Expenses	80,194	85,426	130,686	85,518	120,389	118,212	108,171	161,767	131,277
Other Changes in Plan Fiduciary Net Position	0	0	0	0	0	0	57,617	0	(1,847)
Recognition of Beginning Deferred Outflows / (Inflows) due to Liabilities	23,981	38,691	96,965	159,959	101,838	165,580	5,638	90,614	91,294
Recognition of Beginning Deferred Outflows / (Inflows) due to Assets	(59,027)	214,068	86,095	(41,764)	(45,815)	152,313	(18,168)	(758,797)	(630,934)
Total Pension Expense	<u>\$ 746,078</u>	<u>\$ 952,643</u>	<u>\$ 1,110,593</u>	<u>\$ 1,342,608</u>	<u>\$ 906,087</u>	<u>\$ 1,235,605</u>	<u>\$ 3,811,616</u>	<u>\$ 820,416</u>	<u>\$ 596,312</u>

* Projected - actual amounts will be available after measurement date

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

IX. Recognition of Deferred Outflows and (Inflows) due to Liabilities - Measurement Date (GASB No. 68)

Recognition of Deferred Outflows due to Differences Between Actual and Expected Experience on Liabilities

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2021	Recognition Amount for 2020 / 2021	Balance as of 9/30/2021
2013 / 2014	\$ 170,264	7.1	0.0	\$ 2,397	\$ 0
2014 / 2015	100,031	6.8	0.0	11,771	0
2015 / 2016	0	6.3	0.3	0	0
2016 / 2017	297,252	6.2	1.2	47,944	57,532
2017 / 2018	0	6.0	2.0	0	0
2018 / 2019	388,826	6.1	3.1	63,742	197,600
2019 / 2020	0	5.7	3.7	0	0
2020 / 2021	525,596	4.8	3.8	109,499	416,097
TOTAL				\$ 235,353	\$ 671,229

Recognition of Deferred (Inflows) due to Differences Between Actual and Expected Experience on Liabilities

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2021	Recognition Amount for 2020 / 2021	Balance as of 9/30/2021
2013 / 2014	\$ 0	7.1	0.0	\$ 0	\$ 0
2014 / 2015	0	6.8	0.0	0	0
2015 / 2016	(35,527)	6.3	0.3	(5,639)	(1,693)
2016 / 2017	0	6.2	1.2	0	0
2017 / 2018	(348,726)	6.0	2.0	(58,121)	(116,242)
2018 / 2019	0	6.1	3.1	0	0
2019 / 2020	(293,683)	5.7	3.7	(51,523)	(190,637)
2020 / 2021	0	4.8	3.8	0	0
TOTAL				\$ (115,283)	\$ (308,572)

Recognition of Deferred Outflows due to Changes of Assumptions or Other Inputs

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2021	Recognition Amount for 2020 / 2021	Balance as of 9/30/2021
2013 / 2014	\$ 0	7.1	0.0	\$ 0	\$ 0
2014 / 2015	0	6.8	0.0	0	0
2015 / 2016	402,655	6.3	0.3	63,913	19,177
2016 / 2017	93,312	6.2	1.2	15,050	18,062
2017 / 2018	0	6.0	2.0	0	0
2018 / 2019	0	6.1	3.1	0	0
2019 / 2020	0	5.7	3.7	0	0
2020 / 2021	0	4.8	3.8	0	0
TOTAL				\$ 78,963	\$ 37,239

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

IX. Recognition of Deferred Outflows and (Inflows) due to Liabilities - Measurement Date (GASB No. 68) (cont'd)

Recognition of Deferred (Inflows) due to Changes of Assumptions or Other Inputs

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2021	Recognition Amount for 2020 / 2021	Balance as of 9/30/2021
2013 / 2014	\$ 0	7.1	0.0	\$ 0	\$ 0
2014 / 2015	0	6.8	0.0	0	0
2015 / 2016	0	6.3	0.3	0	0
2016 / 2017	0	6.2	1.2	0	0
2017 / 2018	0	6.0	2.0	0	0
2018 / 2019	0	6.1	3.1	0	0
2019 / 2020	(617,989)	5.7	3.7	(108,419)	(401,151)
2020 / 2021	0	4.8	3.8	0	0
TOTAL				\$ (108,419)	\$ (401,151)

X. Recognition of Deferred Outflows and (Inflows) Due to Assets - Measurement Date (GASB No. 68)

Recognition of Deferred Outflows / (Inflows) due to Difference Between Projected and Actual Earnings on Pension Plan Investments

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2021	Recognition Amount for 2020 / 2021	Balance as of 9/30/2021
2016 / 2017	\$ (639,297)	5	0	(127,861)	\$ 0
2017 / 2018	(20,263)	5	1	(4,053)	(4,051)
2018 / 2019	695,527	5	2	139,105	278,212
2019 / 2020	513,064	5	3	102,613	307,838
2020 / 2021	(4,343,004)	5	4	(868,601)	(3,474,403)
TOTAL				\$ (758,797)	\$ (2,892,404)

Outline of Principal Provisions of the Retirement Plan

A. Effective Date:

January 1, 1962. Most recent amendatory Ordinance considered: 2020-1711.

B. Eligibility Requirements:

All regular, full-time employees are eligible upon employment. The Town Manager and Town Attorney have the right to opt out of the Plan.

C. Creditable Service:

All service of a member measured in years and completed calendar months since latest date of hire with the Town.

D. Average Final Compensation (AFC):

The average of basic compensation during the highest three years (five years for General Employees) of the ten years preceding termination of employment; does not include bonuses, overtime, lump sum payments of unused leave or other nonregular payments.

E. Normal Retirement:

1. Eligibility:

For sworn Police Officers retired prior to February 1, 2020, the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003. For sworn Police Officers retired on or after February 1, 2020, the earliest of (1) age 50 with 20 years of Creditable Service, (2) age 59 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003.

For a participating Town Manager and the Town Attorney, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 64 with 7 years of Creditable Service.

For all other employees who retire prior to January 1, 2020, the earliest of (1) age 62 with 15 years of Creditable Service or (2) age 65 with 10 years of Creditable Service. For all other employees who retire on or after January 1, 2020, the earliest of (1) age 50 with 20 years of Creditable Service or (2) age 52 with 15 years of Creditable Service or (3) age 55 with 10 years of Creditable Service.

2. Benefit:

Period of Service	Benefit Accrual Rate per Year of Service Based on Employee Contribution Rate of			
	5%	6%	7%	8%
Before 10/1/1979	1 2/3%	N/A	N/A	N/A
10/1/1979 - 6/30/1996	1 2/3%	N/A	2.0%	N/A
7/1/1996 - 1/31/2003	1 2/3%	N/A	2.0%	2.5%
2/1/2003 - 9/30/2005	2.0%	2.5%	N/A	N/A
10/1/2005 - 9/30/2006	2.0%	2.5%	N/A	3.0% ¹
10/1/2006 - 9/30/2016	2.0%	2.5%	N/A	3.5% ¹
10/1/2016 forward	N/A	N/A	2.65% ²	2.8% ² / 3.0% ³ / 3.5% ¹

Maximum benefit is 90% (75% prior to October 1, 2006) of AFC for Police Officers, 80% (68% prior to January 1, 2020, 60% prior to October 1, 2016) of AFC for General Employees and 80% (60% prior to October 1, 2016) of AFC for Senior Management Employees.

¹ For Police Officers only.

² For General Employees only.

³ For Senior Management Employees only.

Outline of Principal Provisions of the Retirement Plan

3. Form of Payment:

Straight life annuity with guaranteed refund of Accumulated Contributions (with options available).

F. Early Retirement:

1. Eligibility:

For sworn Police Officers, Town Manager and Attorney, the earlier of (a) age 55 with 15 years of Creditable Service, or (b) 20 years of Creditable Service regardless of age. For all other employees effective January 1, 2020, 20 years of Creditable Service regardless of age (prior to January 1, 2020 eligibility was the earlier of (a) age 55 with 15 years of Creditable Service, or (b) 20 years of Creditable Service regardless of age).

2. Benefit:

Same as Normal Retirement Benefit using AFC and Creditable Service as of Early Retirement Date but payable at Normal Retirement Date assuming continued employment. Alternatively, benefits may commence immediately after reduction of 0.5% for each month early.

G. Delayed Retirement:

1. Eligibility:

Retirement after Normal Retirement Date.

2. Benefit:

Calculated in the same manner as Normal Retirement Benefit using AFC and Creditable Service as of delayed retirement date.

H. Disability Retirement:

1. Service Connected:

a) Eligibility:

Total and permanent disability incurred prior to normal retirement date as a direct result of performance of service to the Town and eligible for Social Security disability benefits.

b) Benefit:

75% (if injury) or 45% (if disease) of the rate of pay in effect on date of disability payable for life or until recovery. For General Employees, less Social Security disability benefits; there is an offset for Workers' Compensation to the extent that the disability benefit plus the Workers' Compensation benefit exceed 100% of preretirement salary.

2. Non-Service Connected:

a) Eligibility:

Total and permanent disability not incurred as a direct result of performance of service to the Town.

Outline of Principal Provisions of the Retirement Plan

b) Benefit:

Accrued pension benefit.

I. Death Benefit:

1. Pre-Retirement:

Refund of Accumulated Contributions

2. After Normal Retirement Date but before Actual Retirement:

Survivor benefit payable in accordance with optional form of benefit chosen by member.

3. After Retirement:

Refund of any remaining Accumulated Contributions or optional survivor's benefits if elected.

J. Accumulated Contributions:

The sum of all amounts contributed by members including 4% interest on contributions made after January 1, 1979. Effective January 1, 2009, member contributions are *picked-up* by the Town.

K. Termination Benefit:

Upon termination prior to normal or early retirement date a member shall be entitled to choose (1) or (2) below, where:

1. A refund of Accumulated Contributions.
2. The benefit as for normal retirement using AFC and Creditable Service as of date of termination multiplied by the applicable percentage on the table below, commencing upon the earliest date a member would have attained normal retirement had he remained in service (age 65 for General Employees).

<u>Years of Creditable Service</u>	<u>Percentage</u>	
	<u>General Employees</u>	<u>Police Officers</u>
Less than 5	0%	0%
5	50%	100%
6	60%	100%
7	70%	100%
8	80%	100%
9	90%	100%
10 or more	100%	100%

3. A participating Town Manager and the Town Attorney 100% vested upon completion of 7 years of Creditable Service.



Outline of Principal Provisions of the Retirement Plan

L. Cost of Living Increase

For Police Officers who retire on or before January 14, 2020, a 1.5% automatic annual cost of living increase is provided for retirees, disableds, beneficiaries and vested terminated members. For Police Officers who retire after January 14, 2020, a 2.0% automatic annual cost of living increase is provided for retirees, disableds, beneficiaries and vested terminated members.

For General and Senior Management retirees, disableds, beneficiaries and vested terminated members who retire before January 1, 2020, a 1.5% automatic annual cost of living increase is provided. For General and Senior Management retirees, disableds, beneficiaries and vested terminated members who retire on or after January 1, 2020, a 2.0% automatic annual cost of living increase is provided.

M. Deferred Retirement Option Program (DROP)

1. Eligibility: Attainment of normal retirement date.
2. The maximum period of participation in the DROP is five (5) years.
3. An employee's account in the DROP program shall be credited with interest based upon actual Fund investment return.
4. No payment may be made from DROP until the employee actually separates from service with the Town.

N. Changes Since Previous Actuarial Valuation

None.

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality

General Mortality Assumptions:

For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without mortality improvements projected.

Sample Ages (2021)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	32.67	35.09	28.73
60	27.81	30.07	24.64	27.92
62	25.92	28.09	23.02	26.09

Sample Ages (2041)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	34.30	36.58	30.75
60	29.38	31.51	26.50	29.59
62	27.45	29.50	24.81	27.71

Police Mortality Assumptions:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without mortality improvements projected.

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality (cont'd)

Sample Ages (2021)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	30.53	34.39	27.68
60	25.58	29.33	23.10	26.47
62	23.66	27.32	21.36	24.63

Sample Ages (2041)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	32.17	35.88	29.58
60	27.15	30.77	24.88	28.22
62	25.19	28.74	23.09	26.33

B. Investment Return

7.25%, compounded annually - net of investment expenses includes inflation at 2.50%.

C. Allowances for Expenses or Contingencies

Estimated expenses for upcoming year, not including investment related expenses.

D. Employee Withdrawal Rates

Withdrawal rates for males and females were used in accordance with the following illustrative examples:

General Employees	
<u>Age</u>	<u>Withdrawal Rate</u>
Under 25	30.0%
25 - 29	20.0%
30 - 34	15.0%
35 - 39	10.0%
40 - 44	9.0%
45 - 49	8.0%
50 - 54	7.0%
55 - 60	6.0%
60 & over	5.0%

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

D. Employee Withdrawal Rates (cont'd)

Police Officers	
<u>Service</u>	<u>Withdrawal Rate</u>
0 - 4	12.0%
5 - 6	10.0%
7	5.0%
8	2.0%
9 & over	1.0%

E. Salary Increase Factors

Current salary is assumed to increase at a rate based on the tables below - includes assumed wage inflation of 3.0%.

General Employees	
<u>Service</u>	<u>Salary Increase</u>
0 - 3	6.5%
4 - 5	6.0%
6	5.0%
7 - 9	4.5%
10 & over	4.0%

Police Officers	
<u>Service</u>	<u>Salary Increase</u>
0 - 2	8.0%
3	7.0%
4 - 5	6.0%
6	5.0%
7 & over	4.0%

F. Disability Benefits

1. Rates: See table below
2. Percent Service Connected: 25% for General, 80% for Police.
3. Assume 50% of Service Connected Disabilities are due to injury

Age	Annual Rate of Disability	
	General Employees	Police Department
20	0.07%	0.14%
30	0.11%	0.18%
40	0.19%	0.30%
50	0.51%	1.00%
60	1.66%	0.00%

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

G. Smoothed Actuarial Value of Assets

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of Plan assets and whose upper limit is 120% of the fair market value of Plan assets.

H. Assumed Retirement Age

Age	Annual Rate of Retirement*			
	General Employees	Senior Mangement	Age	Police Officers
Rates when the maximum benefit cap is not applicable				
40	N/A	N/A	40	3%
41-45	4%	4%	41-45	2%
46-47	3%	3%	46-47	1%
48-49	2%	2%	48-50	1%
50-64	5%	5%	51 & over	1%
65-69	50%	50%	NRA	50%
70	100%	100%	Past NRA	50%
Rates when the maximum benefit cap is applicable				
50-64	100%	35%		
65-69	100%	50%		
70	100%	100%		

100% of members are assumed to retire upon reaching age 65 for Police Officers.

* For Employees who meet the age and service eligibility requirements for normal or early retirement

I. Marriage Assumption

100% of all members are assumed to be married. Wives are assumed to be three years younger than their husbands.

J. Actuarial Funding Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Actuarial Cost Method.

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his age at hire to his assumed retirement age to fund his estimated benefits, assuming the Plan has always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the smoothed actuarial value of assets of the Plan.

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

J. Actuarial Funding Method (cont'd)

Vested Normal Retirement, Termination, Disability, and Death Benefits: Unit Credit Cost Method

Under this method, the actuarial present value of vested accrued benefits is an amount calculated to be the sum of the present values of each individual's vested accrued or earned benefit under the Plan as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

K. Disclosure of Assumptions

The investment return, salary increases, withdrawal and retirement rates were updated based on the most recent experience study performed for the five years ending September 30, 2014. The mortality rates are based upon the July 1, 2021 FRS Actuarial Valuation, as required under F.S., Chapter 2015 -157.

L. Change Since Previous Actuarial Valuation

None.

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2021**

General Employees / Senior Management Employees

Attained Age Group	<u>Completed Years of Service Since Hire</u>									<u>Total</u>
	<u>0 - 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40 +</u>	
0 - 24	-	-	-	-	-	-	-	-	-	0
25 - 29	4	-	-	-	-	-	-	-	-	4
30 - 34	4	3	-	-	-	-	-	-	-	7
35 - 39	2	2	1	-	-	-	-	-	-	5
40 - 44	2	4	1	2	-	-	-	-	-	9
45 - 49	4	1	3	2	1	-	-	-	-	11
50 - 54	5	-	1	-	1	1	-	-	-	8
55 - 59	4	3	2	2	1	-	-	-	-	12
60 - 64	1	1	-	-	-	-	-	-	-	2
65 - 69	1	-	-	-	-	-	-	-	-	1
70 +	-	-	-	-	-	-	-	-	-	0
TOTAL	27	14	8	6	3	1	0	0	0	59

	<u>Prior Year</u>	<u>Current Year</u>
Average Pay	\$ 56,843	\$ 59,338
Average Service	7.64 years	8.02 years
Percent Female	37.3%	35.6%

Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2021

Police Officers

Completed Years of Service Since Hire

Attained Age Group	<u>0 - 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40 +</u>	<u>Total</u>
0 - 24	1	-	-	-	-	-	-	-	-	1
25 - 29	-	-	-	-	-	-	-	-	-	0
30 - 34	2	-	1	-	-	-	-	-	-	3
35 - 39	1	2	1	2	-	-	-	-	-	6
40 - 44	-	1	-	3	1	-	-	-	-	5
45 - 49	-	1	3	3	1	-	-	-	-	8
50 - 54	1	-	2	1	-	1	-	-	-	5
55 - 59	1	1	-	1	-	-	-	-	-	3
60 - 64	-	-	-	-	-	-	-	-	-	0
65 - 69	-	-	-	-	-	-	-	-	-	0
70 +	-	-	-	-	-	-	-	-	-	0
TOTAL	6	5	7	10	2	1	0	0	0	31

	<u>Prior Year</u>	<u>Current Year</u>
Average Pay	\$ 93,982	\$ 96,979
Average Service	10.88 years	12.24 years
Percent Female	15.6%	16.1%

Both Groups Combined

Summary of Participant Data

	<u>10/01/2020</u>	<u>10/01/2021</u>
Active Participants		
Number: Fully Vested	40	43
Partially Vested	17	15
Non-Vested	34	32
Total	<u>91</u>	<u>90</u>
Average Attained Age	44.17 years	45.08 years
Average Years of Service	8.78 years	9.47 years
Average Compensation	\$ 69,903	\$ 72,303
 Inactive Participants Receiving Benefits (including DROPs)		
Number	49	50
Average Age at Retirement	60.29 years	60.31 years
Average Annual Benefit	\$ 21,661	\$ 21,850
 Inactive Participants Due Deferred Benefits		
Number	7	8
Average Age at Commencement	60.71 years	61.75 years
Average Annual Benefit	\$ 18,925	\$ 17,983

General Employees / Senior Management Employees

Summary of Participant Data

	<u>10/01/2020</u>	<u>10/01/2021</u>
Active Participants		
Number: Fully Vested	16	18
Partially Vested	17	15
Non-Vested	26	26
Total	59	59
Average Attained Age	44.67 years	45.75 years
Average Years of Service	7.64 years	8.02 years
Average Compensation	\$ 56,843	\$ 59,338
Inactive Participants Receiving Benefits (including DROPs)		
Number	33	33
Average Age at Retirement	60.56 years	60.75 years
Average Annual Benefit	\$ 17,850	\$ 17,929
Inactive Participants Due Deferred Benefits		
Number	4	5
Average Age at Commencement	65.00 years	65.00 years
Average Annual Benefit	\$ 15,859	\$ 14,798

Police Officers

Summary of Participant Data

	<u>10/01/2020</u>	<u>10/01/2021</u>
Active Participants		
Number: Fully Vested	24	25
Partially Vested	0	0
Non-Vested	8	6
Total	<u>32</u>	<u>31</u>
Average Attained Age	43.24 years	43.81 years
Average Years of Service	10.88 years	12.24 years
Average Compensation	\$ 93,982	\$ 96,979
 Inactive Participants Receiving Benefits (including DROPs)		
Number	16	17
Average Age at Retirement	59.71 years	59.44 years
Average Annual Benefit	\$ 30,044	\$ 29,939
 Inactive Participants Due Deferred Benefits		
Number	3	3
Average Age at Commencement	55.00 years	56.33 years
Average Annual Benefit	\$ 23,014	\$ 23,292

Both Groups Combined
Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	91
2. Retired during year	(1)
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	(5)
7. Vested employment terminations	(2)
8. Terminated vested paid lump sum	(1)
9. Leave of absence	0
10. Transfers	0
11. New active participants	8
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	90
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	40
2. New retired participants	1
3. New terminated vested receiving benefits	1
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	0
7. Died or ceased payment during year	(1)
8. Retired or terminated vested receiving benefits current year	41
C. <u>DROP Participants</u>	
1. DROP participants previous year	9
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	0
5. Entered DROP during year	0
6. DROP participants current year	9
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	7
2. Died during year	0
3. Commenced receiving benefits during year	(1)
4. New terminated vested	2
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	8

General Employees / Senior Management Employees

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	59
2. Retired during year	(1)
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	(5)
7. Vested employment terminations	(1)
8. Terminated vested paid lump sum	(1)
9. Leave of absence	0
10. Transfers	0
11. New active participants	8
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	<u>59</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	24
2. New retired participants	1
3. New terminated vested receiving benefits	0
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	0
7. Died or ceased payment during year	(1)
8. Retired or terminated vested receiving benefits current year	<u>24</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	9
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	0
5. Entered DROP during year	0
6. DROP participants current year	<u>9</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	4
2. Died during year	0
3. Commenced receiving benefits during year	0
4. New terminated vested	1
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	<u>5</u>

Police Officers

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	32
2. Retired during year	0
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	0
7. Vested employment terminations	(1)
8. Terminated vested paid lump sum	0
9. Leave of absence	0
10. Transfers	0
11. New active participants	0
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	<u>31</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	16
2. New retired participants	0
3. New terminated vested receiving benefits	1
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	0
7. Died or ceased payment during year	0
8. Retired or terminated vested receiving benefits current year	<u>17</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	0
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	0
5. Entered DROP during year	0
6. DROP participants current year	<u>0</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	3
2. Died during year	0
3. Commenced receiving benefits during year	(1)
4. New terminated vested	1
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	<u>3</u>

Recent Plan Experience

A. Investment Return Experience

<u>Year Ended</u>	<u>Market Value</u>	<u>Smoothed Actuarial Value</u>	<u>Assumed</u>
09/30/2021	23.44%	9.82%	7.25%
09/30/2020	5.15%	7.05%	7.25%
09/30/2019	4.26%	6.45%	7.25%
09/30/2018	7.34%	7.31%	7.25%
09/30/2017	10.61%	7.61%	7.25%
09/30/2016	11.08%	8.05%	7.25%
09/30/2015	(0.8%)	7.0%	7.5%
09/30/2014	9.5%	8.9%	7.5%
09/30/2013	11.5%	6.7%	7.5%
09/30/2012	18.4%	0.9%	7.5%
Average			
Last 3 Years	10.61%	7.76%	7.25%
Last 5 Years	9.95%	7.64%	7.25%
Last 10 Years	9.9%	7.0%	7.3%

B. Review of Recent Salary Experience *

<u>Year Ended</u>	<u>General / Senior Management Employees</u>		<u>Police Officers</u>	
	<u>Actual</u>	<u>Assumed</u>	<u>Actual</u>	<u>Assumed</u>
09/30/2021	7.1%	5.1%	8.2%	5.0%
09/30/2020	6.5%	5.3%	5.6%	5.1%
09/30/2019	4.3%	5.1%	5.3%	4.8%
09/30/2018	7.2%	5.2%	6.7%	4.9%
09/30/2017	0.1%	5.1%	(2.5%)	4.8%
09/30/2016	8.7%	5.4%	7.6%	4.8%
09/30/2015	6.1%	5.1%	2.4%	5.7%
09/30/2014	10.7%	4.9%	3.9%	5.8%
09/30/2013	6.6%	5.0%	4.6%	5.1%
09/30/2012	4.6%	4.9%	4.2%	5.3%
Average				
Last 3 Years	6.0%	5.2%	6.4%	5.0%
Last 5 Years	5.0%	5.2%	4.6%	4.9%
Last 10 Years	6.2%	5.1%	4.6%	5.1%

* Participants who have full years of pay for both years considered.

Recent Plan Experience

C. Recent Termination Experience

<u>General Employees / Senior Management Employees</u>				
<u>Year Ended</u>	<u>Number of Employees Previous Valuation</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual To Expected</u>
09/30/2021	59	5.3	7	1.3
09/30/2020	69	5.7	5	0.9
09/30/2019	64	6.0	4	0.7
09/30/2018	59	5.7	2	0.4
09/30/2017	61	6.3	8	1.3
09/30/2016	59	6.2	5	0.8
09/30/2015	57	4.2	5	1.2
09/30/2014	64	4.8	6	1.3
09/30/2013	52	3.5	3	0.9
09/30/2012	51	3.7	8	2.2
Last 3 Years	192	17.0	16	0.9
Last 5 Years	312	29.0	26	0.9
Last 10 Years	595	51.4	53	1.0

<u>Police Officers</u>				
<u>Year Ended</u>	<u>Number of Employees Previous Valuation</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual To Expected</u>
09/30/2021	32	1.3	1	0.8
09/30/2020	30	1.2	0	0.0
09/30/2019	31	1.2	1	0.8
09/30/2018	28	0.9	0	0.0
09/30/2017	28	0.9	0	0.0
09/30/2016	28	1.0	0	0.0
09/30/2015	27	1.3	1	0.8
09/30/2014	27	1.4	0	0.0
09/30/2013	27	2.0	1	0.5
09/30/2012	27	2.3	1	0.4
Last 3 Years	93	3.7	2	0.5
Last 5 Years	149	5.5	2	0.4
Last 10 Years	285	13.5	5	0.4

Town Contribution Information

Valuation Date	Contribution Fiscal Year End	Minimum Required Employer Contributions	Actual Employer Contributions Made
10/01/2021	09/30/2023	\$ 1,333,275	N/A
10/01/2020	09/30/2022	\$ 1,326,786	N/A
10/01/2019	09/30/2021 ¹	\$ 1,264,960	\$ 1,420,078
10/01/2018	09/30/2020	\$ 945,871	\$ 1,141,115
10/01/2017	09/30/2019	\$ 817,472	\$ 817,472
10/01/2016	09/30/2018 ²	\$ 917,274	\$ 917,274
10/01/2015	09/30/2017 ³	\$ 797,359	\$ 797,359
10/01/2014	09/30/2016	\$ 757,304	\$ 757,304
10/01/2013	09/30/2015 ⁴	\$ 727,022	\$ 727,022
10/01/2012	09/30/2014 ⁵	\$ 631,584	\$ 631,584
10/01/2011	09/30/2013	\$ 534,209	\$ 534,209
10/01/2010	09/30/2012 ⁶	\$ 515,440	\$ 515,440
10/01/2009	09/30/2011	\$ 625,963	\$ 625,963
10/01/2008	09/30/2010	\$ 553,919	\$ 553,919
10/01/2007	09/30/2009 ⁷	\$ 423,747	\$ 423,747
10/01/2006	09/30/2008 ⁸	\$ 384,905	\$ 384,416
10/01/2005	09/30/2007	\$ 264,370	\$ 264,370
10/01/2004	09/30/2006 ⁹	\$ 203,274	\$ 230,812
10/01/2003	09/30/2005	\$ 0	\$ 102,410
10/01/2002	09/30/2004	\$ 0	\$ 102,410
10/01/2001	09/30/2003	\$ 0	\$ 0
10/01/2000	09/30/2002	\$ 0	\$ 0
10/01/1999	09/30/2001	\$ 0	\$ 0
10/01/1998	09/30/2000	\$ 14,417	\$ 14,417
10/01/1997	09/30/1999	\$ 0	\$ 0
10/01/1996	09/30/1998	\$ 58,833	\$ 58,833
10/01/1995	09/30/1997	\$ 140,751	\$ 140,751
10/01/1994	09/30/1996	\$ 116,992	\$ 116,992
01/01/1994	09/30/1995	\$ 118,566	\$ 118,566
01/01/1993	09/30/1994	\$ 147,703	\$ 167,952

¹ Reflects assumption and benefit changes effective October 1, 2019

² Reflects assumption changes effective October 1, 2016

³ Reflects assumption changes effective October 1, 2015 and benefit changes effective October 1, 2016

⁴ Reflects benefit changes effective October 1, 2013

⁵ Reflects assumption and benefit changes effective October 1, 2012

⁶ Reflects assumption changes effective October 1, 2010

⁷ Reflects assumption changes effective October 1, 2007

⁸ Reflects benefit improvement effective October 1, 2007

⁹ Reflects benefit improvement effective October 1, 2005

Actuarial Valuation as of October 1, 2021

State Required Exhibit

All Members

	<u>10/01/2020</u>	<u>10/01/2021</u>
A. <u>Participant Data</u>		
1. Active participants	91	90
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	49	50
3. Terminated vested participants	7	8
4. Annual payroll of active participants	\$ 6,361,141	\$ 6,507,278
5. Expected payroll of active employees for the following year	\$ 6,361,141	\$ 6,507,278
6. Annual benefits payable to those currently receiving benefits (including DROPs)	\$ 1,039,705	\$ 1,070,664
B. <u>Assets</u>		
1. Net smoothed actuarial value	\$ 26,893,203	\$ 30,314,123
2. Net market value	\$ 26,199,729	\$ 33,181,476
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 25,469,135	\$ 27,882,604
b. Vesting benefits	1,465,581	1,421,720
c. Disability benefits	1,847,280	1,843,891
d. Return of member contributions	192,792	181,951
e. Total	<u>\$ 28,974,788</u>	<u>\$ 31,330,166</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 1,011,495	\$ 1,066,661
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	<u>\$ 12,071,995</u>	<u>\$ 12,528,528</u>
4. Total actuarial present value of future expected benefit payments	\$ 42,058,278	\$ 44,925,355
5. Actuarial accrued liabilities	\$ 32,402,674	\$ 35,414,026
6. Unfunded actuarial accrued liabilities	\$ 5,509,471	\$ 5,099,903

Actuarial Valuation as of October 1, 2021

State Required Exhibit

General Employees / Senior Management Employees

	<u>10/01/2020</u>	<u>10/01/2021</u>
A. <u>Participant Data</u>		
1. Active participants	59	59
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	33	33
3. Terminated vested participants	4	5
4. Annual payroll of active participants	\$ 3,353,715	\$ 3,500,927
5. Expected payroll of active employees for the following year	\$ 3,353,715	\$ 3,500,927
6. Annual benefits payable to those currently receiving benefits	\$ 589,042	\$ 591,641
B. <u>Assets</u>		
1. Net smoothed actuarial value	\$ 9,844,248	\$ 11,088,074
2. Net market value	\$ 9,590,402	\$ 12,136,873
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 7,879,025	\$ 8,757,249
b. Vesting benefits	867,472	865,909
c. Disability benefits	655,211	695,851
d. Return of member contributions	121,556	120,290
e. Total	<u>\$ 9,523,264</u>	<u>\$ 10,439,299</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 268,206	\$ 302,473
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	<u>\$ 7,130,975</u>	<u>\$ 7,356,417</u>
4. Total actuarial present value of future expected benefit payments	\$ 16,922,445	\$ 18,098,189
5. Actuarial accrued liabilities	\$ 13,438,105	\$ 14,473,719
6. Unfunded actuarial accrued liabilities	\$ 3,593,857	\$ 3,385,645

Actuarial Valuation as of October 1, 2021

State Required Exhibit

Police Officers

	<u>10/01/2020</u>	<u>10/01/2021</u>
A. <u>Participant Data</u>		
1. Active participants	32	31
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	16	17
3. Terminated vested participants	3	3
4. Annual payroll of active participants	\$ 3,007,426	\$ 3,006,351
5. Expected payroll of active employees for the following year	\$ 3,007,426	\$ 3,006,351
6. Annual benefits payable to those currently receiving benefits	\$ 450,663	\$ 479,023
B. <u>Assets</u>		
1. Net smoothed actuarial value	\$ 17,048,955	\$ 19,226,049
2. Net market value	\$ 16,609,327	\$ 21,044,603
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 17,590,110	\$ 19,125,355
b. Vesting benefits	598,109	555,811
c. Disability benefits	1,192,069	1,148,040
d. Return of member contributions	71,236	61,661
e. Total	<u>\$ 19,451,524</u>	<u>\$ 20,890,867</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 743,289	\$ 764,188
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	<u>\$ 4,941,020</u>	<u>\$ 5,172,111</u>
4. Total actuarial present value of future expected benefit payments	\$ 25,135,833	\$ 26,827,166
5. Actuarial accrued liabilities	\$ 18,964,569	\$ 20,940,307
6. Unfunded actuarial accrued liabilities	\$ 1,915,614	\$ 1,714,258

Actuarial Valuation as of October 1, 2021

State Required Exhibit - All Members

	<u>10/01/2020</u>	<u>10/01/2021</u>
D. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 12,071,995	\$ 12,528,528
b. Terminated vested members and miscellaneous	1,011,495	1,066,661
c. Other participants	12,808,288	14,899,453
d. Total	<u>\$ 25,891,778</u>	<u>\$ 28,494,642</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>1,088,155</u>	<u>1,013,941</u>
3. Total actuarial present value of accumulated plan benefits	\$ 26,979,933	\$ 29,508,583
E. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2020		\$ 26,979,933
2. Increase / (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid (includes refunds and DROP distributions)		(991,925)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		<u>3,520,575</u>
e. Net increase		<u>\$ 2,528,650</u>
3. Actuarial present value of accumulated plan benefits as of October 1, 2021		\$ 29,508,583
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 1,421,772	\$ 1,468,932
2. Payment required to amortize unfunded liability	395,636	367,330
3. Interest	18,269	17,595
4. Total required contributions	<u>\$ 1,835,677</u>	<u>\$ 1,853,857</u>
5. Item 4 as a percentage of payroll	28.9%	28.5%
6. Estimated employee contributions	\$ 508,891	\$ 520,582
7. Item 6 as a percentage of payroll	8.0%	8.0%
8. Net amount payable by Town and State	\$ 1,326,786	\$ 1,333,275
9. Item 8 as a percentage of payroll	20.9%	20.5%

Actuarial Valuation as of October 1, 2021

State Required Exhibit - General Employees / Senior Management Employees

	<u>10/01/2020</u>	<u>10/01/2021</u>
D. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 7,130,975	\$ 7,356,417
b. Terminated vested members and miscellaneous	268,206	302,473
c. Other participants	3,265,638	3,809,382
d. Total	<u>\$ 10,664,819</u>	<u>\$ 11,468,272</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>741,094</u>	<u>682,467</u>
3. Total actuarial present value of accumulated plan benefits	\$ 11,405,913	\$ 12,150,739
E. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2020		\$ 11,405,913
2. Increase / (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid (includes refunds and DROP distributions)		(521,786)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		<u>1,266,612</u>
e. Net increase		\$ 744,826
3. Actuarial present value of accumulated plan benefits as of October 1, 2021		\$ 12,150,739
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 501,241	\$ 539,014
2. Payment required to amortize unfunded liability	288,833	276,364
3. Interest	9,068	9,466
4. Total required contributions	<u>\$ 799,142</u>	<u>\$ 824,844</u>
5. Item 4 as a percentage of payroll	23.8%	23.6%
6. Estimated employee contributions	\$ 268,297	\$ 280,074
7. Item 6 as a percentage of payroll	8.0%	8.0%
8. Net amount payable by Town	\$ 530,845	\$ 544,770
9. Item 8 as a percentage of payroll	15.8%	15.6%

Actuarial Valuation as of October 1, 2021

State Required Exhibit - Police Officers

	<u>10/01/2020</u>	<u>10/01/2021</u>
D. <u>Statement of Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 4,941,020	\$ 5,172,111
b. Terminated vested members and miscellaneous	743,289	764,188
c. Other participants	9,542,650	11,090,071
d. Total	<u>\$ 15,226,959</u>	<u>\$ 17,026,370</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>347,061</u>	<u>331,474</u>
3. Total actuarial present value of accumulated plan benefits	\$ 15,574,020	\$ 17,357,844
E. <u>Statement of Change in Accumulated Plan Benefits</u>		
1. Actuarial present value of accumulated plan benefits as of October 1, 2020		\$ 15,574,020
2. Increase / (decrease) during year attributable to:		
a. Plan amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid (includes refunds and DROP distributions)		(470,139)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		<u>2,253,963</u>
e. Net increase		\$ 1,783,824
3. Actuarial present value of accumulated plan benefits as of October 1, 2021		\$ 17,357,844
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 920,531	\$ 929,918
2. Payment required to amortize unfunded liability	106,803	90,966
3. Interest	9,201	8,129
4. Total required contributions	<u>\$ 1,036,535</u>	<u>\$ 1,029,013</u>
5. Item 4 as a percentage of payroll	34.5%	34.2%
6. Estimated employee contributions	\$ 240,594	\$ 240,508
7. Item 6 as a percentage of payroll	8.0%	8.0%
8. Net amount payable by Town and State	\$ 795,941	\$ 788,505
9. Item 8 as a percentage of payroll	26.5%	26.2%

Actuarial Valuation as of October 1, 2021

State Required Exhibit - All Members

	<u>10/01/2020</u>	<u>10/01/2021</u>
G. <u>Past Contributions</u>		
1. Total contribution required (Prior Year)	\$ 1,754,946	\$ 1,835,677
2. Actual contributions made:		
a. Member	\$ 489,986	N/A
b. Town and State	1,420,078	N/A
c. Total	<u>\$ 1,910,064</u>	<u>N/A</u>
H. <u>Net Actuarial Gain / (Loss)</u>		
1. General Employees	\$ (533,105)	\$ 111,848
2. Police Officers	14,094	204,665
3. Total	<u>\$ (519,011)</u>	<u>\$ 316,513</u>
I. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age		
a. General Employees	\$ 25,254,397	\$ 26,101,408
b. Police Officers	21,797,825	20,932,791
c. Total	<u>\$ 47,052,222</u>	<u>\$ 47,034,199</u>
2. Actuarial present value of future employee contributions - attained age		
a. General Employees	\$ 2,020,352	\$ 2,088,112
b. Police Officers	1,743,826	1,674,623
c. Total	<u>\$ 3,764,178</u>	<u>\$ 3,762,735</u>
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions		
a. General Employees	\$ 1,681,941	\$ 1,843,131
b. Police Officers	2,582,623	3,021,120
c. Total	<u>\$ 4,264,564</u>	<u>\$ 4,864,251</u>
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A

Actuarial Valuation as of October 1, 2021

State Required Exhibit

<u>Date</u>	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>	<u>Remaining Funding Period</u>
General Employees				
10/01/2009	Combined Bases *	\$ 1,813	\$ 216	12 years
10/01/2010	Actuarial (Gain) / Loss	220,292	20,247	19 years
10/01/2010	Assumption Changes	(118,351)	(10,878)	19 years
10/01/2011	Actuarial (Gain) / Loss	80,751	7,246	20 years
10/01/2012	Actuarial (Gain) / Loss	157,501	13,826	21 years
10/01/2012	Assumption Changes	119,001	10,447	21 years
10/01/2013	Actuarial (Gain) / Loss	85	7	22 years
10/01/2014	Actuarial (Gain) / Loss	86,845	7,338	23 years
10/01/2015	Actuarial (Gain) / Loss	153,255	12,734	24 years
10/01/2015	Assumption Changes	142,271	11,821	24 years
10/01/2015	Plan Amendment	298,186	24,775	24 years
10/01/2016	Actuarial (Gain) / Loss	310,549	25,409	25 years
10/01/2016	Assumption Changes	37,685	3,083	25 years
10/01/2017	Actuarial (Gain) / Loss	(234,627)	(18,928)	26 years
10/01/2018	Actuarial (Gain) / Loss	136,919	10,903	27 years
10/01/2018	Plan Amendment	1,579,870	125,808	27 years
10/01/2018	Plan Amendment - CBA	32,140	2,559	27 years
10/01/2019	Actuarial (Gain) / Loss	173,626	13,662	28 years
10/01/2019	Assumption Changes	(201,324)	(15,841)	28 years
10/01/2020	Actuarial (Gain) / Loss	521,006	40,546	29 years
10/01/2021	Actuarial (Gain) / Loss	(111,848)	(8,616)	30 years
	Total	\$ 3,385,645	\$ 276,364	

* Combined per Internal Revenue Code Regulation 1.412(b)-1

Actuarial Valuation as of October 1, 2021

State Required Exhibit

<u>Date</u>	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>	<u>Remaining Funding Period</u>
Police Officers				
10/01/2011	Combined Credit Bases *	\$ (5,137,590)	\$ (611,168)	12 years
10/01/2011	Combined Charge Bases *	6,187,246	643,443	15 years
10/01/2012	Actuarial (Gain) / Loss	591,141	51,894	21 years
10/01/2012	Assumption Changes	44,654	3,920	21 years
10/01/2013	Actuarial (Gain) / Loss	(34,615)	(2,979)	22 years
10/01/2013	Plan Amendment	41,176	3,543	22 years
10/01/2014	Actuarial (Gain) / Loss	(169,428)	(14,315)	23 years
10/01/2015	Actuarial (Gain) / Loss	(172,055)	(14,296)	24 years
10/01/2015	Assumption Changes	297,419	24,712	24 years
10/01/2016	Actuarial (Gain) / Loss	(85,469)	(6,993)	25 years
10/01/2016	Assumption Changes	61,353	5,020	25 years
10/01/2017	Actuarial (Gain) / Loss	(206,435)	(16,654)	26 years
10/01/2018	Actuarial (Gain) / Loss	298,820	23,796	27 years
10/01/2018	Plan Amendment - CBA	895,149	71,282	27 years
10/01/2019	Actuarial (Gain) / Loss	(285,820)	(22,490)	28 years
10/01/2019	Assumption Changes	(392,886)	(30,914)	28 years
10/01/2020	Actuarial (Gain) / Loss	(13,737)	(1,069)	29 years
10/01/2021	Actuarial (Gain) / Loss	(204,665)	(15,766)	30 years
Total		\$ 1,714,258	\$ 90,966	

* Combined per Internal Revenue Code Regulation 1.412(b)-1

This Actuarial Valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise provided for in the valuation. All known events or trends which may require material increase in Plan costs or required contribution rates have been taken into account in the valuation.

Jennifer Borregard

Jennifer M. Borregard, E.A.
Enrollment Number: 20-07624
Date: April 27, 2022

Michelle Jones

Shelly L. Jones, A.S.A.
Enrollment Number: 20-08684

Glossary

Actuarial Accrued Liability. The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.

Actuarial Assumptions. Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.

Actuarial Cost Method. A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.

Actuarial Equivalent. Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.

Actuarial Present Value of Future Benefits. The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.

Actuarial Valuation. The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.

Actuarial Value of Assets. The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

Amortization Method. A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.

Glossary

Amortization Payment. That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Amortization Period. The period used in calculating the Amortization Payment.

Annual Required Contribution. The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.

Closed Amortization Period. A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.

Employer Normal Cost. The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.

Equivalent Single Amortization Period. For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.

Experience Gain/Loss. A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

GASB. Governmental Accounting Standards Board.

Glossary

GASB No. 67 and GASB No. 68. These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.

Normal Cost. The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

Open Amortization Period. An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

Unfunded Actuarial Accrued Liability. The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

Valuation Date. The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

Vested Benefit Security Ratio. The ratio of the Market Value of Assets to the Actuarial Present Value of Vested Accrued Benefits.