

**Town of Barrington, Rhode Island
Postretirement Health Insurance Program**

**Financial Disclosure Information
in accordance with Statement of
Governmental Accounting Standards
Board No. 75**

**for the period beginning July 1, 2020 and
ending June 30, 2021**

**(Revised)
October 1, 2021**

Prepared By:

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October, 2021

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I. INTRODUCTION

The purpose of this report is to present certain financial information relative to the Town of Barrington, Rhode Island Postretirement Health Insurance Program in accordance with the Statement of Governmental Accounting Standards Board No. 75 (GASB 75).

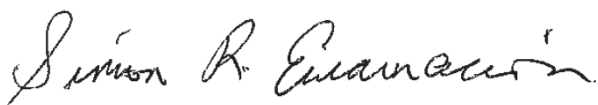
The report presents the actuarial valuation for the Town of Barrington, Rhode Island Postretirement Health Insurance Program for the fiscal year beginning July 1, 2020 through June 30, 2021 based on the July 1, 2020 valuation. This report includes the determination of the Plan's current discount rate, Net OPEB Liability, OPEB expense, and balances of deferred inflows and outflows.

This report was based on information submitted to our firm by the Town of Barrington, Rhode Island in the form of census data, substantive plan provisions, medical premium rates, asset/benefit payment information, and other ancillary material pertaining to the plan.

Actuarial computations under GASB 75 are for purposes of fulfilling employer accounting requirements. The calculations reported herein have been made on a basis consistent with my understanding of GASB 75 and are in conformity with applicable actuarial standards of practice. To the best of my knowledge, the information contained in this report was determined in accordance with GASB 75. In addition, no relationship exists with the plan or plan sponsor that impairs the objectivity of our work.

I meet the GASB 75 Qualification Standards of the American Academy of Actuaries to render the actuarial opinions included in this report, based upon my education, experience and continuing education.

This report was revised to update actual benefit payments, investment income, and admin expenses.



Simon R. Encarnacion, F.S.A., E.A.
Consulting Actuary

10/1/2021
Date

II. DESCRIPTIVE INFORMATION (Town)

Plan Description: Single-employer, defined benefit postretirement health insurance program

Groups Covered & Eligibility: The Town of Barrington, Rhode Island can be separated under five groups of employees. Each group is covered under a separate contract with the Town. The groups are:

Police Department
Fire Department
Department of Public Works (DPW)
Dispatchers
Non-Union Town Employees (Town)

Each member of the groups above is a participant in the Municipal Employee Retirement System (MERS) and eligible for coverage under this Postretirement Health Insurance Program upon retirement. Retirement provisions for Police and Firefighters is age 55 with 10 years of service or any time after attaining 20 years of service. Retirement provisions for the remaining groups is age 58 with 10 years of service or any time after attaining 30 years of service.

Effective July 1, 2012, retirement age under MERS changed to age 55 and 25 years of service (or Social Security Normal Retirement Age and 5 years of service) for police officers and firefighters that were not retirement eligible as of June 30, 2012.

Effective July 1, 2012, retirement age under MERS for the other members (DPW, dispatcher, and non-union town employees) changed to Social Security Normal Retirement Age and 5 years of service (early retirement as early as age 59) that were not retirement eligible as of June 30, 2012.

II. DESCRIPTIVE INFORMATION (cont'd) (Town)

Benefit Formula:

Police: Upon retirement, Police Officers receive fully covered medical coverage (single or family) for the remainder of the fiscal year of retirement plus five (5) additional years or until Medicare eligible or the retiree secures employment with equivalent coverage.

Effective 10/1/2012: no new hires are eligible for postretirement medical coverage.

Police Officers may continue coverage for up to four (4) additional years with the entire cost paid for by the retiree.

Fire: Upon retirement, Firefighters receive fully covered medical coverage (single or family) for the remainder of the fiscal year of retirement plus five (5) additional years or until Medicare eligible or the retiree secures employment with equivalent coverage. In no event does coverage continue past age 65. Firefighters that retire after 7/1/1999 must contribute 20% of the premium towards their coverage.

Effective 10/1/2012: no new hires are eligible for postretirement medical coverage.

Full disability coverage is available to firefighters for the lifetime of the retiree while that retiree is deemed disabled.

DPW: Upon retirement, DPW members receive fully covered medical coverage (single or family) for five (5) years after retirement. Members that are hired after 7/1/1991 and before 6/30/2007 contribute 15% of the premium and members hired after 7/1/2007 contribute 20% of the premium towards their coverage.

Members that are hired after 7/1/1995 are not eligible for postretirement medical coverage.

II. DESCRIPTIVE INFORMATION (cont'd) (Town)

Benefit Formula (cont'd): **Dispatchers:** Upon retirement, Dispatchers receive fully covered medical coverage (single or family) for two (2) years after retirement. Members hired after 7/1/1995 receive coverage for one (1) year after retirement. Members that are hired after 7/1/1993 must contribute 20% of the premium towards their coverage.

Effective 10/1/2012: no new hires are eligible for postretirement medical coverage.

Town: Upon retirement with 20 years of service, non-union town employees receive fully covered medical coverage (single or family) for the remainder of the fiscal year of retirement plus five (5) additional years or until Medicare eligible or the retiree secures employment with equivalent coverage. If the town employee retires with between 10 and 19 years of service, coverage is extended for only three (3) additional years past the fiscal year of retirement. Members that are hired after 7/1/1991 must contribute 20% of the premium towards their coverage.

Effective 9/1/1994: no new hires are eligible for postretirement medical coverage.

Dental coverage is not provided to retirees.

Life Insurance coverage is not provided to retirees.

Demographic Experience: The Total OPEB Liability decreased by approximately \$845,000 (14.5%) as a result of demographic experience.

Significant Events: None.

II. DESCRIPTIVE INFORMATION (School)

Plan Description: Single-employer, defined benefit postretirement health insurance program

Groups Covered & Eligibility: The Barrington School Department can be separated under three groups of employees. Each group is covered under a separate contract with the School. The groups are:

Certified Teachers
Custodians (Steelworkers Union)
Non-Union School Employees

Each member of the groups above is eligible to retire with health insurance coverage after 10 years of service with the Barrington School Department.

Effective July 1, 2012, retirement age under Municipal Employee Retirement System (MERS) changed to Social Security Normal Retirement Age and 5 years of service (early retirement as early as age 59) for members that were not retirement eligible as of June 30, 2012.

Members of the Employee Retirement System of Rhode Island ("ERSRI") that were vested (10 years of service under ERSRI) by July 1, 2005 are eligible for retirement at any age with 28 years of service or at age 60 with 10 years of service. ERSRI members that were not vested by July 1, 2005 are eligible for retirement at age 59 with 29 years of service or age 65 with 10 years of service with full pension benefits or age 55 with 20 years of service with reduced pension benefits.

II. DESCRIPTIVE INFORMATION (cont'd) (School)

Benefit Formula: **Certified Teachers:** Upon retirement, certified teachers receive medical coverage (single or family) for the amount of years following retirement based on years of service at retirement:

<u>Service</u>	<u>Individual</u>	<u>Family</u>
10-24	7	3
25-29	7	4
30+	7	5

Retirees hired before 7/1/1994 will contribute 0% of the premium. Retirees hired after 7/1/1994 will contribute 20% the of the premiums.

Effective to new retirees after July 1, 2013, medical coverage is:

Service	Individual	Family
10-24	5	n/a
25+	7	n/a

Retirees hired before 7/1/1994 will contribute 0% of the premium. Retirees hired after 7/1/1994 will contribute 20% the of the premiums. Coverage will end at such time as the retiree is eligible for Medicare or other Federally subsidized programs, whichever occurs first.

Effective May 1, 2013, all new hired certified teachers are no longer eligible for postemployment health insurance benefits.

II. DESCRIPTIVE INFORMATION (cont'd) (School)

Benefit Formula (cont'd):

Custodians: Upon retirement, custodians receive medical coverage (single or family) for the amount of years following retirement based on years of service at retirement:

<u>Service</u>	<u>Individual</u>	<u>Family</u>
10-19	7	3
20+	7	5

Retirees hired before 7/1/2007 will contribute 15% of the premium. Retirees hired after 7/1/2007 will contribute 20% of the premium.

Effective July 1, 2010, all new custodian employees are no longer eligible for postemployment health insurance benefits.

Effective for new retirees after July 1, 2013, coverage will end at such time as the retiree is eligible for Medicare or other Federally subsidized programs, whichever occurs first.

Non-Union: Upon retirement, non-union employees receive medical coverage (single or family) for the amount of years following retirement based on years of service at retirement. All non-union retirees will contribute 15% of the premium.

For employees hired before 12/31/1997:

<u>Service</u>	<u>Individual</u>	<u>Family</u>
10-19	7	4
20+	7	5

For employees hired after 12/31/1997:

Service	Individual	Family
10-14	5	3
15-19	6	4
20+	7	5

II. DESCRIPTIVE INFORMATION (cont'd) (School)

Benefit Formula (cont'd): Effective to new non-union retirees after June 30, 2013, medical coverage is:

Service	Individual	Family
10+	4	n/a

Effective August 31, 2011, all new hired non-union employees are no longer eligible for postemployment health insurance benefits.

Each member may elect to deny coverage and receive a "buy-back" amount of \$1,500 per year.

Dental coverage is not provided to retirees.

Life Insurance coverage is not provided to retirees.

Demographic Experience: The Total OPEB Liability decreased by approximately \$379,000 (5.4%) as a result of demographic experience.

Significant Events: None.

III. ACTUARIAL METHODS

Measurement Date: July 1, 2020 for expense, and June 30, 2021 for disclosure.

Actuarial Cost Method: Costs have been computed in accordance with the Entry Age Actuarial Cost Method.

The service cost is the sum of the service costs for all participants. For an active participant, the individual service cost is (a) the present value of future benefits as of the participant's entry age divided by (b) the present value of future compensation as of the participant's entry age multiplied by (c) current compensation. For other than a current active participant, the service cost equals \$0.

The accrued liability is the sum of the individual accrued liabilities for all participants. The individual accrued liability is equal to (d) the present value of future benefits less (e) the service cost accrual rate multiplied by (f) the present value of future compensation.

III. ACTUARIAL METHODS (cont'd)

Asset Valuation Method: The Town of Barrington, RI has established a fund, separate and apart from the general revenues of the Town, known as the OPEB Trust Fund. Pursuant to Section 33-47 of the Town's legislation, the OPEB Trust Fund shall consist of:

- (a) All funds appropriated or otherwise made available by the Town for the purposes of meeting the current and future OPEB costs payable by the Town;
- (b) Amounts contributed or otherwise made available by employees of the Town for the purpose of meeting future OPEB costs payable by the Town;
- (c) All interest, dividends and other income derived from the above; and
- (d) Any surplus derived from the Town's medical internal service fund, as measured by the Finance Director.

The Town does not have a certain contribution schedule maintained, however it is the Town's intention to gradually fund the Plan.

The Fiduciary Net Position is based on the fair market value of assets as of the measurement date.

III. ACTUARIAL METHODS (cont'd)

Census Information: Census data and premium information as of July 1, 2020 were used to determine the July 1, 2020 Annual Periodic Expense and Net OPEB Liability as of June 30, 2021.

Net OPEB Liability at Fiscal Year End: Based on actual benefit payments, contributions to the Plan trust, and implicit rate subsidy, if any, for the fiscal year ending June 30, 2021.

IV. ACTUARIAL ASSUMPTIONS (Town)

Actuarial assumptions are estimates as to the occurrence of future events impacting the costs of the plan such as mortality rates, withdrawal rates, medical trend rates, retirement ages, rates of investment earnings, etc. The assumptions have been chosen to anticipate the long-term experience of the plan.

Assumptions for the Current Valuation

Discount Rate: 7.00% as of 6/30/2021
7.00% as of 6/30/2020

Index Rates: 2.84% as of 6/30/2021 based on the FTSE Pension Liability Index.
2.70% as of 6/30/2020 based on the FTSE Pension Liability Index.

*Long Term Rate of Return
on Assets:* 7.00%

Healthy Mortality: 2010 Public sector Retirement Plans Mortality table for General/Safety/Teachers employee populations with MP-2020 mortality improvement scale

Disabled Mortality: 2010 Public sector Retirement Plans Mortality table for General/Safety/Teachers employee populations with MP-2020 mortality improvement scale

Turnover: Sarason Crocker Straight Table T-1. Sample rates below:

Age	Rate
25	4.9%
35	2.3%
45	0.3%
50	0.0%

Disability: SOA 1978 Disability. Sample rates below:

Age	Rate
25	0.1%
35	0.1%
45	0.4%

IV. ACTUARIAL ASSUMPTIONS (cont'd) (Town)

<i>Retirement Rates:</i>	Police and Fire:		
	Grandfathered Retirement	Non-Grandfathered Retirement	
	Age	Rates	Rates
	40-44	2%	0%
	45	5%	0%
	46-49	10%	0%
	50	25%	0%
	51-54	15%	0%
	55-59	100%	50%
	60	100%	100%

DPW, Dispatcher, and Town:

	Grandfathered Retirement	Non-Grandfathered Retirement	
	Age	Rates	Rates
	50-54	2%	0%
	55	15%	0%
	56-57	5%	0%
	58	15%	0%
	59	10%	25%
	60-61	10%	10%
	62-64	50%	50%
	65-66	100%	50%
	67	100%	100%

Health Care Monthly

Premium Rates: See Per Capita Medical Costs in Section XIII.

Health Care Cost Trend Rates - Medical Costs: 5.50% per year graded down by the getzen model to an ultimate rate of 4.04% per year.

Plan Election: All eligible retirees are assumed to elect medical coverage under the Healthmate Coast to Coast plan.

IV. ACTUARIAL ASSUMPTIONS (cont'd) (Town)

Participation: 100% of eligible future retirees are assumed to elect medical coverage under the Plan. 100% of current retirees are assumed to participate. Coverage is assumed to stop once a retiree reaches their maximum years of benefit coverage, coverage where Town of Barrington contributes toward the cost, as described in Section II.

Marital Status: 80% of future retirees are assumed to be married and elect family medical coverage. Female spouses are assumed to be 3 years younger than males.

Actual spousal information is used for current retirees.

Salary Scale: 2.00%

Aging Assumption: Claims costs are assumed to increase per year of age to reflect higher costs for older individuals based on the unisex costs curve shown in Chart 5 for pre-65 claims and Chart 10 for post-65 claims of the Health Care Costs study sponsored by the Society of Actuaries. Sample claims cost for individuals are shown in Section XIII.

IV. ACTUARIAL ASSUMPTIONS (School)

Actuarial assumptions are estimates as to the occurrence of future events impacting the costs of the plan such as mortality rates, withdrawal rates, medical trend rates, retirement ages, rates of investment earnings, etc. The assumptions have been chosen to anticipate the long-term experience of the plan.

Assumptions for the Current Valuation

Discount Rate: 7.00% as of 6/30/2021
7.00% as of 6/30/2020

Index Rates: 2.84% as of 6/30/2021 based on the FTSE Pension Liability Index.
2.70% as of 6/30/2020 based on the FTSE Pension Liability Index.

*Long Term Rate of Return
on Assets:* 7.00%

Healthy Mortality: 2010 Public sector Retirement Plans Mortality table for General/Safety/Teachers employee populations with MP-2020 mortality improvement scale

Turnover: Sarason Crocker Straight Table T-1. Sample rates below:

Age	Rate
25	4.9%
35	2.3%
45	0.3%
50	0.0%

*Health Care Monthly
Premium Rates:* See Per Capita Medical Costs in Section XIII.

*Health Care Cost Trend Rates -
Medical Costs:* 5.50% per year graded down by the getzen model to an ultimate rate of 4.04% per year.

Participation: 100% of eligible future retirees are assumed to elect medical coverage under the Plan. 100% of current retirees are assumed to participate.

IV. ACTUARIAL ASSUMPTIONS (cont'd) (School)

Plan Election: All current retirees are assumed to elect medical coverage under the Healthmate Coast to Coast plan. 90% of future retirees are assumed to elect medical coverage under the Healthmate Coast to Coast plan. The remaining 10% are assumed to elect the buy-back option.

Marital Status: 70% of future retirees are assumed to be married and elect family medical coverage. Female spouses are assumed to be 3 years younger than males.

Actual spousal information is used for current retirees if available.

Retirement Rates:

	Grandfathered Retirement Rates	Non-Grandfathered Retirement Rates
Age		
50-54	2%	0%
55-58	15%	0%
59	15%	25%
60	25%	25%
61	15%	25%
62	25%	25%
63 -64	15%	15%
65 -69	50%	50%
70	100%	100%

Aging Assumption: Claims costs are assumed to increase per year of age to reflect higher costs for older individuals based on the unisex costs curve shown in Chart 5 for pre-65 claims and Chart 10 for post-65 claims of the Health Care Costs study sponsored by the Society of Actuaries. Sample claims cost for individuals are shown in Section XIII.

V. CHANGES IN ACTUARIAL ASSUMPTIONS

The table below indicates which assumptions, other than the Health Care Working Rates, have changed from the prior valuation. In the opinion of the actuary, these changes were made to better reflect current expectations of future experience.

		June 30, 2020	June 30, 2021														
<i>Mortality</i>		2010 Public sector Retirement Plans Mortality table for General/Safety/Teachers employee populations with MP-2019 mortality improvement scale	2010 Public sector Retirement Plans Mortality table for General/Safety/Teachers employee populations with MP-2020 mortality improvement scale														
<i>Claims Costs Aging</i>		<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Age</th> <th style="text-align: left;">Rate</th> </tr> </thead> <tbody> <tr> <td>45-69</td> <td>3.0%</td> </tr> <tr> <td>70-74</td> <td>2.5%</td> </tr> <tr> <td>75-79</td> <td>2.0%</td> </tr> <tr> <td>80-84</td> <td>1.0%</td> </tr> <tr> <td>85-89</td> <td>0.5%</td> </tr> <tr> <td>90+</td> <td>0.0%</td> </tr> </tbody> </table>	Age	Rate	45-69	3.0%	70-74	2.5%	75-79	2.0%	80-84	1.0%	85-89	0.5%	90+	0.0%	Based on the rates shown in the Health Care Costs study sponsored by the Society of Actuaries. Sample claims cost for individual ages are shown in Section XIII.
Age	Rate																
45-69	3.0%																
70-74	2.5%																
75-79	2.0%																
80-84	1.0%																
85-89	0.5%																
90+	0.0%																

VI. DETERMINATION OF DISCOUNT RATE

A. Determination of Discount Rate as of June 30, 2021 - Analysis of Crossover Point (Town and School)

Plan Year Valuation 6/30	Total Prior Year Contributions	Projected Normal Cost	Projected Market Value of Assets	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Value of Benefit Payments		
					"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Portion 7.00%	Present Value of "Unfunded" Portion 2.84%	Present Value of All Benefit Payments - Single Rate 7.00%
2021	979,300	278,694	19,768,304	672,648	672,648	0	672,648	0	672,648
2022	0	271,669	20,455,895	804,845	804,845	0	752,192	0	752,192
2023	0	263,215	21,054,793	981,962	981,962	0	857,684	0	857,684
2024	0	251,856	21,512,297	1,096,731	1,096,731	0	895,259	0	895,259
2025	0	243,837	21,883,042	1,036,501	1,036,501	0	790,742	0	790,742
2026	0	230,921	22,342,076	1,080,176	1,080,176	0	770,151	0	770,151
2027	0	219,800	22,788,039	1,182,956	1,182,956	0	788,254	0	788,254
2028	0	207,358	23,158,843	1,326,808	1,326,808	0	826,269	0	826,269
2029	0	192,440	23,406,715	1,439,317	1,439,317	0	837,696	0	837,696
2030	0	175,151	23,555,492	1,519,559	1,519,559	0	826,539	0	826,539
2031	0	150,224	23,631,633	1,593,905	1,593,905	0	810,260	0	810,260
2032	0	137,555	23,636,156	1,573,765	1,573,765	0	747,684	0	747,684
2033	0	123,064	23,661,840	1,499,941	1,499,941	0	665,992	0	665,992
2034	0	110,984	23,765,730	1,505,416	1,505,416	0	624,694	0	624,694
2035	0	100,222	23,871,225	1,625,430	1,625,430	0	630,370	0	630,370
2036	0	91,563	23,859,891	1,522,082	1,522,082	0	551,673	0	551,673
2037	0	82,091	23,954,728	1,452,171	1,452,171	0	491,901	0	491,901
2038	0	70,832	24,128,562	1,423,013	1,423,013	0	450,489	0	450,489
2039	0	61,288	24,344,743	1,472,291	1,472,291	0	435,598	0	435,598
2040	0	51,906	24,525,054	1,556,689	1,556,689	0	430,437	0	430,437
2041	0	44,316	24,630,635	1,508,676	1,508,676	0	389,871	0	389,871
2042	0	37,571	24,793,300	1,358,994	1,358,994	0	328,215	0	328,215
2043	0	30,976	25,122,272	1,132,428	1,132,428	0	255,604	0	255,604
2044	0	25,251	25,708,768	1,111,696	1,111,696	0	234,509	0	234,509
2045	0	19,765	26,357,776	949,116	949,116	0	187,115	0	187,115
2046	0	15,451	27,220,486	896,910	896,910	0	165,255	0	165,255
2047	0	11,669	28,197,618	876,720	876,720	0	150,967	0	150,967
2048	0	8,585	29,264,046	728,678	728,678	0	117,266	0	117,266
2049	0	6,353	30,558,347	546,719	546,719	0	82,228	0	82,228
2050	0	4,356	32,131,577	389,652	389,652	0	54,771	0	54,771
2051	0	2,746	33,977,498	386,254	386,254	0	50,741	0	50,741
2052	0	1,967	35,956,150	314,967	314,967	0	38,669	0	38,669
2053	0	1,382	38,147,090	119,175	119,175	0	13,674	0	13,674
2054	0	654	40,694,040	94,660	94,660	0	10,151	0	10,151
2055	0	292	43,444,649	75,074	75,074	0	7,524	0	7,524

VI. DETERMINATION OF DISCOUNT RATE (continued)

A. Determination of Discount Rate as of June 30, 2021 - Analysis of Crossover Point (Town and School)

Plan Year Valuation <u>6/30</u>	Total Prior Year Contributions	Projected Normal Cost	Projected Market Value of Assets	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Value of Benefit Payments				
					"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Portion <u>7.00%</u>	Present Value of "Unfunded" Portion <u>2.84%</u>	Present Value of All Benefit Payments - Single Rate <u>7.00%</u>		
2056	0	148	46,408,073	56,143	56,143	0	5,259	0	5,259		
2057	0	66	49,598,530	44,159	44,159	0	3,865	0	3,865		
2058	0	0	53,024,723	33,882	33,882	0	2,772	0	2,772		
2059	0	0	56,701,386	25,340	25,340	0	1,937	0	1,937		
2060	0	0	60,644,256	18,515	18,515	0	1,323	0	1,323		
2061	0	0	64,870,191	13,205	13,205	0	882	0	882		
2062	0	0	69,397,437	9,189	9,189	0	573	0	573		
2063	0	0	74,245,747	6,242	6,242	0	364	0	364		
2064	0	0	79,436,489	4,137	4,137	0	226	0	226		
2065	0	0	84,992,761	2,671	2,671	0	136	0	136		
2066	0	0	90,939,490	1,679	1,679	0	80	0	80		
2067	0	0	97,303,517	1,026	1,026	0	46	0	46		
2068	0	0	104,113,701	609	609	0	25	0	25		
2069	0	0	111,401,029	351	351	0	14	0	14		
2070	0	0	119,198,738	197	197	0	7	0	7		
2071	0	0	127,542,446	109	109	0	4	0	4		
2072	0	0	136,470,304	59	59	0	2	0	2		
2073	0	0	146,023,165	32	32	0	1	0	1		
2074	0	0	156,244,753	17	17	0	0	0	0		
2075	0	0	167,181,868	9	9	0	0	0	0		
2076	0	0	178,884,590	5	5	0	0	0	0		
2077	0	0	191,406,506	2	2	0	0	0	0		
							15,960,607	+	0	=	15,960,607

* The 2.84% discount rate is the FTSE Liability Index as of June 30, 2021.

VI. DETERMINATION OF DISCOUNT RATE (cont'd)

C. Funding Policy

Currently, the funding policy is to fund the expected employer-only benefit payments.

D. Long Term Expected Rate of Return and Asset Allocation

The long term expected rate of return on Plan investments was determined by the investment manager.

<u>Asset Class</u>	<u>June 30, 2021 Asset Allocation*</u>	<u>Target Asset Allocation*</u>	<u>Long Term Expected Real Rate of Return*</u>
Large Cap US Equity	48.30%	48.30%	8.00%
Small / Mid Cap US Equity	8.00%	8.00%	6.80%
International Equity	20.70%	20.70%	8.60%
Intermed. To Long Bonds	19.40%	19.40%	3.54%
Short-Term Bonds and Cash	3.60%	3.60%	3.90%
	100.00%	100.00%	

Projected Rate of Return*: 7.00%

* The Projected Rate of Return was estimated based on returns for similarly situated plans.

Money-Weighted Rate of Return for Fiscal Year Ending 06/30/2021 **: 30.44%

** This rate is determined assuming contributions and expenses are paid in the middle of the plan year.

VII. NET OPEB LIABILITY

A. Net OPEB Liability as of July 1, 2020

The Net OPEB Liability for the Plan was measured as of June 30, 2020, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2018 and adjusted through June 30, 2020.

The components of the Net OPEB Liability of the Plan as of June 30, 2020, were as follows:

Total OPEB Liability	\$12,221,029
Plan Fiduciary Net Position	<u>(\$14,839,117)</u>
Net OPEB Liability	<u>\$ (2,618,088)</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	121.42%
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The discount rate used to calculate the Total OPEB Liability was 7.00%.

B. Net OPEB Liability as of June 30, 2021

The Net OPEB Liability for the Plan was measured as of June 30, 2021, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020 and adjusted through June 30, 2021.

The components of the Net OPEB Liability of the Plan as of June 30, 2021, were as follows:

Total OPEB Liability	\$13,530,343
Plan Fiduciary Net Position	<u>(\$19,768,304)</u>
Net OPEB Liability	<u>\$ (6,237,961)</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	146.10%
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The discount rate used to calculate the Total OPEB Liability was 7.00%.

VII. NET OPEB LIABILITY (cont'd)

C. Changes in Net OPEB Liability for the Fiscal Year ending June 30, 2021

	Total OPEB Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net OPEB Liability <u>(a) - (b)</u>
Balance as of 6/30/2020	\$12,221,029	\$14,839,117	(\$2,618,088)
Changes for the year:			
Service Cost	268,350		268,350
Interest on Total OPEB Liability	832,572		832,572
Differences Between Expected and Actual Experience	(1,226,879)		(1,226,879)
Changes of Assumptions			
Aging	2,072,286		2,072,286
Mortality	(15,661)		(15,661)
Changes in Benefit Terms	0		0
Contributions - Employer		979,300	(979,300)
Contributions - Employee		0	0
Net Investment Income		4,571,241	(4,571,241)
Benefit Payments	(621,354)	(621,354)	0
Transfers from Interfund Offset		0	0
Administrative Expense		0	0
Other Changes	0	0	0
Net Changes	<u>\$1,309,314</u>	<u>\$4,929,187</u>	<u>(\$3,619,873)</u>
Balance as of 6/30/2021	<u><u>\$13,530,343</u></u>	<u><u>\$19,768,304</u></u>	<u><u>(\$6,237,961)</u></u>

VII. NET OPEB LIABILITY (cont'd)

D. Sensitivity of the Net OPEB Liability to Changes in Discount Rate as of June 30, 2021

The following presents the Net OPEB Liability as of June 30, 2021 calculated using the discount rate of 7.00%, as well as what the Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.00%	7.00%	8.00%
Plan's Net OPEB Liability as of June 30, 2021:	(5,084,419)	(6,237,961)	(7,279,909)

E. Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rate as of June 30, 2021

The following presents the Net OPEB Liability as of June 30, 2021 calculated using the trend rate of 5.5% down by the getzen model to 4.04%, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower (4.5% down by the getzen model to 4.04%) or 1-percentage-point higher (6.5% down by the getzen model to 5.04%) than the current rate:

	<u>1% Decrease</u>	<u>Current HCCTR</u>	<u>1% Increase</u>
	4.5% down by the getzen model to 4.04%	5.5% down by the getzen model to 4.04%	6.5% down by the getzen model to 5.04%
Plan's Net OPEB Liability as of June 30, 2021:	(7,556,708)	(6,237,961)	(4,724,873)

VII. NET OPEB LIABILITY (cont'd)

F. Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Fiscal Years

Fiscal Year Ending	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Total OPEB Liability (TOL)										
Service Cost	\$ 268,350	\$ 265,229	\$ 280,508	\$ 351,633	\$ 458,081	\$ 478,396				
Interest on TOL	832,572	817,113	753,204	706,746	569,415	587,952				
Differences between exp. and actual experience	(1,226,879)	(76,848)	(619,447)	(62,063)	(1,006,063)	(148,098)				
Changes of assumptions	2,056,625	(119,745)	675,570	(1,585,142)	55,591	(87,740)				
Changes in benefit terms	0	0	0	0	0	0				
Benefit payments	(621,354)	(795,694)	(802,814)	(1,080,266)	(1,411,169)	(1,625,536)				
Net Change in TOL	1,309,314	90,055	287,021	(1,669,092)	(1,334,145)	(795,026)				
Total OPEB Liability - beginning	12,221,029	12,130,974	11,843,953	13,513,045	14,847,190	15,642,216				
Total OPEB Liability - end (a)	\$ 13,530,343	\$ 12,221,029	\$ 12,130,974	\$ 11,843,953	\$ 13,513,045	\$ 14,847,190				
Plan Fiduciary Net Position (FNP)										
Contributions - Employer	\$ 979,300	\$ 1,382,277	\$ 1,002,814	\$ 1,355,266	\$ 4,615,354	\$ 1,988,829				
Contributions - Employee	0	0	0	0	40,786	40,707				
Net investment income	4,571,241	644,877	885,100	903,647	821,890	382,592				
Benefit payments	(621,354)	(795,694)	(802,814)	(1,080,266)	(1,411,169)	(1,625,536)				
Transfers from Interfund Offset	0	0	0	0	0	0				
Administrative expense	0	(9,500)	(29,875)	(10,000)	0	10,000				
Other changes	0	0	0	0	0	0				
Net Changes in FNP	4,929,187	1,221,960	1,055,225	1,168,647	4,066,861	796,592				
Fiduciary Net Position - beginning	14,839,117	13,617,157	12,561,932	11,393,285	7,326,424	6,539,832				
Fiduciary Net Position - end (b)	\$ 19,768,304	\$ 14,839,117	\$ 13,617,157	\$ 12,561,932	\$ 11,393,285	\$ 7,336,424				
Net OPEB Liability - ending (a) - (b)	\$ (6,237,961)	\$ (2,618,088)	\$ (1,486,183)	\$ (717,979)	\$ 2,119,760	\$ 7,510,766				
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	146.10%	121.42%	112.25%	106.06%	84.31%	49.41%				
Covered Employee Payroll	\$ 25,724,748	\$ 23,311,000	\$ 22,853,867	\$ 28,472,000	\$ 27,913,968	\$ 26,536,823				
Net OPEB Liability as a percentage of covered employee payroll	-24.25%	-11.23%	-6.50%	-2.52%	7.59%	28.30%				

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

VIII. SCHEDULE OF PLAN CONTRIBUTIONS

A. Schedule of Plan Contributions - Last 10 Fiscal Years

Fiscal Year Ending Valuation Date	6/30/2021 7/1/2020	6/30/2020 7/1/2018	6/30/2019 7/1/2018	6/30/2018 7/1/2016	6/30/2017 7/1/2016	6/30/2016 7/1/2014	6/30/2015 7/1/2013	6/30/2014 7/1/2012	6/30/2013 7/1/2011	6/30/2012 7/1/2010
Actuarially Determined Contribution	\$ -	\$ 145,463	\$ 223,391	\$ 495,897	\$ 1,385,398	\$ 1,686,674				
Contributions in relation to the actuarially determined contribution	<u>\$ 979,300</u>	<u>\$ 1,382,277</u>	<u>\$ 1,002,814</u>	<u>\$ 1,355,266</u>	<u>\$ 4,615,354</u>	<u>\$ 1,988,829</u>				
Contribution deficiency / (excess)	<u>\$ (979,300)</u>	<u>\$ (1,236,814)</u>	<u>\$ (779,423)</u>	<u>\$ (859,369)</u>	<u>\$ (3,229,956)</u>	<u>\$ (302,155)</u>				
Covered Employee Payroll	\$ 25,724,748	\$ 23,311,000	\$ 22,853,867	\$ 28,472,000	\$ 27,913,968	\$ 26,536,823				
Contributions as a percentage of covered employee payroll	3.81%	5.93%	4.39%	4.76%	16.53%	7.49%				
Expected Benefit Costs	\$ 603,951	\$ 845,418	\$ 815,102	\$ 1,114,220	\$ 1,385,398	\$ 1,686,674				
Contribution Without Subsidy	\$ 390,568	\$ 536,695	\$ 507,204	\$ 706,975	\$ 874,780	\$ 1,062,569				
Implicit Subsidy	\$ 213,383	\$ 308,723	\$ 307,898	\$ 407,245	\$ 510,618	\$ 624,105				

IX. SCHEDULE OF INVESTMENT RETURNS

A. Schedule of Investment Returns - Last 10 Fiscal Years

Fiscal Year Ending	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Annual money-weighted rate of return, net of investment expense	30.44%	4.64%	7.00%	7.84%	9.18%	5.60%				

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

X. OPEB EXPENSE

A. OPEB Expense for the Fiscal Year Ending June 30, 2021

1. Service Cost as of July 1, 2020	\$	250,794
2. Interest on the Total OPEB Liability		
a. Total OPEB Liability as of July 1, 2020		\$12,221,029
b. Service Cost		250,794
c. Expected benefit payments (time-weighted)		(327,140)
d. Average expected Total OPEB Liability	\$	12,144,683
e. Discount Rate		7.00%
f. Interest on the Total OPEB Liability [(d) x (e)]	\$	850,128
3. Projected earning on OPEB plan investments		
a. Fiduciary Net Position as of July 1, 2020		\$14,839,117
b. Plan Contributions (time-weighted)		530,454
c. Expected benefit payments (time-weighted)		(327,140)
d. Average expected Fiduciary Net Position	\$	15,042,431
e. Long Term Rate of Return on Investments		7.00%
f. Earnings on Fiduciary Net Position [(d) x (e)]	\$	1,052,970
4. Recognition of Deferred Outflows and (Inflows) of Resources ¹		
a. Difference between expected and actual experience	\$	(320,348)
b. Changes of assumptions	\$	133,146
c. Difference between projected and actual earnings on Plan investments	\$	(696,643)
d. Total recognized deferred outflow and (inflows) of resources [(a) + (b) + (c)]	\$	(883,845)
5. Employee Contributions		
	\$	0
6. Administrative Expenses		
	\$	0
7. Other changes		
	\$	0
8. Total OPEB Expense for the Fiscal Year Ending June 30, 2021		
	\$	(835,893)
[(1) + (2.f) - (3.f) + (4.d) + (5) + (6) + (7)]		

¹ Please refer to Section XI for details of the recognition of deferred outflows and inflows of resource.

X. OPEB EXPENSE

B. OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to the Plan

The Plan's deferred outflows of resources and deferred (inflows) of resources as of June 30, 2021 are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
1. Difference between expected and actual experience	\$ 0	\$ (2,228,405)
2. Changes of assumptions	\$ 2,308,695	\$ (1,093,350)
3. Difference between projected and actual earnings on Plan investments	<u>\$ 197,750</u>	<u>\$ (2,834,012)</u>
4. Total Deferred Outflows / (Inflows)	<u><u>\$ 2,506,446</u></u>	<u><u>\$ (6,155,766)</u></u>

Amounts reported as deferred outflows of resources and deferred (inflows) of resources will be recognized in OPEB expense as follows:

5. Fiscal Year Ending:	June 30, 2022	\$ (844,245)
	June 30, 2023	\$ (824,850)
	June 30, 2024	\$ (825,121)
	June 30, 2025	\$ (875,236)
	June 30, 2026	\$ (162,345)
	Thereafter	<u>\$ (117,524)</u>
	Total	<u><u>\$ (3,649,321)</u></u>

XI. DEFERRED OUTFLOWS AND INFLOWS

A. Schedule of Differences Between Expected and Actual Plan Experience (Combined)

Year Ending	Difference Between Expected and Actual Experience	Recognition Period (Years)	Deferred Outflow/ (Inflow) as of 7/1/2020	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience										
				6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030	6/30/2031
6/30/2016	(148,098)	9.196	(69,577)	(15,704)	(15,704)	(15,704)	(15,704)	(4,315)	(1,536)	(910)	0	0	0	0
6/30/2017	(1,006,063)	9.784	(645,863)	(90,050)	(90,050)	(90,050)	(90,050)	(90,050)	(84,020)	(62,134)	(49,460)	0	0	0
6/30/2018	(62,063)	8.996	(44,337)	(5,909)	(5,909)	(5,909)	(5,909)	(5,909)	(5,902)	(4,563)	(4,326)	0	0	0
6/30/2019	(619,447)	9.049	(493,244)	(63,101)	(63,101)	(63,101)	(63,101)	(63,101)	(63,101)	(63,101)	(41,549)	(9,988)	0	0
6/30/2020	(76,848)	9.612	(68,853)	(7,995)	(7,995)	(7,995)	(7,995)	(7,995)	(7,995)	(7,995)	(7,995)	(4,893)	0	0
6/30/2021	(1,226,879)	8.917	(1,226,879)	(137,589)	(137,589)	(137,589)	(137,589)	(137,589)	(137,589)	(137,589)	(137,589)	(126,167)	0	0
				\$ (320,348)	\$ (320,348)	\$ (320,348)	\$ (320,348)	\$ (308,959)	\$ (300,143)	\$ (276,292)	\$ (240,919)	\$ (141,048)	\$ -	\$ -

B. Schedule of Changes in Plan Assumptions (Combined)

Year Ending	Difference Between Expected and Actual Experience	Recognition Period (Years)	Deferred Outflow/ (Inflow) as of 7/1/2020	Increase/(Decrease) in OPEB Expense Arising from the Recognition of the Effects of Changes of Plan Assumptions										
				6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028	6/30/2029	6/30/2030	6/30/2031
6/30/2016	(87,740)	9.196	(44,459)	(8,656)	(8,656)	(8,656)	(8,656)	(4,428)	(3,395)	(2,011)	0	0	0	0
6/30/2017	55,591	9.784	34,044	5,386	5,386	5,386	5,386	5,386	4,535	1,435	1,145	0	0	0
6/30/2018	(1,585,142)	8.996	(1,118,324)	(155,606)	(155,606)	(155,606)	(155,606)	(155,606)	(155,363)	(94,933)	(89,998)	0	0	0
6/30/2019	675,570	9.049	527,892	73,839	73,839	73,839	73,839	73,839	73,839	73,839	9,493	1,526	0	0
6/30/2020	(119,745)	9.612	(107,287)	(12,458)	(12,458)	(12,458)	(12,458)	(12,458)	(12,458)	(12,458)	(12,458)	(7,623)	0	0
6/30/2021	2,056,625	8.917	2,056,625	230,641	230,641	230,641	230,641	230,641	230,641	230,641	230,641	230,641	211,497	0
				\$ 133,146	\$ 133,146	\$ 133,146	\$ 133,146	\$ 137,374	\$ 137,799	\$ 196,513	\$ 138,823	\$ 205,400	\$ -	\$ -

C. Schedule of Difference Between Projected and Actual Earnings on Plan Investments (Combined)

Year Ending	Difference Between Expected and Actual Experience	Recognition Period (Years)	Deferred Outflow/ (Inflow) as of 7/1/2020	Increase/(Decrease) in OPEB Expense Arising from the Recognition of Difference Between Projected and Actual Earnings on Plan Investments						
				6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	
6/30/2017	(197,995)	5.000	(39,599)	(39,599)	(0)	0	0	0	0	0
6/30/2018	(96,977)	5.000	(38,791)	(19,396)	(19,395)	0	0	0	0	0
6/30/2019	1,353	5.000	812	271	271	271	(0)	0	0	0
6/30/2020	328,680	5.000	262,944	65,736	65,736	65,736	65,736	(0)	0	0
6/30/2021	(3,518,271)	5.000	(3,518,271)	(703,655)	(703,655)	(703,655)	(703,655)	(703,651)	0	0
				\$ (696,643)	\$ (657,043)	\$ (637,648)	\$ (637,919)	\$ (703,651)	\$ -	\$ -

XI. DEFERRED OUTFLOWS AND INFLOWS

D. Plan Demographics to July 1, 2020

Status	<u>Count</u>	<u>Avg. Future Service</u>
Active	325	9.502
Retirees and Beneficiaries	<u>24</u>	<u>1.000</u>
Total	349	8.917

XII. CALCULATION OF ANNUAL RECOMMENDED CONTRIBUTION

The Annual Determined Contribution (ARC) of the employer is the portion of the present value of future benefits that is allocated in the current fiscal year. It is made of the following components:

A.	Normal cost, or the portion of the APV attributable to service in the current year	
B.	30 year Amortization of the Net OPEB Liability resulting from plan amendments, actuarial (gains)/losses or initial adoption(s) of the plan	
C.	Interest Cost, or the expected increase in the AAL attributable to the passage of time (during the year)	
A.	Normal cost as of July 1, 2020	\$ 250,794
B.	Amortization of Net OPEB Liability	
1.	Amortization of NOL	\$ (197,179)
2.	Amortization of NOL: plan amendments	0
3.	Amortization of NOL: (gains)/losses	0
4.	Amortization of NOL, [(1) + (2) + (3)]	\$ (197,179)
C.	Interest on Normal Cost and Net OPEB Liability	
1.	Normal Cost + Amortization of NOL, [(A) + (B.4)]	\$ 53,615
2.	Interest to end of period at 7.00%	\$ 3,753
D.	Present Value of Future Contributions	
1.	Actuarial Present Value of Future Benefit Payments	\$ 15,961,000
2.	Plan Fiduciary Net Position	\$ 13,530,000
3.	Plan Deficit (Surplus) [(2) - (1)]	\$ (2,431,000)
4.	Present Value of Future Contributions [(3) but not less than zero]	\$ 0
E.	Annual Recommended Contribution [Lesser of (A) + (B.4) + (C.2) or (D.4)]	\$ 0
F.	Alternative Contribution Calculation (20 year amortization basis)	\$ 0

Note: Line D(4) shows Plan Assets are sufficient to pay for projected future benefit payments

XIII. PER CAPITA MEDICAL COSTS (Town)

A. Under Age 65 Per Capita Medical Costs, July 1, 2020

1.	Average annual premium for individual coverage	7,476.00
2.	Average annual premium for family coverage	19,008.00
3.	Average age of covered participants under 65:	49.00
4.	Factor to adjust to age 65 per assumptions for male participant	196.50%
5.	Estimate fiscal 2020 individual claims costs adjusted to age 65 basis:	14,690
6.	Estimate fiscal 2020 family claims costs adjusted to age 65 basis:	37,351
7.	Sample projected claims costs per age:	

<u>Age</u>	<u>Participant</u>	<u>Spouse</u>
40	5,685	8,770
45	6,403	9,877
50	7,829	12,076
55	9,613	14,828
60	11,744	18,115
65	14,690	22,661
70	17,511	27,011
75	21,336	32,911
80	25,708	39,655
85	30,284	46,715
90	34,752	53,607

B. Historical Medical Premiums - Monthly

		<u>7/1/2016</u>	<u>7/1/2018</u>	<u>7/1/2020</u>
1.	Healthmate Coast to Coast - Police			
	a. Single Coverage	624.69	657.08	668.98
	b. Family Coverage	1,572.01	1,605.35	1,636.22
2.	Healthmate Coast to Coast - DPW			
	a. Single Coverage	574.95	550.75	561.77
	b. Family Coverage	1,444.37	1,429.26	1,457.85
3.	Healthmate Coast to Coast - Fire, Dispatcher, Non-Union			
	a. Single Coverage	619.87	595.08	606.98
	b. Family Coverage	1,559.96	1,543.35	1,574.22

XIII. PER CAPITA MEDICAL COSTS (School)

A. Under Age 65 Per Capita Medical Costs, July 1, 2020

1.	Average annual premium for individual coverage	9,765.96
2.	Average annual premium for family coverage	24,536.64
3.	Average age of covered participants under 65:	51.00
4.	Factor to adjust to age 65 per assumptions for male participant	179.40%
5.	Estimate fiscal 2020 individual claims costs adjusted to age 65 basis:	17,520.12
6.	Estimate fiscal 2020 family claims costs adjusted to age 65 basis:	44,018.70
7.	Sample projected claims costs per age:	

<u>Age</u>	<u>Participant</u>	<u>Spouse</u>
40	6,780	10,255
45	7,636	11,550
50	9,337	14,121
55	11,464	17,339
60	14,006	21,183
65	17,520	26,499
70	20,502	31,008
75	24,679	37,326
80	29,425	44,504
85	34,751	52,559
90	39,682	60,017

B. Historical Medical Premiums - Monthly

		<u>7/1/2016</u>	<u>7/1/2018</u>	<u>7/1/2020</u>
1.	Healthmate Coast to Coast - Certified (4C48)			
	a. Single Coverage	638.47	692.24	813.83
	b. Family Coverage	1,606.76	1,742.08	2,044.72
2.	Healthmate Coast to Coast - Non Union (8684)			
	a. Single Coverage	638.47	692.24	813.83
	b. Family Coverage	1,606.76	1,742.08	2,044.72
3.	Healthmate Coast to Coast - Custodian (1C03)			
	a. Single Coverage	638.47	692.24	813.83
	b. Family Coverage	1,606.76	1,742.08	2,044.72

XIV. PARTICIPANT DATA (Town)

A. Reconciliation of Participant Data

	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
Total as of July 1, 2018	49	11	60
New Entrants	-	n/a	0
Terminations	(6)	n/a	(6)
Active deaths	-	n/a	0
New retirees	(2)	2	0
New beneficiaries	-	-	0
Retiree/beneficiary deaths	n/a	-	0
Dropped coverage	n/a	(7)	(7)
Data adjustments	-	-	0
Total as of July 1, 2020	41	6	47

B. Age and Service Distribution of Members

1. Eligible Active Members:

Complete Years of Service as of July 1, 2020

<i>Attained</i>							
<u>Age</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-29</u>	<u>30+</u>	<u>Total</u>
Under 25	-	-	-	-	-	-	-
25-29	-	1	-	-	-	-	1
30-34	-	1	2	-	-	-	3
35-39	-	-	5	1	-	-	6
40-44	-	-	2	3	1	-	6
45-49	-	-	2	-	4	-	6
50-54	-	-	2	1	5	1	9
55-59	-	-	-	-	4	4	8
60-64	-	-	-	-	-	1	1
65+	-	-	-	-	-	1	1
Total	-	2	13	5	14	7	41

XIV. PARTICIPANT DATA (cont'd) (Town)

2. Retired Members:

<u>Attained Age</u>	<u>Individual Coverage</u>	<u>Family Coverage</u>	<u>Total</u>
Under 50	-	1	1
50-54	-	-	-
55-59	-	-	-
60-64	-	5	5
65-69	-	-	-
70-74	-	-	-
75+	-	-	-
Total	-	6	6

XIV. PARTICIPANT DATA (cont'd) (Town)

C. Participant Statistics

1. Eligible Active Members:

	Police	Fire	DPW	Dispatcher	Town	Total
Count:	18	13	6	1	3	41
Average age:	46.0	43.1	59.5	36.2	56.9	47.6
Average past service:	20.0	16.6	32.6	12.5	30.3	21.4
Average future service until retirement:	11.0	12.9	3.5	30.8	10.1	10.9
Average age of retirement:	57.0	56.0	63.0	67.0	67.0	58.5

2. Retired Members and Spouses:

	Police	Fire	DPW	Dispatcher	Town	Total
Count:	-	3	2	-	1	6
Average age under 65:	-	54.3	64.7	-	63.2	59.3
Average age over 65:	-	-	-	-	-	-
Average age all retirees:	-	54.3	64.7	-	63.2	59.3
Expected future lifetime:	-	29.5	20.7	-	-	29.5

XIV. PARTICIPANT DATA (School)

A. Reconciliation of Participant Data

	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
Total as of July 1, 2018	308	34	342
New Entrants	-	n/a	0
Terminations	(20)	n/a	(20)
Active deaths	-	n/a	0
New retirees	(4)	4	0
New beneficiaries	-	-	0
Retiree/beneficiary deaths	n/a	-	0
Dropped coverage	n/a	(20)	(20)
Data adjustments	-	-	0
Total as of July 1, 2020	284	18	302

B. Age and Service Distribution of Members

1. Eligible Active Members:

<i>Attained</i>	Complete Years of Service as of July 1, 2020							<i>Total</i>
	<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+</u>	
<i>Age</i>								
Under 25	-	-	-	-	-	-	-	0
25-29	-	-	-	-	-	-	-	0
30-34	-	6	1	-	-	-	-	7
35-39	-	8	9	3	-	-	-	20
40-44	-	3	11	26	4	-	-	44
45-49	-	-	6	22	16	2	-	46
50-54	-	4	10	11	11	7	4	47
55-59	-	-	16	10	13	7	7	53
60-64	-	1	6	12	14	7	3	43
65+	-	2	2	8	7	2	3	24
Total	0	24	61	92	65	25	17	284

XIV. PARTICIPANT DATA (cont'd) (School)

2. Retired Members:

<u>Attained Age</u>	<u>Total</u>	<u>Average Years of Coverage Remaining</u>
Under 50	-	-
50-54	-	-
55-59	-	-
60-64	4	3.5
65-69	5	1.9
70-74	6	1.0
75+	3	1.1
Total	18	1.8

XIV. PARTICIPANT DATA (cont'd) (School)

C. Participant Statistics

1. Eligible Active Members:

	Certified	Custodian	Non Union	Total
Count:	208	12	64	284
Average age:	49.9	56.2	59.3	52.3
Average past service:	18.8	17.5	18.5	18.7
Average future service until retirement:	13.1	8.2	6.0	11.3
Average age of retirement:	63.0	64.3	65.3	63.6

2. Retired Members and Spouses:

	Certified	Custodian	Non Union	Total
Count:	11	2	5	18
Average age under 65:	62.2	62.4	-	62.30
Average age over 65:	72.1	-	70.5	71.5
Average age all retirees:	70.3	62.4	70.5	69.5
Expected future lifetime:	20.2	25.6	20.5	20.9

XV. BREAKOUT OF LIABILITY BY GROUP (Town)

A. Headcounts	Police	Fire	DPW	Dispatcher	Town	Total
1. Actives	18	13	6	1	3	41
2. Retirees	0	3	2	0	1	6
3. Total	18	16	8	1	4	47
4. Payroll for Actives	\$ 1,292,000	\$ 870,000	\$ 333,000	\$ 51,000	\$ 184,000	\$ 2,730,000
B. Total OPEB Liability (TOL)						
1. Actives' TOL	\$ 1,197,794	\$ 716,991	\$ 511,752	\$ 17,858	\$ 324,171	\$ 2,768,566
2. Retirees' TOL	\$ 157,868	\$ 1,964,021	\$ 208,344	\$ 0	\$ 47,276	\$ 2,377,509
3. Total TOL	\$ 1,355,662	\$ 2,681,012	\$ 720,096	\$ 17,858	\$ 371,447	\$ 5,146,075
4. Normal Cost	\$ 27,350	\$ 22,548	\$ 1,051	\$ 938	\$ 0	\$ 51,887
C. Net Fiduciary Position (NFP)						
1. Estimated NFP	\$ 2,235,290	\$ 4,420,599	\$ 1,187,334	\$ 29,445	\$ 612,462	\$ 8,485,130
D. Exp. Benefit Payments						
	\$ 62,006	\$ 86,961	\$ 59,296	\$ 0	\$ 42,333	\$ 250,596
E. TOL as a Percent of Payroll						
	104.9%	308.2%	216.2%	35.0%	201.9%	188.5%

Note: Figures shown under Item A are as of July 1, 2020. Valuation results shown in Items B, C, D and E. are as of June 31, 2021 using 7.00% discount rate.

XV. BREAKOUT OF LIABILITY BY GROUP (School)

A. Headcounts	Certified	Custodian	Non Union	Total
1. Actives	208	12	64	284
2. Retirees	11	2	5	18
3. Total	219	14	69	302
4. Payroll for Actives	\$ 19,649,000	\$ 604,000	\$ 2,742,000	\$ 22,995,000
 B. Total OPEB Liability (TOL)				
1. Actives' TOL	\$ 4,412,817	\$ 526,887	\$ 2,678,025	\$ 7,617,729
2. Retirees' TOL	\$ 286,271	\$ 133,483	\$ 346,785	\$ 766,539
3. Total TOL	\$ 4,699,088	\$ 660,370	\$ 3,024,810	\$ 8,384,268
4. Normal Cost	\$ 125,102	\$ 15,854	\$ 85,851	\$ 226,807
 C. Net Fiduciary Position (NFP)				
1. Estimated NFP	\$ 6,323,824	\$ 888,696	\$ 4,070,654	\$ 11,283,174
D. Exp. Benefit Payments	\$ 146,388	\$ 49,873	\$ 225,791	\$ 422,052
E. TOL as a Percent of Payroll	23.9%	109.3%	110.3%	36.5%

Note: Figures shown under Item A are as of July 1, 2020. Valuation results shown in Items B, C, D and E. are as of June 31, 2021

XVI. GLOSSARY FOR OPEB AND GASB 75

Actuarial Accrued Liability (AAL) – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value (APV) of plan benefits and expenses allocated to all periods prior to the valuation date. This is the amount of the APV not provided by future Normal Costs.

- a) 100% of the actuarial present value of benefits expected to be paid (APV) to:
 - i) Retirees and their dependents
 - ii) Active employees who have attained their expected retirement date and their dependents

- b) Proportionate amount, based on employee service recognized up to the valuation date, of the actuarial present value of benefits expected to be paid (AAL) for active employees who have not yet attained their expected retirement date.

The AAL is the benefit obligation disclosed in the financial statements representing current plan liability.

Active Plan Participant – Any active employee who has rendered service during the credited service period and is expected to receive benefits, including benefits to or for any beneficiaries and covered dependents, under the Postemployment benefit plan.

Actuarial Cost Method or Funding Method – A procedure for determining the Actuarial Present Value of OPEB plan benefits and expenses and for developing an actuarial equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarial determined contribution (ADC) – A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Actuarial Present Value of Total Projected Benefits (APV) – The actuarial present value of the cost to finance, as of a specified date, all future benefit costs or a series of benefit costs, with each amount adjusted to reflect (a) the time value of money (through discounts for interest) and (b) the probability of payment (for example, by means of decrements for events such as death, disability, withdrawal or retirement) between the specified date and the expected date of payment. This includes benefits to current active members, terminated employees entitled to benefits but not yet receiving them, if any, retirees, their beneficiaries and any covered dependents pursuant to the terms of the OPEB plan. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.

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

Attribution Period – The period of an employee's service to which the actuarial present value of total projected benefits for that employee is assigned. The beginning of that period is generally the employee's date of hire and the end of the attribution period is the full eligibility date.

XVI. GLOSSARY FOR OPEB AND GASB 75

Discount Rate – The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

- a. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected (under the requirements of this Statement) to be greater than the benefit payments that are projected to be made in that 35 period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on **OPEB** plan investments
- b. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Entry Age Actuarial Cost Method – A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial accrued liability (AAL).

Full Eligibility Date – The date at which an employee has rendered all service necessary to receive full benefits under the plan.

Gains and Losses – Changes in the Unfunded Actuarial Accrued Liability (UAAL) that is the result of actual experience of the plan being different than what was expected.

Health Care Cost Trend Rate (HCCTR) – An assumption about the annual rate(s) of change in the cost of health care benefits which are currently provided by the Postemployment benefit plan, due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. The Health Care Cost Trend Rate implicitly considers estimates of health care inflation, changes in health care utilization or delivery patterns, technological advances, and changes in the health status of the plan participants.

Differing types of service, such as hospital care and dental care, may have different trend rates as may service for different portions of the plan population, such as Medicare eligible and non-Medicare eligible members.

XVI. GLOSSARY FOR OPEB AND GASB 75

Implicit Rate Subsidy – It is a common practice to permit retired employees to continue in the plan sponsor’s group health insurance plan at their own cost once eligibility for plan sponsor paid benefits is exhausted. This practice creates an OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees. Therefore, unless the premium rate for retirees is set to fully recover their health costs, the premium for active employees is implicitly overstated to subsidize utilization by retirees. This is called implicit rate subsidy. This rate subsidy is considered a benefit subject to OPEB valuation, included in GASB75.

The OPEB liability normally includes the cost of the implicit rate subsidy for the years in which the retiree is paying the insurance costs for continued coverage. When the retiree is eligible for Medicare, the cost of coverage is generally much closer to the premium cost. Therefore, there is no OPEB liability assumed for Medicare-eligible retirees paying 100% of the premium.

Interest on Total OPEB Liability – The accrual of interest on the TOL for the year of the valuation. It is calculated by applying the beginning of year Discount Rate to the sum of the Expected Benefit Payments and ToL as of the beginning of year.

Market Value (or Fair Value) of Plan Assets – The amount that a plan could reasonable expect to receive for an investment in a current sale between a willing buyer and a willing seller.

Market-Related Value of Plan Assets – A balance used to calculate the Expected Return of Plan Assets. Market-related value can be either fair value or a calculated value that recognizes changes in fair value in a systematic and rational manner over not more than five years.

Normal Cost – The portion of the Actuarial Present Value of Total Projected Benefits (APV) attributed to employee service during a valuation year by the Actuarial Cost Method.

Net OPEB Liability – The liability of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 3 of GASB 74.

OPEB Assets – The amount recognized by an employer for contributions to an OPEB plan greater than the OPEB expense.

OPEB Expenditures – The amount recognized by an employer in each accounting period for contributions to an OPEB plan on the modified accrual basis of accounting.

OPEB Expense – The amount recognized by an employer in each accounting period for contributions to an OPEB plan on the accrual basis of accounting.

OPEB Liabilities – The amount recognized by an employer in each accounting period for contributions to an OPEB plan less than OPEB expense/expenditures.

XVI. GLOSSARY FOR OPEB AND GASB 75

Open Group/Closed Group – Terms used to distinguish between two classes of Actuarial Cost Methods. Under an Open Group Actuarial Cost Method, Actuarial Present Values associated with expected future entrants are considered; under a Closed Group Actuarial Cost Method, Actuarial Present Values associated with expected future entrants are not considered.

Pay-As-You-Go (PAYGO) – A method of expensing retiree medical benefits recognizing as an expense the cash currently paid as benefits to retirees, spouses and covered dependents. The minimum method of financing a plan, having no pre-funding until benefits actually become payable.

Per Capita Benefit Cost by Age – The current cost of providing OPEB health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.

Plan Fiduciary Net Position – Assets which have been irrevocably dedicated to the payment of benefits under the

Postemployment – The period between termination of employment and retirement as well as the period after retirement.

Postemployment Benefits – All forms of benefits, other than retirement income (pensions), provided by the employer to the retiree, including, but not limited to, health care, life insurance and legal assistance.

Substantive Plan – The terms of a postemployment benefit plan as understood by an employer and plan members that provides postemployment benefits to the employees who render services in exchange for those benefits. The substantive plan is the basis for the accounting for this transaction. In some situations an employer's cost-sharing policy, as evidenced by past practice or by communication of intended changes to a plan's cost-sharing provisions, or a past practice of regular increases in certain monetary benefits may indicate that the substantive plan differs from the existing written plan.

Total OPEB Liability – The portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with the requirements of GASB 74. The total OPEB liability is the liability of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 3 of GASB 74.

Unfunded Actuarial Accrued Liability (UAAL) -- The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Valuation Date – The date as of which the plan assets and OPEB obligations are measured.