

Town of



East Lyme

Pension Board

108 Pennsylvania Avenue
P.O. Box 519
Niantic, CT 06357

MEETING MINUTES – SPECIAL MEETING DECEMBER 23, 2025

MEMBERS PRESENT: D. Hall, B. Curry, J. Wohler, S. Rolfe

ABSENT: C. Siefert

ALSO PRESENT: K. Gervais, D. Compton, and via zoom- M. Fratini, D. Woodmansee, R. Wilson

CALLED TO ORDER: Chairman B. Curry called the meeting to order at 3:03pm and led the Pledge of Allegiance.

Dave Woodmansee of USI Consulting Group led the review of 2025 valuation results.

ADC payment made by the Town has been increasing due to a number of factors including a 19% increase in police salaries and changes in assumptions to the pension plan.

Mr. Woodmansee discussed the disclosure and risk assessment in his review of the valuation report.

Mr. Woodmansee suggested an experience study in 2026 be considered.

Ryan Wilson of USI Consulting Group reviewed the new SOA public mortality tables. These tables were published in 2016 which is the latest table. The current table being used is from 2010. It was recommended to update to the 2016 table for 2026.

There was a review of the water and sewer allocations to the annual actuarially determined pension contribution made by the Town. It was recommended by the board to adjust the ADC for water and sewer to normal cost as shown in the valuation presentation.

B. Curry reviewed the changes to the pension plan amendment. There was a review and clarification of Part III of the pension plan.

Motion: Motion to adopt the amendment to the pension plan as presented was made by D. Hall and seconded by S. Rolfe. Motion passed unanimously. 4-0-0.

Next meeting is scheduled for February 12, 2026 at 3:00pm.

Motion to adjourn made by J. Wohler; 2nd by S. Rolfe 4:20pm. Passed unanimously.

Respectfully Submitted - Denise Compton, Pension Board Recording Secretary

RECEIVED FOR RECORD
EAST LYME, CT
2025 DEC 30 P 3:55
Denise Compton
TOWN CLERK

A hand holding a glowing globe surrounded by binary code and various icons.

December 23, 2025

TOWN OF EAST LYME PENSION PLAN

REVIEW OF THE JANUARY 1, 2025 ACTUARIAL VALUATION

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Today's Agenda

- Review of 2025 Valuation Results
- Discussion of New SOA Mortality Tables – PUB-2016
- Discussion of ADC allocation methods
- Questions



REVIEW OF THE 2025 VALUATION RESULTS



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Review of 2025 Valuation

- 2025 Funding Valuation Highlights

- The return on the Market Value of Assets during 2024 was approximately 8.2%, while the comparable return on the Actuarial Asset Value was 4.3%
- The Plan had a significant overall loss, driven by the asset return above and the fact the Active Participants realized a higher Salary Increase than expected (6.28%). The main driver for these salary increases was the over 19% realized by the Police Officers
- As such, the Actuarially Determined Contribution increased from \$739,264 for 2024 to \$1,009,611 for 2025.
- Please be aware that as mentioned in previous years, the asset losses realized in 2022 resulted in a very substantial loss, leading to increases in the ADC for 2023 and the 4 subsequent years while this loss gets recognized. This will carry through the 2027 ADC.

Review of 2025 Valuation

Town of East Lyme Retirement Plan

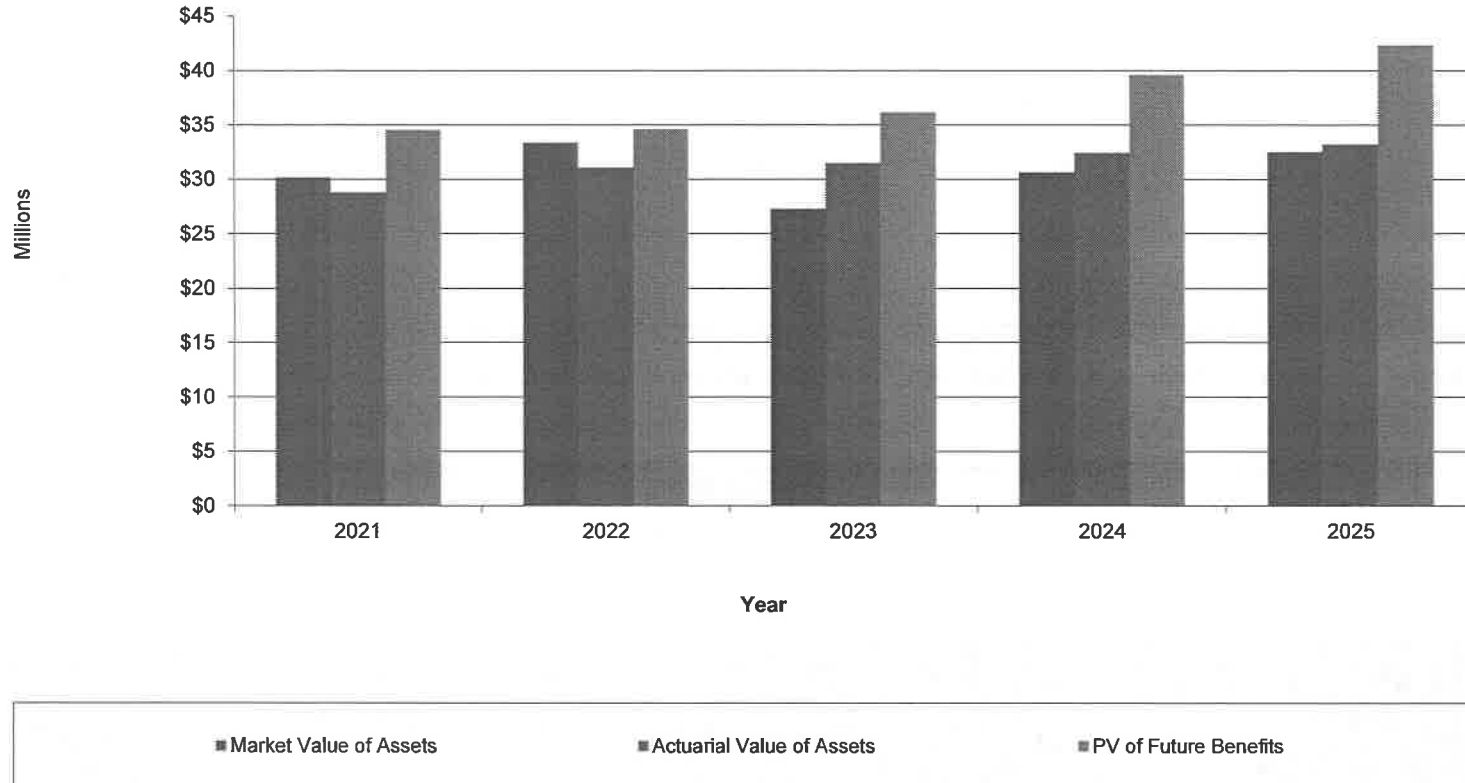
	January 1, 2021 Valuation	January 1, 2022 Valuation	January 1, 2023 Valuation	January 1, 2024 Valuation	January 1, 2025 Valuation
1. Market Value of Assets	30,157,346	33,393,274	27,324,476	30,624,915	32,513,635
2. Actuarial Value of Assets	28,807,793	31,087,148	31,484,812	32,439,250	33,233,966
3. Present Value of Future Benefits	34,535,395	34,618,765	36,144,250	39,627,765	42,332,627
4. Present Value of Accumulated Benefits	24,536,787	25,682,404	26,486,751	28,558,018	30,357,350
5. Entry Age Normal Accrued Liability	30,385,001	30,392,757	31,605,744	34,590,335	36,676,326
6. Valuation Assets	28,807,793	31,087,148	31,484,812	32,439,250	33,233,966
7. Unfunded Accrued Liability (5 - 6)	1,577,208	0	120,932	2,151,085	3,442,360
8. Employer Normal Cost	416,664	390,766	395,962	457,130	537,834
9. Actuarially Determined Contribution	596,652	390,766	411,758	739,264	1,009,611
10. Funding Ratio (1 / 4)	122.9%	130.0%	103.2%	107.2%	107.1%



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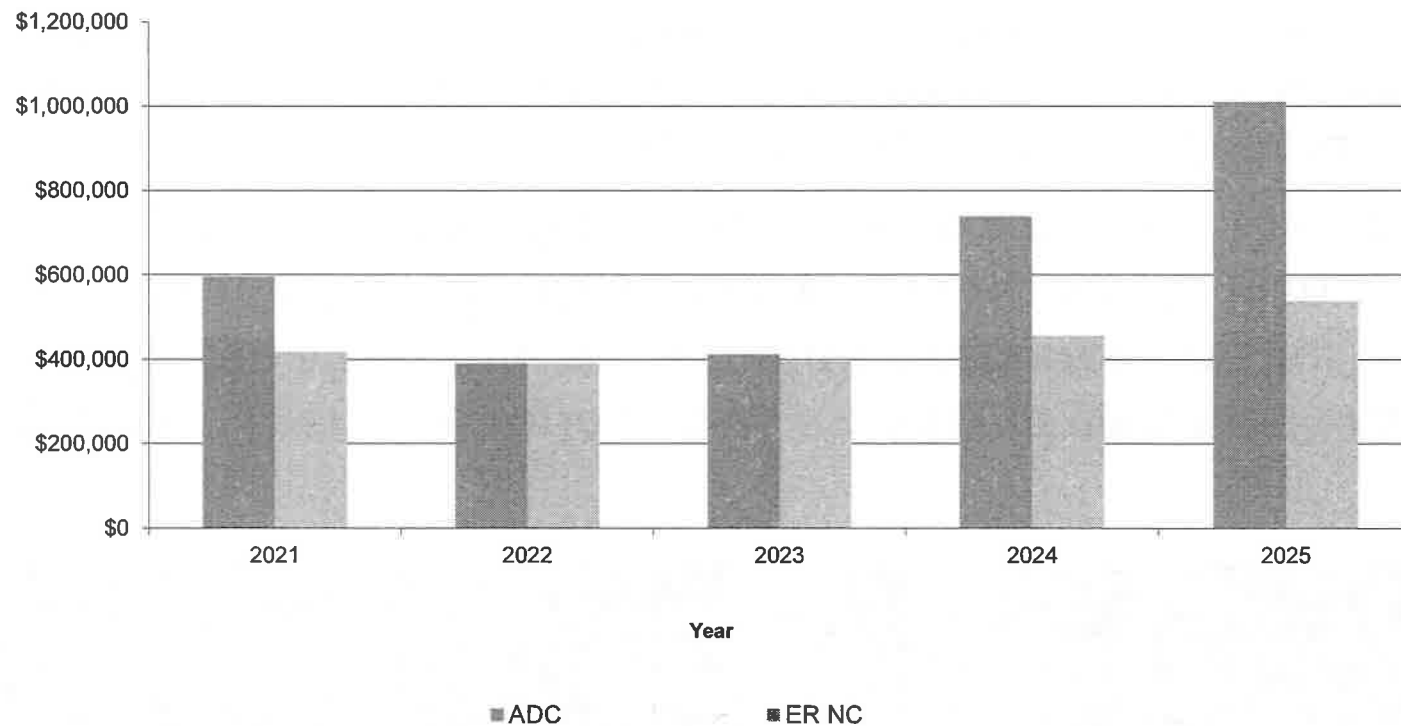
Review of 2025 Valuation

Asset and Liability History



Review of 2025 Valuation

Actuarially Determined Contribution (ADC) vs, Employer Normal Cost (ER NC)





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Review of 2025 Valuation

Risk Assessment - There are various risks associated with the Pension Plan. These risks can affect future contribution requirements for the Plan Sponsor and affect the decisions made with respect to Plan Design and Investment Policy. Below are a few examples of the risks:

- **Investment Risk:** The expectation assets will return the implied discount rate. If the actual annual returns are less than the expected returns, then both the funded ratio and Minimum Required Contribution would be negatively impacted.
- **Interest Rate Risk:** The expected return on plan assets is used for determining the Actuarially Determined Contribution to the Plan. Decreases in interest rates will lead to an increase in the Accrued Liability and Normal Cost which may increase contribution requirements.
- **Longevity risk:** The extent participants live longer than expected, liabilities will increase over time.

Please see the Section "ASOP 51 Assessment and Disclosure of Risk" in the January 1, 2025 actuarial valuation for a full description of risks.

Review of 2025 Valuation

Low-Default-Risk Obligation Measurement

The newest risk measurement, effective February 15, 2023, and in accordance with Actuarial Standards of Practice (ASOP) No. 4, requires the plan actuary to provide a “Low-Default-Risk Obligation Measurement” (LDROM). The intended purpose of the measurement is to show what the pension obligation could hypothetically be if settled on the measurement date using current interest rate conditions. This may provide additional information regarding the security of benefits that members have earned. This is not intended to be a precise calculation as assumptions such as early retirement provisions, lump sum election percentages, and various other assumptions may need to be revised to reflect a terminal liability. This disclosure is required and does not imply the plan sponsor has considered or is considering the termination of this plan. This disclosure may not be appropriate for other uses. As of the valuation date, the Low-Default-Risk Obligation for the plan is **\$39,962,000**. Using LDROM interest rates, the Plan is **81.4%** funded compared to a funded level of **107.1%** using the Plan’s ongoing interest rates.



2016 SOCIETY OF ACTUARIES PUBLIC MORTALITY TABLES

New SOA Public Mortality Tables

- In May 2025 the Society of Actuaries (“SOA”) released the PUB-2016 Mortality Study in its Final form
- The Study contains 3 separate mortality analyses
 - General Employees (PUBG-2016)
 - Safety Employees (PUBS-2016)
 - Teachers (PUBT-2016)
- The Study further breaks into Headcount-weighted and Amount-weighted sub tables within each of the above groups
- These tables are designed to be used in conjunction with the MP-20xx Projection Scales the SOA releases each year as part of the RP-2014 Mortality Study
- We are recommending the following is adopted for the 2026 Valuation:
 - For Police and FireFighters – the PUBS-2016 (amount-weighted Safety Employees)
 - For all others – the PUBG-2016 (amount-weighted General Employees)



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New SOA Public Mortality Tables

2025 Valuation Results

	Current PUB-2010 Mortality	New PUB-2016 Mortality	% Change
LIABILITY			
General	20,844,497	21,215,078	1.78%
Fire	2,966,461	3,008,904	1.43%
Police	12,865,368	13,060,467	1.52%
Total	36,676,326	37,284,449	1.66%
NORMAL COST			
General	321,238	323,404	0.67%
Fire	7,871	8,096	2.86%
Police	360,722	367,779	1.96%
Total	689,831	699,279	1.37%
Change in Liability		608,123	
10-year amortization		79,430	
Increase in Normal Cost		9,448	
Total increase in Actuarially Determined Contribution		88,878	
Increase for General		47,362	
Increase for Fire		6,635	
Increase for Police		34,881	

For the Fire and Police participants we used the PUBS-2016 mortality (amount-weighted Safety Employees Table)

For all other participants we used the PUBG-2016 mortality (amount-weighted General Employees Table)



DISCUSSION OF ADC ALLOCATION



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ADC Allocation Method

Current Allocation Method

	Total Contribution (End of year)	Expected Employee Contributions	Employer Contribution
Firemen	49,021	-	49,021
Police	560,416	151,997	408,419
Unaffiliated	58,513		58,513
Municipal Government	181,980		181,980
Board of Education	256,517		256,517
Water & Sewer	59,641		59,641
Library	44,117		44,117
Dispatch	26,906		26,906
Total	1,237,111	151,997	1,085,114

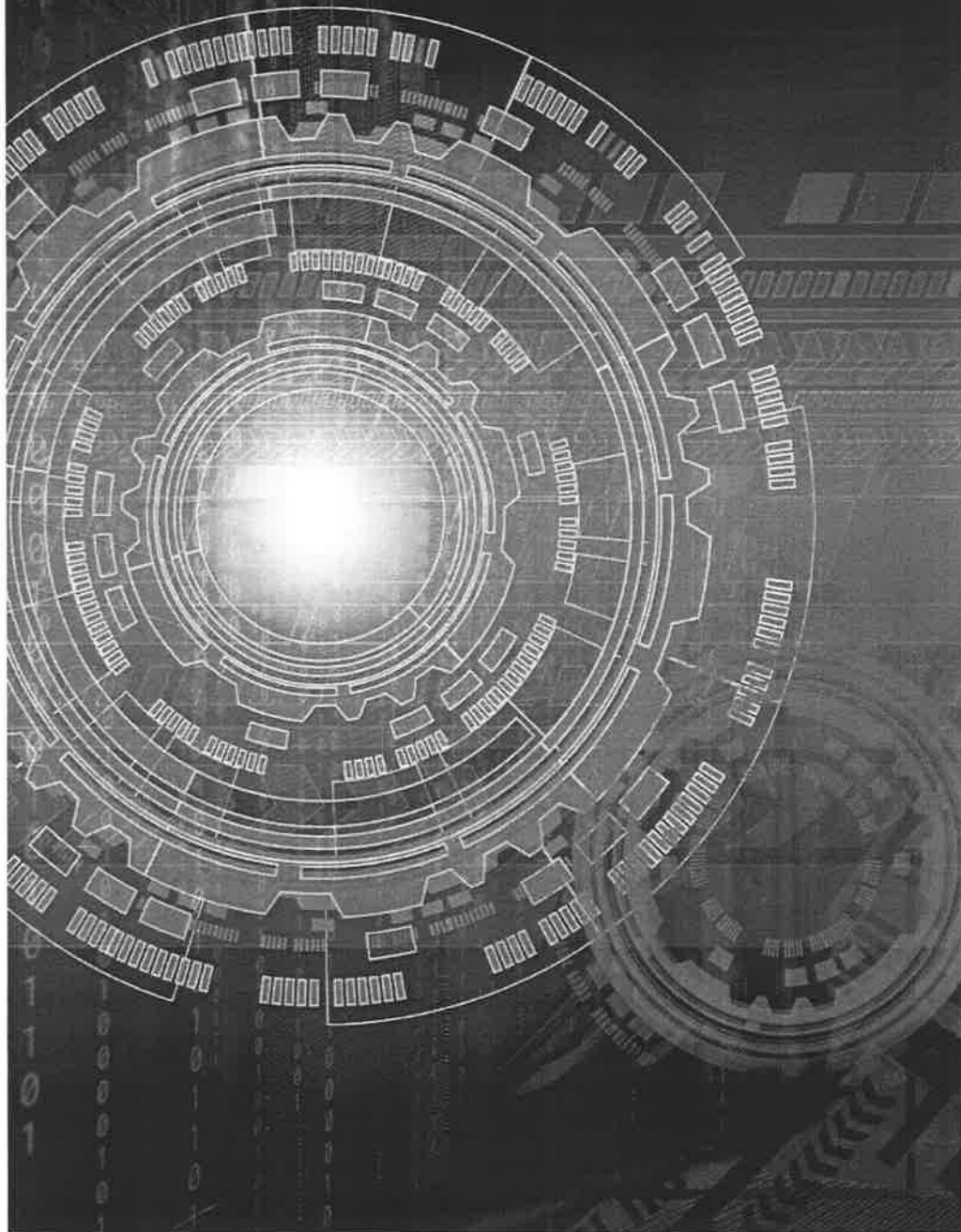
ADC Allocation Method

Proposed Change in Allocation Method

	Total Contribution (End of year)	Expected Employee Contributions	Employer Contribution
Firemen	31,043	-	31,043
Police	707,620	151,997	555,623
Unaffiliated	38,802		38,802
Municipal Government	146,759		146,759
Board of Education	207,865		207,865
Water & Sewer	44,760		44,760
Library	36,937		36,937
Dispatch	23,325		23,325
Total	1,237,111	151,997	1,085,114



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Questions

Thank You