

**BOARD OF FINANCE
TOWN OF BRANFORD, BRANFORD, CONNECTICUT 06405**

JOSEPH W. MOONEY, CHAIRMAN

VICTOR J. CASSELLA
ROBERT IMPERATO
CHARLES F. SHELTON, JR.
JEFFREY E. VAILETTE
LORRAINE K. YOUNG



EX-OFFICIO
JAMES B. COSGROVE,
First Selectman

CLERK
LISA E. ARPIN, CCTC
Town Clerk

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MAR 12 REC'D

**BOARD OF FINANCE MEETING MINUTES
February 26, 2018**

BRANFORD TOWN CLERK

The meeting was called to order by Chairman Joseph Mooney at 7:30 p.m. at Fire Headquarters, 45 North Main Street. Board of Finance members present were: Victor Cassella, Robert Imperato, Charles Shelton and Jeffrey Vailette and Lorraine Young. Also in attendance were First Selectman Jamie Cosgrove, Finance Director Jim Finch and Town Clerk Lisa Arpin. RTM reps in attendance were Peter Black (7:45 p.m.), Tom Brockett, Don Conklin, Dennis Flanigan and Ray Ingraham.

1. Chairman Mooney requested approval of the minutes of the January 29, 2018 meeting. Mr. Shelton made the motion on both, seconded by Mr. Imperato. Vote unanimous.
2. Citizens Communications –Ray Ingraham, RTM Rep spoke in favor of the proposed renovation of Indian Neck Fire Company #9.

Before the Board went on to item #3, Charlie Andriole of Hightower Advisors began with presenting agenda item #6. Mike LePore and Rob DeLuca assisted.

3. Chairman Mooney read item #6:
"To discuss, and if appropriate, approve changes to the asset allocation targets, rate of return assumptions, and amortization periods for the pension funds."

Mr. Andriole indicated the collective recommendation is to revise the current asset allocation policy and actuarial assumption to immunize four years of pension liabilities while maintaining an asset allocation policy that adheres to our long standing asset allocation philosophy and discipline. This requires an increase in the allocation to equity and decreases in the allocation to fixed income. Current asset allocation policy is 45.1% equity, 54.9% fixed income, of which 2% is cash. The recommended asset allocation policy is 55% equity, 45% fixed income, 2.5% cash which is included in the fixed income. Current actuarial assumption is 7% and the recommended actuarial assumption is 6.5%. We also recommend changes to the plan's micro policy (how the money is allocated within the broader stocks, bonds and cash allocation) increasing large and mid-capitalization stocks while decreasing small cap stocks and a significant increase in international equity, developed and emerging. Mr. Finch spoke referencing his memos of 2/22/18.

Chairman Mooney asked for motion to approve the ratios in Mr. Finch's memo. Mr. Imperato made the motion, seconded by Mr. Cassella. Vote unanimous. Mr. LePore clarified that the rebalancing moves out of the portion of fixed income and adds those dollars to the equity.

4. To hear a presentation from GYL Financial Synergies and Hightower Advisors with regard to the performance of the Town's volunteer fire pension fund for the quarter ended December 31, 2017, and if necessary, rebalance the portfolio.

The Board heard a presentation from Mike LePore presenting the volunteer fire pension plan focusing in on annualized return of 8.21% on par with 8.26% benchmark. Beginning value 12/1/15 was \$55,973, \$843,503 in inflows and \$146,446 in earnings, with an ending market value at 12/31/17 of \$1,045,922. Since the end of the year, there was a decline of market value of \$2,500 with a value as of 2/25/18 of \$1,035,000.

5. To hear a presentation from GYL Financial Synergies and Hightower Advisors with regard to the performance of the Town's police pension fund for the quarter ended December 31, 2017, and if necessary, rebalance the portfolio.

The Board heard a presentation from Mr. Mike LePore presenting the police pension overview on the performance analysis. The annualized return has been 5.98%, slightly ahead of policy of 5.94%, consistent with the overall conservative approach to managing the assets. The beginning market value \$8,311,293 with net contributions of \$1,063,642 and earnings of \$14,257,030. An ending market value of \$23,631,964 was reported as of the end of December. The return for the 4th quarter was 2.32% on target with policy. Since the end of the quarter, the market value declined by \$109,000 \$23,265,000 as of 2/25/18.

6. To hear a presentation from GYL Financial Synergies and Hightower Advisors with regard to the performance of the Town's Other Post-Employment Benefits (OPEB) for the quarter ended December 31, 2017, and if necessary, rebalance the portfolio.

Mr. LePore presented the OPEB plan overview noting an annualized return of 5.96%, ahead of the benchmark of 5.87%. Since inception on 7/1/11, the beginning value is \$4,030,671, with \$6,933,525 in contributions, \$3,524,810 in earnings, and an ending market value on 12/31/17 of \$414,489,006. Since the end of the year, the plan gained \$15,000 in earnings for a value as of 2/25/18 of \$14,504,000. Mr. LePore clarified that the asset allocation work that has been done is relative to the pensions, and in working with the Finance Director and Board Chairman, they will consider an asset allocation study for OPEB, but there is no change or rebalancing recommended for OPEB at this time.

Note: this item was moved to item 3 during the meeting. (To discuss, and if appropriate, approve changes to the asset allocation targets, rate of return assumptions, and amortization periods for the pension funds.)

7. To hear a presentation from Tim Ryor of Hooker & Holcombe regarding the impact of proposed pension changes on the 2017 actuarial valuations for the Police and Volunteer Fire pension plans.

The Board heard an actuarial valuation overview presentation of the Police pension plan by Tim Ryor; report attached. The police plan is a closed plan since 2011 (no additional employees). The beginning market value on 7/1/15 was \$21,598,370 with an approximate rate of return of .7% as compared to 7.3% expected rate of return for 2016-2017. The reported beginning value of assets 7/1/16 was \$21,369,193. The actuarial value of assets is above market value by \$1.18 million. The unrecognized losses as of 7/1/17 are (\$1,177,504.) The actuarially determined employer contribution (ADEC) increased by 23.4% from \$911,226 in 2015/2016 to \$1,124,810. The two recommendations that Mr. Finch put in his summary memo is a drop to 6.5 and then an amortization of 20 years on the unfunded liability and it would be a \$1,056,060 contribution, up from \$911,226.

Mr. Ryor touched on the volunteer fire plan actuarial valuation. The drop in the rate to 6.75% increased liabilities with nominal liability losses and a \$30,400 loss relative to asset returns. The town contributed additional funds to increase the funded ratio to 75.9% (up from 48.2%) to offset the impact of asset and assumption change losses. The result was the ADEC decreased by \$27,134 from \$86,184 to \$59,050. Chairman Mooney asked to entertain a motion to lower the rate of return on the actuarial rate of return estimates down to 6.5%. Mr. Imperato moved the motion, seconded by Ms. Young. The vote was unanimous.

8. To hear a request from the Board of Fire Commissioners to discuss the employment contract for Assistant Chief Shaun Heffernan.

Bob Massey, Board of Fire Commissioners chairman highlighted contract changes of the proposed five-year Assistant Fire Chief contract, noting there is no retroactive pay. After Q&A from the Board, Chairman Mooney asked for a motion on the contract. Mr. Imperato made a motion to approve the contract, seconded by Mr. Cassella. The vote was unanimous.

9. To hear a presentation from the Indian Neck Fire Station Company #9 Building Committee regarding the request of an appropriation in the amount of \$1.5 million, and if appropriate, to consider and act on the following proposed resolution:

“Resolution appropriating \$1,500,000 for a new Indian Neck Firehouse and authorizing the issue of \$1,500,000 bonds of the town to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose”

and to recommend the resolution for adoption by the Representative Town Meeting.

The Board heard an overview history on the project from Fire Chief Tom Mahoney. The original building was built in 1911 serving the Indian Neck district from one bay, and 2,000 square ft. footprint, and is long overdue for replacement. As early as 1996, discussions on its replacement have been discussed at length. Chief Mahoney introduced David Stein from Silver/Petrucci & Associates Architects who presented the attached PowerPoint to the Board proposing a two-bay, 5,000 square ft. building. Town Engineer Janice Plaziak spoke on state funding. First Selectman Cosgrove gave closing comments in support of the \$1.5 million project to move forward and secure the state funding. Chairman Mooney asked for a motion to waive the reading of the full resolution. Mr. Valette made the motion to waive the reading of the full resolution, seconded by Mr. Cassella. The vote was unanimous. Chairman Mooney read the following:

“Resolution appropriating \$1,500,000 for a new Indian Neck Firehouse and authorizing the issue of \$1,500,000 bonds of the town to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose”

Mr. Valette made the motion to approve the resolution, seconded by Mr. Cassella. The full board voted in favor of the resolution.

RESOLVED: That the Board of Finance approves said resolution, and recommends it for adoption by the Representative Town Meeting.

10. To consider, and if appropriate, approve a request from the Town Clerk for the following budget transfer:

| | | | |
|--------------|-----------------|------------------------------------|---------|
| From: | 10141080-566100 | Office Supplies | (\$200) |
| To: | 10141080-544300 | Purch. Service Repairs/Maintenance | 200 |

Town Clerk Lisa Arpin presented the transfer to the Board to cover the repair of a typewriter. Mr. Cassella made the motion to move approval of the transfer, seconded by Mr. Valette. Vote unanimous.

RESOLVED: That the Board of Finance recommends to the RTM the transfer of \$200 as requested by the Town Clerk.

11. Adjournment.

Dated this 12th day of March, 2018



Lisa E. Arpin, CCTC
Clerk, Board of Finance

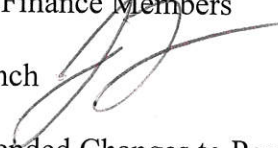
OFFICE OF THE TREASURER
BRANFORD, CONNECTICUT

Item # 3

1019 MAIN STREET
POST OFFICE BOX 150



(203) 315-0663
FAX (203) 315-3736
WWW.BRANFORD-CT.GOV

Date: February 22, 2018
To: Board of Finance Members
From: James Finch 
Re: Recommended Changes to Pension Target Allocations

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2018 FEB 23 A 11: 11
TOWN CLERK'S OFFICE
BRANFORD, CONNECTICUT

This past winter Chairman Mooney and I met with the pension investment advisors, and actuary to review the asset allocation and to come up with targets that are better matched to our actuarial assumptions. The exercise incorporated our advisor's capital market outlook and interest rate levels. As the Board is aware, the amount allocated to fixed income and our asset allocation strategy is derived from the desire to immunize projected liabilities. This revised target aims to immunize 4 years of liabilities. Our challenge was to produce an allocation that fundamentally adhered to our asset liability discipline while decreasing the fixed income component. The product of these efforts is a plan that results in the following asset allocation:

| | |
|---------------------------------------|--------|
| Large Cap Domestic Equity | 14.50% |
| Mid Cap Domestic Equity | 5.5% |
| Small Cap Domestic Equity | 5.5% |
| Developed International Equity | 12.5% |
| Emerging Markets International Equity | 8.5% |
| US Real Estate and MLP's | 8.5% |
| US Investment Grade Bonds | 35.00% |
| US High Yield Bonds | 7.5% |
| Cash | 2.0% |

Our advisors and actuary will be available at the meeting to review and discuss the recommendation.

Cc J. Cosgrove
Pension Trustees

OFFICE OF THE TREASURER
BRANFORD, CONNECTICUT

Item # 3

1019 MAIN STREET
POST OFFICE BOX 150



(203) 488-8394
FAX 481-5561

RECEIVED
2018 FEB 23 P 12:02
TOWN CLERK'S OFFICE
BRANFORD, CONNECTICUT

Date: February 22, 2018
To: Board of Finance Members
From: James Finch
Re: Rate of Return (ROR) Assumptions and Amortization Changes

As underscored in the letter regarding target allocations the objective is to provide a better match with our actuarial assumptions. A second element of this process is to lower the ROR from 6.75% to 6.5%. Finally upon consultation with our actuary, I am asking the Board to consider increasing the amortization period to 20 years to partially offset the budgetary impact of the ROR change.

Our actuary will be available at the meeting to review the impact of these changes on the fund and the 2017 actuarial valuations.

Cc J. Cosgrove
Pension Trustees



The elements of success



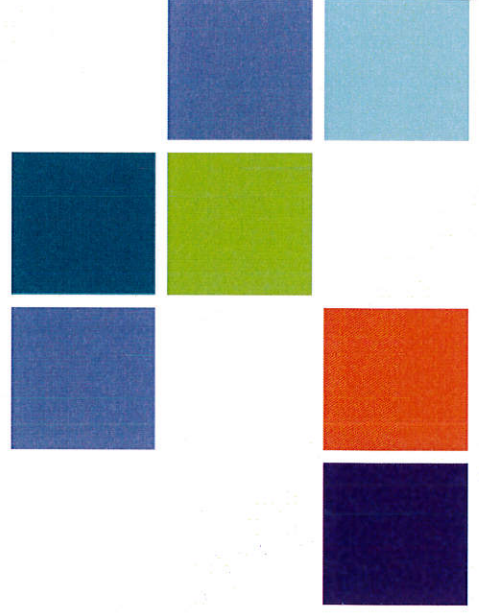
hooker & holcombe

Town of Branford ***Police Retirement Fund & Volunteer Fire Department Pension Plan***

Review of the 2017 Actuarial Valuation Reports

Timothy A. Ryor, FSPA, FCA, EA, MAAA
Senior Vice President & Consulting Actuary

February 26, 2018

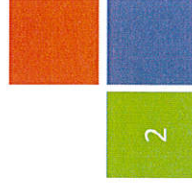


Outline of Presentation



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- Purpose of the Valuation
- Data Summary
- Asset Returns & Smoothing
- Police Valuation Results
- Volunteer Fire Results
- Looking Ahead to 2019
- Questions & Answers



Purpose of the Valuation



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The purpose of the valuation is to determine the funded status of the plan as well as the recommended cash contribution for the following two fiscal years.

The ultimate cost of a pension plan is based primarily on the level of benefits promised by the plan. The pension fund's investment earnings serve to reduce the cost of plan benefits and expenses. Thus,

| | | | | | | | | |
|-------------------------|---|------------------|---|----------------------|---|----------------------|---|---------------------------|
| Town's ultimate cost | = | benefits paid | + | expenses incurred | - | investment return | - | employee contributions |
|-------------------------|---|------------------|---|----------------------|---|----------------------|---|---------------------------|

- Actuarial Valuation utilizes an actuarial cost method to assign a portion of this “ultimate cost” to the budget year. *The valuation does not determine the cost of the plan but is a tool used to determine the appropriate level of Town contributions.*
- Actuarially Determined Contribution (ADC) developed from the valuation is comprised of two components: amortization of unfunded liability (*currently 15 years for Police, 12 year for Volunteer Fire*) & normal cost (assignment of benefits “earned” for the budget year).

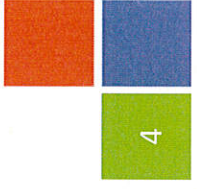
Police Plan – Valuation Data



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| Status | <u>July 1, 2017</u> | <u>July 1, 2015</u> |
|---|---------------------|---------------------|
| Active Employees | 28 | 38 |
| Active Non-accruing (in DROP) | 7 | 0 |
| Retired Pensioners | 48 | 45 |
| Terminated Vested Employees | <u>2</u> | <u>1</u> |
| Total | 85 | 84 |
| Average Ages for Active Employees | | |
| Average Hiring Age | 30.11 | 30.08 |
| Average Attained Age | 45.64 | 45.64 |
| Benefits | | |
| Total Annual Retirement Benefits | 1,607,575 | 1,455,382 |
| Average Annual Retirement Benefit | 33,491 | 32,342 |
| Total Annual Vested Benefit for Terminated Vested Employees | 28,645 | 4,188 |
| Average Annual Vested Benefit for Terminated Vested Employees | 14,233 | 4,188 |
| DROP Balances | 681,510 | 62,191* |

*Participant no longer active.



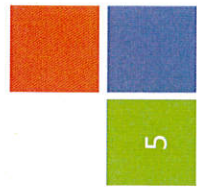
Police Plan Asset Returns



hooker & holcombe

| Summary of Fund Activity | | |
|--|--------------|-----------------|
| | Market Value | Actuarial Value |
| 1. Beginning value of assets July 1, 2015 | | |
| Trust assets | \$21,598,370 | \$22,410,598 |
| 2. Contributions | | |
| Town contributions during year | 910,500 | 910,500 |
| Employee contributions during year | 280,850 | 280,850 |
| Total for plan year | 1,191,350 | 1,191,350 |
| 3. Disbursements | | |
| Benefit payments during year | 1,564,499 | 1,564,499 |
| Administrative expenses during year | 0 | 0 |
| Total for plan year | 1,564,499 | 1,564,499 |
| 4. Net investment return | | |
| Interest and dividends | 0 | N/A |
| Realized and unrealized gain / (loss) | 249,045 | N/A |
| Expected return | N/A | 1,499,118 |
| Recognized gain / (loss) | N/A | (567,598) |
| Required adjustment due to corridor | N/A | 0 |
| Reversal of prior year required adjustment | N/A | 0 |
| Investment-related expenses | (105,073) | N/A |
| Total for plan year | 143,972 | 931,520 |
| 5. Ending value of assets July 1, 2016 | | |
| Trust assets: (1) + (2) - (3) + (4) | 21,369,193 | 22,968,969 |
| 6. Approximate rate of return | 0.7% | 4.2% |

| Summary of Fund Activity | | |
|--|--------------|-----------------|
| | Market Value | Actuarial Value |
| 1. Beginning value of assets July 1, 2016 | | |
| Trust assets | \$21,369,193 | \$22,968,969 |
| 2. Contributions | | |
| Town contributions during year | 914,742 | 914,742 |
| Employee contributions during year | 258,782 | 258,782 |
| Total for plan year | 1,184,420 | 1,184,420 |
| 3. Disbursements | | |
| Benefit payments during year | 1,644,784 | 1,644,784 |
| Administrative expenses during year | 0 | 0 |
| Total for plan year | 1,644,784 | 1,644,784 |
| 4. Net investment return | | |
| Interest and dividends | 0 | N/A |
| Realized and unrealized gain / (loss) | 1,651,266 | N/A |
| Expected return | N/A | 1,479,764 |
| Recognized gain / (loss) | N/A | (359,847) |
| Required adjustment due to corridor | N/A | 0 |
| Reversal of prior year required adjustment | N/A | 0 |
| Investment-related expenses | (109,077) | N/A |
| Total for plan year | 1,542,189 | 1,119,917 |
| 5. Ending value of assets July 1, 2017 | | |
| Trust assets: (1) + (2) - (3) + (4) | 22,451,018 | 23,628,522 |
| 6. Approximate rate of return | 7.3% | 5.0% |



Actuarial Value of Assets



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Relationship of Actuarial Value to Market Value

| | |
|---|--------------------|
| 1. Market value 7/1/2017 | \$22,451,018 |
| 2. Gain / (loss) not recognized in actuarial value 7/1/2017 | <u>(1,177,504)</u> |
| 3. Preliminary actuarial value 7/1/2017: (1) - (2) | 23,628,522 |
| 4. Preliminary actuarial value as a percentage of market value: (3) ÷ (1) | 105.2% |
| 5. Gain / (loss) recognized for corridor minimum / maximum | N/A |
| 6. Actuarial value 7/1/2017 after corridor minimum / maximum: (3) + (5) | 23,628,522 |
| 7. Actuarial value as a percentage of market value: (6) ÷ (1) | 105.2% |

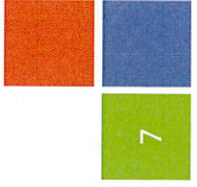
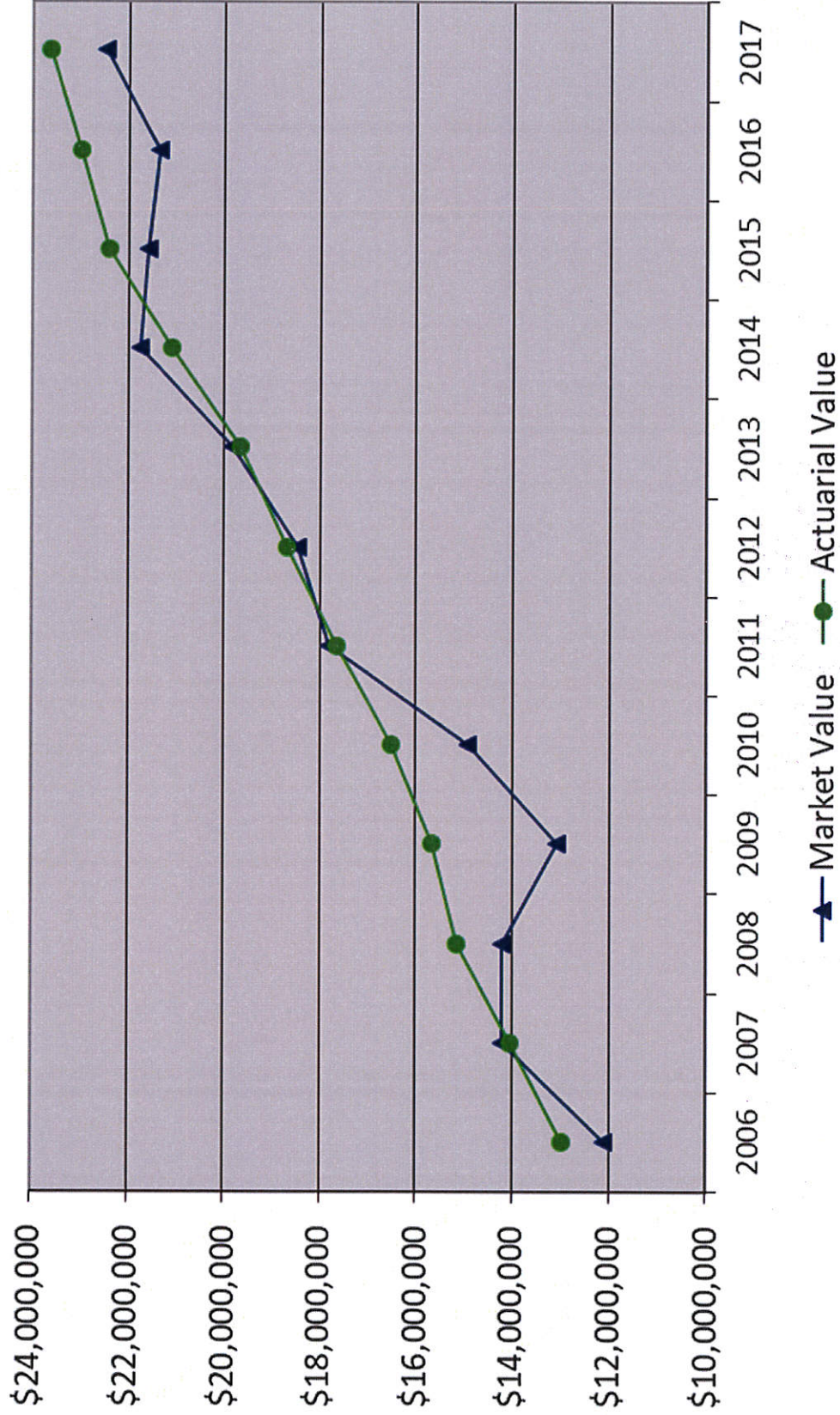
Recognition of Gain / Loss in Actuarial Value

| Year | (a) Gain / (loss) | (b) Total recognized as of 7/1/2016 | (c) Recognized in current year: 20% of (a) | (d) Total recognized as of 7/1/2017: (b) + (c) | (e) Not recognized as of 7/1/2017: (a) - (d) |
|-----------|----------------------|--|---|---|---|
| 2012-2013 | \$89,792 | \$71,832 | \$17,960 | \$89,792 | \$0 |
| 2013-2014 | 879,154 | 527,493 | 175,831 | 703,324 | 175,830 |
| 2014-2015 | (1,475,468) | (590,188) | (295,094) | (885,282) | (590,186) |
| 2015-2016 | (1,355,146) | (271,029) | (271,029) | (542,058) | (813,088) |
| 2016-2017 | 62,425 | 0 | <u>12,485</u> | 12,485 | 49,940 |
| Total | | | <u>(359,847)</u> | | <u>(1,177,504)</u> |

Actuarial Value of Assets



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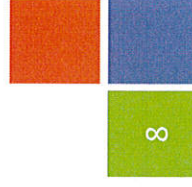


Police Valuation Overview – Before LTROR Change



hooker & holcombe

- Actuarial Value of Assets (AVA) is above the Market Value by **\$1.18 million**
- Due to asset losses from 14-15 & 15-16, the returns on a smoothed basis lagged the 7.0% return for both 15-16 & 16-17.
- Those asset losses combined with liability losses related to the DROP (including an update to the retirement rates) produced a \$3.0 million loss (\$1.1 million –assets, \$1.9 million – liability)
- Our lower long-term inflation assumption (3.0% down to 2.75%) pointed towards a need to lower the long-term rate of return assumption (LTROR) to at least 6.75%.
- Partially offset by new mortality improvement scale (MP-2017).
- Preliminary results produced using 6.75% (rate used for the 1/1/2017 Volunteer Fire Plan Actuarial Valuation) and no change in amortization (15 years).
- Actuarially Determined Employer Contribution (ADEC) increased by 23.4% from \$911,226 to **\$1,124,810**.



Police Valuation – Executive Summary Before LTROR Change



hooker & holcombe

| | July 1, 2017 | July 1, 2015 |
|--|--------------------------|-----------------|
| Number of members | | |
| Active employees | 28 | 38 |
| Terminated vested members | 2 | 1 |
| Employees in DROP | 7 | 0 |
| Retired, disabled and beneficiaries | 48 | 45 |
| Total | 85 | 84 |
| Covered employee payroll | 2,599,740 | 3,444,852 |
| Average plan salary | 92,848 | 90,654 |
| Actuarial present value of future benefits | 36,427,430 | 33,865,074 |
| Actuarial accrued liability | 32,770,058 | 28,755,887 |
| Plan assets | | |
| Market value of assets | 22,451,018 | 21,598,370 |
| Actuarial value of assets | 23,628,522 | 22,410,598 |
| Unfunded accrued liability | 9,141,536 | 6,345,289 |
| Funded ratio | 72.1% | 77.9% |
| Actuarially determined employer contribution (ADEC) | | |
| Fiscal year ending ADEC | 2019 1,124,810 | 2017 911,226 |
| Fiscal year ending ADEC | 2020 1,124,810 | 2018 911,226 |

Police Valuation Overview – After LTROR Change



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- Reviewed LTROR with Town and the Plan's investment advisors.
- Based on current capital market assumptions, the duration of plan liabilities and the selection of the asset allocation, a 6.50% rate was selected by the Town.
- The amortization period was set to a closed 20-year period as of July 1, 2017. Future gains/losses will be amortized over 15 years.
- Amortization change helped smoothing the impact of the drop in the LTROR. The Actuarially Determined Employer Contribution (ADEC) increased by 15.9% from \$911,226 to **\$1,056,060**.
- Funded ratio drops from 77.9% to 70.4%.



Police Valuation – Executive Summary After LTROR Change



hooker & holcombe

| | July 1, 2017 | July 1, 2015 |
|--|--------------------------|-----------------|
| Number of members | | |
| Active employees | 28 | 38 |
| Terminated vested members | 2 | 1 |
| Employees in DROP | 7 | 0 |
| Retired, disabled and beneficiaries | 48 | 45 |
| Total | 85 | 84 |
| Covered employee payroll | 2,599,740 | 3,444,852 |
| Average plan salary | 92,848 | 90,654 |
| Actuarial present value of future benefits | 37,297,166 | 33,865,074 |
| Actuarial accrued liability | 33,549,471 | 28,755,887 |
| Plan assets | | |
| Market value of assets | 22,451,018 | 21,598,370 |
| Actuarial value of assets | 23,628,522 | 22,410,598 |
| Unfunded accrued liability | 9,920,949 | 6,345,289 |
| Funded ratio | 70.4% | 77.9% |
| Actuarially determined employer contribution (ADEC) | | |
| Fiscal year ending ADEC | 2019 1,056,060 | 2017 911,226 |
| Fiscal year ending ADEC | 2020 1,056,060 | 2018 911,226 |

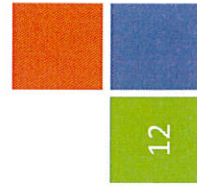


Volunteer Fire - Valuation Data



hooker & holcombe

| Member Data | | | | |
|--------------------------------------|--------|-------------------|-----------------------|-------|
| | Active | Terminated vested | Members in pay status | Total |
| Total members January 1, 2015 | 203 | 0 | 17 | 220 |
| Adjustments | 0 | 0 | 0 | 0 |
| Retirements | -2 | 0 | +2 | 0 |
| Disabilities | 0 | N/A | 0 | 0 |
| Terminations | | | | |
| Vested | 0 | 0 | N/A | 0 |
| Lump sum payments | 0 | 0 | N/A | 0 |
| Deaths | | | | |
| With death benefit | 0 | 0 | 0 | 0 |
| Without death benefit | 0 | 0 | -1 | -1 |
| Transfers | 0 | 0 | N/A | 0 |
| Rehires | 0 | 0 | N/A | 0 |
| New beneficiaries | N/A | N/A | 0 | 0 |
| New entrants | +7 | N/A | N/A | +7 |
| Total members January 1, 2017 | 208 | 0 | 18 | 226 |



Volunteer Fire Valuation Overview



hooker & holcombe

- Valuation is as of January 1, 2017 so needed to be completed for FYE 2017 GASB 67/68 reporting.
- Similar to the 2016 OPEB valuation, used a 6.75% LTROR pending a review of the rate used for the Police valuation. Rate will be lowered with the 2019 valuation.
- The drop in the rate to 6.75% increased liabilities \$23,400. There were nominal liability losses (\$91) and a \$30,400 loss relative to asset returns.
- Town contributed additional funds to bring funded ratio up to **75.9%**. This offset the impact of asset and assumption change losses.
- As a result, the ADEC **decreased** by \$27,134 from \$86,184 to **\$59,050**.



Volunteer Fire - Executive Summary



hooker & holcombe

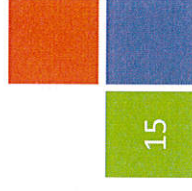
| | January 1, 2017 | January 1, 2015 |
|--|-----------------|-----------------|
| Number of members | | |
| Active employees | 208 | 203 |
| Terminated vested members | 0 | 0 |
| Retired, disabled and beneficiaries | 18 | 17 |
| Total | 226 | 220 |
| Covered employee payroll | N/A | N/A |
| Average plan salary | N/A | N/A |
| Actuarial present value of future benefits | 1,461,858 | 1,318,099 |
| Actuarial accrued liability | 1,256,486 | 1,120,645 |
| Plan assets | | |
| Market value of assets | 911,748 | 534,163 |
| Actuarial value of assets | 954,218 | 540,595 |
| Unfunded accrued liability | 302,268 | 580,050 |
| Funded ratio | 75.9% | 48.2% |
| Actuarially determined employer contribution (ADEC) | | |
| Fiscal year ending ADEC | 2019 59,050 | 2017 86,184 |
| Fiscal year ending ADEC | 2020 59,640 | 2018 86,184 |

Looking Ahead to the 2019 Valuations



hooker & holcombe

- \$1.18 million in losses built into the Police Plan actuarial value of assets (AVA) will increase contribution by about **\$120,000** over time if not offset by investment gains.
- Do not anticipate any changes in methods or assumptions with 2019 valuations.
- Police normal costs are expected to trend downward due to the plan being closed.
- Volunteer plan has a smaller unrecognized loss in AVA (~ \$42,500). Impact on contribution going forward will ultimately be about **\$5,700**.





BRANFORD FIRE DEPARTMENT
45 NORTH MAIN STREET
BRANFORD, CONNECTICUT 06405
OFFICE OF FIRE CHIEF/DEPUTY FIRE MARSHAL

Item # 9

February 16, 2018

Mr. Joseph Mooney, Chairman
Board of Finance
Town of Branford
1019 Main Street
Branford, CT 06405

RECEIVED
2018 FEB 21 A 9:25
TOWN CLERK'S OFFICE
BRANFORD, CONNECTICUT

Dear Chairman Mooney,

The Indian Neck Fire House CO #9 Building Project Oversight Committee has worked diligently this past year along with our architects, Silver/Petrucelli, to move the Indian Neck Station Project from conceptual through schematic design and cost estimation.

The project was introduced to the public at an informational meeting held in the Meeting Room at Fire Headquarters on June 19, 2017. The public input received during that meeting was considered and incorporated where appropriate.

Once the committee received the schematic design and initial cost estimates, we went to work to reduce cost wherever possible. The project was reviewed by an outside cost estimator, and further adjustments were made to arrive at the current estimate of \$1,500,000.00. The committee sent a recommendation to the Board of Fire Commissioners to request appropriation from the Town for the project. At the January 29, 2018 Special Meeting of the Board of Fire Commissioners, the recommendation was approved by unanimous vote.

On behalf of the Board of Fire Commissioners and the Indian Neck Fire House CO #9 Building Project Oversight Committee, I respectfully request that the Board of Finance consider and, if appropriate, approve our request for appropriation in the amount of \$1,000,000.00 (\$500,000.00 STEAP) for a new Indian Neck Fire House.

Sincerely,

Thomas F. Mahoney, Jr.
Thomas F. Mahoney, Jr.
Chief of Department
Cell (203) 996-5297

Cc: Jim Finch, Robert Massey, James Cosgrove

PHONE (203) 488-7266
FAX (203) 315-3349

RECEIVED

2018 FEB 21 A 10: 55

TOWN CLERK'S OFFICE
BRANFORD, CONNECTICUT

RESOLUTION APPROPRIATING \$1,500,000 FOR A NEW INDIAN NECK FIREHOUSE AND AUTHORIZING THE ISSUE OF \$1,500,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$1,500,000 is appropriated for the planning, acquisition and construction of a replacement for the Indian Neck Firehouse (Company 9), located at 6-10 Linden Avenue, including demolition of the existing structure, construction of an approximately 5,000 sq. ft. structure on the site of the existing structure, bay areas, meeting and training space, showers, FEMA compliance features, and for engineering, consultant fees, equipment, administrative, printing, legal and financing costs related thereto, or so much thereof or such additional improvements as may be accomplished within the appropriation. The appropriation shall be inclusive of grants.

Section 2. The total estimated cost of the project is \$1,500,000 and is expected to be paid from an estimated \$500,000 State grant and the bonds authorized herein.

Section 3. To meet said appropriation, \$1,500,000 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date. Said bonds may be issued in one or more series as determined by the First Selectman and the Town Treasurer (the First Selectman and the Town Treasurer hereinafter the "Town Officials"), and the amount of bonds of each series to be issued shall be fixed by the Town Officials. Said bonds shall be issued in the amount necessary to provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. Capital project revenues, including bid premiums and income derived from the investment of proceeds from bonds issued pursuant to this resolution (and net investment income derived from the investment of note proceeds) are authorized to be credited by the Director of Finance to the project account and expended to pay project expenses customarily paid there from, provided that such expenditures shall be applied against the appropriation, and the bond authorization shall be reduced by the amount of capital project revenues so credited. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Town and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Town Officials, bear the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the Town Officials, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Town Officials and be approved as to their legality by Bond Counsel. They shall bear such rate or rates of interest as shall be determined by the Town Officials. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the

principal thereof and the interest thereon and shall be paid from property taxation to the extent not paid from other funds available for the payment thereof. The aggregate principal amount of the bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds, shall be determined by the Town Officials, in accordance with the General Statutes of the State of Connecticut, as amended.

Section 4. Said bonds shall be sold by the Town Officials in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be sold upon sealed proposals, auction, or similar competitive process at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds.

Section 5. The Town Officials are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Town Officials, bear the Town seal or a facsimile thereof, be payable at a bank or trust company designated by the Town Officials, be approved as to their legality by Bond Counsel, and be certified by a bank or trust company designated by the Town Officials, pursuant to Section 7-373 of the General Statutes of Connecticut, as amended. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon and shall be paid from property taxation to the extent not paid from other funds available for the payment thereof. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the project. Upon the sale of said bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 6. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town (the "Issuer") hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and after the date of passage of this resolution in the maximum amount and for the capital project defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the project, or such later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Director of Finance or his designee is authorized to

pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 7. The Town Officials are hereby authorized to exercise all powers conferred by section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution.

Section 8. It is hereby found and determined that it is in public interest to issue all, or a portion of, the Bonds, Notes or other obligations of the Town as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation. The First Selectman and the Treasurer are hereby authorized to issue and utilize without further approval any financing alternative available to municipal governments pursuant to law including but not limited to any "tax credit bonds" or "Build America Bonds" including Direct Payment and Tax Credit versions.

BOARD OF FINANCE

TOWN OF BRANFORD

1019 MAIN STREET, P.O. BOX 150, BRANFORD, CONNECTICUT 06405

JOSEPH W. MOONEY, CHAIRMAN
VICTOR J. CASSELLA
ROBERT IMPERATO
CHARLES F. SHELTON, JR.
JEFFREY E. VAILETTE
LORRAINE K. YOUNG



EX-OFFICIO
JAMES B. COSGROVE, First Selectman

CLERK
LISA E. ARPIN, CCTC, Town Clerk

February 27, 2018

To the Representative Town Meeting of The Town of Branford

Attention: Dennis Flanigan, Moderator

At a meeting of the Board of Finance held February 26, 2018, the following resolution was adopted:

“Resolution appropriating \$1,500,000 for a new Indian Neck Firehouse and authorizing the issue of \$1,500,000 bonds of the town to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose”

is hereby adopted and recommended for approval by the Representative Town Meeting.

Very truly yours,

Joseph W. Mooney
Chairman, Board of Finance