

Town of North Branford

Merit Service Retirement Plan for Volunteer Firefighters and Volunteer Ambulance Personnel

Actuarial Valuation as of July 1, 2024
To Determine Funding for Fiscal Year 2025-26

Prepared by

Scott Lindberg, FSA
Consulting Actuary



Table of Contents

	Page
Certification	1
Executive Summary	
i Summary of Principal Results	3
ii Changes Since the Prior Valuation	4
iii Asset Performance	5
iv Asset Forecast	6
v Membership	7
vi Accrued Liability	9
vii Funded Status	10
viii Actuarially Determined Contribution	11
ix Long-Range Forecast	12
x Asset Allocation Considerations	14
Exhibits	
1 Summary of Fund Transactions	15
2 Development of Actuarial Value of Assets	16
3 Past Service Cost	17
4 Actuarial Gains / Losses	18
5 Actuarially Determined Contribution	19
6 Long Range Funded Status Forecast	20
7 Long Range Cash Flow Forecast	21
8 History of Funded Status	22
9 History of Town Contributions	23
10 Reconciliation of Membership from Prior Valuation	24
11 Summary of Membership Data	25
12 Distribution of Inactive Membership	26
Appendices	
A Actuarial Funding Method	27
B Actuarial Assumptions	28
C Summary of Plan Provisions	29
D Risk Disclosure	31
E Glossary	36

Certification

As part of our engagement with the Town of North Branford ("Town"), we have performed an actuarial valuation of the Plan as of July 1, 2024. Our findings are set forth in this actuary's report. The main purposes of this valuation are to determine funding for fiscal year 2025-26, to review the Plan's experience since the prior valuation, and to assess the funded position of the Plan.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the Plan. The calculations in this report have been made on a basis consistent with our understanding of the Plan's funding policy and on our understanding of the plan provisions as summarized in this report. Determinations for purposes other than meeting these requirements, such as for financial reporting in accordance with GASB standards, may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

We believe that the measures of funded status contained herein are appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations and for assessing the need for or the amount of future contributions. Note that a Plan's funded status is dependent on the selection of both the actuarial cost method and the asset smoothing method; different measurements would result if, for instance, the Market Value of Assets were used in place of the Actuarial Value of Assets.

Actuarial assumptions, including interest rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Town, who is responsible for selecting the Plan's funding policy, actuarial cost methods, asset valuation methods, and actuarial assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The Town is solely responsible for communicating to Milliman any changes thereto. All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

This valuation is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements.

Certification (continued)

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the Town. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

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

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

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

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

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Scott Lindberg, FSA
Consulting Actuary

i. Summary of Principal Results

Actuarial Valuation for Plan Year Beginning	July 1, 2023	July 1, 2024
Membership		
Active Members	101	99
Terminated Members	21	20
Members in Pay Status	40	42
Total Count	162	161
Assets and Liabilities		
Market Value of Assets	\$3,312,928	\$3,862,261
Actuarial Value of Assets	3,497,358	3,896,291
Accrued Liability for Active Members	4,498,057	4,661,367
Accrued Liability for Terminated Members	586,891	624,250
Accrued Liability for Members in Pay Status	<u>1,950,621</u>	<u>2,204,514</u>
Total Accrued Liability	7,035,569	7,490,131
Unfunded Accrued Liability	3,538,211	3,593,840
Funded Ratio	49.7%	52.0%
Actuarially Determined Contribution		
For Fiscal Year	2024-25	2025-26
Normal Cost	\$99,924	\$101,520
Past Service Cost	252,533	267,789
Interest	<u>22,910</u>	<u>24,005</u>
Actuarially Determined Contribution	375,367	393,314

ii. Changes Since the Prior Valuation

Plan Experience

From July 1, 2023 to July 1, 2024, the plan's assets earned 11.03% on a Market Value basis and 6.26% on an Actuarial Value basis. The interest rate assumption for this period was 6.50%; the result is an asset gain of about \$0.2 million on a Market Value basis and a loss of about \$9,000 on an Actuarial Value basis.

From July 1, 2023 to July 1, 2024, the Accrued Liability was expected to grow from \$7.0 million to \$7.4 million, based on expected changes in the plan's membership per the actuarial assumptions. Actual changes in the plan's membership during this period resulted in an Accrued Liability as of July 1, 2024 of \$7.5 million (measured before any changes in the plan provisions or the actuarial methods and assumptions). This difference of \$95,000 between the expected Accrued Liability and the actual Accrued Liability is termed a 'liability loss'. The primary factors contributing to this liability loss were: (1) a modest loss from new entrants and rehires; (2) a small loss from mortality experience, with fewer deaths than expected; and (3) a small gain from higher terminations and retirements than expected.

Plan Changes

None.

Changes in Actuarial Assumptions

None.

Changes in Actuarial Methods

None.

Other Significant Changes

None.

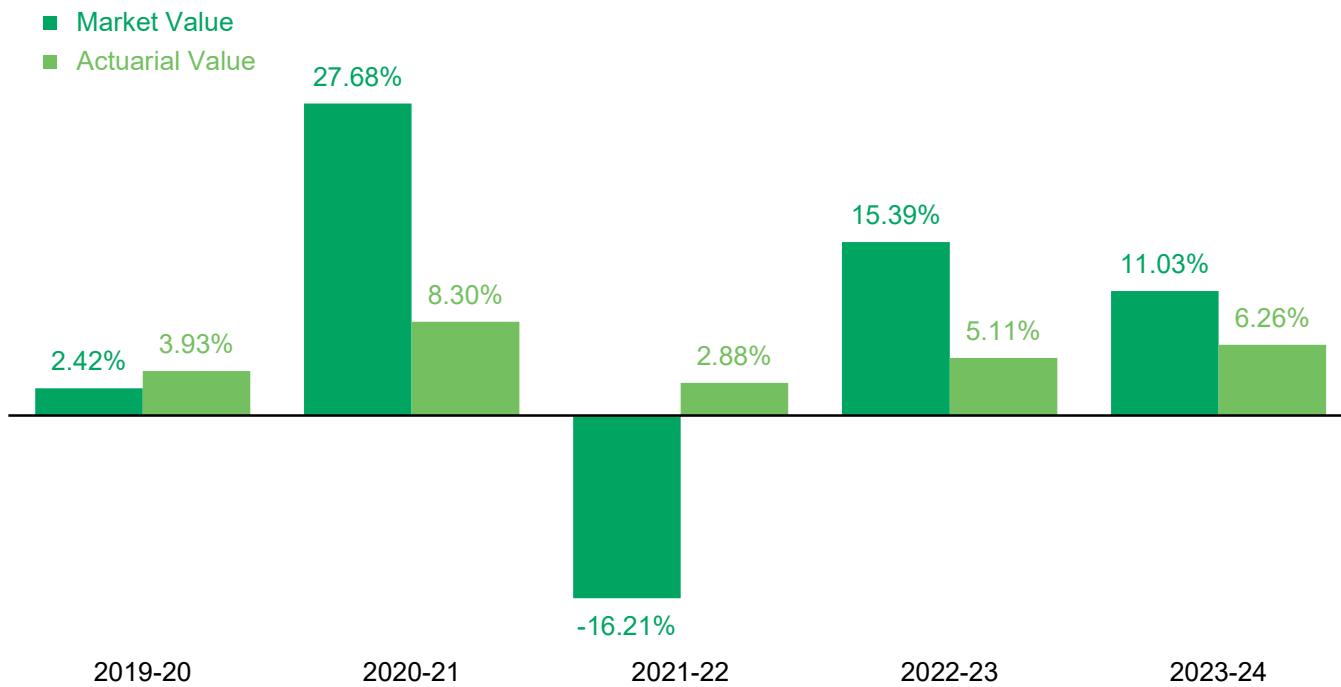
iii. Asset Performance

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

	Market Value	Actuarial Value
Value as of July 1, 2023	\$3,312,928	\$3,497,358
Town Contributions and Member Contributions	389,805	389,805
Investment Income	374,890	224,490
Benefit Payments and Administrative Expenses	(215,362)	(215,362)
Value as of July 1, 2024	3,862,261	3,896,291

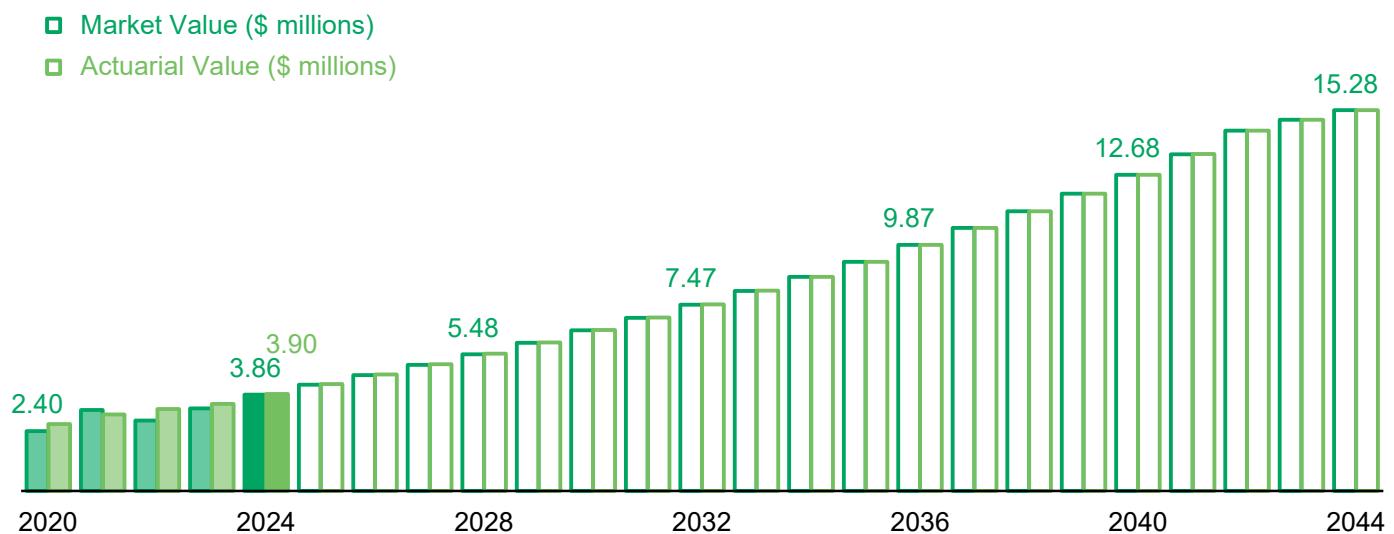
The Actuarial Value currently exceeds the Market Value by \$34,000. This figure represents investment losses that will be gradually recognized in future years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

Historical rates of return are shown in the graph below:

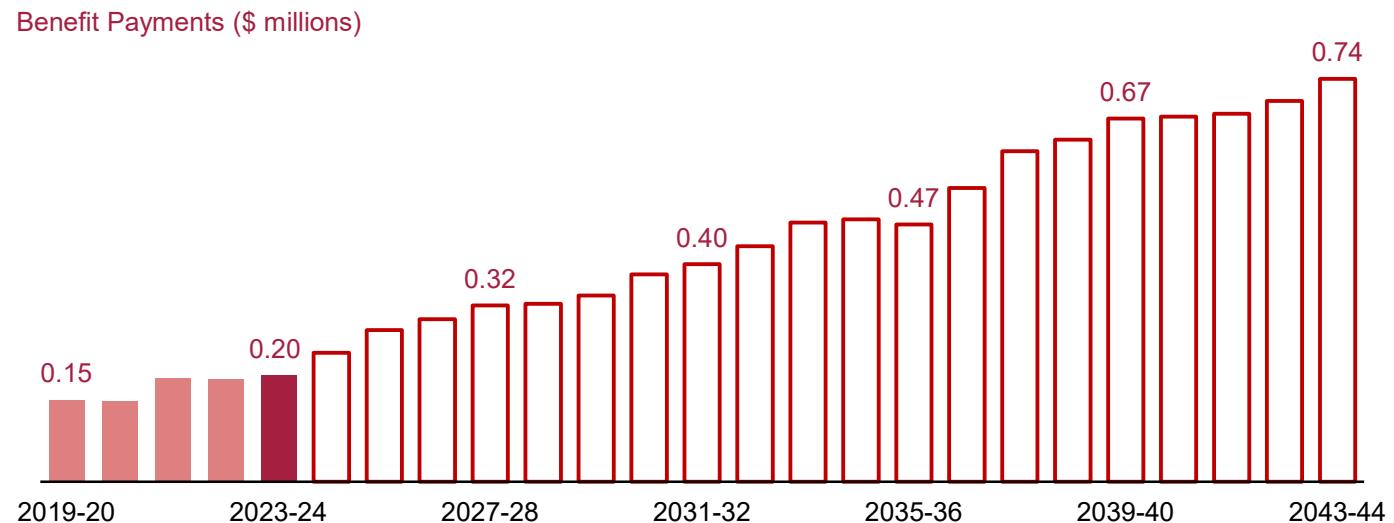


iv. Asset Forecast

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



In 2023-24, the plan paid out \$0.2 million in benefits to members. Over the next 20 years, the plan is projected to pay out a total of \$10 million in benefits to members.

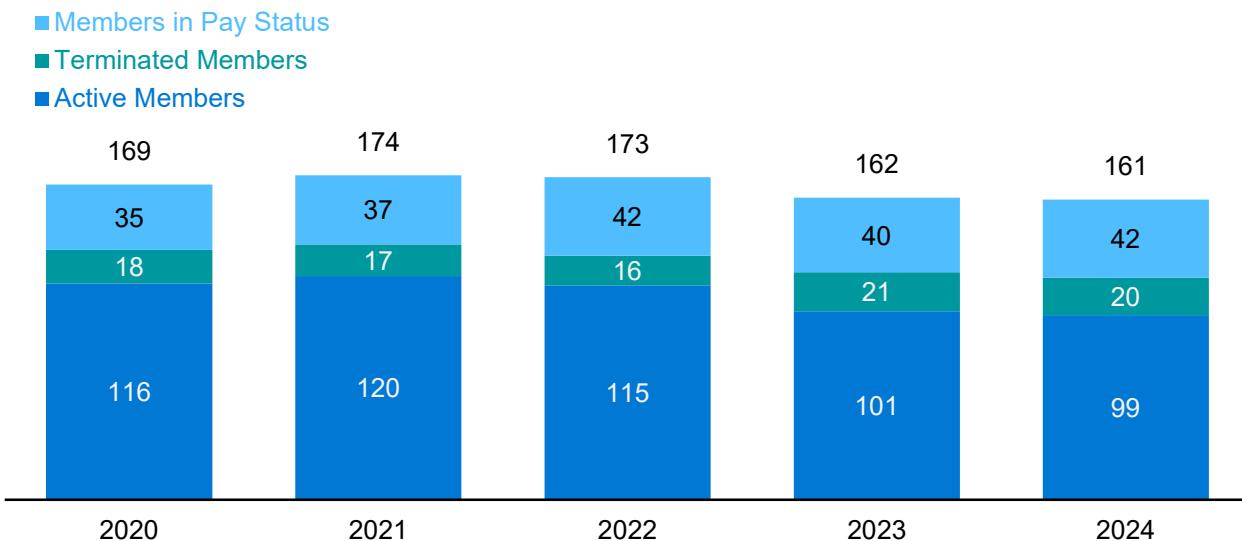


To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Appendix A for more details of the long range forecast.

v. Membership

Overview

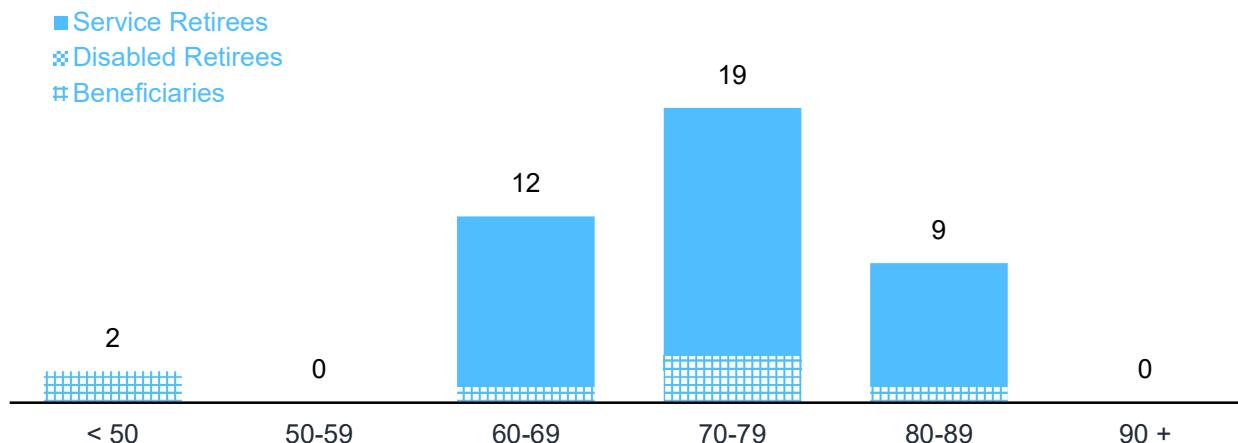
There are three basic categories of plan members included in the valuation: (1) active volunteers who have met the eligibility requirements for membership, (2) members who are currently receiving monthly pension benefits, and (3) former volunteers who have a right to benefits but have not yet started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



Members in Pay Status on July 1, 2024

Service Retirees	35	Average Age	72.3
Disabled Retirees	0	Total Annual Benefit	\$216,268
Beneficiaries	7	Average Annual Benefit	5,149
Total	42		

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



v. Membership (continued)

Terminated Vested Members on July 1, 2024

Count	20
Average Age	54.1
Total Annual Benefit	\$94,486
Average Annual Benefit	4,724

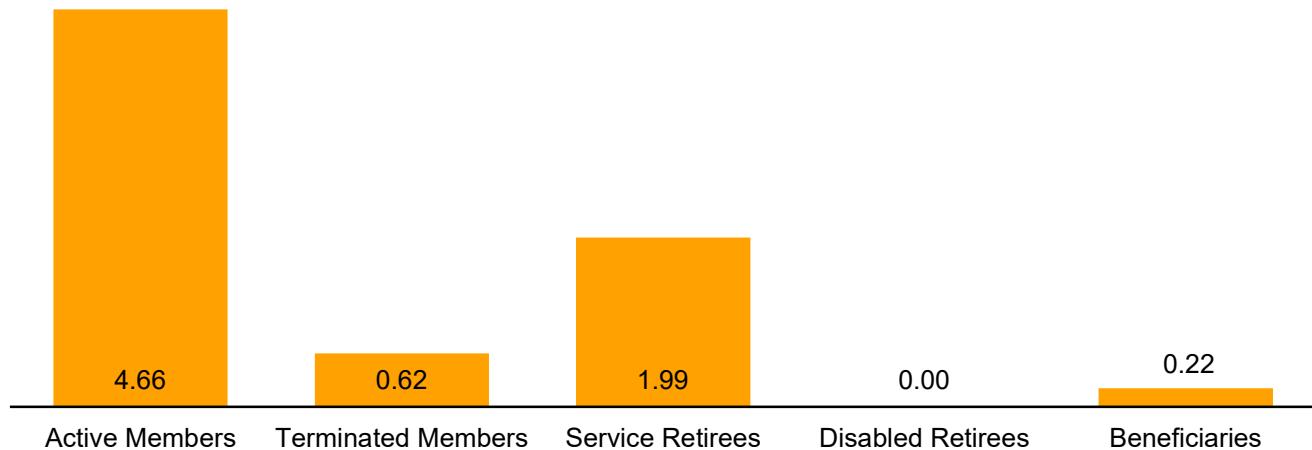
Active Members on July 1, 2024

Count	99
Average Age	41.9
Average Service	16.4

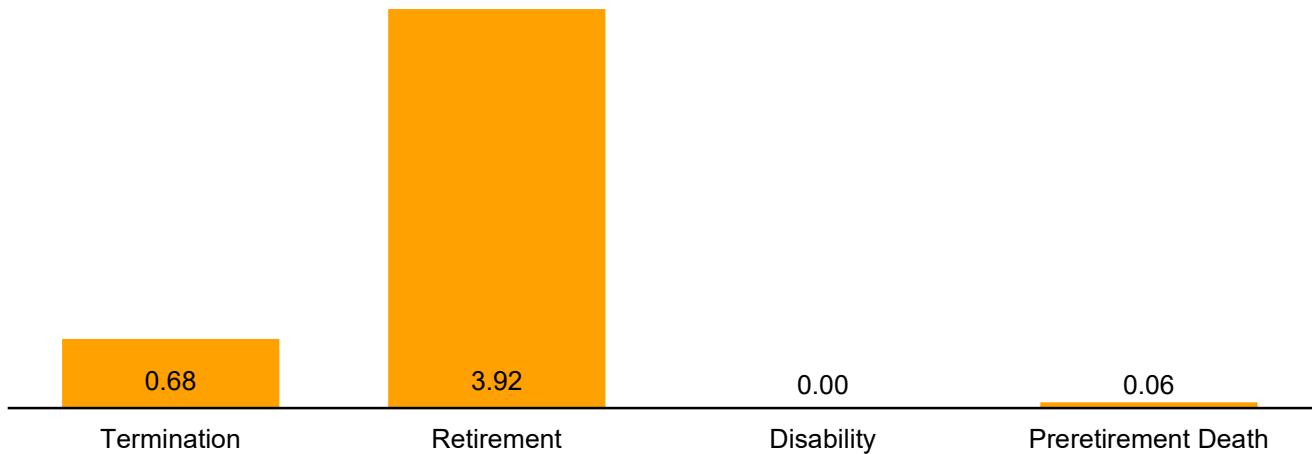
Age	Years of Service							Total
	0-4	5-9	10-14	15-19	20-24	25-29	30+	
< 25	12	3						15
25-29	2	7	1					10
30-34	2	7	5	1				15
35-39	1			3	1			5
40-44	1	1	1	3	1			7
45-49	1			5	3	2		11
50-54	2	4	1	1		1	5	14
55-59		2		2	2	1	5	12
60-64		2		1	2	1	3	9
65+		1						1
Total	21	27	8	16	9	5	13	99

vi. Accrued Liability

The Accrued Liability as of July 1, 2024 equals \$7,490,131, which consists of the following pieces (in \$ millions):

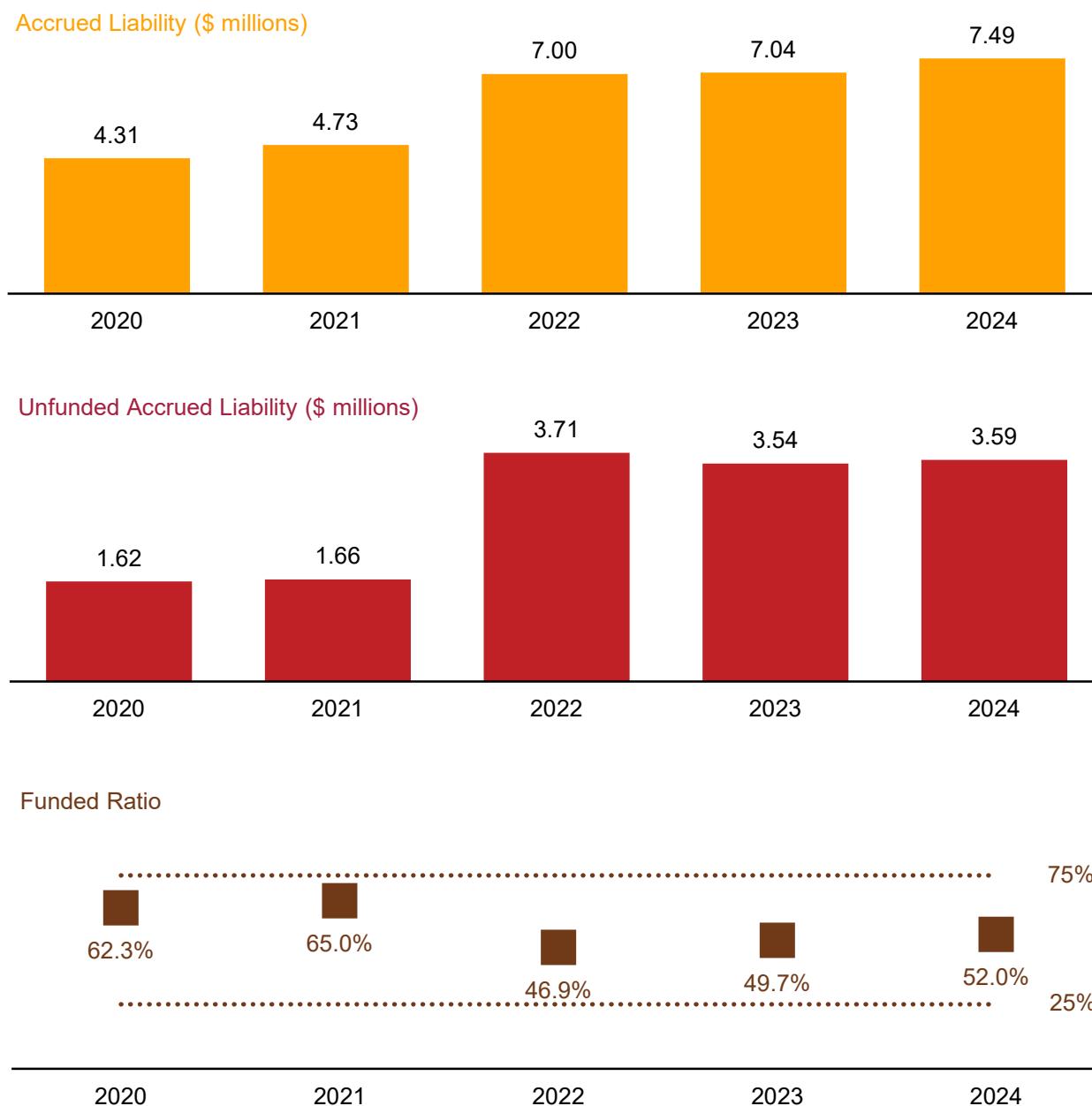


The Accrued Liability for active members can be broken down further by the different types of benefits provided by the plan:



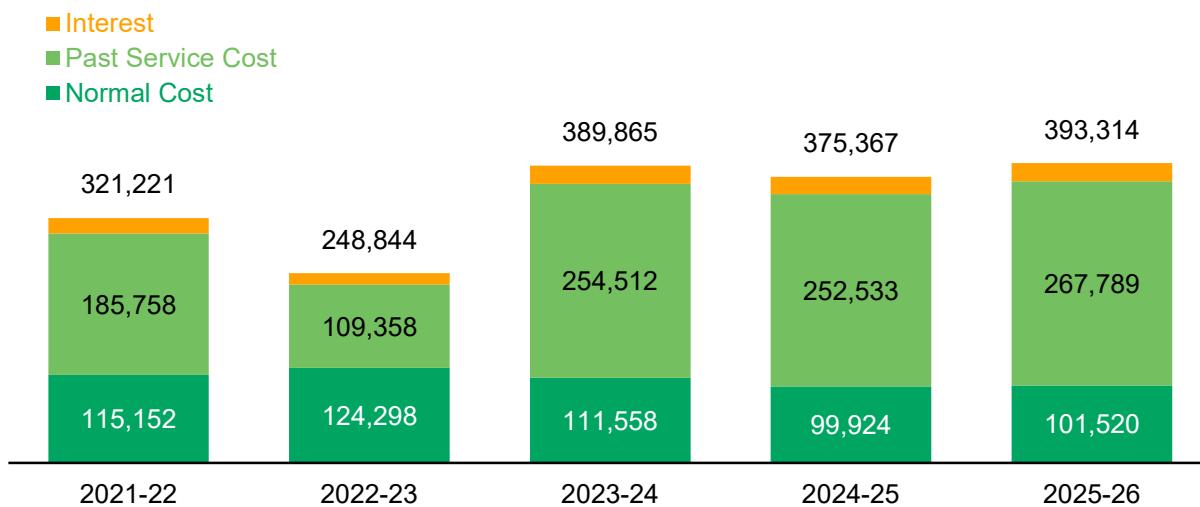
vii. Funded Status

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



viii. Actuarially Determined Contribution (ADC)

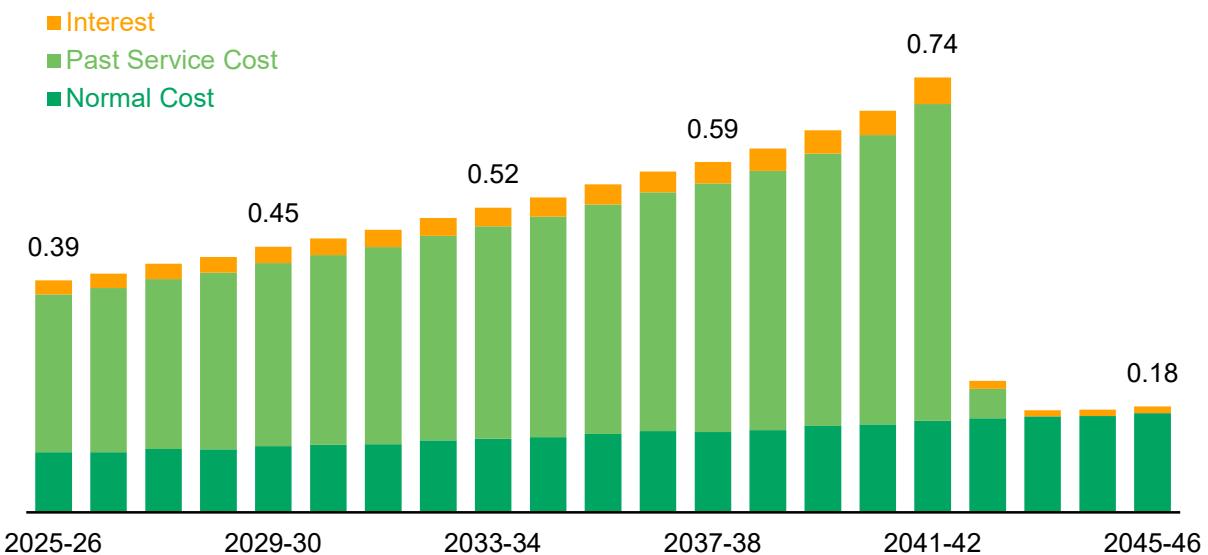
The ADC consists of three pieces: a Normal Cost payment to fund the benefits earned each year, a Past Service Cost to gradually reduce any unfunded or surplus liability, and Interest to reflect the time lag between the valuation date and the date contributions are paid. The ADC for fiscal year 2025-26 is \$393,314. The ADC for the past five years is shown below:



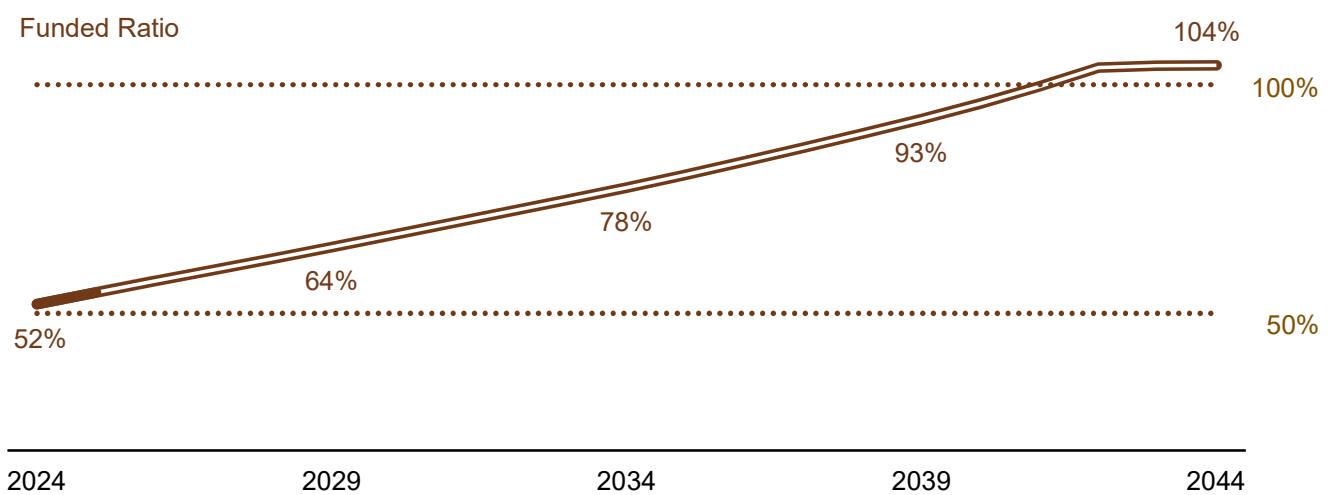
Actuarial Standard of Practice (ASOP) No. 4 requires the actuary to calculate and disclose a 'reasonable' ADC, which considers whether the actuarial methods and actuarial assumptions are in compliance with all applicable ASOPs. Based on the actuarial assumptions and methods used in this report, we believe the ADC meets this standard and reflects a balance among benefit security for plan members, intergenerational equity among stakeholders, and stability of periodic costs.

ix. Long-Range Forecast

If the Town pays the Actuarially Determined Contribution each year, the investments earn exactly the assumed interest rate each year, and there are no changes in the plan provisions or in the actuarial methods and assumptions, then we project the following long-range Actuarially Determined Contributions (in \$ millions):



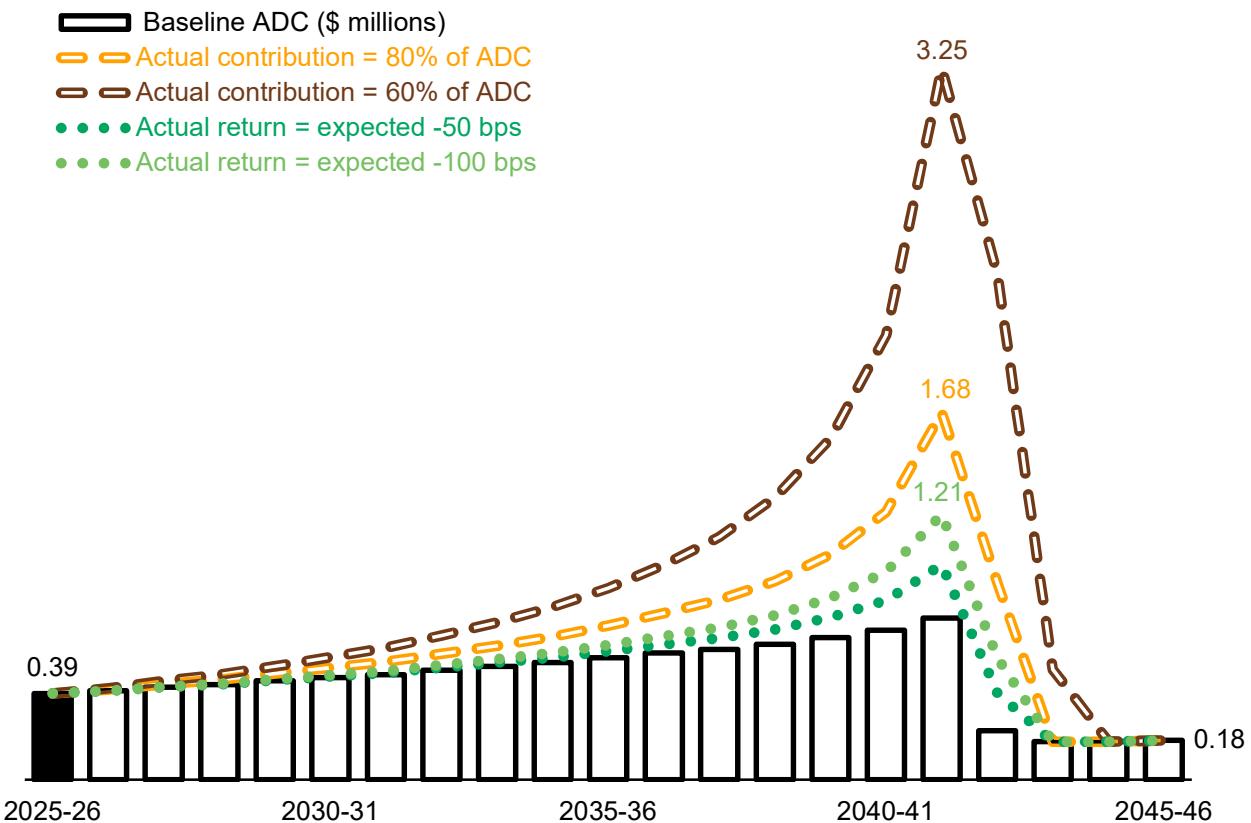
On the basis of this forecast, the Actuarially Determined Contribution currently exceeds the sum of the Normal Cost plus one year's interest on the Unfunded Accrued Liability and the Unfunded Accrued Liability is expected to be fully amortized by 2042. Over time, the funded ratio is expected to change as follows:



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

ix. Long-Range Forecast (continued)

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



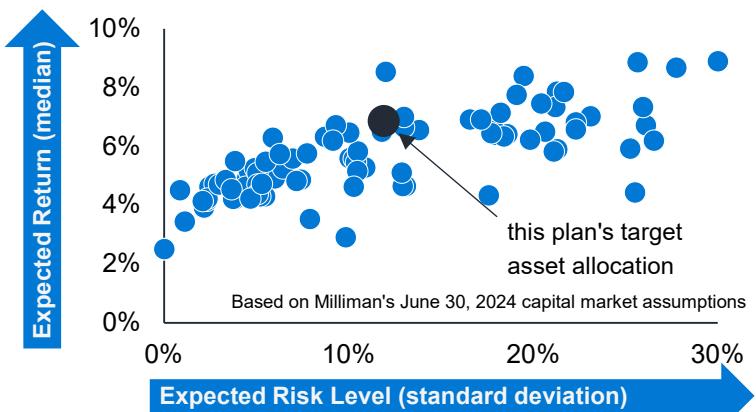
The scenarios illustrated above are based on deterministic projections that assume emerging plan experience always exactly matches the actuarial assumptions; in particular that actual asset returns will be constant in every year of the projection period. Variation in asset returns, contribution amounts,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

x. Asset Allocation Considerations

Monies that flow out of a pension plan (benefits and expenses) must be matched over the long term by monies that flow into the plan (contributions and investment income). This is expressed in a classic equation: **B** (benefits) + **E** (expenses) = **C** (contributions) + **I** (investment income).

Actuarial assumptions enable us to anticipate the long-term levels of **B** (benefits) and **E** (expenses) that will be paid out of the plan. In order to determine the appropriate level of **C** (contributions) that should come in to the plan, we must first anticipate the long-term level of **I** (investment income) the plan is likely to receive. That is why, for purposes of determining future funding levels, we measure **this** plan's liability using the long-term rate of investment returns **this** plan's portfolio is expected to generate.

Pension plans construct their portfolios by allocating assets across a wide range of asset classes with different risk and return profiles; the graph includes nearly 100 asset classes that pension plans invest in. As the graph illustrates, asset classes with higher expected returns also have higher risk levels; that is, a higher likelihood of experiencing both very good returns and very bad returns. Asset classes with lower expected returns also have lower risk levels.



The plan's target allocation represents a balance. Investing in lower-returning asset classes should reduce future investment returns and therefore increase future Town contributions, but the lower risk levels would result in lower year-over-year volatility in the Actuarially Determined Contribution and might provide more benefit security for plan members. Conversely, investing in higher-returning asset classes should increase future investment returns and therefore reduce future Town contributions, but would also increase the volatility of those contributions and potentially reduce benefit security for plan members.

In the graph above, the asset class with the lowest risk level is US Cash, and the asset class with the highest risk level is Private Equity. If the plan were invested 100% in either of these extremes, it would impact the interest rate assumption and therefore the Accrued Liability, Funded Ratio, and ultimately the Town's annual contributions; the volatility of the contributions would also change based on the risk level of the portfolio:

	100% US Cash *	Plan's Interest Rate Assumption	100% Private Equity
Expected long-term return (median)	3.4%	6.50%	8.9%
Expected risk level (standard deviation)	1.1%	11.9%	30.0%
Accrued Liability on July 1, 2024 **	\$11.6 million	\$7.5 million	\$5.3 million
Funded Ratio on July 1, 2024 ***	34%	52%	73%

* This would be considered a "low-default-risk obligation measure" (LDROM) using the language of ASOP 4.

** Calculated using the same actuarial assumptions and methods that were used for this valuation, except for the interest rate; the plan's duration on the valuation date, as measured for GASB 68 purposes, was used to estimate the impact of the interest rate difference relative to the valuation interest rate assumption.

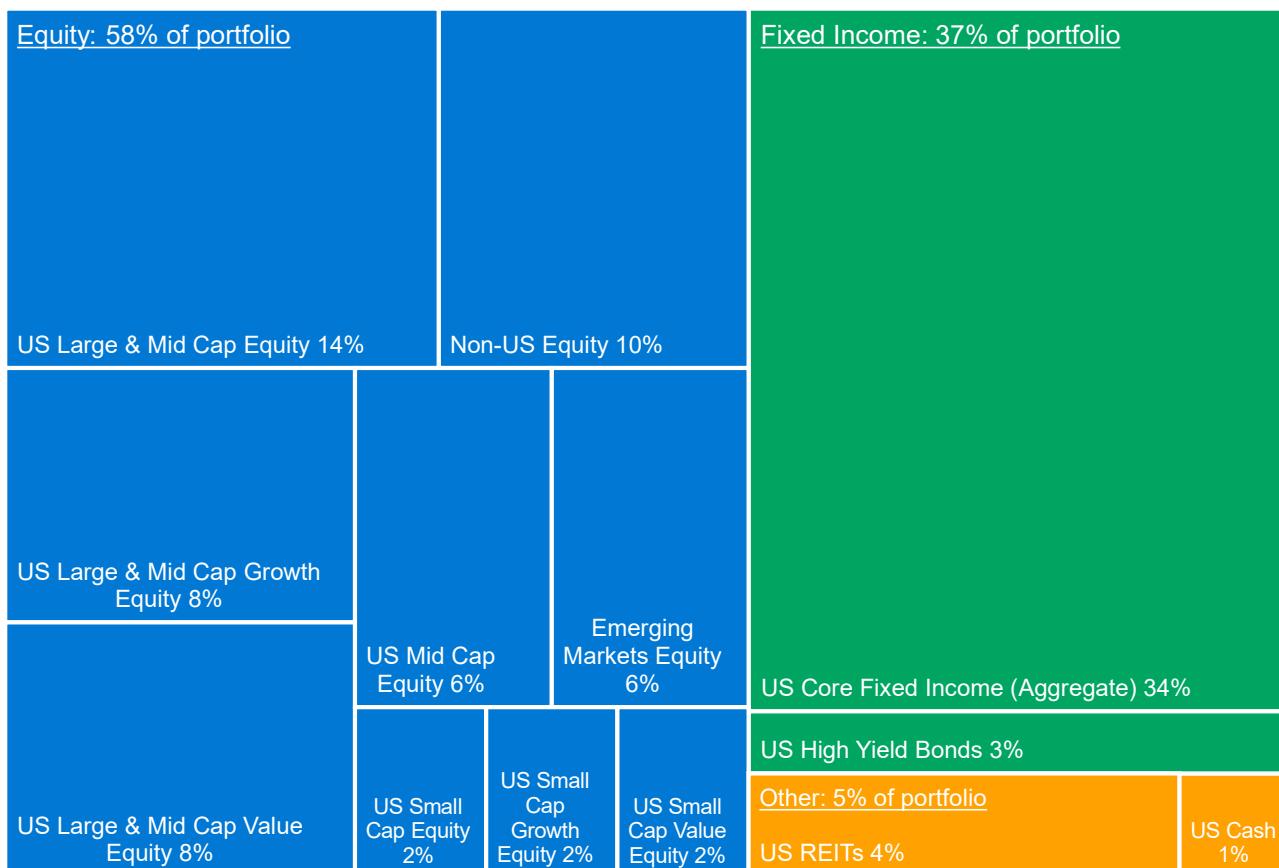
*** Measured using the Actuarial Value of Assets

1. Summary of Fund Transactions

Market Value as of July 1, 2023	\$3,312,928
Town Contributions	389,805
Member Contributions	0
Net Investment Income	374,890
Benefit Payments	(195,285)
Administrative Expenses	(20,077)
Market Value as of June 30, 2024	3,862,261
Expected Return on Market Value of Assets	220,923
Market Value (Gain)/Loss	(153,967)
Approximate Rate of Return *	11.03%

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

Target Asset Allocation as of June 30, 2024



2. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses asymptotically over a five year period. The Actuarial Value of Assets as of July 1, 2024 is determined below.

1.	Expected Actuarial Value of Assets:	
	a. Actuarial Value of Assets as of July 1, 2023	\$3,497,358
	b. Town Contributions and Member Contributions	389,805
	c. Benefit Payments and Administrative Expenses	(215,362)
	d. Expected Earnings Based on 6.50% Interest	<u>232,998</u>
	e. Expected Actuarial Value of Assets as of July 1, 2024	3,904,799
2.	Market Value of Assets as of July 1, 2024	3,862,261
3.	Amount Recognized as of July 1, 2024: 20% of [(2) - (1e)]	(8,508)
4.	Actuarial Value of Assets as of July 1, 2024: (1e) + (3)	3,896,291
5.	Approximate Rate of Return on Actuarial Value of Assets	6.26%

3. Past Service Cost

In determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a closed 20 year period starting July 1, 2021.

	July 1, 2023	July 1, 2024
1. Accrued Liability		
Active Members	\$4,498,057	\$4,661,367
Terminated Members	586,891	624,250
Service Retirees	1,731,889	1,986,729
Disabled Retirees	0	0
Beneficiaries	<u>218,732</u>	<u>217,785</u>
Total	7,035,569	7,490,131
2. Actuarial Value of Assets (see Exhibit 2)	3,497,358	3,896,291
3. Unfunded Accrued Liability: (1) - (2)	3,538,211	3,593,840
4. Funded Ratio: (2) / (1)	49.7%	52.0%
5. Amortization Period	18	17
6. Amortization Growth Rate	3.25%	3.25%
7. Past Service Cost: (3) amortized over (5)	252,533	267,789

4. Actuarial Gains / Losses

From one valuation to the next, the Accrued Liability and the Actuarial Value of Assets may change in ways that were not anticipated by the actuarial assumptions that were used in the last valuation. If the Accrued Liability is lower than expected or the Actuarial Value of Assets is higher than expected, we say that the plan has experienced an 'actuarial gain', and if the Accrued Liability is higher than expected or the Actuarial Value of Assets is lower than expected, we say that the plan has experienced an 'actuarial loss'. The actuarial gains / (losses) that arose during 2023-24 are shown below, along with the impact of plan changes and changes in the actuarial assumptions and method. Please see page 4 for more details on any changes since the last valuation.

	Accrued Liability A	Actuarial Value of Assets B	Unfunded Accrued Liability = A - B
1. Value as of July 1, 2023	\$7,035,569	\$3,497,358	\$3,538,211
2. Normal Cost as of July 1, 2023	97,424		97,424
3. Town Contributions during 2023-24		389,805	(389,805)
4. Member Contributions during 2023-24		0	0
5. Benefit Payments during 2023-24	(195,285)	(195,285)	0
6. Administrative Expenses during 2023-24		(20,077)	20,077
7. One year of interest on (1) thru (2) at 6.50%	463,645	227,328	236,317
8. Half year of interest on (3) thru (6) at 6.50%	(6,347)	5,670	(12,017)
9. Expected value as of July 1, 2024	7,395,006	3,904,799	3,490,207
10. Actual value as of July 1, 2024 before any plan, assumption, or method changes	7,490,131	3,896,291	3,593,840
11. Experience gains / losses: (10) - (9)	95,125	(8,508)	103,633
12. Impact of plan changes (see page 4)	0	0	0
13. Impact of assumption changes (see page 4)	0	0	0
14. Impact of method changes (see page 4)	0	0	0
15. Final value as of July 1, 2024	7,490,131	3,896,291	3,593,840

5. Actuarially Determined Contribution

	2024-25	2025-26
1. Total Normal Cost	\$97,424	\$99,020
2. Expected Administrative Expenses	2,500	2,500
3. Net Normal Cost: (1) + (2)	99,924	101,520
4. Past Service Cost (see Exhibit 3)	252,533	267,789
5. Interest on (3) + (4) assuming payment at the start of the fiscal year	22,910	24,005
6. Actuarially Determined Contribution: (3) + (4) + (5)	375,367	393,314

6. Long Range Funded Status Forecast

This forecast is based on the results of the July 1, 2024 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
7/1/2024	\$7,490,131	\$3,896,291	\$3,593,840	52.02%
7/1/2025	7,846,000	4,282,000	3,564,000	54.58%
7/1/2026	8,186,000	4,671,000	3,515,000	57.06%
7/1/2027	8,531,000	5,076,000	3,455,000	59.50%
7/1/2028	8,874,000	5,499,000	3,375,000	61.97%
7/1/2029	9,239,000	5,959,000	3,280,000	64.50%
7/1/2030	9,617,000	6,452,000	3,165,000	67.09%
7/1/2031	9,983,000	6,952,000	3,031,000	69.64%
7/1/2032	10,358,000	7,480,000	2,878,000	72.22%
7/1/2033	10,726,000	8,031,000	2,695,000	74.87%
7/1/2034	11,079,000	8,590,000	2,489,000	77.53%
7/1/2035	11,451,000	9,197,000	2,254,000	80.31%
7/1/2036	11,862,000	9,877,000	1,985,000	83.26%
7/1/2037	12,235,000	10,554,000	1,681,000	86.26%
7/1/2038	12,566,000	11,222,000	1,344,000	89.30%
7/1/2039	12,902,000	11,935,000	967,000	92.51%
7/1/2040	13,224,000	12,686,000	538,000	95.94%
7/1/2041	13,568,000	13,518,000	50,000	99.63%
7/1/2042	13,933,000	14,456,000	(523,000)	103.75%
7/1/2043	14,302,000	14,899,000	(597,000)	104.17%

7. Long Range Cash Flow Forecast

This forecast is based on the results of the July 1, 2024 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

Fiscal Year	Town Contributions	Member Contributions	Benefit Payments	Administrative Expenses	Net Cash Flows
2025-26	\$393,314	\$0	(\$278,496)	(\$2,500)	\$112,318
2026-27	405,000	0	(299,000)	(2,500)	103,500
2027-28	421,000	0	(324,000)	(2,500)	94,500
2028-29	433,000	0	(327,000)	(2,500)	103,500
2029-30	450,000	0	(342,000)	(2,500)	105,500
2030-31	465,000	0	(381,000)	(2,500)	81,500
2031-32	479,000	0	(400,000)	(2,500)	76,500
2032-33	499,000	0	(433,000)	(2,500)	63,500
2033-34	517,000	0	(477,000)	(2,500)	37,500
2034-35	534,000	0	(482,000)	(2,500)	49,500
2035-36	556,000	0	(473,000)	(2,500)	80,500
2036-37	578,000	0	(540,000)	(2,500)	35,500
2037-38	594,000	0	(608,000)	(2,500)	(16,500)
2038-39	617,000	0	(630,000)	(2,500)	(15,500)
2039-40	648,000	0	(668,000)	(2,500)	(22,500)
2040-41	681,000	0	(672,000)	(2,500)	6,500
2041-42	737,000	0	(677,000)	(2,500)	57,500
2042-43	223,000	0	(701,000)	(2,500)	(480,500)
2043-44	173,000	0	(741,000)	(2,500)	(570,500)
2044-45	174,000	0	(773,000)	(2,500)	(601,500)

8. History of Funded Status

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
July 1, 2013	\$1,511,924	\$2,603,545	\$1,091,621	58.1%
July 1, 2014	1,667,159	2,807,823	1,140,664	59.4%
July 1, 2015	1,818,792	3,003,590	1,184,798	60.6%
July 1, 2016	1,963,739	3,239,236	1,275,497	60.6%
July 1, 2017	2,109,692	3,414,277	1,304,585	61.8%
July 1, 2018	2,277,527	3,659,988	1,382,461	62.2%
July 1, 2019	2,479,997	4,129,650	1,649,653	60.1%
July 1, 2020	2,686,954	4,309,639	1,622,685	62.3%
July 1, 2021	3,076,048	4,731,541	1,655,493	65.0%
July 1, 2022	3,283,900	6,995,534	3,711,634	46.9%
July 1, 2023	3,497,358	7,035,569	3,538,211	49.7%
July 1, 2024	3,896,291	7,490,131	3,593,840	52.0%

9. History of Town Contributions

Fiscal Year	Actuarially Determined Contribution	Actual Town Contribution	Payroll	Actual Contribution as a Percent of Payroll
2014-15	\$173,885	\$173,885	N/A	N/A
2015-16	190,992	190,992	N/A	N/A
2016-17	201,510	201,510	N/A	N/A
2017-18	238,104	238,104	N/A	N/A
2018-19	260,605	260,605	N/A	N/A
2019-20	273,182	273,182	N/A	N/A
2020-21	322,512	322,512	N/A	N/A
2021-22	321,221	321,221	N/A	N/A
2022-23	248,844	248,844	N/A	N/A
2023-24	389,865	389,805	N/A	N/A
2024-25	375,367	TBD	N/A	N/A
2025-26	393,314	TBD	N/A	N/A

10. Reconciliation of Membership from Prior Valuation

Details of the changes in the plan's membership since the last valuation are shown below. Additional details on the membership are provided in the following exhibits.

	Active Members	Terminated Vested Members	Service Retirees	Disabled Retirees	Beneficiaries	Total
Count July 1, 2023	101	21	33	0	7	162
Terminated						
- no benefits due	(5)	-	-	-	-	(5)
- refund due	-	-	-	-	-	0
- paid refund	-	-	-	-	-	0
- vested benefits due	(1)	1	-	-	-	0
Retired	(2)	-	2	-	-	0
Died						
- with beneficiary	-	-	-	-	-	0
- no beneficiary	-	-	-	-	-	0
Benefits expired	-	-	-	-	-	0
New member	4	-	-	-	-	4
Rehired	2	(2)	-	-	-	0
New Alternate Payee	-	-	-	-	-	0
Correction	-	-	-	-	-	0
Count July 1, 2024	99	20	35	0	7	161

11. Summary of Membership Data

	July 1, 2023	July 1, 2024
1. Active Members		
a. Number	101	99
b. Average Age	41.0	41.9
c. Average Service	15.8	16.4
2. Terminated Vested Members		
a. Number	21	20
b. Total Annual Benefit	\$96,938	\$94,486
c. Average Annual Benefit	4,616	4,724
d. Average Age	52.6	54.1
3. Service Retirees		
a. Number	33	35
b. Total Annual Benefit	\$170,565	\$195,405
c. Average Annual Benefit	5,169	5,583
d. Average Age	74.2	74.7
4. Disabled Retirees		
a. Number	0	0
b. Total Annual Benefit	\$0	\$0
c. Average Annual Benefit	0	0
d. Average Age	0.0	0.0
5. Beneficiaries		
a. Number	7	7
b. Total Annual Benefit	\$20,863	\$20,863
c. Average Annual Benefit	2,980	2,980
d. Average Age	58.9	60.3

12. Distribution of Inactive Membership as of July 1, 2024

	Age	Number	Annual Benefits
Terminated Vested Members			
	< 50	7	\$31,646.76
	50 - 59	6	30,214.32
	60 - 69	7	32,624.64
	70 - 79	0	0.00
	80 - 89	0	0.00
	90 +	0	0.00
	Total	20	94,485.72
Service Retirees			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	11	84,225.24
	70 - 79	16	74,317.68
	80 - 89	8	36,862.08
	90 +	0	0.00
	Total	35	195,405.00
Disabled Retirees			
	< 50	0	\$0.00
	50 - 59	0	0.00
	60 - 69	0	0.00
	70 - 79	0	0.00
	80 - 89	0	0.00
	90 +	0	0.00
	Total	0	0.00
Beneficiaries			
	< 50	2	\$3,775.20
	50 - 59	0	0.00
	60 - 69	1	8,462.76
	70 - 79	3	5,812.08
	80 - 89	1	2,813.16
	90 +	0	0.00
	Total	7	20,863.20

Appendix A - Actuarial Funding Method

Cost Method

The actuarial cost method used in the valuation of this Plan is known as the Entry Age Normal Method. The Actuarially Determined Contribution consists of three pieces: Normal Cost plus a Past Service Cost payment to gradually eliminate the Unfunded Accrued Liability plus Interest to reflect the time lag between the valuation date and the date contributions are paid.

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

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

Asset Smoothing Method

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

Amortization Method

The Unfunded Accrued Liability is the excess of the Accrued Liability less the Actuarial Value of Assets. This Unfunded Accrued Liability is amortized as a level percent over a closed 20 year period starting July 1, 2021.

Long-Range Forecast

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

Appendix B - Actuarial Assumptions

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

Interest Rate	6.50%										
Inflation	2.50%										
Annual Increase in Benefit Multiplier	2.50%										
Amortization Growth Rate	3.25%										
Expenses	\$2,500 per year										
Salary Scale	N/A										
Mortality	PubS-2010 Mortality Table with generational projection per the MP-2021 Ultimate scale, with employee rates before benefit commencement and healthy or disabled annuitant rates after benefit commencement. This assumption includes a margin for improvements in longevity beyond the valuation date.										
Turnover	<table> <thead> <tr> <th>Service</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>0-4</td> <td>15.0%</td> </tr> <tr> <td>5-9</td> <td>7.5%</td> </tr> <tr> <td>10-14</td> <td>5.0%</td> </tr> <tr> <td>15+</td> <td>2.0%</td> </tr> </tbody> </table>	Service	Rate	0-4	15.0%	5-9	7.5%	10-14	5.0%	15+	2.0%
Service	Rate										
0-4	15.0%										
5-9	7.5%										
10-14	5.0%										
15+	2.0%										
Retirement	All members are assumed to retire on their Normal Retirement Date.										
Disability	None.										
Marital Status	75% of members are assumed to be married with female spouses three years younger than male spouses.										

Appendix C - Summary of Plan Provisions

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

Effective Date of Plan	July 1, 1991										
Eligibility	Each member will become a participant as of July 1st following the completion of one year of Eligibility Service.										
Credited Service	For plan years beginning after July 1, 1991, a member shall be credited with a Year of Service for each plan year that the member has earned at least 50 points as certified by his respective volunteer company.										
Normal Retirement Date	Attainment of age 65 and completion of 10 Years of Credited Service and 2 years of participation.										
Normal Retirement Benefit	The following rates are per month for each Year of Credited Service for retirements on or after the effective date:										
<table border="1"> <thead> <tr> <th>Effective Date</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>July 2020</td> <td>\$29.30</td> </tr> <tr> <td>July 2021</td> <td>29.68</td> </tr> <tr> <td>July 2022</td> <td>30.57</td> </tr> <tr> <td>July 2023</td> <td>31.49</td> </tr> </tbody> </table>		Effective Date	Rate	July 2020	\$29.30	July 2021	29.68	July 2022	30.57	July 2023	31.49
Effective Date	Rate										
July 2020	\$29.30										
July 2021	29.68										
July 2022	30.57										
July 2023	31.49										
<hr/> <p>The rate will increase annually based on the Social Security cost of living adjustment, subject to a floor of 1% and a maximum of 3%.</p>											
Early Retirement Date	Attainment of age 55 and completion of 10 Years of Credited Service and 2 years of participation.										
Early Retirement Benefit	The Early Retirement Benefit shall be equal to the Participant's Accrued Benefit to date reduced by 6.6% for each of the first 5 years and 3.3% for each of the next 5 years that Early Retirement precedes Normal Retirement.										
Disability Benefit	The Plan does not provide for benefits as a result of disability. However, effective July 1, 1997, a member who is out of service due to a line of duty injury shall continue to accrue pension points for a period of up to 2 years.										
Normal Form of Annuity	Life Annuity.										
Vesting	10 Years of Credited Service and completion of 2 years of participation.										

Appendix C - Summary of Plan Provisions

Pre-Retirement Spouse's Benefit Eligibility	If a married participant dies after being credited with 10 Years of Credited Service and is survived by a spouse.
Pre-Retirement Spouse's Death Benefit	100% Joint & Survivor Annuity. The benefit will commence on the earliest date that the deceased member could have received a benefit.
	If an unmarried participant dies after being credited with 10 Years of Credited Service, his/her designated beneficiary shall receive a benefit as though the participant had retired early and elected a lifetime pension with 120 payments guaranteed. The benefit will commence on the earliest date that the deceased member could have received a benefit.

Appendix D - Risk Disclosure - Introduction

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

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

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

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

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

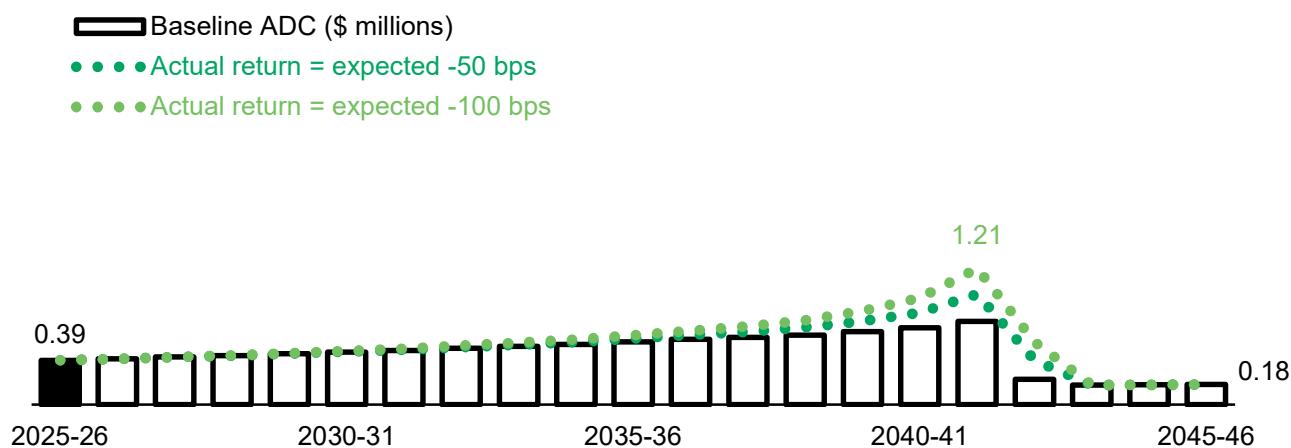
Please see Appendix A for more information on the basis for the projected results shown on the following pages.

Appendix D - Risk Disclosure - Identification and Assessment

Investment Risk

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

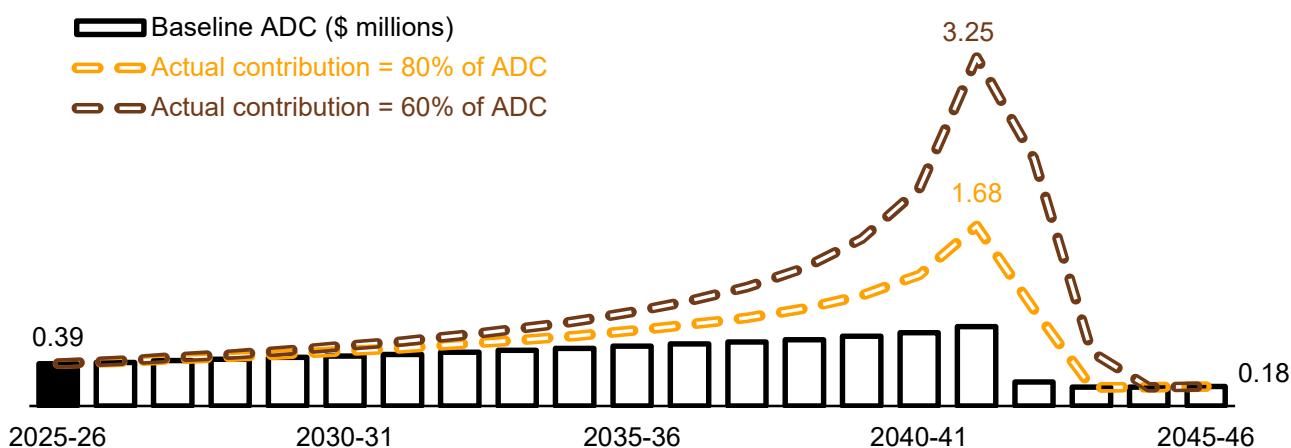
Identification: To the extent that actual investment returns differ from the assumed investment return, the plan's future assets, Actuarially Determined Contributions, and funded status may differ significantly from those presented in this valuation. The consequences of persistent underperformance on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



Contribution Risk

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

Identification: Over the past 10 years, actual contributions have been 100% of the Actuarially Determined Contribution in total. The consequences of persistent underfunding on future Actuarially Determined Contribution levels are illustrated below:



Appendix D - Risk Disclosure - Identification and Assessment

Liquidity Risk

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

Identification: In 2023-24, the plan had positive cash flow, with town contributions and member contributions to the plan of \$389,805 compared to \$215,362 of benefit payments and administrative expenses paid out of the plan. We suggest that you consult with your investment advisors with respect to the liquidity characteristics of the plan's investment holdings.

Maturity Risk

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

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

Inflation Risk

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

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

Assessment: This plan does not contain a mechanism to regularly increase benefits after retirement, so members bear all of the inflation risk.

Appendix D - Risk Disclosure - Identification and Assessment

Insolvency Risk

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

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

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

Demographic Risks

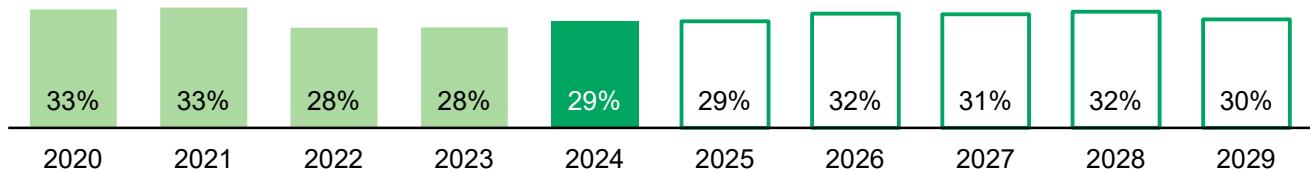
Definition: This is the potential that mortality, turnover, retirement, or other demographic experience will be different than expected.

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

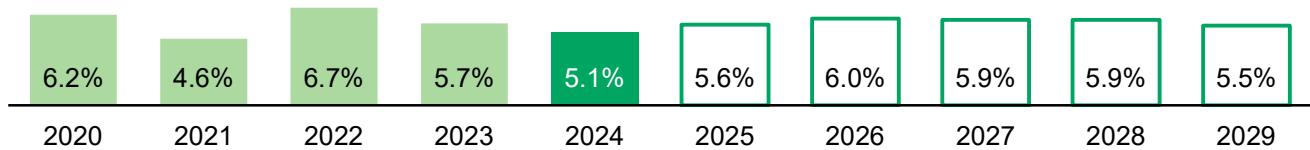
Appendix D - Risk Disclosure - Maturity Metrics

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

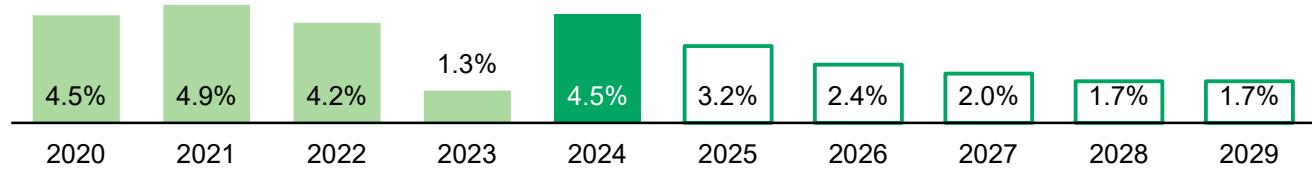
Accrued Liability for Members in Pay Status compared to total Accrued Liability



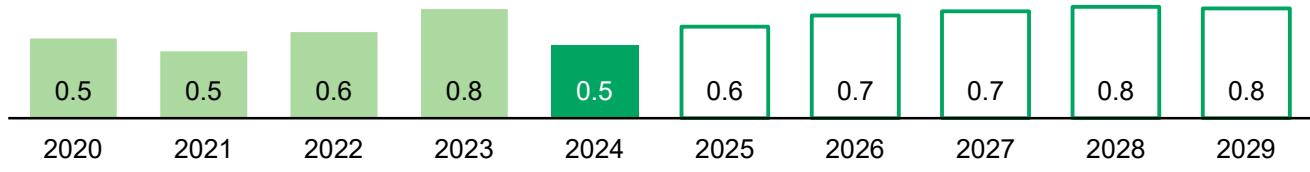
Benefit Payments compared to Market Value of Assets



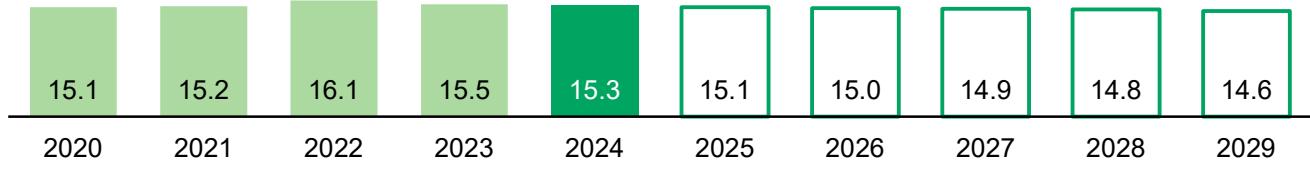
Net Cash Flows compared to Market Value of Assets



Benefit Payments compared to Town Contributions



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



Appendix E - Glossary

Actuarial Cost Method	This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Accrued Liability and the Normal Cost.
Accrued Liability	This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).
Actuarial Assumptions	With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the interest rate, salary scale, and rates of mortality, turnover and retirement.
Actuarial Present Value of Benefits	This is the present value, as of the valuation date, of future payments for benefits and expenses under the Plan, where each payment is: a) multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) discounted at the assumed interest rate.
Actuarial Value of Assets	This is the value of cash, investments and other property belonging to the plan, typically adjusted to recognize investment gains or losses over a period of years to dampen the impact of market volatility on the Actuarially Determined Contribution.
Attribution Period	The period of an active member's service to which the expected benefit obligation for that member is assigned. The beginning of the attribution period is the member's date of hire and costs are spread across all service.
Interest Rate	This is the long-term expected rate of return on any investments set aside to pay for the benefits. In a financial reporting context (e.g., GASB 68) this is termed the Discount Rate.
Normal Cost	This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.
Past Service Cost	This is a catch-up payment to fund the Unfunded Accrued Liability over time (generally 10 to 30 years). A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each valuation date. Also known as the Amortization Payment.
Return on Plan Assets	This is the actual investment return on plan assets during the fiscal year.
Unfunded Accrued Liability	This is the excess of the Accrued Liability over the Actuarial Value of Assets.