



TOWN OF LEDYARD CONNECTICUT

741 Colonel Ledyard Highway
Ledyard, Connecticut 06339

Retirement Board

~ AGENDA ~

Chairman
John Rodolico

Regular Meeting

Tuesday, December 17, 2024

10:00 AM

Council Chambers - Hybrid Format

REMOTE MEETING INFORMATION

Zoom Meeting Link:

<https://us06web.zoom.us/j/89570756810?pwd=kKELRWEttCCdHCdAGbRW03ljDCTzYt.1>

Meeting ID: 895 7075 6810

Passcode: 366719

One tap mobile

+16465588656,,89570756810#,,,,*366719# US (New York)

Dial by your location

+1 646 558 8656 US (New York)

I. CALL TO ORDER

II. ROLL CALL

III. PRESENTATIONS

1. Frederica Daniels, USI Actuaries will be presenting the GASB Disclosure Report for the fiscal year ending June 30, 2024.

Attachments: [Town of Ledyard - GASB Disclosure Report for FYE 6-30-2024](#)

IV. REVIEW AND APPROVAL OF MINUTES

1. Motion to APPROVE Regular Meeting Minutes from November 19, 2024, as written.

Attachments: [Retirement minutes 11-19-24](#)

V. DIRECTOR OF HUMAN RESOURCES UPDATE

1. Director of Human Resources update.

VI. FINANCE DIRECTOR'S REPORT

1. Finance Director's Report.

VII. OLD BUSINESS

1. Discuss Amendment 2015-1 to the Retirement Plan for Full-Time Employees of the Town of Ledyard continued.

Attachments: [Amendment to Full-Time Employee continued employment Amendment 2024-1 to ret plan for full-time employees draft 11-19-24](#)
[DBP Amendment 2024-1](#)
[DBP Amendment 2024-1 \(Mayor edits\)](#)

2. Any Other Old Business to come before the Board.

VIII. NEW BUSINESS

1. Motion to APPROVE a monthly retirement benefit for Bobby Kempke in the amount of \$2,469.62 as of December 1, 2024, payable in the normal form of a Modified Cash Refund Annuity based on his service and earnings through this retirement date.

Attachments: [Kempke, Bobby - Benefit Package \(BCD 12-1-2024\)](#)

2. Motion to APPROVE payment of invoice #609_12312024, to Fiducient Advisors, dated December 6, 2024, in the amount of \$12,849.65, for consulting costs for the Town of Ledyard Defined Benefit Pension Plan for the billing period October 1, 2024, to December 31, 2024.

Attachments: [12312024Ledyard, Town of-Defined Benefit](#)

3. Motion to APPROVE payment of USI invoice # 90103509, dated November 30, 2024, for benefit calculations for Bobby Kempke and Belinda Learned in the amount of \$400.00 each for a total of \$800.00.

Attachments: [USI invoice 90103509 11-30-24](#)

4. Any Other New Business to come before the Board.

IX. ADJOURNMENT

DISCLAIMER: Although we try to be timely and accurate these are not official records of the Town.



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1138

Agenda Date: 12/17/2024

Agenda #: 1.

AGENDA REQUEST
GENERAL DISCUSSION ITEM

Subject:

Frederica Daniels, USI Actuaries will be presenting the GASB Disclosure Report for the fiscal year ending June 30, 2024.

Background:

(type text here)

Department Comment/Recommendation:

(type text here)



Retirement Plan for the Full-Time Employees of the Town of Ledyard

**Statements No. 67 and 68 of the
Governmental Accounting
Standards Board (GASB)**

**Disclosure Report for the
Fiscal Year Ending June 30, 2024**

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

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RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

INTRODUCTION

We are pleased to present our Governmental Accounting Standards Board (GASB) disclosure report for the fiscal year ending June 30, 2024. This report has been prepared to assist management in meeting the requirements of GASB Statements No. 67 and 68 relating to the Retirement Plan for the Full-Time Employees of the Town of Ledyard (the "Plan") for the fiscal year ending June 30, 2024 .

The information presented has been calculated in accordance with our understanding of these Statements. No attempt is being made to provide any accounting opinion or advice, or to reflect any tax effect generated by deferred tax assets or benefits.

The key figure under these Statements is the Net Pension Liability (NPL), which is a comparison of plan assets (Plan Net Position, "PNP") to plan liabilities (called Total Pension Liability, "TPL"). The TPL is determined using a mixture of the plan's assumed long term expected rate of return and a current municipal bond rate. Where plan assets and expected contributions will cover the TPL, those liabilities are discounted at the expected long-term rate of return. When those assets no longer cover future liabilities, they are discounted using the municipal bond rate to reflect the lack of assets in place to cover that outflow.

For the above-mentioned Plan, assets and expected contributions are expected to be sufficient to cover all future expected liabilities and therefore we have used the expected long-term rate of return as the discount rate. Please see Exhibit I for more details.

The additional actuarial assumptions and cost methods used are as set forth in the Actuarial Methods & Assumptions section on page 6 of this report and the Actuarial Assumptions (for calculation of the Net Pension Liability) section on page 13 of this report. Present values and obligations are based on employee data as of July 1, 2023. The method for projecting these obligations is also described in the Actuarial Methods & Assumptions section of this report.

Actuarial computations under GASB Statements No. 67 and 68 shown in this report are solely for the purpose of fulfilling the plan sponsor accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported herein. Accordingly, additional determinations are needed for other purposes, such as judging benefit security at termination or adequacy of funding for an ongoing plan. Furthermore, the NPL (defined above) is not appropriate for assessing the need for or amount of future contributions.

The actuarial liabilities shown in this report are determined using software purchased from an outside vendor which was developed for this purpose. Certain information is entered into this model in order to generate the liabilities specific to your pension plan. These inputs include economic and non-economic assumptions, plan provisions and census information. We rely on the coding within the software to value the liabilities using the actuarial methods and assumptions selected. Both the input to and the output from the model is checked for accuracy and reviewed for reasonableness.

Future measurements may differ significantly from the information contained within this report. These measurements will be based on the market value of plan assets (PNP), which varies based on the underlying portfolio experience, as well as plan sponsor contributions, benefit payments and expenses paid from plan assets. The TPL calculations will be produced in accordance with current census data, the expected long-term rate of return, municipal bond rates and mortality tables in effect at that time of measurement. There has been no calculations or analysis of potential future impacts associated with this report.

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

This report has been prepared in accordance with generally accepted actuarial standards and procedures, and conforms to the Guidelines for Professional Conduct of the American Academy of Actuaries. It is based on the employee and financial data submitted to USI Consulting Group by the plan sponsor and on the retirement plan provisions as outlined herein. The investment advisor has supplied the data in support of the investment return.

In addition, there exists no relationship between USI Consulting Group and the plan sponsor that might influence the contents of this report.

In our opinion, all costs, liabilities, rates of interest and other factors under the Plan have been determined on the basis of actuarial assumptions and methods, which are each reasonable, (or consistent with authoritative guidance), taking into account the experience of the Plan and future expectations and which, when combined, represent our best estimate of anticipated experience under the Plan.

I, Frederica S. Daniels, FCA, EA, MAAA, am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

USI Consulting Group



Frederica S. Daniels, FCA, EA, MAAA
VP & Managing Actuary



Matthew J. Henderson, EA, FSA, MAAA
Assistant VP & Consulting Actuary



Nelroy Giddings
Actuarial Consultant

August 27, 2024

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Schedules of Required Supplementary Information (RSI) Schedule of Changes in the Net Pension Liability (NPL) and Related Ratios

| Measurement Period Ended June 30, | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|----------------------|
| Total pension liability | | | |
| Service cost | \$322,897 | \$506,565 | \$473,992 |
| Interest | \$2,096,715 | \$2,073,323 | \$1,967,983 |
| Changes of benefit terms | \$0 | \$0 | \$0 |
| Differences between expected and actual experience | \$0 | (\$35,422) | \$1,018,759 |
| Changes of assumptions | \$0 | \$0 | \$57,714 |
| Benefit payments, including refunds of employee contributions | <u>(\$2,050,443)</u> | <u>(\$1,924,510)</u> | <u>(\$1,808,430)</u> |
| Net change in total pension liability | \$369,169 | \$619,956 | \$1,710,018 |
| Total pension liability—beginning | <u>\$34,234,228</u> | <u>\$33,614,272</u> | <u>\$31,904,254</u> |
| Total pension liability—ending (a) | <u>\$34,603,397</u> | <u>\$34,234,228</u> | <u>\$33,614,272</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$950,000 | \$1,163,197 | \$1,131,235 |
| Contributions - employee | \$153,241 | \$176,215 | \$195,857 |
| Net investment income | \$2,624,359 | \$2,273,767 | (\$4,381,254) |
| Benefit payments, including refunds of employee contributions | (\$2,050,443) | (\$1,924,510) | (\$1,808,430) |
| Administrative expense | (\$23,992) | (\$18,352) | (\$30,812) |
| Other | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Net change in plan fiduciary net position | \$1,653,165 | \$1,670,317 | (\$4,893,404) |
| Plan fiduciary net position—beginning | <u>\$28,790,751</u> | <u>\$27,120,434</u> | <u>\$32,013,838</u> |
| Plan fiduciary net position—ending (b) | <u>\$30,443,916</u> | <u>\$28,790,751</u> | <u>\$27,120,434</u> |
| Net pension liability—ending (a) – (b) | <u>\$4,159,481</u> | <u>\$5,443,477</u> | <u>\$6,493,838</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 87.98% | 84.10% | 80.68% |
| Covered-employee payroll | \$3,202,829 | \$3,728,801 | \$4,254,773 |
| Net pension liability as a percentage of covered-employee payroll | 129.87% | 145.98% | 152.62% |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Required Supplementary Information Changes in Net Pension Liability (NPL) by Source

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at 06/30/2023* | \$34,234,228 | \$28,790,751 | \$5,443,477 |
| Changes for the year: | | | |
| Service Cost | \$322,897 | | \$322,897 |
| Interest | \$2,096,715 | | \$2,096,715 |
| Changes of benefit terms | \$0 | | \$0 |
| Differences between expected and actual experience | \$0 | | \$0 |
| Changes of assumptions | \$0 | | \$0 |
| Contributions - employer | | \$950,000 | (\$950,000) |
| Contributions - employee | | \$153,241 | (\$153,241) |
| Net investment income | | \$2,624,359 | (\$2,624,359) |
| Benefit payments, including refunds of ee contributions | (\$2,050,443) | (\$2,050,443) | \$0 |
| Administrative expense | | (\$23,992) | \$23,992 |
| Other changes | | \$0 | \$0 |
| Net changes | \$369,169 | \$1,653,165 | (\$1,283,996) |
| Balances at 06/30/2024* | \$34,603,397 | \$30,443,916 | \$4,159,481 |

* The liability as of 6/30/2023 is based on 7/1/2023 data valued at the discount rate in effect on 6/30/2023. The liability as of 6/30/2024 is based on data as of 7/1/2023 rolled forward using the discount rate in effect on 6/30/2024 and assumes no other gains/losses.

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Statement of Fiduciary Net Position (Market Value of Plan Assets) As of June 30, 2023 and 2024

| <u>Assets</u> | <u>06/30/2023</u> | <u>06/30/2024</u> |
|---------------------------------------|---------------------|---------------------|
| Cash Equivalent | \$596,449 | \$958,178 |
| Receivables | \$0 | \$0 |
| Investments | | |
| Interest Receivable | \$0 | \$0 |
| Bonds & Equity | \$17,450,634 | \$17,293,193 |
| Mutual Funds | \$0 | \$0 |
| Corporate Bonds | \$0 | \$0 |
| US Treasuries | \$10,733,035 | \$12,178,173 |
| Federal Agency Debt Securities | \$0 | \$0 |
| Federal Agency Mortgage | \$0 | \$0 |
| Total Investments | <u>\$28,183,669</u> | <u>\$29,471,366</u> |
| Accrued Income | \$10,633 | \$14,372 |
| Total Assets | <u>\$28,790,751</u> | <u>\$30,443,916</u> |
| <u>Liabilities and Net Assets</u> | | |
| Payables | \$0 | \$0 |
| Other Liabilities | <u>\$0</u> | <u>\$0</u> |
| Total Liabilities | \$0 | \$0 |
| Net Position | \$28,790,751 | \$30,443,916 |

Statement of Changes in Fiduciary Net Position For the Measurement Period Ended June 30, 2024

| | | |
|--|------------------|------------------|
| Net Position at Beginning of Year | | \$28,790,751 |
| Contributions Received or Receivable | | |
| Employer | \$950,000 | |
| Employee | <u>\$153,241</u> | |
| Total Contributions | | \$1,103,241 |
| Net Unrealized Appreciation/(Depreciation) | | \$1,938,979 |
| Net Realized Appreciation/(Depreciation) | | (\$152,529) |
| Interest and Dividends | | \$759,653 |
| Other Income | | <u>\$160,626</u> |
| Total Income | | \$3,809,970 |
| Distribution of Benefits | | |
| Benefit Payments | \$2,050,443 | |
| Other | <u>\$0</u> | |
| Total Distribution of Benefits | | \$2,050,443 |
| Expenses | | |
| Administrative | \$23,992 | |
| Investment | <u>\$82,370</u> | |
| Total Expenses | | <u>\$106,362</u> |
| Net Increase/(Decrease) in Net Position | | \$1,653,165 |
| Net Position at Year End | | \$30,443,916 |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Required Supplementary Information Schedule of Contributions

| Measurement Period Ended June 30, | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|--------------------|--------------------|--------------------|
| Actuarially determined contribution | \$669,144 | \$1,129,512 | \$1,096,614 |
| Contributions in relation to the actuarially determined contribution | <u>\$950,000</u> | <u>\$1,163,197</u> | <u>\$1,131,235</u> |
| Contribution deficiency (excess) | <u>(\$280,856)</u> | <u>(\$33,685)</u> | <u>(\$34,621)</u> |
| Covered-employee payroll | \$3,202,829 | \$3,728,801 | \$4,254,773 |
| Contributions as a percentage of covered-employee payroll | 29.66% | 31.19% | 26.59% |

Actuarial Methods & Assumptions

| | |
|--------------------------------|---|
| Actuarial cost method: | Entry Age Actuarial Cost Method |
| Amortization method: | Amortization of unfunded liability with 3.00% per year increase, closed. |
| Remaining amortization period: | 10 years as of July 1, 2023 |
| Asset valuation method: | The market value of assets less unrecognized returns in each of the last 5 years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets |
| Salary increases: | 4.00% |
| Cost of living increases: | N/A |
| Investment rate of return: | 6.25% |
| Retirement age: | Active Members - 50% at the later of completion of 25 years of service and age 55, but not later than age 65, 20% for the two following years and 100% for the following year for Police members; 100% at the later of age 60 and 10 years of service for Fire members; for all others, 50% at each age of 65 through 69, then 100% by age 70 Inactive Vested Participants - 100% at Normal Retirement Age |
| Mortality: | PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-2021 |
| Disabled Mortality: | PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-2021 |

Schedule of Investment Returns

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 9.39% | 8.55% | -14.01% |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Required Supplementary Information Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the measurement period ended June 30, 2024, the Plan recognized pension expense of \$707,436. At June 30, 2024, the Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | \$ - | \$ - |
| Net difference between projected and actual earnings on pension plan investments | \$ 2,546,544 | \$ 1,970,019 |
| Total | <u>\$ 2,546,544</u> | <u>\$ 1,970,019</u> |

Amounts reported in deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|--------------|
| 2025 | \$ 55,075 |
| 2026 | \$ 982,846 |
| 2027 | \$ (290,429) |
| 2028 | \$ (170,967) |
| 2029 | \$ - |
| Thereafter | \$ - |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

I. Summary of Significant Accounting Policies

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset statements were provided by Webster Private Bank.

Actuarial Cost Method

Individual entry age normal cost. Under this method, the annual cost is equal to the normal cost, plus amortization of unfunded accrued liabilities over a fixed period of years selected within the minimum (10 years) and the maximum (5 to 30 years) periods permitted by law.

The normal cost is the sum of the individual normal costs, determined as the level percentage of compensation which would have been necessary to fund the employee's projected retirement, death and withdrawal benefits, from entry age (the age at which he would have entered the plan had it been in effect on his employment date), to his retirement age. Thus, the dollar normal cost is expected to increase with the salary projection assumption.

The actuarial accrued liability is the accumulation, based on the actuarial assumptions, of all assumed prior normal costs. Thus, it represents the amount of reserves which would be held by the plan had, it always been in effect for the present group of participants and had plan experience followed that predicted by the actuarial assumptions. The unfunded accrued liability is the excess, if any, of the accrued liability over the plan assets.

Actuarial gains and losses arising from differences between plan experience and that predicted by the actuarial assumptions, as measured by the difference between actual and expected unfunded actuarial accrued liabilities, are amortized over the average of the expected remaining service lives of all employees (active and inactive), as required by GASB Statement No. 68.

Attribution Parameters

Attribution parameters determine how growth in the benefit formula is allocated to years of service.

Accrual rate proration, by component – This method attributes the benefit separately for each component of the benefit formula, based on the credited service. If there are no accrual definitions in the benefit formula, then the entire projected benefit is assigned to past service (and considered fully accrued as of the valuation date). This results in "natural" or "direct differencing" attribution.

Accrued and Vested Benefits

Vested benefits are based on the plan document's vesting schedule based on years of service. Please refer to the Plan Provisions section of this report for requirements for particular benefits.

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(continued)**

II. Plan Description

A. Plan Administration

The Retirement Plan for the Full-Time Employees of the Town of Ledyard (the “Plan”) is a single-employer defined benefit pension plan that provides pensions to any employee in covered employment (as defined in the Plan Document) who has met, and continues to meet, the eligibility requirements for participation in the Plan.

B. Participant Data

| | |
|---|----------|
| 1. Inactive Plan Participants as of July 1, 2023: | |
| a.) Retirees and beneficiaries currently receiving benefits | 114 |
| b.) Terminated employees entitled to deferred benefits | 36 |
| c.) Terminated Vested employees due a refund | <u>4</u> |
| d.) Total | 154 |
| | |
| 2. Active Plan Participants as of July 1, 2023: | |
| a.) Vested | 48 |
| b.) Non-Vested | <u>0</u> |
| c.) Total | 48 |

C. Plan Provisions

Effective Date 06/01/1977

Plan Year Beginning 07/01/2024

Plan Sponsor Town of Ledyard

Eligibility Eligible employee with completion of one year of service. Employee must work 20 hours per week or completion of 5 months per year. Plan is closed to new participants according to the following schedule:

| Group | Close Date |
|---------------------------|------------|
| Town (except Supervisors) | 7/1/2009 |
| Town Supervisors | 6/6/2012 |
| Police | 7/1/2012 |
| Board of Education | 7/1/2012 |
| Public Works | 7/1/2012 |
| Fire | 1/1/2013 |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (continued)

C. Plan Provisions (continued)

Member Contributions

Supervisors/Professional Employees, Town Hall Employees, Educational Secretaries, Police, Fire, Administrative Non Union Professionals and Public Works Employee – 5% of earnings (Police contributions are not capped at 130% of base pay)

Non-Certified Board of Education – 3% of earnings. Employee contributions receive interest at 5% per year

Normal Retirement Date

Supervisors/Professional Employees, Town Hall Employees, Educational Secretaries, Administrative Non Union Professionals and Non-Certified Board of Education – Age 65 and 1 year Credited Service

Fire Employees – Age 55 and 10 years Credited Service (but not later than age 65)

Police Employees – Age 55 and 10 years Credited Service or 25 years of Credited Service with no age requirement (but not later than age 65)

Public Work Employees – Age 65 and 1 year Credited Service or Rule of 82 if hired pre 7/1/2007 or Rule of 85 if hired post 7/1/2007.

Normal Retirement Benefit

Benefit Formula

Supervisors/Professional Employees, Town Hall Employees, Educational Secretaries, Administrative Non Union Professionals, Nurses and Library Employees – 1.5% of Final Average Earnings times Credited Service. Maximum normal retirement benefit is 50% of Final Average Earnings.

Fire & Police Employees – 2.0% of Final Average Earnings times Credited Service. Maximum normal retirement benefit is 75% of Final Average Earnings.

Public Works Employee – 1.5% of Final Average Earnings times Credited Service. Maximum normal retirement benefit is 50% of Final Average Earnings. Unreduced benefit per Rule of 82 if hired before July 1st, 2007. Unreduced benefit per Rule of 85 if hired post July 1st, 2007.

Non-Certified Board of Education – 1.0% of Final Average Earnings times Credited Service (capped at 30 years).

Final Average Earnings

Supervisors/Professional Employees, Town Hall Employees, Educational Secretaries, Police, Fire, Administrative Non Union Professionals, Public Work Employees, Nurses and Library Employees – Highest 3 out of last 10 consecutive Plan Year. Police earnings are capped at 130% of base pay.

Non-Certified Board of Education – Highest 5 out of last 10 consecutive Plan Year

Credited Service

Years and months of service from Date of Hire upon member satisfying annual employee contributions provision.

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (continued)

C. Plan Provisions (continued)

| | |
|---|---|
| <u>Early Retirement Date</u> | <i>Supervisors/Professional Employees, Town Hall Employees, Educational Secretaries, Administrative Non Union Professionals, Public Works Employee, Nurses and Public Library Employees</i> – Age 55 with 10 years of Credited Service <i>Non-Certified Board of Education</i> – Age 62 with 10 years of Credited Service <i>Fire Employees</i> – Completion of 10 years of Credited Service (no age requirement) <i>Police Employees</i> – None |
| <u>Early Retirement Benefit</u> | <i>Supervisors/Professional Employees, Town Hall Employees, Educational Secretaries, Administrative Non Union Professionals, Public Works Employee, Nurses and Public Library Employees</i> – 0.5% reduced each month prior to age 65 <i>Fire Employees</i> – 0.5% reduced each month prior to Normal Retirement Age. |
| <u>Late Retirement Benefit</u> | Accrued benefit. Payments are suspended while active and accruing. |
| <u>Disability Benefit</u> | 10 years of Credited Service. Normal pension accrued based on Final Average Earnings and Credited Service at disability. Payment stops at Normal Retirement Age. |
| <u>Normal Form of Benefit</u> | Modified Cash Refund |
| <u>Optional Forms of Payment</u> | 50%, 66.67%, 75% & 100% Joint & Survivor annuities; Life Annuity with 10 years certain; Social Security Adjustment Option; Lump Sum Option if the present value is less than \$1,000 or monthly annuity benefit is under \$50. |
| <u>Accrued Benefit</u> | Normal Retirement Benefit based on Final Average Earnings and Credited Service to date of separation from employment. |
| <u>Vesting Service</u> | Years and months of service from Date of Hire. 100% Vested upon attainment of Early Retirement and Normal Retirement. 5-Year cliff for all members (excluding Non-Certified Board of Education employees). 10-Year cliff for Non-Certified Board of education employees. |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (continued)

D. Contribution Required

Actuarially determined contributions to the Plan are determined each year as part of the Actuarial Valuation process. These contributions are determined according to the following funding policy (and contribution policy):

Actuarial Cost Method:

Entry Age Actuarial Cost Method

Asset Valuation Method:

The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

Amortization Method:

Amortization of unfunded liability with 3.00% per year increase

III. Investments

Investment information has been provided by Webster Private Bank.

Investment policy.

The following was the Town's adopted asset allocation policy as of June 30, 2024 :

| <u>Asset Class</u> | <u>Target Allocation</u> |
|----------------------------------|---------------------------------|
| US Equity - Large Cap | 21.00% |
| US Equity - Small/Mid Cap | 11.00% |
| Non-US Equity - Developed | 15.50% |
| Non-US Equity - Emerging | 6.00% |
| US Corporate Bonds - Core | 37.00% |
| US Corporate Bonds - Dynamic | 4.00% |
| US Treasuries (Cash Equivalents) | 3.00% |
| Real Estate | 2.50% |
| Total | 100.00% |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (continued)

Rate of return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

IV. Net Pension Liability

The Town's net pension liability at June 30, 2024 is \$4,159,481. The following assumptions were used in the calculation of the net pension liability:

A. Actuarial Assumptions & Methods (for calculation of the Net Pension Liability)

Measurement Date

June 30, 2024

Valuation Date

July 1, 2023 (The liability as of 6/30/2023 is based on 7/1/2023 data valued at the discount rate in effect on 6/30/2023. The liability as of 6/30/2024 is based on data as of 7/1/2023 rolled forward using the discount rate in effect on 6/30/2024 and assumes no other gains/losses).

Mortality

PubG-2010 – Public Plan Mortality for General Employees with Scale MP-2021

Discount Rate

6.25% per annum

Inflation

2.60% per annum. This assumption is an underlying component of a number of these economic assumptions. This assumption reflects the following factors:

- Consumer price indices
- Forecasts of inflation
- Yields on government securities of various maturities
- Yields on nominal and inflation-indexed debt

Salary Projection

4.00% per annum. The assumption selected is consistent with the plan sponsor's current compensation practice. This assumption reflects the following factors:

- Available compensation data, including
 - o Plan sponsor's current compensation practice and any anticipated changes
 - o Historical compensation increases and practices of the plan sponsor and other plan sponsors in the same industry or geographic area

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (continued)

A. Actuarial Assumptions & Methods (continued)

Retirement Age

Active Members - 50% at the later of completion of 25 years of service and age 55, but not later than age 65, 20% for the two following years and 100% for the following year for Police members; 100% at the later of age 60 and 10 years of service for Fire members; for all others, 50% at each age of 65 through 69, then 100% by age 70. 100% at Retirement Age for Inactive Vested Participants
Inactive Vested Participants - 100% at Normal Retirement Age

Disability Rates

Disability Rate Table; see sample rates below.

Withdrawal rates

See sample rates below (excludes Police). There's no withdrawal assumption for Police.

| <u>Age</u> | <u>Withdrawal</u> | | <u>Disability</u> | |
|------------|-------------------|---------------|-------------------|---------------|
| | <u>Male</u> | <u>Female</u> | <u>Male</u> | <u>Female</u> |
| 20 | 7.94% | 7.94% | 0.06% | 0.06% |
| 25 | 7.72% | 7.72% | 0.09% | 0.09% |
| 30 | 7.22% | 7.22% | 0.11% | 0.11% |
| 35 | 6.28% | 6.28% | 0.15% | 0.15% |
| 40 | 5.15% | 5.15% | 0.22% | 0.22% |
| 45 | 3.98% | 3.98% | 0.36% | 0.36% |
| 50 | 2.56% | 2.56% | 0.61% | 0.61% |
| 55 | 0.94% | 0.94% | 1.01% | 1.01% |
| 60 | 0.09% | 0.09% | 1.63% | 1.63% |

B. Long-Term Expected Rate of Return on Pension Plan Investments

The long-term expected rate of return on pension plan investments was determined by the investment advisor. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the table on page 15.

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024 (continued)

B. Long-Term Expected Rate of Return on Pension Plan Investments (continued)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* | Weighting |
|--|----------------------|--|--------------|
| US Equity - Large Cap | 21.00% | 3.90% | 0.82% |
| US Equity - Small/Mid Cap | 11.00% | 3.40% | 0.37% |
| Non-US Equity - Developed | 15.50% | 5.60% | 0.87% |
| Non-US Equity - Emerging | 6.00% | 7.50% | 0.45% |
| US Corporate Bonds - Core | 37.00% | 3.10% | 1.15% |
| US Corporate Bonds - Dynamic | 4.00% | 3.90% | 0.16% |
| US Treasuries (Cash Equivalents) | 3.00% | 2.80% | 0.08% |
| Real Estate | 2.50% | 4.90% | 0.12% |
| Total | 100.00% | | 4.02% |
| Diversification Benefit | | | 1.30% |
| Long-Term Inflation Assumption | | | <u>2.60%</u> |
| Long-Term Expected Nominal Rate of Return | | | 7.92% |

* Long-Term real rates of return were provided by Fiducient Advisors. Returns are geometric means.

Long-term capital market assumptions (20+ years) are applicable to approximate future return expectations. We utilized a modified building blocks methodology because being able to identify historical return premiums of asset classes in the context of varying market environments provides a reasonable basis to estimate the performance of asset classes going forward.

C. Discount rate.

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumes that Town contributions will be made according to their established funding policy to contribute the actuarially determined contribution. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024
(continued)**

D. Sensitivity of the net pension liability to changes in the discount rate

| | 1% Decrease (5.25%) | Current Discount Rate (6.25%) | 1% Increase (7.25%) |
|-----------------------|------------------------|----------------------------------|------------------------|
| Net pension liability | \$7,718,258 | \$4,159,481 | \$1,124,113 |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

CALCULATION OF THE DISCOUNT RATE

The discount rate is the single rate that reflects (1) the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits, to the extent that the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments and pension plan assets are expected to be invested using a strategy to achieve that return, and (2) 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 scale), to the extent that the conditions for use of the long-term expected rate of return are not met.

As demonstrated in the illustration, a discount rate of 6.25% satisfies the condition that the total actuarial present value of all projected benefit payments is equal to the sum of the actuarial present values determined in Table 3, columns (f) and (g).

Facts and Assumptions for Calculation of the Discount Rate

The following facts and assumptions are used in this illustration:

1. The illustration is performed on a closed group basis.
2. The actuarially determined contribution is calculated in accordance with the plan's funding policy and the methods and assumptions disclosed on page 6.
3. Projected benefit payments include all benefits to be provided to current active and inactive plan members through the pension plan in accordance with the benefits terms in force at the pension plan's fiscal year end.
4. The pension plan's initial fiduciary net position as noted on page 5.
5. Initial pension plan administrative expenses are as noted on page 5.
6. Salary is assumed to increase as noted on page 6.
7. Contributions, employee contributions, benefit payments, and pension plan administrative expenses occur halfway through the year for purposes of projecting pension plan investment earnings.
8. The long-term expected rate of return on pension plan investments is 6.25%.

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Calculation of a Money-Weighted Rate of Return

The following illustration depicts the calculation of a money-weighted rate of return on pension plan investments as required by paragraph 30b(4) of Statement 67. A money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The rate of return is then calculated by solving, through an iterative process, for the rate that equates (1) the sum of the weighted external cash flows into and out of pension plan investments to (2) the ending value of pension plan investments.

The value of pension plan investments at the beginning of the fiscal year is \$28,790,751, and the value of pension plan investments at the end of the fiscal year is \$30,443,916. Inputs (external cash flows) are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash outflow in each month of this illustration.

The following details the two broad steps of the calculation of the money-weighted rate of return (r_{mw}) for the period from July 1–June 30.

Step 1:

| | Plan Investments/Net External Cash Flows | Periods Invested | Period Weight | (d) = (a) x (1+r _{mw}) ^(c) |
|----------------------------------|---|---------------------|------------------|---|
| | (a) | (b) | (c) = (b) ÷ 12 | |
| Beginning Value - July 1 | \$ 28,790,751 | 12 | 1.00 | \$28,790,751 x (1+r _{mw}) ^(1.00) |
| Monthly net external cash flows: | | | | |
| July | (151,170) | 11 | 0.92 | (151,170) x (1+r _{mw}) ^(0.92) |
| August | (151,417) | 10 | 0.83 | (151,417) x (1+r _{mw}) ^(0.83) |
| September | (161,364) | 9 | 0.75 | (161,364) x (1+r _{mw}) ^(0.75) |
| October | (156,215) | 8 | 0.67 | (156,215) x (1+r _{mw}) ^(0.67) |
| November | (155,975) | 7 | 0.58 | (155,975) x (1+r _{mw}) ^(0.58) |
| December | (162,285) | 6 | 0.50 | (162,285) x (1+r _{mw}) ^(0.50) |
| January | (156,452) | 5 | 0.42 | (156,452) x (1+r _{mw}) ^(0.42) |
| February | (165,965) | 4 | 0.33 | (165,965) x (1+r _{mw}) ^(0.33) |
| March | (161,738) | 3 | 0.25 | (161,738) x (1+r _{mw}) ^(0.25) |
| April | (166,872) | 2 | 0.17 | (166,872) x (1+r _{mw}) ^(0.17) |
| May | (165,215) | 1 | 0.08 | (165,215) x (1+r _{mw}) ^(0.08) |
| June | 783,475 | 0 | 0.00 | 783,475 x (1+r _{mw}) ^(0.00) |
| Ending Value - June 30 | \$ 30,443,916 | | | |

Step 2:

Solve for r_{mw} such that the ending value of pension plan investments, which is \$30,443,916, equals the sum of amounts in column (d). The r_{mw} is 9.39%.

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Participant Data as of Most Recent Funding Valuation Date, July 1, 2023

| | |
|---|-----------|
| Active Employees | |
| Number | 48 |
| Average Accrued Service | 20.74 |
| Average Attained Age | 57.22 |
| Deferred Vested Employees | |
| Number | 36 |
| Average Monthly Benefit | 600.54 |
| Average Attained Age | 58.46 |
| Retired Employees, Beneficiaries, and Contingent Annuitants | |
| Number | 114 |
| Average Monthly Benefit | 1,478.06 |
| Average Attained Age | 70.51 |
| Terminated Vested Employees Due Employee Contributions | |
| Number | 4 |
| Balance of Employee Contributions | 16,159.00 |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Calculation of GASB 68 Pension Expense for Measurement Period Ended June 30, 2024

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|---|--|--|--|---|--|----------------------------|
| Balances at 06/30/2023 | \$34,234,228 | \$28,790,751 | \$5,443,477 | \$3,966,585 | \$2,348,628 | |
| Changes for the year: | | | | | | |
| Service Cost | 322,897 | | 322,897 | | | 322,897 |
| Interest | 2,096,715 | | 2,096,715 | | | 2,096,715 |
| Changes of benefit terms | - | | - | | | - |
| Differences between expected and actual experience | - | | - | - | - | - |
| Changes of assumptions | - | | - | - | - | - |
| Contributions - employer | | 950,000 | (950,000) | | | |
| Contributions - employee | | 153,241 | (153,241) | | | (153,241) |
| Projected Earnings on pension plan investments | | 1,769,532 | (1,769,532) | | | (1,769,532) |
| Differences between projected and actual earnings | | 854,827 | (854,827) | - | 683,862 | (170,965) |
| Benefit payments, including refunds of employee contributions | (2,050,443) | (2,050,443) | - | | | - |
| Administrative expense | | (23,992) | 23,992 | | | 23,992 |
| Other changes | | - | - | | | - |
| Expense for beginning deferred amounts | | | | (1,420,041) | (1,062,471) | 357,570 |
| Net changes | 369,169 | 1,653,165 | (1,283,996) | (1,420,041) | (378,609) | |
| Balances at 06/30/2024 | \$34,603,397 | \$30,443,916 | \$4,159,481 | \$2,546,544 | \$1,970,019 | \$707,436 |

Pension Expense for Measurement Period Ended 06/30/2024

| | |
|-------------------------------------|----------------|
| Change in the Net Pension Liability | (1,283,996) |
| Less: Change in Deferred Outflows | 1,420,041 |
| Plus: Change in Deferred Inflows | (378,609) |
| Plus: Employer Contributions | 950,000 |
| Total | 707,436 |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Historical Schedule of Changes in the Net Pension Liability (NPL) and Related Ratios

| Measurement Period Ended June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------|------|------|------|
| Total pension liability | | | | | | | | | | |
| Service cost | \$322,897 | \$506,565 | \$473,992 | \$539,906 | \$519,140 | \$736,078 | | | | |
| Interest | \$2,096,715 | \$2,073,323 | \$1,967,983 | \$1,937,222 | \$1,881,133 | \$1,875,490 | | | | |
| Changes of benefit terms | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | |
| Differences between expected and actual experience | \$0 | (\$35,422) | \$1,018,759 | (\$295,985) | \$0 | (\$699,447) | | | | |
| Changes of assumptions | \$0 | \$0 | \$57,714 | \$81,306 | \$0 | (\$249,585) | | | | |
| Benefit payments, including refunds of employee contributions | (\$2,050,443) | (\$1,924,510) | (\$1,808,430) | (\$1,603,369) | (\$1,468,176) | (\$1,242,451) | | | | |
| Net change in total pension liability | \$369,169 | \$619,956 | \$1,710,018 | \$659,080 | \$932,097 | \$420,085 | | | | |
| Total pension liability—beginning | <u>\$34,234,228</u> | <u>\$33,614,272</u> | <u>\$31,904,254</u> | <u>\$31,245,174</u> | <u>\$30,313,077</u> | <u>\$29,892,992</u> | | | | |
| Total pension liability—ending (a) | <u>\$34,603,397</u> | <u>\$34,234,228</u> | <u>\$33,614,272</u> | <u>\$31,904,254</u> | <u>\$31,245,174</u> | <u>\$30,313,077</u> | | | | |
| Plan fiduciary net position | | | | | | | | | | |
| Contributions - employer | \$950,000 | \$1,163,197 | \$1,131,235 | \$1,098,284 | \$1,066,295 | \$1,278,376 | | | | |
| Contributions - employee | \$153,241 | \$176,215 | \$195,857 | \$209,846 | \$219,562 | \$239,257 | | | | |
| Net investment income | \$2,624,359 | \$2,273,767 | (\$4,381,254) | \$6,258,426 | \$1,113,027 | \$1,076,186 | | | | |
| Benefit payments, including refunds of employee contributions | (\$2,050,443) | (\$1,924,510) | (\$1,808,430) | (\$1,603,369) | (\$1,468,176) | (\$1,242,451) | | | | |
| Administrative expense | (\$23,992) | (\$18,352) | (\$30,812) | (\$15,687) | (\$32,004) | (\$14,910) | | | | |
| Other | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | | | | |
| Net change in plan fiduciary net position | \$1,653,165 | \$1,670,317 | (\$4,893,404) | \$5,947,500 | \$898,704 | \$1,336,458 | | | | |
| Plan fiduciary net position—beginning | <u>\$28,790,751</u> | <u>\$27,120,434</u> | <u>\$32,013,838</u> | <u>\$26,066,338</u> | <u>\$25,167,634</u> | <u>\$23,831,176</u> | | | | |
| Plan fiduciary net position—ending (b) | <u>\$30,443,916</u> | <u>\$28,790,751</u> | <u>\$27,120,434</u> | <u>\$32,013,838</u> | <u>\$26,066,338</u> | <u>\$25,167,634</u> | | | | |
| Net pension liability—ending (a) – (b) | <u>\$4,159,481</u> | <u>\$5,443,477</u> | <u>\$6,493,838</u> | <u>(\$109,584)</u> | <u>\$5,178,836</u> | <u>\$5,145,443</u> | | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 87.98% | 84.10% | 80.68% | 100.34% | 83.43% | 83.03% | | | | |
| Covered-employee payroll | \$3,202,829 | \$3,728,801 | \$4,254,773 | \$4,173,503 | \$4,731,754 | \$4,903,307 | | | | |
| Net pension liability as a percentage of covered-employee payroll | 129.87% | 145.98% | 152.62% | -2.63% | 109.45% | 104.94% | | | | |

RETIREMENT PLAN FOR THE FULL-TIME EMPLOYEES OF THE TOWN OF LEDYARD

Historical Schedule of Contributions

| Measurement Period Ended June 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution | \$669,144 | \$1,129,512 | \$1,096,614 | \$1,098,284 | \$1,066,295 | \$1,278,376 | \$1,241,142 | \$1,057,393 | \$1,026,595 | \$1,168,151 |
| Contributions in relation to the actuarially determined contribution | <u>\$950,000</u> | <u>\$1,163,197</u> | <u>\$1,131,235</u> | <u>\$1,098,284</u> | <u>\$1,066,295</u> | <u>\$1,278,376</u> | <u>\$1,278,376</u> | <u>\$1,057,393</u> | <u>\$1,109,374</u> | <u>\$1,075,000</u> |
| Contribution deficiency (excess) | <u>(\$280,856)</u> | <u>(\$33,685)</u> | <u>(\$34,621)</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>(\$37,234)</u> | <u>\$0</u> | <u>(\$82,779)</u> | <u>\$93,151</u> |
| Covered-employee payroll | \$3,202,829 | \$3,728,801 | \$4,254,773 | \$4,173,503 | \$4,731,754 | \$4,903,307 | \$5,681,648 | \$5,809,341 | \$5,884,824 | \$7,935,812 |
| Contributions as a percentage of covered-employee payroll | 29.66% | 31.19% | 26.59% | 26.32% | 22.53% | 26.07% | 22.50% | 18.20% | 18.85% | 13.55% |

Actuarial Methods & Assumptions

| | |
|--------------------------------|---|
| Actuarial cost method: | Entry Age Actuarial Cost Method |
| Amortization method: | Amortization of unfunded liability with 3.00% per year increase, closed. |
| Remaining amortization period: | 10 years as of July 1, 2023 |
| Asset valuation method: | The market value of assets less unrecognized returns in each of the last 5 years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets |
| Salary increases: | 4.00% |
| Cost of living increases: | N/A |
| Investment rate of return: | 6.25% |
| Retirement age: | Active Members - 50% at the later of completion of 25 years of service and age 55, but not later than age 65, 20% for the two following years and 100% for the following year for Police members; 100% at the later of age 60 and 10 years of service for Fire members; for all others, 50% at each age of 65 through 69, then 100% by age 70 Inactive Vested Participants - 100% at Normal Retirement |
| Mortality: | PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-2021 |
| Disabled Mortality: | PubG-2010(B) Public Plan Mortality for General Employees, Scale MP-2021 |

Schedule of Investment Returns

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 9.39% | 8.55% | -14.01% | 24.50% | N/A | N/A | | | | |



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1132

Agenda Date: 12/17/2024

Agenda #: 1.

AGENDA REQUEST
GENERAL DISCUSSION ITEM

Subject:

Motion to APPROVE Regular Meeting Minutes from November 19, 2024, as written.

Background:

(type text here)

Department Comment/Recommendation:

(type text here)



TOWN OF LEDYARD

741 Colonel Ledyard Highway
Ledyard, Connecticut 06339

Retirement Board Meeting Minutes

Chairman
John Rodolico

Regular Meeting

Tuesday, November 19, 2024

10:00 AM

Council Chambers - Hybrid Format

I. CALL TO ORDER

The meeting was called to order by Chairman Rodolico at 10:00 a.m.

II. ROLL CALL

Present Board Member William Thorne
Board Member Roger Coddling
Board Member Sharon Wadecki
Chairman John Rodolico

Excused Alternate Member Minna DeGaetano

Also in attendance:

Naomi Rodriguez, Town Council Chairperson.

Frederica Daniels, USI Actuaries was present via Zoom.

Staff Present:

Mayor Fred Allyn III

Christine Dias, Human Resource Director

Ian Stammel, Assistant Finance Director

Christina Hostetler, Town Hall Assistant

III. PRESENTATIONS

1. Chris Rowlins, Fiducient Advisors -

- Full 3Q Investment Review & Fiduciary Governance Calendar Content - Municipal Landscape / CT Pension Plan.

- Follow up on International Equity Portfolio Manager Structure - Emerging market fund options and large cap value/core consideration.

Mr. Rowlins started by saying that the third quarter results were very solid. Ledyard's plan stands out as very well-funded and uses a more conservative discount rate than other plans in Connecticut.

The average investment return assumption across Connecticut municipal pension plans was 6.43% and the median was 6.50% for FY 2023. Only 8% of plans reduced their investment return assumption since last year's report, with the most common reduction of 0.125.

The average long-term rate of return assumption has declined by 71 basis points, from 7.14% to 6.43%, from FY 2015 to FY 2022. We expect to see a pause in setting lower assumed rates of return on a go-forward basis due to the restoration of higher bond yields.

On average plans have paused and reduced their discount rates.

Mr. Rowlin classified the third quarter Capital market performance as the "goldilocks scenario" where the environment was just right. Interest rates came down meaningfully, the Feds cut interest rates 50 basis points, which was the first interest rate cut in four years. The U.S. Agg which is the barometer for the bond market was up 5.2 % for the quarter.

International developed markets were up 7.3% and emerging markets were up even more at 8.7%.

On October 1, 2024 the Town Portfolio moved out of T. Rowe.

Mr. Rowlin reported that the Town's Portfolio ending market value is at approximately \$31.7 million, about ten years ago when Fiducient Advisors first started working with the Town the value was at \$11 million, a remarkable increase.

Mr. Rowlin presented an international allocation review. Previously the Board decided to replace T. Rowe Price Overseas and allocate the position to the J. Hancock International Dynamic Growth, and the existing Vanguard Total International Stock Index. The Board requested more information on additional core value managers for comparison against Dodge & Cox. Mr. Rowlin provided Causeway International Value for the Board's consideration as well as longer term performance history for Arga Emerging Markets Value and Driehaus Emerging Markets Growth. Mr. Rowlin said that Causeway has solid numbers, although a bit more aggressive than Dodge & Cox with a higher volatility profile. Driehaus Emerging Market would complement Arga to combine value and growth. Mr. Rowlin advised the Board to move forward after Invesco was downgraded to a "watch" status in November. He added that it is a challenging time for Invesco and they aren't adding value or the results expected. Mr. Rowlin stated that the international market will need to be watched closely since the new administration coming will be less friendly in globalization policies and tariffs. The two recommended strategies to best complement John Hancock's growth tilt were Dodge & Cox and Causeway. Mr. Rowlin explained that currently John Hancock is at 6.1 % and ideally it should be at 7.5% with another 7.5% in either Dodge & Cox or Causeway. Investco is currently at 6.1%, the recommendation is to reallocate 3% to Arga and another 3% to Driehaus for the two emerging market managers. Vanguard would be removed from the International Equity sleeve. Mr. Coddling said he would lean more toward Causeway than Dodge & Cox given their stronger performance history.

Motion to APPROVE Fiducient Advisor's recommendation of retaining 7.5% to Causeway International Value, adjusting the John Hancock International Dynamic Growth to 7.5%, and replacing Invesco Developing Market Fund with Arga Emerging Markets Value and Driehaus Emerging Markets Growth each at 3% and elimination of Vanguard Total International Stock

Index Fund.

Mr. Rowllins announced that the annual conference next year will be held in Boston on September 16/17.

Chairman Rodolico spoke about the Board member vacancy. He has reached out to the Republican Town Committee and asked the Board to approach anyone that is interested in filling the vacancy. Mr. Thorne asked if the vacancy could be posted on the Town Forum. It was answered since it isn't political it could be posted. Chairman Rodolico asked if it could be placed in the Events magazine. He added that not just the Retirement Board vacancy, but all Town Boards/Commissions/Committees vacancies could be posted.

Chairman Rodolico thanked Mr. Rowllins for his time.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 4 Thorne Coddling Wadecki Rodolico

EXCUSED 1 DeGaetano

IV. REVIEW AND APPROVAL OF MINUTES

- 1. Motion to APPROVE the Regular Meeting Minutes from October 15, 2024, as written.

RESULT: APPROVED AND SO DECLARED

MOVER: John Rodolico

SECONDER: Sharon Wadecki

AYE 4 Thorne Coddling Wadecki Rodolico

EXCUSED 1 DeGaetano

V. DIRECTOR OF HUMAN RESOURCES UPDATE

- 1. Director of Human Resources update.

Ms. Dias said that she has been in contact with the Leadership for the Police Union and the Teamsters to schedule the meeting and they are targeting an early December date.

RESULT: DISCUSSED

VI. FINANCE DIRECTOR'S REPORT

- 1. Finance Director's Report.

None.

VII. OLD BUSINESS

- 1. Discuss Amendment 2015-1 to the Retirement Plan for Full-Time Employees of the Town of

Ledyard continued.

Mr. Thorne told Ms. Daniels that the Town Defined Benefit Plan hasn't been updated since 2012 and asked her if USI could assist the Board with the update. Ms. Daniels answered yes that USI has legal planned document service professionals that restate government and municipal plans often. Ms. Daniels said she would speak with the legal group and have information for the Board during the December meeting. She added that generally plans are restated every 5-10 years. Ms. Daniels said that USI will need the Town's latest Union contracts. Mr. Thorne said he would like to reference the Union plans instead of putting specific information in the Town Plan that needs to be updated each time there is a Union change. Ms. Daniels stated that generally that is how she sees documents written (referencing the Union Plans).

Mr. Thorne recommended to the Board that they use USI instead of Attorney Bruce Barth for the Defined Benefit Plan review; he thought USI would be less expensive and more experienced with this kind of review.

Mr. Thorne recommended changing the table of contents and restating the amendment to the Retirement Plan for Full-Time Employees of the Town of Ledyard as follows:

"If a member continues employment with the Town after reaching his or her Normal Retirement Date, and elects to retire under that plan, any benefits payable to such Member or retire or former Eligible Employee under that Plan shall be paid as prescribed by the plan as if he/she had continued employment with the town."

Mr. Thorne asked the Board if they would want to allow employees who are retired and re-hired to receive a match to their defined contribution plan. Mr. Stammel said he prefers both retired and non-retired employees to be treated equally and for both groups to receive the match. Mr. Thorne will have the wording ready for the Board to vote on during the December meeting, afterwards it will be recommended to the Town Council.

RESULT: DISCUSSED

2. Any Other Old Business to come before the Board.

None.

VIII. NEW BUSINESS

1. Any Other New Business to come before the Board.

None.

IX. ADJOURNMENT

Motion to ADJOURN the Regular Meeting at 11:04 a.m.

RESULT: APPROVED AND SO DECLARED

MOVER: Sharon Wadecki

SECONDER: William Thorne

AYE 4 Thorne Coddington Wadecki Rodolico

EXCUSED 1 DeGaetano

DISCLAIMER: Although we try to be timely and accurate these are not official records of the Town.



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1136

Agenda Date: 12/17/2024

Agenda #: 1.

AGENDA REQUEST
GENERAL DISCUSSION ITEM

Subject:

Director of Human Resources update.

Background:

(type text here)

Department Comment/Recommendation:

(type text here)



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1137

Agenda Date: 12/17/2024

Agenda #: 1.

AGENDA REQUEST
GENERAL DISCUSSION ITEM

Subject:

Finance Director's Report.

Background:

(type text here)

Department Comment/Recommendation:

(type text here)



File #: 24-1133

Agenda Date: 12/17/2024

Agenda #: 1.

AGENDA REQUEST
GENERAL DISCUSSION ITEM

Subject:

Discuss Amendment 2015-1 to the Retirement Plan for Full-Time Employees of the Town of Ledyard continued.

Background:

From the November 19, 2024 meeting:

Mr. Thorne told Ms. Daniels that the Town Defined Benefit Plan hasn't been updated since 2012 and asked her if USI could assist the Board with the update. Ms. Daniels answered yes that USI has legal planned document service professionals that restate government and municipal plans often. Ms. Daniels said she would speak with the legal group and have information for the Board during the December meeting. She added that generally plans are restated every 5-10 years. Ms. Daniels said that USI will need the Town's latest Union contracts. Mr. Thorne said he would like to reference the Union plans instead of putting specific information in the Town Plan that needs to be updated each time there is a Union change. Ms. Daniels stated that generally that is how she sees documents written (referencing the Union Plans).

Mr. Thorne recommended changing the table of contents and restating the amendment to the Retirement Plan for Full-Time Employees of the Town of Ledyard as follows:

“If a member continues employment with the Town after reaching his or her Normal Retirement Date, and elects to retire under that plan, any benefits payable to such Member or retire or former Eligible Employee under that Plan shall be paid as prescribed by the plan as if he/she had continued employment with the town”.

Mr. Thorne asked the Board if they would want to allow employees who are retired and re-hired to receive a match to their defined contribution plan. Mr. Stammel said he prefers both retired and non-retired employees to be treated equally and for both groups to receive the match. Mr. Thorne will have the wording ready for the Board to vote on during the December meeting, afterwards it will be recommended to the Town Council.

Department Comment/Recommendation:

(type text here)

AMENDMENT 2015-1
TO THE RETIREMENT PLAN FOR
FULL-TIME EMPLOYEES OF
THE TOWN OF LEDYARD

Amended and Restated July 1, 2012

WHEREAS, The Town of Ledyard, hereinafter referred to as the "Employer" established a Plan which reserves in Section 10.01, the Ledyard Town Council's right and authority to amend the Plan; and

WHEREAS, the Employer desires to amend the Plan to provide for continuation of benefits for any retiree returning to employment with the Employer; and;

NOW THEREFORE, effective July 1, 2015, the Employer hereby amends the Plan as follows:

Section 5.06 (Suspension of Benefits) is hereby amended to read as follows:

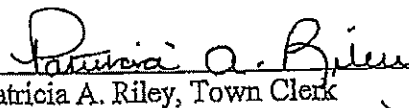
If a Member continues employment with the Town after reaching his or her Normal Retirement Date, any benefits payable to such Member or retired or former Eligible Employee under the Plan shall be suspended during the period of such continued employment. If a retired Member returns to employment with the Town in the same department which he or she retired from, any benefits payable to such retired Member under the Plan shall be suspended during the period of such continued employment. However, if a retired Member returns to employment with the Town in a different department which he or she retired from, any benefits payable to such retired Member under the Plan during such period of continued employment shall continue without disruption. This member will not be allowed to contribute to any Town pension plan.

Approved by the Ledyard Town Council on October 14, 2015


Fred Allyn, III, Chairman pro-tem

IN WITNESS WHEREOF, this 2015-1 Amendment is signed this 16th day of
October 2015.

THE TOWN OF LEDYARD

By 
Patricia A. Riley, Town Clerk

**AMENDMENT 2024-1
TO THE RETIREMENT PLAN FOR
FULL-TIME EMPLOYEES OF
THE TOWN OF LEDYARD**

Amended and Restated July 1, 2012

WHEREAS, The Town of Ledyard, hereinafter referred to as the “Employer” established a Plan which reserves in Section 10.01, the Ledyard Town Council’s right and authority to amend the Plan; and

WHEREAS, the Employer desires to amend the Plan to provide for continuation of benefits for any retiree returning to employment with the Employer; and;

NOW THEREFORE, effective XXX, X 2024, the Employer hereby amends the Plan as follows:

Section 5.06 (Suspension of Benefits) is hereby amended to read as follows:

Section 5.06 Continued Employment Post Retirement

If a Member continues employment with the Town after reaching his or her Normal Retirement Date, and elects to retire under the plan, any benefits payable to such Member or retired or former Eligible Employee under the Plan shall be paid as prescribed by the plan as if he/she had not continued employment with the town.

Table of Contents is hereby amended to read as follows:

Article 5:06 Continued Employment Post Retirement

Approved by the Ledyard Town Council on *Date*

IN WITNESS WHEREOF, this 2024-1 Amendment is signed this _____ day of _____ 2024.

THE TOWN OF LEDYARD

By _____
Patricia A. Riley, Town Clerk

12/17/24

To: Chairperson, Ledyard Town Council

From: Chairperson, Ledyard Retirement Board

Subject: Amendment To The Retirement Plan for Full-Time Employees of the Town of Ledyard, Amended and Restated July 1, 2012

Attachment(s):

1. Amendment 2018-1 To The Retirement Plan for Full-Time Employees Of The Town of Ledyard, Amended and Restated July 1, 2012
2. Amendment 2024-1 (DRAFT) To The Retirement Plan for Full-Time Employees Of The Town of Ledyard, Amended and Restated July 1, 2012

Chairperson Rodriguez,

The Retirement Board has been in discussion regarding Attachment 1 and its impact on retaining skilled/experienced workers in town employment after they have reached Normal Retirement Age under the Defined Benefit Plan. It is the Retirement Board's consensus that Attachment 1 is detrimental to his effort. These individuals have a minimum of 12 years' experience in their positions, which makes them valuable to the town especially in this difficult hiring environment. It should be noted that with their experience, these individuals could easily go to an adjacent town where they would get both Ledyard's retirement benefits and compensatory salary/pay. If we enforce Attachment 1, these individuals will most likely either seek employment in an adjacent town and/or just retire/leave. In either case, the Town of Ledyard would be the loser.

In remediation, the Retirement Board recommends the Ledyard Town Council adopt Attachment 2 which would allow town employees to receive retirement benefits under the Defined Benefit Plan after reaching their normal retirement age while remaining employed by the Town.

The Retirement Board feels that adopting Amendment 2024-1 (Attachment 2) is in the best interest of the Town and our valued employees while maintaining the Retirement Board's fiduciary responsibility to the Town.

John Rodolico
Chairperson, Ledyard Retirement Board

Copy: Ledyard Mayor
Director of Human Resources

AMENDMENT 2015-1
TO THE RETIREMENT PLAN FOR
FULL-TIME EMPLOYEES OF
THE TOWN OF LEDYARD

Amended and Restated July 1, 2012

WHEREAS, The Town of Ledyard, hereinafter referred to as the "Employer" established a Plan which reserves in Section 10.01, the Ledyard Town Council's right and authority to amend the Plan; and

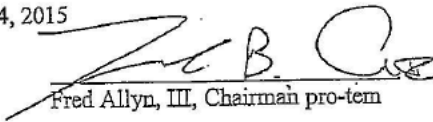
WHEREAS, the Employer desires to amend the Plan to provide for continuation of benefits for any retiree returning to employment with the Employer; and;

NOW THEREFORE, effective July 1, 2015, the Employer hereby amends the Plan as follows:

Section 5.06 (Suspension of Benefits) is hereby amended to read as follows:

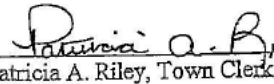
If a Member continues employment with the Town after reaching his or her Normal Retirement Date, any benefits payable to such Member or retired or former Eligible Employee under the Plan shall be suspended during the period of such continued employment. If a retired Member returns to employment with the Town in the same department which he or she retired from, any benefits payable to such retired Member under the Plan shall be suspended during the period of such continued employment. However, if a retired Member returns to employment with the Town in a different department which he or she retired from, any benefits payable to such retired Member under the Plan during such period of continued employment shall continue without disruption. This member will not be allowed to contribute to any Town pension plan.

Approved by the Ledyard Town Council on October 14, 2015


Fred Allyn, III, Chairman pro-tem

IN WITNESS WHEREOF, this 2015-1 Amendment is signed this 16th day of
October 2015.

THE TOWN OF LEDYARD

By 
Patricia A. Riley, Town Clerk

13899536-v2

Attachment 1

**AMENDMENT 2024-1
TO THE RETIREMENT PLAN FOR
FULL-TIME EMPLOYEES OF
THE TOWN OF LEDYARD
Amended and Restated July 1, 2012**

WHEREAS, The Town of Ledyard, hereinafter referred to as the “Employer” established a Plan which reserves in Section 10.01, the Ledyard Town Council’s right and authority to amend the Plan; and

WHEREAS, the Employer desires to amend the Plan to provide for continuation of benefits for any retiree returning to employment with the Employer; and;

NOW THEREFORE, effective XXX, X 2024, the Employer hereby amends the Plan as follows:

Section 5.06 (Suspension of Benefits) is hereby amended to read as follows:

Section 5.06 Continued Employment Post Retirement

If a Member continues employment with the Town after reaching his or her Normal Retirement Date, and elects to retire under the plan, any benefits payable to such Member or retired or former Eligible Employee under the Plan shall be paid as prescribed by the plan as if he/she had not continued employment with the town.

Table of Contents is hereby amended to read as follows:

Articile 5:06 Continued Employment Post Retirement

Approved by the Ledyard Town Council on *Date*

Naomi Rodriguez, Chairperson
Ledyard Town Council

IN WITNESS WHEREOF, this 2024-1 Amendment is signed this _____ day of _____ 2024.

THE TOWN OF LEDYARD

By _____
Patricia A. Riley, Town Clerk

Attachment 2

12/17/24

To: Chairperson, Ledyard Town Council

From: Chairperson, Ledyard Retirement Board

Subject: Amendment To The Retirement Plan for Full-Time Employees of the Town of Ledyard, Amended and Restated July 1, 2012

Attachment(s):

1. Amendment 2018-1 To The Retirement Plan for Full-Time Employees Of The Town of Ledyard, Amended and Restated July 1, 2012
2. Amendment 2024-1 (DRAFT) To The Retirement Plan for Full-Time Employees Of The Town of Ledyard, Amended and Restated July 1, 2012

Chairperson Rodriguez,

The Retirement Board has been in discussion regarding Attachment 1 and its impact on retaining skilled/experienced workers in town employment after they have reached Normal Retirement Age under the Defined Benefit Plan. It is the Retirement Board's consensus that Attachment 1 is detrimental to this effort. These individuals have a minimum of 12 years' experience in their positions, which makes them valuable to the town especially in a difficult hiring environment. It should be noted that with their experience, these individuals could easily go to a nearby town where they would get both Ledyard's retirement benefits and compensatory salary/pay and likely a Defined Contribution plan. If we enforce Attachment 1, these individuals will most likely either seek employment in a nearby town and/or just retire/leave. In either case, the Town of Ledyard would be the loser.

In remediation, the Retirement Board recommends the Ledyard Town Council adopt Attachment 2, which would allow town employees to receive retirement benefits under the Defined Benefit Plan after reaching their normal retirement age while remaining employed by the Town.

The Retirement Board feels that adopting Amendment 2024-1 (Attachment 2) is in the best interest of the Town and our valued employees while maintaining the Retirement Board's fiduciary responsibility to the Town.

John Rodolico
Chairperson, Ledyard Retirement Board

Copy: Ledyard Mayor
Director of Human Resources

AMENDMENT 2015-1
TO THE RETIREMENT PLAN FOR
FULL-TIME EMPLOYEES OF
THE TOWN OF LEDYARD

Amended and Restated July 1, 2012

WHEREAS, The Town of Ledyard, hereinafter referred to as the "Employer" established a Plan which reserves in Section 10.01, the Ledyard Town Council's right and authority to amend the Plan; and

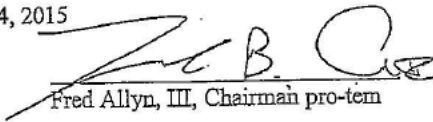
WHEREAS, the Employer desires to amend the Plan to provide for continuation of benefits for any retiree returning to employment with the Employer; and;

NOW THEREFORE, effective July 1, 2015, the Employer hereby amends the Plan as follows:

Section 5.06 (Suspension of Benefits) is hereby amended to read as follows:

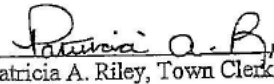
If a Member continues employment with the Town after reaching his or her Normal Retirement Date, any benefits payable to such Member or retired or former Eligible Employee under the Plan shall be suspended during the period of such continued employment. If a retired Member returns to employment with the Town in the same department which he or she retired from, any benefits payable to such retired Member under the Plan shall be suspended during the period of such continued employment. However, if a retired Member returns to employment with the Town in a different department which he or she retired from, any benefits payable to such retired Member under the Plan during such period of continued employment shall continue without disruption. This member will not be allowed to contribute to any Town pension plan.

Approved by the Ledyard Town Council on October 14, 2015


Fred Allyn, III, Chairman pro-tem

IN WITNESS WHEREOF, this 2015-1 Amendment is signed this 16th day of
October 2015.

THE TOWN OF LEDYARD

By 
Patricia A. Riley, Town Clerk

13899536-v2

Attachment 1

**AMENDMENT 2024-1
TO THE RETIREMENT PLAN FOR
FULL-TIME EMPLOYEES OF
THE TOWN OF LEDYARD
Amended and Restated July 1, 2012**

WHEREAS, The Town of Ledyard, hereinafter referred to as the “Employer” established a Plan which reserves in Section 10.01, the Ledyard Town Council’s right and authority to amend the Plan; and

WHEREAS, the Employer desires to amend the Plan to provide for continuation of benefits for any retiree returning to employment with the Employer; and;

NOW THEREFORE, effective XXX, X 2024, the Employer hereby amends the Plan as follows:

Section 5.06 (Suspension of Benefits) is hereby amended to read as follows:

Section 5.06 Continued Employment Post Retirement

If a Member continues employment with the Town after reaching his or her Normal Retirement Date, and elects to retire under the plan, any benefits payable to such Member or retired or former Eligible Employee under the Plan shall be paid as prescribed by the plan as if he/she had not continued employment with the town.

Table of Contents is hereby amended to read as follows:

Section 5:06 Continued Employment Post Retirement

Approved by the Ledyard Town Council on *Date*

Naomi Rodriguez, Chairperson
Ledyard Town Council

IN WITNESS WHEREOF, this 2024-1 Amendment is signed this _____ day of _____ 2024.

THE TOWN OF LEDYARD

By _____
Patricia A. Riley, Town Clerk

Attachment 2



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1134

Agenda Date: 12/17/2024

Agenda #: 2.

AGENDA REQUEST
GENERAL DISCUSSION ITEM

Subject:

Any Other Old Business to come before the Board.

Background:

(type text here)

Department Comment/Recommendation:

(type text here)



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1131

Agenda Date: 12/17/2024

Agenda #: 1.

RETIREMENT-EMPLOYEE BENEFITS

Motion/Request:

Motion to APPROVE a monthly retirement benefit for Bobby Kempke in the amount of \$2,469.62 as of December 1, 2024, payable in the normal form of a Modified Cash Refund Annuity based on his service and earnings through this retirement date.

Background:

(type text here)

Human Resources Comment/Recommendation:

Amount approved by HR Director

Finance Director Comment/Recommendation:

(type text here)

Mayor Comment/Recommendation:

(type text here)



USI Consulting Group
95 Glastonbury Boulevard
Glastonbury, CT 06033
www.usi.com
Phone: 860.633.5283

November 18, 2024

CONFIDENTIAL

Christine Dias
Town of Ledyard
741 Colonel Ledyard Highway
Ledyard, CT 06339

Re: Retirement Plan for Full-Time Employees of the Town of Ledyard – Calculation for Bobby Kempke

Dear Christine:

As requested, we have prepared the attached Benefit Calculation Worksheet for Bobby Kempke for normal retirement date of December 1, 2024. Based on the salary provided for the period ending June 30th, 2021, we've calculated that Mr. Kempke is eligible to receive a monthly retirement benefit of \$2,469.62 as of December 1, 2024, payable in the normal form of a Modified Cash Refund Annuity, based on his service and earnings through this retirement date. In addition, Mr. Kempke employee contributions with and without interest will be \$100,083.13 and \$61,415.25, respectively, as of that same date. The non-taxable portion of the monthly benefit will be \$170.60 for 360 months if he elects the Modified Cash Refund or a 10-year Certain & Life Annuity or \$149.79 for 410 months for a Joint & Survivor annuity.

The calculation is based upon a 2.0% multiplier and the participant's three-year average salary. These are the current plan provisions in effect for Police Officers. Our calculation of the referenced pension benefit is based on the service, compensation and other relevant information provided to us by the Town of Ledyard. USI Consulting Group has not independently confirmed the accuracy or completeness of such information.

Please forward a copy of completed forms to us for our records. If you have any questions regarding this calculation, please do not hesitate to contact me.

Sincerely,
USI CONSULTING GROUP

Nelroy Giddings
Actuarial Consultant

cc: Frederica S. Daniels, USI Consulting Group

**Town of Ledyard
Benefit Calculation**

Demographic Information:

| | | | |
|----------------------------------|---------------|---------------------------------------|---------------|
| Name: | Kempke, Bobby | | |
| Department: | Police | | |
| Date of Birth: | 11/2/1969 | As of 7/1/2024: | |
| Original Date of Hire: | 8/10/2005 | Employee Contributions: | \$ 61,415.25 |
| Date of Participation: | 9/1/2006 | Employee Contributions With Interest: | \$ 98,069.06 |
| Date of Termination: | 6/10/2021 | | |
| Normal Retirement Date (NRD): | 12/1/2024 | As of BCD: | |
| Benefit Commencement Date (BCD): | 12/1/2024 | Employee Contributions: | \$ 61,415.25 |
| Beneficiary's Date of Birth: | 4/8/1975 | Employee Contributions With Interest: | \$ 100,083.13 |
| Credited Service: | 15.8333 | | |

Salary History (Based on Plan Year Ending June 30):

| | | |
|------|----|-----------|
| 2021 | \$ | 95,586.40 |
| 2020 | \$ | 93,477.28 |
| 2019 | \$ | 91,692.64 |
| 2018 | \$ | 88,220.03 |
| 2017 | \$ | 87,360.83 |
| 2016 | \$ | 86,346.32 |
| 2015 | \$ | 76,343.15 |
| 2014 | \$ | 81,319.85 |
| 2013 | \$ | 85,440.88 |
| 2012 | \$ | 68,616.19 |

3-Year Final Average Earnings (FAE): \$ 93,585.44

Benefit Formula (Amount Payable as a Modified Cash Refund):

| | | | |
|---|---|----|-------------|
| A | 3-Year Final Average Earnings (FAE): | \$ | 93,585.44 |
| B | Multiplier: | | 2.00% |
| C | Credited Service: | | 15.83 |
| D | Vesting Percentage: | | <u>100%</u> |
| E | Annual Benefit Payable at NRD: [AxBxCxD] | \$ | 29,635.39 |
| F | Maximum Annual Benefit: 75% of FAE | \$ | 70,189.08 |
| G | Annual Benefit Payable at NRD: Lesser of [E, F] | \$ | 29,635.39 |
| H | Early Retirement Factor: | | <u>100%</u> |
| I | Monthly Benefit Payable at BCD: [GxH]/12 | \$ | 2,469.62 |

| Optional Forms of Benefit: | Factor | | Participant Benefit | Spouse Benefit |
|-----------------------------------|---------------|-------|--------------------------------|---------------------------|
| Modified Cash Refund Annuity: | | 1.000 | \$ 2,469.62 | N/A |
| 50% Joint & Survivor: | | 0.865 | \$ 2,136.22 | \$ 1,068.11 |
| 66-2/3% Joint & Survivor: | | 0.828 | \$ 2,044.85 | \$ 1,363.23 |
| 75% Joint & Survivor: | | 0.811 | \$ 2,002.86 | \$ 1,502.15 |
| 100% Joint & Survivor: | | 0.762 | \$ 1,881.85 | \$ 1,881.85 |
| 10 Years Certain & Continuous: | | 0.979 | \$ 2,418.95 | \$ 2,418.95 |

IMPORTANT NOTICE

The retirement benefit to which you are entitled is stated in the Plan's documents. This retirement benefit illustration has been prepared based on the current understanding of the Plan's provisions as in effect on the date of preparation of the calculation, and on personnel and employment data available on that date. To the extent your benefit differs from this illustration, the terms of the Plan control. If the understanding of the Plan's provisions or this data should prove to be incorrect, or if the calculation is for any reason erroneous, your Plan benefit will be adjusted retroactively to an amount which reflects the correct Plan provisions and data.



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1167

Agenda Date: 12/17/2024

Agenda #: 2.

RETIREMENT-EMPLOYEE BENEFITS

Motion/Request:

Motion to APPROVE payment of invoice #609_12312024, to Fiducient Advisors, dated December 6, 2024, in the amount of \$12,849.65, for consulting costs for the Town of Ledyard Defined Benefit Pension Plan for the billing period October 1, 2024, to December 31, 2024.

Background:

(type text here)

Human Resources Comment/Recommendation:

(type text here)

Finance Director Comment/Recommendation:

(type text here)

Mayor Comment/Recommendation:

(type text here)

HOME OFFICE
CHICAGO

500 West Madison St, Ste 1700
Chicago, IL 60661
312.853.1000

HARTFORD, CT ~ WASHINGTON DC ~ BOSTON, MA ~ PORTLAND, ME ~ AUSTIN, TX ~ LOS ANGELES, CA

www.fiducient.com

Town of Ledyard
741 Colonel Ledyard Highway
Ledyard, CT 06339

Date: December 06, 2024
Invoice #: 609_12312024

Invoice for: Ledyard, Town of-Defined Benefit
Billing Period: October 01, 2024 to December 31, 2024
Quarter Ending/Valuation Date: December 31, 2024

Total Amount Due: **\$12,849.65**

Schedule

Annual Consulting Cost \$51,399.00*

*Annual Cost will increase by 3% each year on or about anniversary date.

Invoice sent to: Matthew Bonin

ACH/Wire

Wells Fargo Bank
420 Montgomery Street
San Francisco, CA 94104
ABA # 121000248
Account # 4677401630
Swift Code WFBIUS6S

Check Payments

Mail to LockBox
Fiducient Advisors LLC
PO Box 856577
Minneapolis, MN 55485-6577

EIN 36-4001764

If you have any questions, please contact your consultant or the Finance Team at FinanceTeam@fiducient.com.

Thank you for your business.

Disclaimer

This report is intended for the exclusive use of clients or prospective clients of Fiducient Advisors LLC. The information contained herein is intended for the recipient, is confidential and may not be disseminated or distributed to any other person without the prior approval of Fiducient Advisors. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified.

Custodian reports are the reports that govern the account. There will be different account values between Fiducient Advisors' reports and/or invoices and the custodian reports based on whether the report utilizes trade date or settlement date to calculate value. Additionally, difference between values contained on reports and/or invoices may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and correlations will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is a possibility of a loss. **50**



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1188

Agenda Date: 12/17/2024

Agenda #: 3.

RETIREMENT-EMPLOYEE BENEFITS

Motion/Request:

Motion to APPROVE payment of USI invoice # 90103509, dated November 30, 2024, for benefit calculations for Bobby Kempke and Belinda Learned in the amount of \$400.00 each for a total of \$800.00.

Background:

Human Resources Comment/Recommendation:

Invoice approved by Human Resources

Finance Director Comment/Recommendation:

(type text here)

Mayor Comment/Recommendation:

(type text here)



USI Consulting Group, Inc.
 95 Glastonbury Blvd.
 Suite 102
 Glastonbury, CT 06033-6503
 (860) 633-5283

600 3rd Avenue 3rd Floor,
 New York, NY 10016

601 Union Street Suite 1000
 Seattle, WA 98101

725 RXR Plaza, East Tower
 Uniondale, NY 11556

Invoice

Bill To :
 Town of Ledyard
 Matt Bonin
 741 Colonel Ledyard Highway
 Ledyard CT 06339

Remit To:
 USI Consulting Group, Inc.
 95 Glastonbury Blvd

 Glastonbury, CT 06033
 (860) 633-5283

| Information | |
|-----------------------|--------------------|
| Invoice No. | 90103509 |
| Invoice Date | 11/30/2024 |
| Customer No. | 1003385 |
| Terms of Payment | Net due in 15 days |
| Purchase Order Number | DB-CT - 1 |

| Service | Quantity | Unit Price | Amount |
|---|----------|------------|--------|
| Benefit Calculation(s) | 2 | 400.00 | 800.00 |
| Services rendered regarding Benefit Calculation(s): | | | |
| Bobby Kempke & Belinda Learned | | | |
| Total | | | 800.00 |



TOWN OF LEDYARD

741 Colonel Ledyard
Highway
Ledyard, CT 06339-1511

File #: 24-1135

Agenda Date: 12/17/2024

Agenda #: 4.

AGENDA REQUEST
GENERAL DISCUSSION ITEM

Subject:

Any Other New Business to come before the Board.

Background:

(type text here)

Department Comment/Recommendation:

(type text here)