

The meeting of the Volunteer Firefighter Relief Fund Committee (Committee) will seek to comply with the directive of Executive Order 7B-1 issued by Governor Ned Lamont on March 14, 2020, together with any Executive Orders subsequently issued which pertain to such meetings. To participate in the meeting Committee members, staff and the public will use the City's Turbobridge account by dialing 860-215-8140 and when prompted enter the conference ID # 4038191, followed by the # sign.

To: Members of the Volunteer Firefighter Relief Fund Committee
From: Thomas Quinley, Chairman of the Volunteer Firefighters' Relief Fund
Subject: Special Meeting
Meeting Date: Tuesday, October 13, 2020
Meeting Time: 2:00 p.m.
Meeting Location: Turbobridge Conference Call

Agenda Items:

1. Call to order
2. Roll call
3. Determination of quorum
4. Approval of minutes of preceding meeting
 - a. Review of minutes from the Special Meeting on September 15, 2020 ([available on the website](#))
5. New business
 - a. Discussion/ review of cost estimates of proposed changes to VFFRF Plan ordinance.
 - b. Any new items or concerns brought forward to the Committee from the floor.
6. Adjournment

Please notify Thomas Quinley (rehsq@snet.net) or Brigid Marks (bmarks@cityofnorwich.org) if you are unable to attend the meeting.

Next scheduled regular meeting: Monday, November 16, 2020

Next participants vested to receive benefits:

- Yantic: Frank Manfredi – January 2021 (pending purchase of 2020 service and military service)
- Yantic: Robert Ladd – July 2023
- Yantic: Gregory Stott – July 2023
- Taftville: Eric Benoit – November 2023
- EGP: Patrick Daley – November 2023
- EGP: William Guile – November 2023



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October 5, 2020

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PERSONAL & CONFIDENTIAL

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Mr. Joshua Pothier
Comptroller
City of Norwich
100 Broadway
Norwich, CT 06360

Re: City of Norwich Volunteer Firefighters' Pension Plan - Proposed Plan Changes

Dear Josh:

You asked us to analyze the financial impact of the following package of proposed plan changes:

- Changing the Normal Retirement Date from age 55 with 25 years of Credited Service to age 55 with 20 years of Credited Service for members hired after January 1, 2015
- Changing the service cap from 30 years to 40 years of Credited Service for members hired after January 1, 2015
- Increasing the benefit multiplier and the employee contribution rate from \$22 to \$24 per month for all members
- Increasing the survivor benefit percentage from 90% to 100% for all members

Since some of the proposed changes affect only the post-2015 cohort, the financial impact of the proposed changes will emerge gradually as this cohort grows in size. In order to illustrate this, we have prepared a long-range forecast of how the Actuarially Determined Contribution would be impacted by the proposed changes over the next several decades

Fiscal Year	Contribution baseline with no changes	Contribution with all changes	Difference after all changes
2020-21	\$334,817	\$334,817	\$0
2021-22	357,417	357,417	0
2022-23	345,000	370,000	25,000
2023-24	368,000	395,000	27,000
2024-25	352,000	380,000	28,000
2025-26	376,000	405,000	29,000
2026-27	366,000	396,000	30,000
2027-28	391,000	423,000	32,000
2028-29	383,000	415,000	32,000
2029-30	409,000	443,000	34,000
2030-31	399,000	434,000	35,000
2031-32	426,000	463,000	37,000
2032-33	418,000	454,000	36,000
2033-34	446,000	485,000	39,000
2034-35	440,000	479,000	39,000
2035-36	470,000	511,000	41,000
2036-37	462,000	501,000	39,000
2037-38	493,000	535,000	42,000
2038-39	420,000	457,000	37,000

Caveats

This forecast is based on the results of the January 1, 2020 actuarial valuation reported provided to you on May 5, 2020. It assumes that the City will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on market value basis each year and there are no future changes in the actuarial methods or assumptions or in the plan provisions, other than those described above. For purposes of this forecast, the amortization period declines by 1 each 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 City from contribution volatility. The long-range forecasts included in this report have been developed using a model that employs standard actuarial techniques and assumes 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. Members who are projected to leave active service are assumed to be replaced by new active members with the same age, service, gender, and pay characteristics as those hired in the past few years.

It is certain that actual experience will not conform exactly to the assumptions used in this analysis. To the extent future experience deviates from those assumptions, the results of this analysis could vary from the results presented here. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. The proposed plan changes do not materially impact the analysis of risk that was presented in the January 1, 2020 valuation report.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised.

Milliman's work is prepared solely for the internal business use of the City of Norwich. 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, and Milliman may include a legend on its reports so stating. 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 City may provide a copy of Milliman's work, in its entirety, to the City'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 City; and (b) the City 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 the City's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Mr. Joshua Pothier
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We have not explored any legal issues with respect to the proposed plan changes. We are not attorneys and cannot give legal advice on such issues. The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsor. I am not aware of any relationship that would impair the objectivity of my work. I 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.

Sincerely,



Rebecca A. Sielman, FSA
Consulting Actuary