

Town of Morris
Pension Commission
October 28, 2021

Received
Asst. Town Clerk
Susan J. Gianfane
NOV 01 2021
2:30 P.M.

The special meeting of the Pension Commission was called to order at 3:02 pm by Mary Skilton, Commission Chair. Commission members David Hoffman and Maureen Fitzpatrick were present. John Pronovost of Main Street Financial Group LLC and Matthew Sicilia of The Pension Service, Inc were also present.

John Pronovost reviewed the quarterly report for the Town Pension. The quarterly report is attached.

Motion by Mary Skilton, Second David Hoffman to proceed as John Pronovost of Main Street Financial recommended: Sell \$160k of Nuveen FCDDX and purchase \$100k of Invesco Closed-End Strategy and \$60k of New York Community Bank. Motion passed unanimously.

Matt presented a summary of the plans and the suggested fund contribution for 2022. The summary and annual actuarial valuation for both plans were submitted to the Town Clerk earlier in the month.

Old Business:

Maureen Fitzpatrick approved the minutes from the July Regular Meeting.

New Business:

Meeting Schedule for 2022 – Maureen Fitzpatrick made a motion to approve 2022 meeting dates and David Hoffman second the motion.

January 13, 2022 3:00 PM Lower Level Conference Room

April 14, 2022 3:00 PM Lower Level Conference Room

July 14, 2022 3:00 PM Lower Level Conference Room

October 20, 2022 3:00 PM Lower Level Conference Room

Meeting adjourned 4:01 PM.

Submitted by

Richard Nicoletti, Treasurer as Clerk of Pension Commission

***Portfolio Summary
Prepared for
Town of Morris Pension Fund***

COPY

October 27, 2021

***Presented By:
John S. Pronovost
Main Street Financial Group, LLC
777 Echo Lake Road; Suite J
Watertown, CT 06795
(860) 945-2633***

***Investment and insurance products and services are offered through INFINEX INVESTMENTS, INC. Member FINRA / SIPC.
Infinex and Main Street Financial Group, LLC are not affiliated.
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including the possible loss of value.***

Town of Morris - Pension Funds
Inception Summary - October 27, 2021

Assets Under Management

<u>Company</u>	<u>Date</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>10/27/2021 Value</u>
<u>Fire Department:</u>				
<u>Cambridge Investment Research, Inc.</u>				
Deposit	4/23/1998	\$5,000.00		
Deposit	5/6/1998	\$29,718.35		
Deposit	8/27/1998	\$2,000.00		
Deposit	8/19/1999	\$4,000.00		
Distribution	6/23/2000		\$1,100.00	
Deposit	12/20/2002	\$1,950.00		
Deposit	10/2/2003	\$4,000.00		
Distribution	5/7/2004		\$3,442.00	
Deposit	12/27/2004	\$5,000.00		
Deposit	1/17/2006	\$3,000.00		
Deposit	12/8/2008	\$5,000.00		
Deposit	11/20/2009	\$3,000.00		
Wire Distribution	2/2/2015		\$10,000.00	
Distribution	8/2/2016		\$1,500.00	
Distribution	11/15/2016		\$3,500.00	
Wire Distribution	1/18/2018		\$5,700.00	
Check Received	3/5/2018	\$19.50		
Check Received	3/28/2018	\$3.50		
Check Received	7/31/2018	\$6,815.00		
Check Received	7/31/2018	\$5,700.00		
Check Received	7/31/2019	\$5,000.00		
Check Received	8/18/2020	\$3,650.00		
Wire Distribution	3/29/2021		\$156,610.98	
Check Paid	4/6/2021		\$1.24	
		\$83,856.35	\$181,854.22	\$0.00

Total Deposits To Main St. Financial Group: **\$83,856.35**
Total Withdrawals: **\$181,854.22**
Profit: **\$97,997.87**

Total Assets for Fire Department Pension: \$0.00

<u>Company</u>	<u>Date</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>10/27/2021 Value</u>
----------------	-------------	------------------	--------------------	-------------------------

Town Pension:

Cambridge Investment Research, Inc.

<i>Deposit</i>	4/23/1998	\$44,387.20		
<i>Deposit</i>	5/6/1998	\$14,451.72		
<i>Deposit</i>	8/13/1998	\$16,538.17		
<i>Deposit</i>	8/27/1998	\$135,974.20		
<i>Deposit</i>	9/16/1999	\$16,300.00		
<i>Deposit</i>	10/30/2000	\$14,000.00		
<i>Deposit</i>	12/17/2001	\$20,000.00		
<i>Deposit</i>	12/20/2002	\$21,000.00		
<i>Deposit</i>	10/2/2003	\$15,000.00		
<i>Deposit</i>	12/27/2004	\$13,000.00		
<i>Deposit</i>	1/17/2006	\$18,500.00		
<i>Deposit</i>	12/8/2008	\$72,500.00		
<i>Deposit</i>	11/20/2009	\$35,000.00		
<i>Deposit</i>	1/24/2013	\$60,000.00		
<i>Wire Distribution</i>	10/2/2015		\$15,000.00	
<i>Distribution</i>	8/2/2016		\$25,000.00	
<i>Wire Distribution</i>	1/18/2018		\$47,000.00	
<i>Check Received</i>	3/5/2018	\$23.00		
<i>Check Received</i>	7/31/2018	\$71,837.00		
<i>Check Received</i>	7/31/2018	\$47,000.00		
<i>Check Received</i>	7/31/2019	\$65,000.00		
<i>Check Received</i>	8/18/2020	\$69,050.00		
		\$749,561.29	\$87,000.00	\$1,753,088.43

Total Deposits To Main St. Financial Group: **\$749,561.29**

Total Withdrawals: **\$87,000.00**

Total Net Investments: **\$662,561.29**

Profit: **\$1,090,527.14**

Total Assets for Town Pension: **\$1,753,088.43**

Total Assets Under Management: \$1,753,088.43

Year to Date - October 27, 2021

(Realized & Unrealized)

<u>Company/Account</u>	<u>Date</u>	<u>12/31/2020</u>	<u>Withdrawals</u>	<u>Deposits</u>	<u>Net</u>	<u>10/27/2021</u>	<u>Unrealized Profit /</u>
<u>Transaction</u>		<u>Value</u>			<u>Investment</u>	<u>Value</u>	<u>Loss</u>

Pension Plan:

Town of Morris - Fire Department

Cambridge Investment Research, Inc.

Beginning Value 12/31/2020 \$152,934.14

Wire Distribution to Bank 3/29/2021

Check Paid 4/6/2021

\$156,610.98

\$1.24

\$152,934.14

\$156,612.22

\$0.00

\$0.00

\$0.00

\$3,678.08

Beginning Value

Total Distributions

Total Additions

Total Net Investments

Total Current Value

\$152,934.14

\$156,612.22

\$0.00

\$0.00

\$0.00

Total Profit/Loss

(Realized & Unrealized)

\$3,678.08

<u>Company/Account</u> <u>Transaction</u>	<u>Date</u>	<u>12/31/2020</u> <u>Value</u>	<u>Withdrawals</u>	<u>Deposits</u>	<u>Net</u> <u>Investment</u>	<u>10/27/2021</u> <u>Value</u>	<u>Unrealized Profit /</u> <u>Loss</u>
----------------------------------------------	-------------	-----------------------------------	--------------------	-----------------	---------------------------------	-----------------------------------	-------------------------------------------

GRAND TOTAL:

Beginning Value

Total Distributions

Total Additions

Total Net Investments

Total Current Value

Total Profit/Loss

(Realized & Unrealized)

\$1,687,675.30

\$156,612.22

\$0.00

\$1,531,063.08

\$1,753,088.43

\$222,025.35



Holdings by Investor
Combined Account Portfolio

Prepared for: Town Of Morris Pension Fund

As of: 10/27/21

Town Of Morris Pension Fund

Account Name: TOWN OF MORRIS PENSION FUND MAUREEN FITZPATRICK & MARY W SKILTON & DAVID R HOFFMAN TTEES P O BOX 66 MORRIS CT 06763-0066

Account Number: 5DQ089150

Account Type: Corporate Pensionand Profit Sharing Plan

ASSET	TICKER	INVESTMENT OBJECTIVE	MGT. NAME	QUANTITY	PRICE (\$)	VALUE (\$)
ADVISORS DISCIPLINED TR UT1981DISTPO201R		LARGE VALUE		13,017.65	11.97	155,782.21
ADVISORS DISCIPLINED TR UT2021DISTPO203R		LARGE VALUE		13.08	13.65	178.52
ADVISORS DISCIPLINED TR UT2037DISTPO204C		LARGE VALUE		6,594.00	12.57	82,879.99
AMCAP FUND-A	AMCPX	LARGE GROWTH	AMERICAN FUNDS	2,148.85	45.90	98,632.31
AMERICAN MUTUAL FUND-A	AMRMX	LARGE VALUE	AMERICAN FUNDS	1,281.89	52.42	67,196.52
BOND DEBENTURE A	LBNDX	MULTISECTO R BOND	LORD, ABBETT & CO	11,501.89	8.47	97,421.01
BROKERAGE MONEY MARKET		CASH	BROKERAGE MONEY MARKET	4,192.35	1.00	4,192.35
FUNDAMENTAL INVESTORS-A	ANCFX	LARGE BLEND	AMERICAN FUNDS	1,359.88	79.17	107,661.94
NEW PERSPECTIVE FUND-A	ANWPX	WORLD LARGE- STOCK GROWTH	AMERICAN FUNDS	980.35	70.58	69,193.03
NUVEEN STRATEGIC INCOME A	FCDDX	MULTISECTO R BOND	NUVEEN MUTUAL FUNDS-DST	22,575.95	11.16	251,947.64
SHORT DURATION INCOME A	LALDX	SHORT-TERM BOND	LORD, ABBETT & CO	118,571.43	4.17	494,442.86
THE GROWTH FUND OF AMERICA-A	AGTHX	LARGE GROWTH	AMERICAN FUNDS	1,371.14	80.61	110,527.51
THE INVESTMENT COMPANY OF AMERICA- A	AIVSX	LARGE BLEND	AMERICAN FUNDS	1,313.88	52.61	69,123.44
WASHINGTON MUTUAL INVESTORS FUND- A	AWSHX	LARGE BLEND	AMERICAN FUNDS	2,458.72	58.53	143,909.12
Account Total:						\$1,753,088.43
Town Of Morris Pension Fund Total:						\$1,753,088.43

^A This report may include assets that the firm does not hold and which are not included on the firm's books and records.

Prepared by: John Pronovost

Created on: 10/28/21

Incomplete if presented without accompanying disclosure pages



Disclosure

Securities and/or Advisory Services offered through Infinex Financial Group ("the Firm"), member SIPC/FINRA.

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Values are as of 10/27/2021. We believe the sources to be reliable, however, the accuracy and completeness of the information is not guaranteed. In the event of a discrepancy, the sponsor's valuation shall prevail.

Data reflected within this report may reflect data held at various custodians and may not be covered under SIPC. The Firm's SIPC coverage only applies to those assets held at the Firm. In addition, certain other reported entities may be SIPC members that provide coverage for assets held there. You should contact your financial representative, or the other entity, or refer to the other entity's statement, regarding SIPC coverage. Assets reflected on this report that are not held at the Firm on your behalf are not part of the Firm's books and records.

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Cost basis information may be incomplete or may not accurately reflect the methodology used by a particular client. Clients should consult with their tax advisor.

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^A The source data for the following accounts was provided by Pershing:
5DQ089150

^A This report may include assets that the firm does not hold and which are not included on the firm's books and records.

This information has not been independently verified and should not be relied upon as a replacement for your custodial statement(s). This summary is not to be considered an official statement of your account(s) with Infinex Investments, Inc. In this regard, please refer to the confirmation notices and client statements received from Infinex Investments, Inc. and/or the individual product sponsor(s). Assets which are held outside of Infinex Investments, Inc. may not be covered by SIPC.

Values are being reported as of date indicated. It is important to compare the information on this report with the statement(s) you receive from the Sponsor and/or custodian for your account(s). We believe the sources to be reliable, however, the accuracy and completeness of the information is not guaranteed and may not be independently verified. Transactions or adjustments that are entered near the end of a month and do not post until the following month could create a discrepancy between the sponsor and/or custodian statement and this report. In the event of any discrepancy, the Sponsor and/or custodian valuation shall prevail.

John S. Pronovost

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Town Clerk
OCT 18 2021

October 14, 2021

Ms. Mary Skilton
Town of Morris
3 East Street
P.O. Box 66
Morris, CT 06763

RE: Town of Morris Pension Plan

Dear Mary:

Enclosed is the actuarial valuation report for the Pension Plan as of July 1, 2021. The actuarially determined contribution is \$72,586, which is applicable to the fiscal year ending June 30, 2023.

Please review and let me know if you have any questions.

Sincerely,

Matthew F.W. Sicilia, E.A., M.A.A.A.
Vice President & Consulting Actuary

Enclosures

TPS Group

Tel: (203) 234-2229 ■ www.tpsgroup.com ■ Fax: (203) 234-8369

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The Pension Service LLC

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The Pension Service of NNE

869 Main St., Suite 400
Westbrook, ME 04092
Tel: (207) 854-1304
Fax: (207) 854-1305



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ACTUARIAL REPORT

FOR

***TOWN OF MORRIS
PENSION PLAN***

***AS OF
JULY 1, 2021***

***APPLICABLE TO THE
FISCAL YEAR ENDING
JUNE 30, 2023***

TPS Group

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INTRODUCTION

This section of the report presents a summary of the valuation results. It also highlights any changes in actuarial assumptions or plan provisions from last year.

<u>Summary of Valuation Results:</u>	Actuarial Valuation as of July 1,	
	<u>2021</u>	<u>2020</u>
Applicable Fiscal Year Ending	June 30, 2023	June 30, 2022
Actuarially Determined Contribution	\$ 72,586	\$ 94,185
Market Value of Assets	\$ 1,720,260	\$ 1,259,649
Total Number of Participants	22	22
Covered Payroll	\$ 491,701	\$ 544,916
Contribution as Percentage of Covered Payroll	14.8%	17.3%

Changes Since Last Year:

Based on a recent experience study, the following changes were made:

- The interest rate was lowered from 6.75% to 6.50%. It will continue to decrease in future years by 25 bps until it reaches an ultimate rate of 5.50%.
- The salary scale assumption was increased from 3.50% to 4.00%.
- The mortality improvements table was updated to a newer table.

CERTIFICATION

The figures in this actuarial valuation report for the Town of Morris Pension Plan are determined as of July 1, 2021 and are applicable for the fiscal year ending June 30, 2023.

The results have been based on the employee census data and the financial information provided by the Town of Morris. Census and trust data have been reviewed for consistency and reasonableness in a manner consistent with applicable standards of practice. Assumptions have been selected in accordance with applicable standards of practice, unless prescribed by law or regulation.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Code of Professional Conduct of the American Academy of Actuaries. I am an Enrolled Actuary, enrolled by the Joint Board for the Enrollment of Actuaries to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA). I am also a member of the American Academy of Actuaries and have met its Qualification Standards to render the actuarial opinion contained herein.

THE PENSION SERVICE, INC.

A handwritten signature in dark ink, appearing to read "Matthew Sicilia", followed by a long horizontal flourish line.

Matthew F.W. Sicilia, E.A., M.A.A.A.
Enrolled Actuary No. 20-07224

ACTUARIALLY DETERMINED CONTRIBUTION

A) Normal Cost	\$ 54,793
B) Unfunded Accrued Liability	\$ 217,036
C) Amortization of Unfunded Accrued Liability*	\$ 17,793
D) Actuarially Determined Contribution: [(A) + (C)]	\$ 72,586

* 30 years from July 1, 2016.

UNFUNDED ACCRUED LIABILITY

A) Assets:

Market Value of Assets as of June 30, 2021	\$ 1,720,260
--------------------------------------------	--------------

B) Liabilities:

Accrued Liability as of July 1, 2021:

1) Active Participants	\$ 345,695
2) Terminated Vested Participants	\$ 89,519
3) Retired Participants and Beneficiaries	<u>\$ 1,502,082</u>
4) Total	\$ 1,937,296

C) Unfunded Accrued Liability:

Unfunded Accrued Liability: [(B)(4) – (A)], not less than zero	\$ 217,036
----------------------------------------------------------------	------------

DATA RECONCILIATION

	<u>Active Participants</u>	<u>Terminated Participants</u>	<u>Retirees and Beneficiaries</u>	<u>All Participants</u>
1) As of July 1, 2020	10	3	9	22
2) Terminated				
a) With Vested Benefits	0	--	--	0
b) Without Vested Benefits	(1)	--	--	(1)
3) Died				
a) With Eligible Beneficiary	0	0	0	0
b) Without Eligible Beneficiary	0	0	0	0
4) Disabled	0	--	--	0
5) Retired	(1)	(1)	--	(2)
6) Received Lump Sum Payment	0	0	0	0
7) New Entrants to Valuation Group	0	0	2	2
8) Data Adjustments	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
9) As of July 1, 2021	9	2	11	22

ASSET RECONCILIATION

1) Market Value of Assets as of July 1, 2020	\$ 1,259,649
2) Contributions	\$ 166,150
3) Benefit Payments and Administrative Expenses	\$ 108,179
4) Market Value of Assets as of June 30, 2021	\$ 1,720,260
5) Net Increase in Assets: $[(4) - (1) - (2) + (3)]$	\$ 402,640
6) Approximate Asset Return: $[(2) \times (5)] / [(1) + (4) - (5)]$	31.25%

SUMMARY OF ACTUARIAL ASSUMPTIONS

<u>Actuarial Cost Method:</u>	Projected unit credit
<u>Market-Related Assets:</u>	Fair market value of assets
<u>Data:</u>	As of July 1, 2021
<u>Interest Rate:</u>	6.50% (previously, 6.75%)
<u>Long Term Rate of Return:</u>	6.50% (previously, 6.75%)
<u>Salary Increases:</u>	4.00% (previously, 3.50%)
<u>Pre- and Post-Retirement Mortality:</u>	RP-2014 (adjusted to 2006) with MP-2020 mortality improvements (previously, MP-2019)
<u>Retirement Rates:</u>	Age 65, or attained age if greater
<u>Withdrawal Rates:</u>	T-5 table from the Pension Actuary's Handbook
<u>Disability Rates:</u>	None assumed
<u>Form of Payment:</u>	Life annuity

SUMMARY OF PLAN PROVISIONS

<u>Effective Date:</u>	July 1, 1975.						
<u>Eligibility:</u>	Completion of one full year of Credited Service.						
<u>Credited Service:</u>	The period of continuous service calculated on the basis of full calendar months of service.						
<u>Final Average Pay:</u>	The average of the three highest years of compensation preceding retirement.						
<u>Accrued Benefit:</u>	Same as Normal Retirement Benefit, based on Final Average Pay and years of Credited Service at date of determination.						
<u>Normal Retirement:</u>							
<u>Eligibility:</u>	Attainment of age 65.						
<u>Benefit:</u>	1.6% of Final Average Pay times years of Credited Service.						
<u>Early Retirement:</u>							
<u>Eligibility:</u>	Attainment of age 45 with at least 10 years of Credited Service.						
<u>Benefit:</u>	Accrued Benefit, reduced 6.6% for each of the first 5 years and 3% for each of the next 5 years early retirement precedes normal retirement date.						
<u>Vested Termination:</u>	Percentage of Accrued Benefit (payable at Normal Retirement Date), based on the following schedule:						
	<table><tr><td><u>Full Years of Credited Service</u></td><td><u>Percentage</u></td></tr><tr><td>Less than 5 years</td><td>0%</td></tr><tr><td>5 years or more</td><td>100%</td></tr></table>	<u>Full Years of Credited Service</u>	<u>Percentage</u>	Less than 5 years	0%	5 years or more	100%
<u>Full Years of Credited Service</u>	<u>Percentage</u>						
Less than 5 years	0%						
5 years or more	100%						
<u>Normal Form of Annuity:</u>	Life annuity.						
<u>Optional Forms of Annuity:</u>	1) Life annuity with 10 years guaranteed. 2) 100% joint & survivor annuity.						



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Town Clerk
OCT 18 2021

October 14, 2021

Ms. Mary Skilton
Town of Morris
3 East Street
P.O. Box 66
Morris, CT 06763

RE: Financial Information in accordance with GASB 67 & 68

Dear Mary:

Enclosed is the financial report for the fiscal year ending June 30, 2021 for the Town of Morris Pension Plan.

Please note that the Town has adopted a formal written contribution policy, and it is reasonable to assume that the contributions will continue to be made.

Please let me know if you have any questions.

Sincerely,

Matthew F.W. Sicilia, E.A., M.A.A.A.
Vice President & Consulting Actuary

Enclosures

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***TOWN OF MORRIS
PENSION PLAN***

***FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2021
IN ACCORDANCE WITH GASB 67 & 68***

TPS Group

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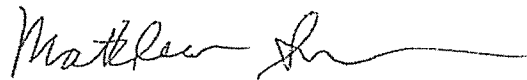
CERTIFICATION

The financial report for the Town of Morris Pension Plan is for the fiscal year July 1, 2020 to June 30, 2021.

The results have been based on the employee census data and the financial information provided by the Town of Morris. Census and trust data have been reviewed for consistency and reasonableness in a manner consistent with applicable standards of practice. Assumptions have been selected in accordance with applicable standards of practice, unless prescribed by law or regulation.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Code of Professional Conduct of the American Academy of Actuaries. I am an Enrolled Actuary, enrolled by the Joint Board for the Enrollment of Actuaries to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA). I am also a member of the American Academy of Actuaries and have met its Qualification Standards to render the actuarial opinion contained herein.

THE PENSION SERVICE, INC.

A handwritten signature in black ink, appearing to read "Matthew Sicilia", with a long horizontal flourish extending to the right.

Matthew F.W. Sicilia, E.A., M.A.A.A.
Enrolled Actuary No. 20-07224

NET PENSION LIABILITY

	Fiscal Year Ending 6/30/2021	Fiscal Year Ending 6/30/2020
Components of net pension liability in accordance with GASB No. 67		
Total pension liability		
Total pension liability at beginning of year	\$ 1,875,350	\$ 1,737,028
Service cost	\$ 48,021	\$ 42,924
Interest cost	\$ 118,538	\$ 114,145
Changes of benefit terms	\$ -	\$ -
Differences between expected and actual experience	\$ 27,162	\$ 78,313
Changes of assumptions	\$ 49,366	\$ (5,066)
Benefit payments	\$ (103,379)	\$ (91,994)
Total pension liability at end of year	<u>\$ 2,015,058</u>	<u>\$ 1,875,350</u>
Plan fiduciary net position		
Plan fiduciary net position at beginning of year	\$ 1,259,649	\$ 1,166,874
Employer contributions	\$ 166,150	\$ 166,150
Participant contributions	\$ -	\$ -
Net investment income	\$ 402,640	\$ 23,789
Benefit payments	\$ (103,379)	\$ (91,994)
Administrative expenses	\$ (4,800)	\$ (5,170)
Other	\$ -	\$ -
Plan fiduciary net position at end of year	<u>\$ 1,720,260</u>	<u>\$ 1,259,649</u>
Net pension liability	<u>\$ 294,798</u>	<u>\$ 615,701</u>
Plan fiduciary net position as a percentage of the total pension liability	85.37%	67.17%
Covered-employee payroll	\$ 491,701	\$ 544,916
Plan fiduciary net position as a percentage of covered-employee payroll	59.95%	112.99%
1-Percentage Point Increase		
Total pension liability at end of year	\$ 1,838,137	\$ 1,703,990
Plan fiduciary net position at end of year	\$ 1,720,260	\$ 1,259,649
Net pension liability	<u>\$ 117,877</u>	<u>\$ 444,341</u>
1-Percentage Point Decrease		
Total pension liability at end of year	\$ 2,224,000	\$ 2,076,817
Plan fiduciary net position at end of year	\$ 1,720,260	\$ 1,259,649
Net pension liability	<u>\$ 503,740</u>	<u>\$ 817,168</u>

Assumptions

See Summary of Actuarial Assumptions

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	<u>Fiscal Year Ending 6/30/2021</u>	<u>Fiscal Year Ending 6/30/2020</u>
Schedule of Employer Contributions		
Employer contribution	\$ 166,150	\$ 166,150
Actuarially determined contribution	\$ 84,523	\$ 93,815
Contribution excess (deficiency)	<u>\$ 81,627</u>	<u>\$ 72,335</u>
 Covered-employee payroll	 \$ 491,701	 \$ 544,916
 Contributions as a percentage of covered- employee payroll	 33.79%	 30.49%
 Money-Weighted Rate of Return	 29.50%	 1.87%

Notes to Schedule:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years from 7/1/2016
Asset valuation method	Fair market value
Discount rate	6.75%
Inflation	2.00%
Salary increases	3.50%
Investment rate of return	6.75%
Retirement age	65
Mortality table	RP-2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2018

PENSION EXPENSE

Components of pension expense in accordance with GASB No. 68	<u>Fiscal Year Ending 6/30/2021</u>
Pension expense	
Service Cost	\$ 48,021
Interest on the total pension liability	\$ 118,538
Current-period benefit changes	\$ -
Expensed portion of current-period difference between expected and actual experience in the total pension liability	\$ 2,567
Expensed portion of current-period changes of assumptions	\$ 4,666
Participant contributions	\$ -
Projected earnings on plan investments	\$ (81,537)
Expensed portion of current-period differences between actual and projected earnings on plan investments	\$ (64,221)
Administrative expenses	\$ (4,800)
Other	\$ -
Recognition of beginning deferred outflows of resources as pension expense	\$ 126,955
Recognition of beginning deferred inflows of resources as pension expense	\$ (18,473)
Pension expense	<u>\$ 131,716</u>

Notes to Schedule:

Actuarial cost method	Entry age normal
Asset valuation method	Fair market value
Discount rate	6.50%
Salary increases	4.00%
Investment rate of return	6.50%
Retirement age	65
Average future working life (years)	10.58
Mortality table	RP-2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2020

DEFERRED OUTFLOWS / INFLOWS

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Outflows / Inflows as of 6/30/2021		
Differences between expected and actual experience	\$ 126,083	\$ -
Changes of assumptions	\$ 50,675	\$ -
Net difference between projected and actual earnings on plan investments	\$ -	\$ (209,227)
Total	<u>\$ 176,758</u>	<u>\$ (209,227)</u>

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

<u>Year Ending June 30:</u>	
2022	(\$9,867)
2023	(\$23,981)
2024	(\$28,585)
2025	(\$41,000)
2026	\$17,416
Thereafter	\$53,548

**DEFERRED OUTFLOWS AND INFLOWS
FOR DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE**

Fiscal Year Ending 6/30	Experience Losses	Experience Gains	Amounts Recognized in Pension Expense through 2021	Deferred Outflows as of 6/30/2021	Deferred Inflows as of 6/30/2021
2021	\$27,162	\$0	\$2,567	\$24,595	\$0
2020	\$78,313	\$0	\$13,680	\$64,633	\$0
2019	\$0	(\$96,229)	(\$24,864)	\$0	(\$71,365)
2018	\$114,002	\$0	\$41,912	\$72,090	\$0
2017	\$68,571	\$0	\$39,230	\$29,341	\$0
2016	\$0	(\$15,867)	(\$15,867)	\$0	\$0
2015	\$54,326	\$0	\$47,537	\$6,789	\$0
Total				\$197,448	(\$71,365)

Fiscal Year Ending 6/30	2015 (Gain) / Loss: Amount Recognized	2016 (Gain) / Loss: Amount Recognized	2017 (Gain) / Loss: Amount Recognized	2018 (Gain) / Loss: Amount Recognized	2019 (Gain) / Loss: Amount Recognized
2015 - 2020	\$40,746	(\$15,405)	\$31,384	\$31,434	(\$16,576)
2021	\$6,791	(\$462)	\$7,846	\$10,478	(\$8,288)
2022	\$6,789	\$0	\$7,846	\$10,478	(\$8,288)
2023	\$0	\$0	\$7,846	\$10,478	(\$8,288)
2024	\$0	\$0	\$7,846	\$10,478	(\$8,288)
2025	\$0	\$0	\$5,803	\$10,478	(\$8,288)
2026	\$0	\$0	\$0	\$10,478	(\$8,288)
Thereafter	\$0	\$0	\$0	\$19,700	(\$29,925)

Fiscal Year Ending 6/30	2020 (Gain) / Loss: Amount Recognized	2021 (Gain) / Loss: Amount Recognized
2015 - 2020	\$6,840	\$0
2021	\$6,840	\$2,567
2022	\$6,840	\$2,567
2023	\$6,840	\$2,567
2024	\$6,840	\$2,567
2025	\$6,840	\$2,567
2026	\$6,840	\$2,567
Thereafter	\$30,433	\$11,760

**DEFERRED OUTFLOWS AND INFLOWS
FOR DIFFERENCES FROM ASSUMPTION CHANGES**

Fiscal Year Ending 6/30	Experience Losses	Experience Gains	Amounts Recognized in Pension Expense through 2021	Deferred Outflows as of 6/30/2021	Deferred Inflows as of 6/30/2021
2021	\$49,366	\$0	\$4,666	\$44,700	\$0
2020	\$0	(\$5,066)	(\$884)	\$0	(\$4,182)
2019	\$0	(\$5,437)	(\$1,404)	\$0	(\$4,033)
2018	\$22,442	\$0	\$8,252	\$14,190	\$0
2017	\$0	\$0	\$0	\$0	\$0
2016	\$193,463	\$0	\$193,463	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0
Total				\$58,890	(\$8,215)

Fiscal Year Ending 6/30	2015 (Gain) / Loss: Amount Recognized	2016 (Gain) / Loss: Amount Recognized	2017 (Gain) / Loss: Amount Recognized	2018 (Gain) / Loss: Amount Recognized	2019 (Gain) / Loss: Amount Recognized
2015 - 2020	\$0	\$187,830	\$0	\$6,189	(\$936)
2021	\$0	\$5,633	\$0	\$2,063	(\$468)
2022	\$0	\$0	\$0	\$2,063	(\$468)
2023	\$0	\$0	\$0	\$2,063	(\$468)
2024	\$0	\$0	\$0	\$2,063	(\$468)
2025	\$0	\$0	\$0	\$2,063	(\$468)
2026	\$0	\$0	\$0	\$2,063	(\$468)
Thereafter	\$0	\$0	\$0	\$3,875	(\$1,693)

Fiscal Year Ending 6/30	2020 (Gain) / Loss: Amount Recognized	2021 (Gain) / Loss: Amount Recognized
2015 - 2020	(\$442)	\$0
2021	(\$442)	\$4,666
2022	(\$442)	\$4,666
2023	(\$442)	\$4,666
2024	(\$442)	\$4,666
2025	(\$442)	\$4,666
2026	(\$442)	\$4,666
Thereafter	(\$1,972)	\$21,370

**DEFERRED OUTFLOWS AND INFLOWS
FOR DIFFERENCES FROM INVESTMENT EXPERIENCE**

Fiscal Year Ending 6/30	Experience Losses	Experience Gains	Amounts Recognized in Pension Expense through 2021	Deferred Outflows as of 6/30/2021	Deferred Inflows as of 6/30/2021
2021	\$0	(\$321,103)	(\$64,221)	\$0	(\$256,882)
2020	\$51,870	\$0	\$20,748	\$31,122	\$0
2019	\$23,020	\$0	\$13,812	\$9,208	\$0
2018	\$36,633	\$0	\$29,308	\$7,325	\$0
2017	\$0	(\$30,970)	(\$30,970)	\$0	\$0
Total				\$47,655	(\$256,882)

Fiscal Year Ending 6/30	2017 (Gain) / Loss: Amount Recognized	2018 (Gain) / Loss: Amount Recognized	2019 (Gain) / Loss: Amount Recognized	2020 (Gain) / Loss: Amount Recognized	2021 (Gain) / Loss: Amount Recognized
2021	(\$6,194)	\$7,327	\$4,604	\$10,374	(\$64,221)
2022	\$0	\$7,325	\$4,604	\$10,374	(\$64,221)
2023	\$0	\$0	\$4,604	\$10,374	(\$64,221)
2024	\$0	\$0	\$0	\$10,374	(\$64,221)
2025	\$0	\$0	\$0	\$0	(\$64,219)

SUMMARY OF PARTICIPANT DATA

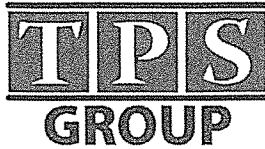
Participant Breakdown	<u>July 1, 2021</u>	<u>July 1, 2020</u>
Actives	9	10
Terminated Vested	2	3
Retirees and Beneficiaries	<u>11</u>	<u>9</u>
Total	22	22

SUMMARY OF ACTUARIAL ASSUMPTIONS

<u>Actuarial Cost Method:</u>	Entry Age Normal
<u>Market-Related Assets:</u>	Fair market value of assets
<u>Data:</u>	As of July 1, 2021
<u>Discount Rate:</u>	6.50% (previously, 6.75%)
<u>Long Term Rate of Return:</u>	6.50% (previously, 6.75%)
<u>20-Year Municipal Bond:</u>	
<u>Index:</u>	S&P Municipal Bond 20-Year High Grade Rate
<u>Rate as of 6/30/2021:</u>	2.18% (previously, 2.66%)
<u>Salary Increases:</u>	4.00% (previously, 3.50%)
<u>Inflation:</u>	2.25%
<u>Pre- and Post-Retirement Mortality:</u>	RP-2014 (adjusted to 2006) with MP-2020 mortality improvements (previously, MP-2019)
<u>Retirement Rates:</u>	Age 65, or attained age if greater
<u>Withdrawal Rates:</u>	T-5 table from the Pension Actuary's Handbook
<u>Disability Rates:</u>	None assumed
<u>Form of Payment:</u>	Life annuity

SUMMARY OF PLAN PROVISIONS

<u>Effective Date:</u>	July 1, 1975.						
<u>Eligibility:</u>	Completion of one full year of Credited Service.						
<u>Credited Service:</u>	The period of continuous service calculated on the basis of full calendar months of service.						
<u>Final Average Pay:</u>	The average of the three highest years of compensation preceding retirement.						
<u>Accrued Benefit:</u>	Same as Normal Retirement Benefit, based on Final Average Pay and years of Credited Service at date of determination.						
<u>Normal Retirement:</u>							
<u>Eligibility:</u>	Attainment of age 65.						
<u>Benefit:</u>	1.6% of Final Average Pay times years of Credited Service.						
<u>Early Retirement:</u>							
<u>Eligibility:</u>	Attainment of age 45 with at least 10 years of Credited Service.						
<u>Benefit:</u>	Accrued Benefit, reduced 6.6% for each of the first 5 years and 3% for each of the next 5 years early retirement precedes normal retirement date.						
<u>Vested Termination:</u>	Percentage of Accrued Benefit (payable at Normal Retirement Date), based on the following schedule:						
	<table><tr><td><u>Full Years of Credited Service</u></td><td><u>Percentage</u></td></tr><tr><td>Less than 5 years</td><td>0%</td></tr><tr><td>5 years or more</td><td>100%</td></tr></table>	<u>Full Years of Credited Service</u>	<u>Percentage</u>	Less than 5 years	0%	5 years or more	100%
<u>Full Years of Credited Service</u>	<u>Percentage</u>						
Less than 5 years	0%						
5 years or more	100%						
<u>Normal Form of Annuity:</u>	Life annuity.						
<u>Optional Forms of Annuity:</u>	1) Life annuity with 10 years guaranteed 2) 100% joint & survivor annuity						



Expert Guidance and Customized Solutions since 1964

Town Clerk
OCT 18 2021

October 14, 2021

Ms. Mary Skilton
Town of Morris
3 East Street
P.O. Box 66
Morris, CT 06763

RE: Experience Study

Dear Mary:

A 5-year experience study was performed for the Town of Morris Pension Plan covering July 1, 2016 through June 30, 2021. The purpose of this study is to review all of the actuarial assumptions used for the funding of the plan. The assumptions developed as a result of this study will also be used for accounting under GASB 67 and 68.

Please let me know if you have any questions.

Sincerely,

Matthew F.W. Sicilia, E.A., M.A.A.A.
Vice President & Consulting Actuary

Enclosures

TPS Group

Tel: (203) 234-2229 ■ www.tpsgroup.com ■ Fax: (203) 234-8369

The Pension Service, Inc.

127 Washington Ave., W. Wing, North Haven, CT 06473

The Pension Service LLC

468 Great Road
Acton, MA 01720
Tel: (978) 369-2318
Fax: (978) 369-2319

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Amherst, NY 14228
Tel: (716) 839-9405
Fax: (716) 839-9713

The Pension Service of NNE

869 Main St., Suite 400
Westbrook, ME 04092
Tel: (207) 854-1304
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***TOWN OF MORRIS
PENSION PLAN***

***EXPERIENCE STUDY
COVERING JULY 1, 2016
THROUGH JUNE 30, 2021***

TPS Group

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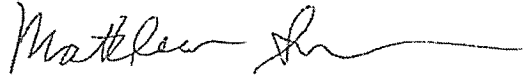
CERTIFICATION

The experience study for the Town of Morris Pension Plan covers July 1, 2016 to June 30, 2021.

The results have been based on the employee census data provided by the Town of Morris. Census and trust data have been reviewed for consistency and reasonableness in a manner consistent with applicable standards of practice. Assumptions have been selected in accordance with applicable standards of practice, unless prescribed by law or regulation.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Code of Professional Conduct of the American Academy of Actuaries. I am an Enrolled Actuary, enrolled by the Joint Board for the Enrollment of Actuaries to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA). I am also a member of the American Academy of Actuaries and have met its Qualification Standards to render the actuarial opinion contained herein.

THE PENSION SERVICE, INC.

A handwritten signature in black ink, appearing to read "Matthew Sicilia", with a long horizontal flourish extending to the right.

Matthew F.W. Sicilia, E.A., M.A.A.A.
Enrolled Actuary No. 20-07224

INTEREST / DISCOUNT RATE ANALYSIS

The interest rate used to determine the annual Actuarial Determined Contribution as well as the discount rate used to determine the Net Pension Liability under GASB 67 and 68 is set equal to the long term rate of return.

Current Assumption: 6.75%

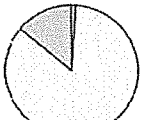



TOWN OF MORRIS PENSION FUND
MAUREEN FITZPATRICK &
MARY W SKILTON & DAVID R HOFFMAN
TTEES
PO BOX 66
MORRIS CT 06763-0066

June 11, 2021 - July 31, 2021
Account Number: 5DQ-069150

Your Account Executive:
JOHN PRONOVOST
(860) 945-2633

Portfolio Performance	
	This Period
BEGINNING ACCOUNT VALUE	\$0.00
Deposits (Cash & Securities)	1,610,835.31
Dividends, Interest and Other Income	0.01
Net Change In Portfolio ¹	29,318.88
ENDING ACCOUNT VALUE	\$1,640,154.20
Estimated Annual Return	531,552.91

¹ Net Change in Portfolio is the difference between the ending account value and beginning account value after activity.

Asset Summary						
	Percent	Asset Type	Prior Year-End	Last Period	This Period	
	 1%	Cash, Money Funds, and Bank Deposits	0.00	0.00	1,784.73	
	 85%	Mutual Funds	0.00	0.00	1,404,718.74	
	 14%	Other	0.00	0.00	231,650.73	
	100%	Account Total (Pie Chart)	\$0.00	\$0.00	\$1,640,154.20	
Please review your allocation periodically with your Account Executive.						

Asset Allocation as of 7/31/2021 provided by Main Street Financial Group, LLC.

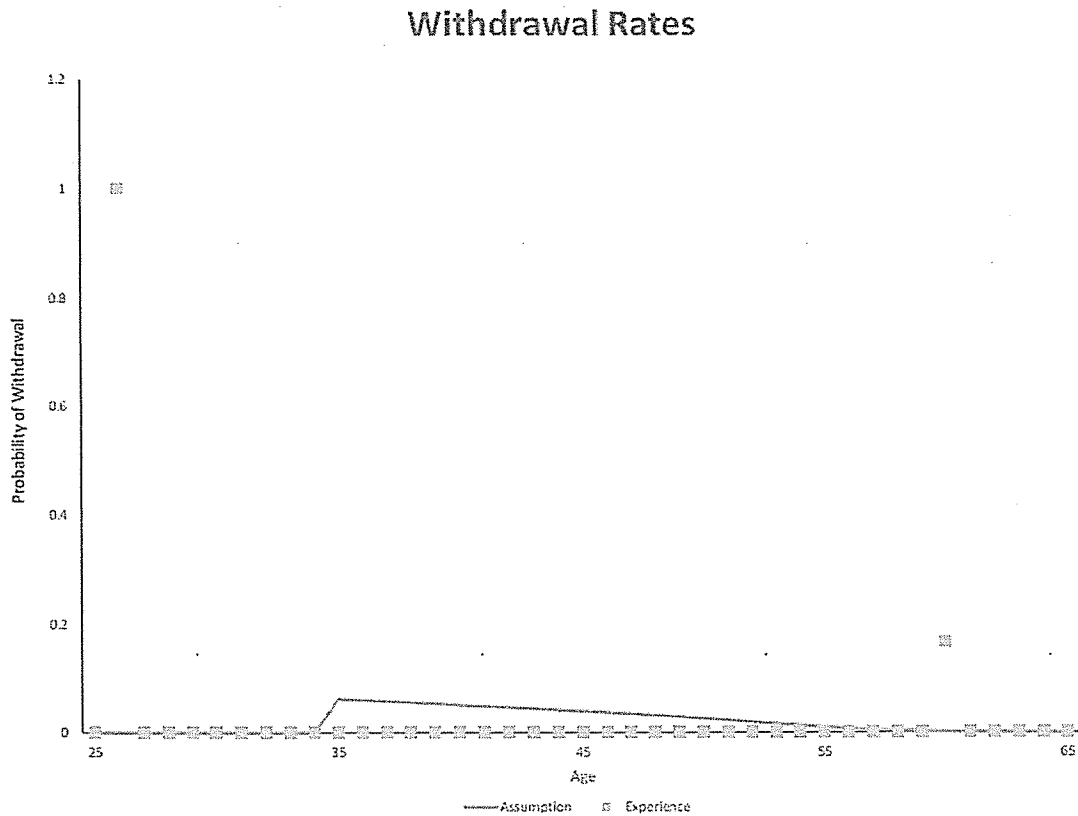
Based on the information provided by Main Street Financial Group, LLC and current market trends, the return assumption will be decreased by 25 bps per year until it reaches an ultimate rate of 5.50%.

WITHDRAWAL RATES ANALYSIS

Termination rates reflect the frequency with which participants leave employment for reasons other than retirement, death or disability.

Current Assumption: T-5 table from the Pension Actuary's Handbook

Analysis of recent experience:



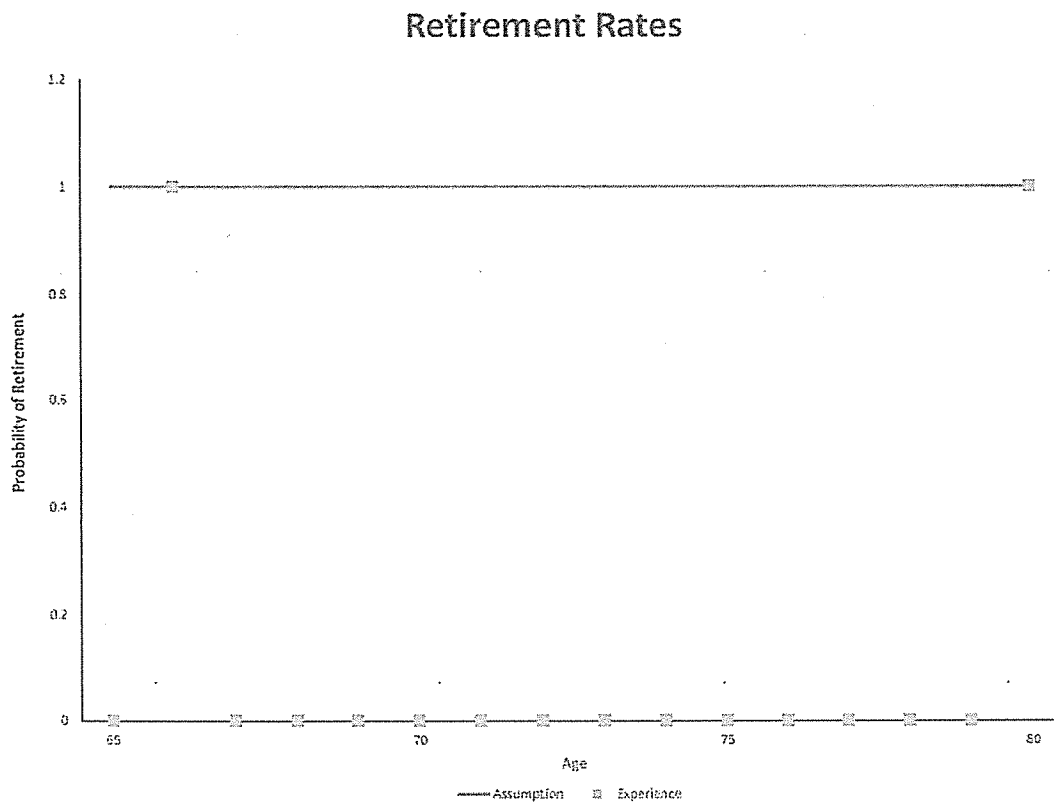
Based on past experience, the prospective assumption will not be changed.

RETIREMENT RATES ANALYSIS

Retirement rates reflect the frequency with which participants are expected to retire.

Current Assumption: Age 65, or attained age if greater.

Analysis of recent experience:



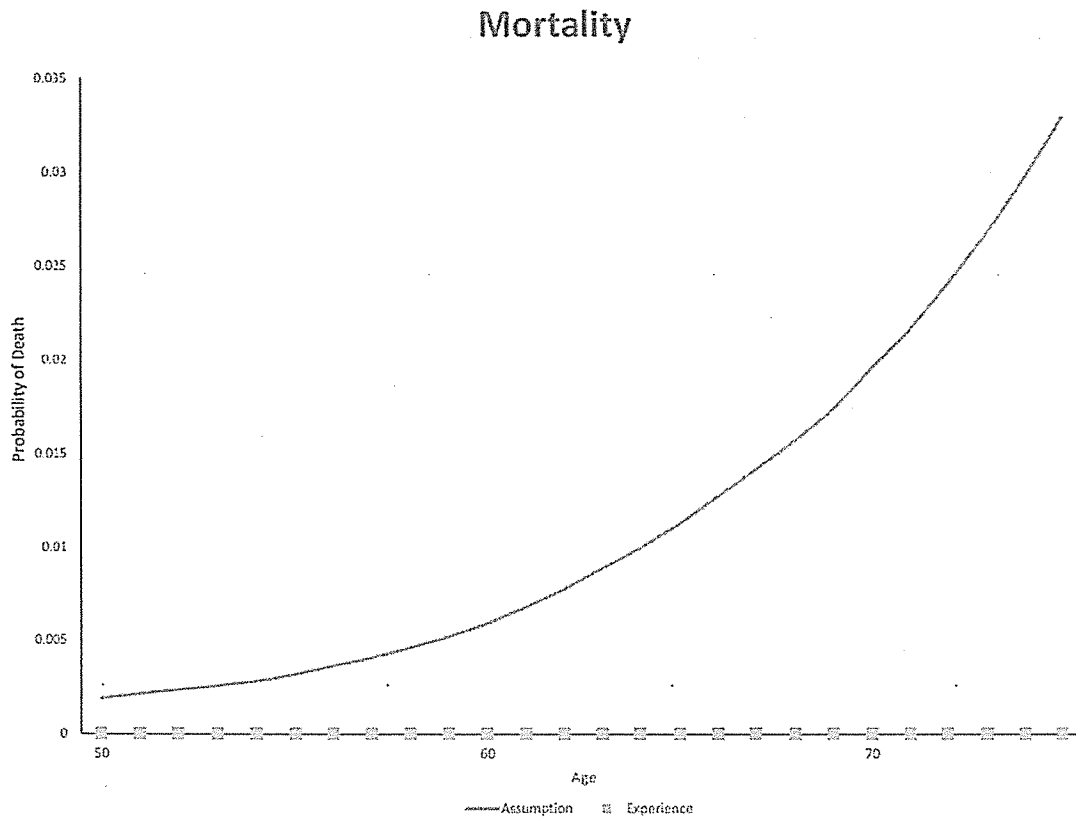
Based on past experience, the prospective assumption will not be changed.

MORTALITY ANALYSIS

Mortality rates reflect the frequency with which participants are expected to die.

Current Assumption: RP-2000 projected to the valuation date using Scale AA.

Analysis of recent experience:



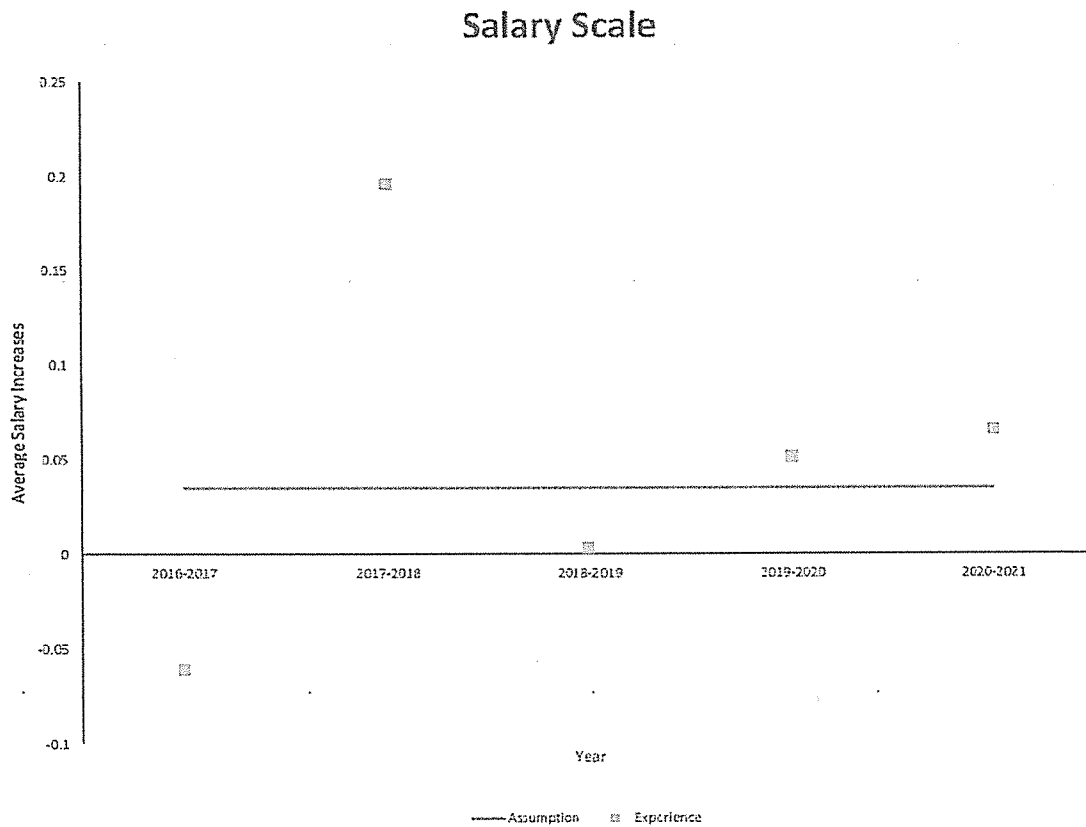
The prospective mortality assumption is being changed to RP-2014 (adjusted to 2006) with scale MP mortality improvements. This is a more recently published mortality table.

SALARY SCALE ANALYSIS

Salary scale reflects the average expected pay increase for active participants.

Current Assumption: 3.50%.

Analysis of recent experience:



Based on past experience, this assumption will increase to 4.00%.

SUMMARY OF PLAN PROVISIONS

<u>Effective Date:</u>	July 1, 1975.						
<u>Eligibility:</u>	Completion of one full year of Credited Service.						
<u>Credited Service:</u>	The period of continuous service calculated on the basis of full calendar months of service.						
<u>Final Average Pay:</u>	The average of the three highest years of compensation preceding retirement.						
<u>Accrued Benefit:</u>	Same as Normal Retirement Benefit, based on Final Average Pay and years of Credited Service at date of determination.						
<u>Normal Retirement:</u>							
<u>Eligibility:</u>	Attainment of age 65.						
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<u>Early Retirement:</u>							
<u>Eligibility:</u>	Attainment of age 45 with at least 10 years of Credited Service.						
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<u>Vested Termination:</u>	Percentage of Accrued Benefit (payable at Normal Retirement Date), based on the following schedule:						
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<u>Full Years of Credited Service</u>	<u>Percentage</u>						
Less than 5 years	0%						
5 years or more	100%						
<u>Normal Form of Annuity:</u>	Life annuity.						
<u>Optional Forms of Annuity:</u>	1) Life annuity with 10 years guaranteed. 2) 100% joint & survivor annuity.						



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Town Clerk

OCT 18 2021

October 14, 2021

Ms. Mary Skilton
Town of Morris
3 East Street
P.O. Box 66
Morris, CT 06763

RE: Town of Morris Volunteer Fire Department Pension Plan

Dear Mary:

Enclosed is the actuarial valuation report for the Pension Plan as of July 1, 2021. The actuarially determined contribution is \$0, which is applicable to the fiscal year ending June 30, 2023.

Please review and let me know if you have any questions.

Sincerely,

Matthew F.W. Sicilia, E.A., M.A.A.A.
Vice President & Consulting Actuary

Enclosures

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ACTUARIAL REPORT
FOR
TOWN OF MORRIS
VOLUNTEER FIRE DEPARTMENT
PENSION PLAN
AS OF
JULY 1, 2021

APPLICABLE TO THE
FISCAL YEAR ENDING
JUNE 30, 2023

TPS Group

Tel: (203) 234-2229 ■ www.tpsgroup.com ■ Fax: (203) 234-8369

The Pension Service, Inc.

127 Washington Ave., W. Wing, North Haven, CT 06473

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INTRODUCTION

This section of the report presents a summary of the valuation results. It also highlights any changes in actuarial assumptions or plan provisions from last year.

<u>Summary of Valuation Results:</u>	Actuarial Valuation as of July 1,	
	<u>2021</u>	<u>2020</u>
Applicable Fiscal Year Ending	June 30, 2023	June 30, 2022
Actuarially Determined Contribution	\$ 0	\$ 2,178
Market Value of Assets	\$ 133,344	\$ 129,751
Total Number of Participants	27	33

Changes Since Last Year:

Based on a recent experience study, the following changes were made:

- The discount rate was lowered from 6.75% to 6.50%. It will continue to decrease in future years by 25 bps until it reaches an ultimate rate of 5.50%.
- The retirement assumptions were changed from age 65 to a graded schedule from ages 65 to 70.
- The mortality improvements table was updated to a newer table.

CERTIFICATION

The figures in this actuarial valuation report for the Town of Morris Volunteer Fire Department Pension Plan are determined as of July 1, 2021 and are applicable for the fiscal year ending June 30, 2023.

The results have been based on the employee census data and the financial information provided by the Town of Morris. Census and trust data have been reviewed for consistency and reasonableness in a manner consistent with applicable standards of practice. Assumptions have been selected in accordance with applicable standards of practice, unless prescribed by law or regulation.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Code of Professional Conduct of the American Academy of Actuaries. I am an Enrolled Actuary, enrolled by the Joint Board for the Enrollment of Actuaries to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA). I am also a member of the American Academy of Actuaries and have met its Qualification Standards to render the actuarial opinion contained herein.

THE PENSION SERVICE, INC.

A handwritten signature in dark ink, appearing to read "Matthew Sicilia", with a long horizontal flourish extending to the right.

Matthew F.W. Sicilia, E.A., M.A.A.A.
Enrolled Actuary No. 20-07224

ACTUARIALLY DETERMINED CONTRIBUTION

A) Normal Cost	\$	0
B) Unfunded Accrued Liability	\$	0
C) Amortization of Unfunded Accrued Liability*	\$	0
D) Actuarially Determined Contribution: [(A) + (C)]	\$	0

* 30 years from July 1, 2016.

UNFUNDED ACCRUED LIABILITY

A) Assets:

Market Value of Assets as of June 30, 2021	\$ 133,344
--------------------------------------------	------------

B) Liabilities:

Accrued Liability as of July 1, 2021:

1) Active Participants	\$ 0
2) Terminated Vested Participants	\$ 70,614
3) Retired Participants and Beneficiaries	<u>\$ 60,188</u>
4) Total	\$ 130,802

C) Unfunded Accrued Liability:

Unfunded Accrued Liability: [(B)(4) – (A)], not less than zero	\$ 0
----------------------------------------------------------------	------

DATA RECONCILIATION

	<u>Active Participants</u>	<u>Terminated Participants</u>	<u>Retirees and Beneficiaries</u>	<u>All Participants</u>
1) As of July 1, 2020	0	24	9	33
2) Terminated				
a) With Vested Benefits	0	--	--	0
b) Without Vested Benefits	0	--	--	0
3) Died				
a) With Eligible Beneficiary	0	0	0	0
b) Without Eligible Beneficiary	0	0	(1)	(1)
4) Disabled	0	--	--	0
5) Retired	0	0	--	0
6) Received Lump Sum Payment	0	(5)	0	(5)
7) New Entrants to Valuation Group	0	0	0	0
8) Data Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9) As of July 1, 2021	0	19	8	27

ASSET RECONCILIATION

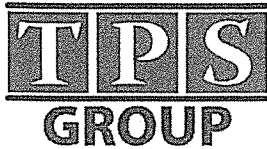
1) Market Value of Assets as of July 1, 2020	\$ 129,751
2) Contributions	\$ 18,450
3) Benefit Payments and Administrative Expenses	\$ 42,298
4) Market Value of Assets as of June 30, 2021	\$ 133,344
5) Net Increase in Assets: $[(4) - (1) - (2) + (3)]$	\$ 27,441
6) Approximate Asset Return: $[(2) \times (5)] / [(1) + (4) - (5)]$	23.29%

SUMMARY OF ACTUARIAL ASSUMPTIONS

<u>Actuarial Cost Method:</u>	Unit credit						
<u>Market-Related Assets:</u>	Fair market value of assets						
<u>Data:</u>	As of July 1, 2020						
<u>Interest Rate:</u>	6.50% (previously, 6.75%)						
<u>Long Term Rate of Return:</u>	6.50% (previously, 6.75%)						
<u>Salary Increases:</u>	Not applicable						
<u>Pre- and Post-Retirement Mortality:</u>	RP-2014 (adjusted to 2006) with MP-2020 mortality improvements (previously, MP-2019)						
<u>Retirement Rates:</u>	Sample rates are as follows: <table><tr><td><u>Age</u></td><td><u>Rate</u></td></tr><tr><td>65-69</td><td>50%</td></tr><tr><td>70+</td><td>100%</td></tr></table>	<u>Age</u>	<u>Rate</u>	65-69	50%	70+	100%
<u>Age</u>	<u>Rate</u>						
65-69	50%						
70+	100%						
<u>Withdrawal Rates:</u>	Not applicable (no actives)						
<u>Disability Rates:</u>	Not applicable (no actives)						
<u>Form of Payment:</u>	Life annuity						

SUMMARY OF PLAN PROVISIONS

<u>Effective Date:</u>	July 1, 1994.						
<u>Eligibility:</u>	The July 1 st next following attainment of age 18 and 12 consecutive months of service during which at least 100 points are credited.						
<u>Credited Service:</u>	A Plan Year in which a member is credited with at least 100 points.						
<u>Normal Retirement:</u>							
<u>Eligibility:</u>	Attainment of age 65 and completion of five (5) years of active service.						
<u>Benefit:</u>	Monthly retirement benefit shall be the sum of the following: <ul style="list-style-type: none">(i) Past Service: \$5.00 per month for each year of Credited Service from July 1, 1984 to July 1, 1994.(ii) Future Service: \$5.00 per month for each year of Credited Service subsequent to July 1, 1994.(iii) No participant shall accrue more than \$150 per month from combined past and future credited service.						
<u>Disability Date and Benefits:</u>	The date upon which the participant incurs a disability provided he/she has attained age 55, and has completed 5 years of Credited Service (non-consecutive). The benefit shall be reduced by 1/15 for the first 5 years and 1/30 for the next 5 years that disability retirement precedes Normal Retirement.						
<u>Vested Termination:</u>	Accrued benefit based on the following schedule: <table><tr><td><u>Full Years of Credited Service</u></td><td><u>Percentage</u></td></tr><tr><td>Less than 5 years</td><td>0%</td></tr><tr><td>5 years or more</td><td>100%</td></tr></table>	<u>Full Years of Credited Service</u>	<u>Percentage</u>	Less than 5 years	0%	5 years or more	100%
<u>Full Years of Credited Service</u>	<u>Percentage</u>						
Less than 5 years	0%						
5 years or more	100%						
<u>Normal Form of Annuity:</u>	Life annuity.						
<u>Optional Forms of Annuity:</u>	<ul style="list-style-type: none">1) Life annuity with 10 years guaranteed2) 50% joint & survivor annuity3) 100% joint & survivor annuity						



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Town Clerk
OCT 18 2021

October 14, 2021

Ms. Mary Skilton
Town of Morris
3 East Street
P.O. Box 66
Morris, CT 06763

RE: Financial Information in accordance with GASB 67 & 68

Dear Mary:

Enclosed is the financial report for the fiscal year ending June 30, 2021 for the Town of Morris Volunteer Fire Department Pension Plan.

Please note that the Town has adopted a formal written contribution policy, and it is reasonable to assume that the contributions will continue to be made.

Please let me know if you have any questions.

Sincerely,

Matthew F.W. Sicilia, E.A., M.A.A.A.
Vice President & Consulting Actuary

Enclosures

TPS Group

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Expert Guidance and Customized Solutions since 1964

**TOWN OF MORRIS
VOLUNTEER FIRE DEPARTMENT
PENSION PLAN**

**FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2021
IN ACCORDANCE WITH GASB 67 & 68**

TPS Group

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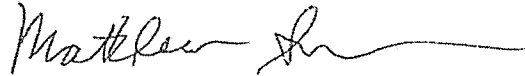
CERTIFICATION

The financial report for the Town of Morris Volunteer Fire Department Pension Plan is for the fiscal year July 1, 2020 to June 30, 2021.

The results have been based on the employee census data and the financial information provided by the Town of Morris. Census and trust data have been reviewed for consistency and reasonableness in a manner consistent with applicable standards of practice. Assumptions have been selected in accordance with applicable standards of practice, unless prescribed by law or regulation.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Code of Professional Conduct of the American Academy of Actuaries. I am an Enrolled Actuary, enrolled by the Joint Board for the Enrollment of Actuaries to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA). I am also a member of the American Academy of Actuaries and have met its Qualification Standards to render the actuarial opinion contained herein.

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Matthew F.W. Sicilia, E.A., M.A.A.A.
Enrolled Actuary No. 20-07224

NET PENSION LIABILITY

Components of net pension liability in accordance with GASB No. 67	Fiscal Year Ending 6/30/2021	Fiscal Year Ending 6/30/2020
Total pension liability		
Total pension liability at beginning of year	\$ 156,113	\$ 166,269
Service cost	\$ -	\$ -
Interest cost	\$ 9,040	\$ 10,912
Changes of benefit terms	\$ -	\$ -
Differences between expected and actual experience	\$ (3,435)	\$ (11,347)
Changes of assumptions	\$ 3,171	\$ (489)
Benefit payments	\$ (34,087)	\$ (9,232)
Total pension liability at end of year	<u>\$ 130,802</u>	<u>\$ 156,113</u>
Plan fiduciary net position		
Plan fiduciary net position at beginning of year	\$ 129,751	\$ 121,490
Employer contributions	\$ 18,450	\$ 18,950
Participant contributions	\$ -	\$ -
Net investment income	\$ 27,441	\$ 3,478
Benefit payments	\$ (34,087)	\$ (9,232)
Administrative expenses	\$ (8,211)	\$ (4,935)
Other	\$ -	\$ -
Plan fiduciary net position at end of year	<u>\$ 133,344</u>	<u>\$ 129,751</u>
Net pension liability	<u>\$ (2,542)</u>	<u>\$ 26,362</u>
Plan fiduciary net position as a percentage of the total pension liability	101.94%	83.11%
1-Percentage Point Increase		
Total pension liability at end of year	\$ 117,008	\$ 139,711
Plan fiduciary net position at end of year	\$ 133,344	\$ 129,751
Net pension liability	<u>\$ (16,336)</u>	<u>\$ 9,960</u>
1-Percentage Point Decrease		
Total pension liability at end of year	\$ 147,591	\$ 176,049
Plan fiduciary net position at end of year	\$ 133,344	\$ 129,751
Net pension liability	<u>\$ 14,247</u>	<u>\$ 46,298</u>

Assumptions

See Summary of Actuarial Assumptions

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	<u>Fiscal Year Ending 6/30/2021</u>	<u>Fiscal Year Ending 6/30/2020</u>
Schedule of Employer Contributions		
Employer contribution	\$ 18,450	\$ 18,950
Actuarially determined contribution	\$ 3,648	\$ 5,075
Contribution excess (deficiency)	<u>\$ 14,802</u>	<u>\$ 13,875</u>
 Money-Weighted Rate of Return	 19.71%	 2.63%

Notes to Schedule:

Actuarial cost method	Unit credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years from 7/1/2016
Asset valuation method	Fair market value
Discount rate	6.75%
Inflation	2.25%
Salary increases	N/A
Investment rate of return	6.75%
Retirement age	65
Mortality table	RP-2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2018

PENSION EXPENSE

	<u>Fiscal Year Ending 6/30/2021</u>
Components of pension expense in accordance with GASB No. 68	
Pension expense	
Service Cost	\$ -
Interest on the total pension liability	\$ 9,040
Current-period benefit changes	\$ -
Expensed portion of current-period difference between expected and actual experience in the total pension liability	\$ (125)
Expensed portion of current-period changes of assumptions	\$ 115
Participant contributions	\$ -
Projected earnings on plan investments	\$ (7,608)
Expensed portion of current-period differences between actual and projected earnings on plan investments	\$ (3,967)
Administrative expenses	\$ (8,211)
Other	\$ -
Recognition of beginning deferred outflows of resources as pension expense	\$ 13,310
Recognition of beginning deferred inflows of resources as pension expense	\$ (2,807)
Pension expense	<u>\$ (253)</u>

Notes to Schedule:

Actuarial cost method	Entry age normal
Asset valuation method	Fair market value
Discount rate	6.50%
Salary increases	N/A
Investment rate of return	6.50%
Retirement age	65-70
Average life expectancy (no actives)	27.51
Mortality table	RP-2014 adjusted to 2006
Mortality projection scale (to valuation date)	MP-2020

DEFERRED OUTFLOWS / INFLOWS

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Outflows / Inflows as of 6/30/2021		
Differences between expected and actual experience	\$ -	\$ (36,581)
Changes of assumptions	\$ 22,147	\$ -
Net difference between projected and actual earnings on plan investments	\$ -	\$ (10,021)
Total	<u>\$ 22,147</u>	<u>\$ (46,602)</u>

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

<u>Year Ending June 30:</u>	
2022	\$694
2023	(\$1,600)
2024	(\$2,051)
2025	(\$2,932)
2026	\$1,033
Thereafter	(\$19,599)

**DEFERRED OUTFLOWS AND INFLOWS
FOR DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE**

Fiscal Year Ending 6/30	Experience Losses	Experience Gains	Amounts Recognized in Pension Expense through 2021	Deferred Outflows as of 6/30/2021	Deferred Inflows as of 6/30/2021
2021	\$0	(\$3,435)	(\$125)	\$0	(\$3,310)
2020	\$0	(\$11,347)	(\$768)	\$0	(\$10,579)
2019	\$0	(\$5,710)	(\$567)	\$0	(\$5,143)
2018	\$0	(\$12,456)	(\$1,824)	\$0	(\$10,632)
2017	\$5,686	\$0	\$2,590	\$3,096	\$0
2016	\$0	(\$19,162)	(\$10,050)	\$0	(\$9,112)
2015	\$0	(\$1,377)	(\$476)	\$0	(\$901)
Total				\$3,096	(\$39,677)

Fiscal Year Ending 6/30	2015 (Gain) / Loss: Amount Recognized	2016 (Gain) / Loss: Amount Recognized	2017 (Gain) / Loss: Amount Recognized	2018 (Gain) / Loss: Amount Recognized	2019 (Gain) / Loss: Amount Recognized
2015 - 2020	(\$408)	(\$8,375)	\$2,072	(\$1,368)	(\$378)
2021	(\$68)	(\$1,675)	\$518	(\$456)	(\$189)
2022	(\$68)	(\$1,675)	\$518	(\$456)	(\$189)
2023	(\$68)	(\$1,675)	\$518	(\$456)	(\$189)
2024	(\$68)	(\$1,675)	\$518	(\$456)	(\$189)
2025	(\$68)	(\$1,675)	\$518	(\$456)	(\$189)
2026	(\$68)	(\$1,675)	\$518	(\$456)	(\$189)
Thereafter	(\$561)	(\$737)	\$506	(\$8,352)	(\$4,198)

Fiscal Year Ending 6/30	2020 (Gain) / Loss: Amount Recognized	2021 (Gain) / Loss: Amount Recognized
2015 - 2020	(\$384)	\$0
2021	(\$384)	(\$125)
2022	(\$384)	(\$125)
2023	(\$384)	(\$125)
2024	(\$384)	(\$125)
2025	(\$384)	(\$125)
2026	(\$384)	(\$125)
Thereafter	(\$8,659)	(\$2,685)

**DEFERRED OUTFLOWS AND INFLOWS
FOR DIFFERENCES FROM ASSUMPTION CHANGES**

Fiscal Year Ending 6/30	Experience Losses	Experience Gains	Amounts Recognized in Pension Expense through 2021	Deferred Outflows as of 6/30/2021	Deferred Inflows as of 6/30/2021
2021	\$3,171	\$0	\$115	\$3,056	\$0
2020	\$0	(\$489)	(\$34)	\$0	(\$455)
2019	\$0	(\$538)	(\$54)	\$0	(\$484)
2018	\$2,899	\$0	\$424	\$2,475	\$0
2017	\$0	\$0	\$0	\$0	\$0
2016	\$36,911	\$0	\$19,356	\$17,555	\$0
2015	\$0	\$0	\$0	\$0	\$0
Total				\$23,086	(\$939)

Fiscal Year Ending 6/30	2015 (Gain) / Loss: Amount Recognized	2016 (Gain) / Loss: Amount Recognized	2017 (Gain) / Loss: Amount Recognized	2018 (Gain) / Loss: Amount Recognized	2019 (Gain) / Loss: Amount Recognized
2015 - 2020	\$0	\$16,130	\$0	\$318	(\$36)
2021	\$0	\$3,226	\$0	\$106	(\$18)
2022	\$0	\$3,226	\$0	\$106	(\$18)
2023	\$0	\$3,226	\$0	\$106	(\$18)
2024	\$0	\$3,226	\$0	\$106	(\$18)
2025	\$0	\$3,226	\$0	\$106	(\$18)
2026	\$0	\$3,226	\$0	\$106	(\$18)
Thereafter	\$0	\$1,425	\$0	\$1,945	(\$394)

Fiscal Year Ending 6/30	2020 (Gain) / Loss: Amount Recognized	2021 (Gain) / Loss: Amount Recognized
2015 - 2020	(\$17)	\$0
2021	(\$17)	\$115
2022	(\$17)	\$115
2023	(\$17)	\$115
2024	(\$17)	\$115
2025	(\$17)	\$115
2026	(\$17)	\$115
Thereafter	(\$370)	\$2,481

**DEFERRED OUTFLOWS AND INFLOWS
FOR DIFFERENCES FROM INVESTMENT EXPERIENCE**

Fiscal Year Ending 6/30	Experience Losses	Experience Gains	Amounts Recognized in Pension Expense through 2021	Deferred Outflows as of 6/30/2021	Deferred Inflows as of 6/30/2021
2021	\$0	(\$19,833)	(\$3,967)	\$0	(\$15,866)
2020	\$4,411	\$0	\$1,764	\$2,647	\$0
2019	\$2,260	\$0	\$1,356	\$904	\$0
2018	\$11,462	\$0	\$9,168	\$2,294	\$0
2017	\$2,288	\$0	\$2,288	\$0	\$0
Total				\$5,845	(\$15,866)

Fiscal Year Ending 6/30	2017 (Gain) / Loss: Amount Recognized	2018 (Gain) / Loss: Amount Recognized	2019 (Gain) / Loss: Amount Recognized	2020 (Gain) / Loss: Amount Recognized	2021 (Gain) / Loss: Amount Recognized
2021	\$456	\$2,292	\$452	\$882	(\$3,967)
2022	\$0	\$2,294	\$452	\$882	(\$3,967)
2023	\$0	\$0	\$452	\$882	(\$3,967)
2024	\$0	\$0	\$0	\$883	(\$3,967)
2025	\$0	\$0	\$0	\$0	(\$3,965)

SUMMARY OF PARTICIPANT DATA

Participant Breakdown	<u>July 1, 2021</u>	<u>July 1, 2020</u>
Actives	0	0
Terminated Vested	19	24
Retirees and Beneficiaries	<u>8</u>	<u>9</u>
Total	27	33

SUMMARY OF ACTUARIAL ASSUMPTIONS

<u>Actuarial Cost Method:</u>	Entry Age Normal						
<u>Market-Related Assets:</u>	Fair market value of assets						
<u>Data:</u>	As of July 1, 2021						
<u>Discount Rate:</u>	6.50% (previously, 6.75%)						
<u>Long Term Rate of Return:</u>	6.50% (previously, 6.75%)						
<u>20-Year Municipal Bond:</u>							
<u>Index:</u>	S&P Municipal Bond 20-Year High Grade Rate						
<u>Rate as of 6/30/2021:</u>	2.18% (previously, 2.66%)						
<u>Salary Increases:</u>	Not applicable						
<u>Inflation:</u>	2.25%						
<u>Pre- and Post-Retirement Mortality:</u>	RP-2014 (adjusted to 2006) with MP-2020 mortality improvements (previously, MP-2019)						
<u>Retirement Rates:</u>	Sample rates are as follows: <table><tr><td><u>Age</u></td><td><u>Rate</u></td></tr><tr><td>65-69</td><td>50%</td></tr><tr><td>70+</td><td>100%</td></tr></table>	<u>Age</u>	<u>Rate</u>	65-69	50%	70+	100%
<u>Age</u>	<u>Rate</u>						
65-69	50%						
70+	100%						
<u>Withdrawal Rates:</u>	Not applicable (no actives)						
<u>Disability Rates:</u>	Not applicable (no actives)						
<u>Form of Payment:</u>	Life annuity						

SUMMARY OF PLAN PROVISIONS

Effective Date: July 1, 1994.

Eligibility: The July 1st next following attainment of age 18 and 12 consecutive months of service during which at least 100 points are credited.

Credited Service: A Plan Year in which a member is credited with at least 100 points.

Normal Retirement:

Eligibility: Attainment of age 65 and completion of five (5) years of active service.

Benefit: Monthly retirement benefit shall be the sum of the following:

- (i) Past Service: \$5.00 per month for each year of Credited Service from July 1, 1984 to July 1, 1994.
- (ii) Future Service: \$5.00 per month for each year of Credited Service subsequent to July 1, 1994.
- (iii) No participant shall accrue more than \$150 per month from combined past and future credited service.

Disability Date and Benefits:

The date upon which the participant incurs a disability provided he/she has attained age 55, and has completed 5 years of Credited Service (non-consecutive). The benefit shall be reduced by 1/15 for the first 5 years and 1/30 for the next 5 years that disability retirement precedes Normal Retirement.

Vested Termination: Accrued benefit based on the following schedule:

<u>Full Years of Credited Service</u>	<u>Percentage</u>
Less than 5 years	0%
5 years or more	100%

Normal Form of Annuity:

Life annuity.

Optional Forms of Annuity:

- 1) Life annuity with 10 years guaranteed
- 2) 50% joint & survivor annuity
- 3) 100% joint & survivor annuity



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Town Clerk

OCT 18 2021

October 14, 2021

Ms. Mary Skilton
Town of Morris
3 East Street
P.O. Box 66
Morris, CT 06763

RE: Experience Study

Dear Mary:

A 5-year experience study was performed for the Town of Morris Volunteer Fire Department Pension Plan covering July 1, 2016 through June 30, 2021. The purpose of this study is to review all of the actuarial assumptions used for the funding of the plan. The assumptions developed as a result of this study will also be used for accounting under GASB 67 and 68.

Please let me know if you have any questions.

Sincerely,

Matthew F.W. Sicilia, E.A., M.A.A.A.
Vice President & Consulting Actuary

Enclosures

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Expert Guidance and Customized Solutions since 1964

***TOWN OF MORRIS
VOLUNTEER FIRE DEPARTMENT
PENSION PLAN***

***EXPERIENCE STUDY
COVERING JULY 1, 2016
THROUGH JUNE 30, 2021***

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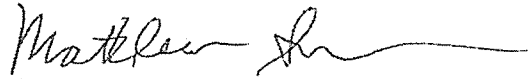
CERTIFICATION

The experience study for the Town of Morris Volunteer Fire Department Pension Plan covers July 1, 2016 to June 30, 2021.

The results have been based on the employee census data provided by the Town of Morris. Census and trust data have been reviewed for consistency and reasonableness in a manner consistent with applicable standards of practice. Assumptions have been selected in accordance with applicable standards of practice, unless prescribed by law or regulation.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Code of Professional Conduct of the American Academy of Actuaries. I am an Enrolled Actuary, enrolled by the Joint Board for the Enrollment of Actuaries to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA). I am also a member of the American Academy of Actuaries and have met its Qualification Standards to render the actuarial opinion contained herein.

THE PENSION SERVICE, INC.

A handwritten signature in black ink, appearing to read "Matthew Sicilia", with a long horizontal flourish extending to the right.

Matthew F.W. Sicilia, E.A., M.A.A.A.
Enrolled Actuary No. 20-07224

INTEREST / DISCOUNT RATE ANALYSIS

The interest rate used to determine the annual Actuarial Determined Contribution as well as the discount rate used to determine the Net Pension Liability under GASB 67 and 68 is set equal to the long term rate of return.

Current Assumption: 6.75%

Based on current market trends, the return assumption will decrease in future years by 25 bps until it reaches an ultimate rate of 5.50%.

WITHDRAWAL RATES ANALYSIS

Termination rates reflect the frequency with which participants leave employment for reasons other than retirement, death or disability.

Current Assumption: T-5 table from the Pension Actuary's Handbook

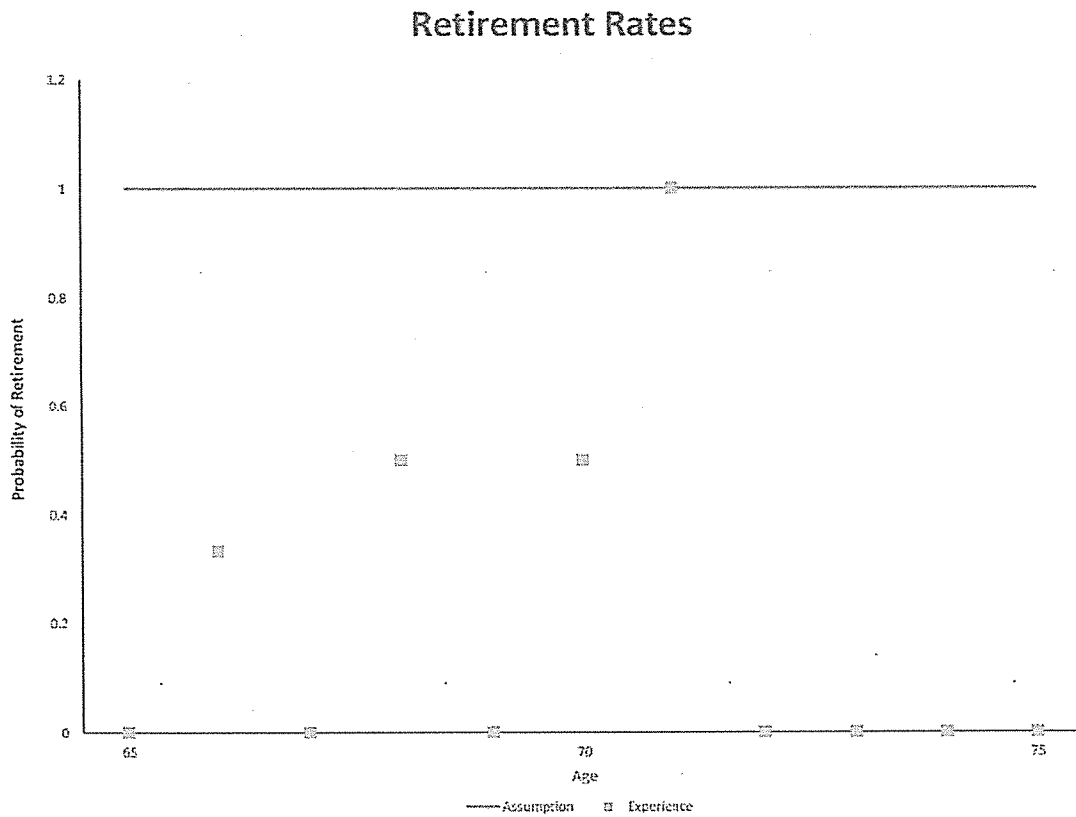
There are no longer any active participants in the plan; therefore, this assumption no longer applies.

RETIREMENT RATES ANALYSIS

Retirement rates reflect the frequency with which participants are expected to retire.

Current Assumption: Age 65, or attained age if greater.

Analysis of recent experience:



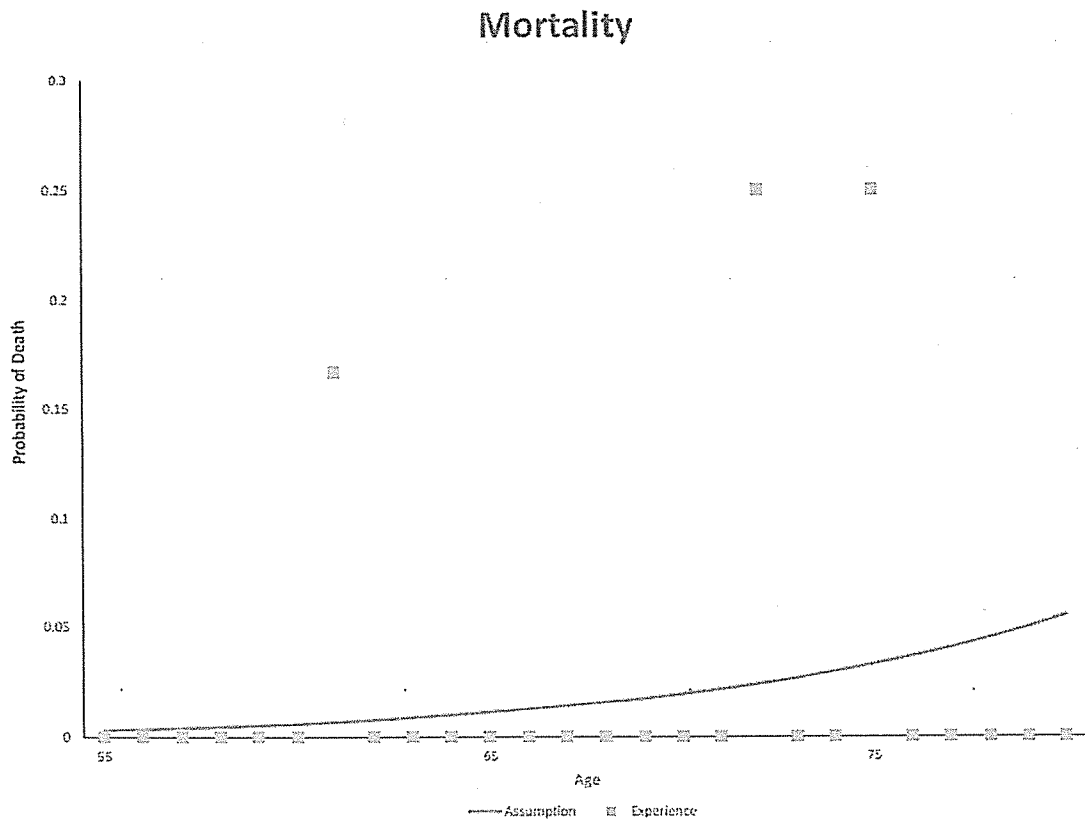
Based on past experience, this assumption will be updated to 50% for ages 65 to 69, then 100% at age 70.

MORTALITY ANALYSIS

Mortality rates reflect the frequency with which participants are expected to die.

Current Assumption: RP-2000 projected to the valuation date using Scale AA.

Analysis of recent experience:



The prospective mortality assumption is being changed to RP-2014 (adjusted to 2006) with scale MP mortality improvements. This is a more recently published mortality table.

SALARY SCALE ANALYSIS

This plan is not pay related; therefore, this assumption is not applicable.

SUMMARY OF PLAN PROVISIONS

<u>Effective Date:</u>	July 1, 1994.						
<u>Eligibility:</u>	The July 1 st next following attainment of age 18 and 12 consecutive months of service during which at least 100 points are credited.						
<u>Credited Service:</u>	A Plan Year in which a member is credited with at least 100 points.						
<u>Normal Retirement:</u>							
<u>Eligibility:</u>	Attainment of age 65 and completion of five (5) years of active service.						
<u>Benefit:</u>	Monthly retirement benefit shall be the sum of the following: <ul style="list-style-type: none">(i) Past Service: \$5.00 per month for each year of Credited Service from July 1, 1984 to July 1, 1994.(ii) Future Service: \$5.00 per month for each year of Credited Service subsequent to July 1, 1994.(iii) No participant shall accrue more than \$150 per month from combined past and future credited service.						
<u>Disability Date and Benefits:</u>	The date upon which the participant incurs a disability provided he/she has attained age 55, and has completed 5 years of Credited Service (non-consecutive). The benefit shall be reduced by 1/15 for the first 5 years and 1/30 for the next 5 years that disability retirement precedes Normal Retirement.						
<u>Vested Termination:</u>	Accrued benefit based on the following schedule: <table><tr><td><u>Full Years of Credited Service</u></td><td><u>Percentage</u></td></tr><tr><td>Less than 5 years</td><td>0%</td></tr><tr><td>5 years or more</td><td>100%</td></tr></table>	<u>Full Years of Credited Service</u>	<u>Percentage</u>	Less than 5 years	0%	5 years or more	100%
<u>Full Years of Credited Service</u>	<u>Percentage</u>						
Less than 5 years	0%						
5 years or more	100%						
<u>Normal Form of Annuity:</u>	Life annuity.						
<u>Optional Forms of Annuity:</u>	<ul style="list-style-type: none">1) Life annuity with 10 years guaranteed2) 50% joint & survivor annuity3) 100% joint & survivor annuity						