TOWN OF WEST HARTFORD
PENSION BOARD

Regular Meeting

Scheduled For

Monday
March 16, 2026
at 7:45 am
Room 407 Town Hall

TOWN OF WEST HARTFORD PENSION BOARD REGULAR MEETING AGENDA

Monday, March 16, 2026 at 7:45 a.m.

Room 407 Town Hall

I. Roll Call/Attendance

Guests: Mayor Shari Cantor; Rick Ledwith, Town Manager; Lori Kearney, Human Resources Specialist; Alexis Davidoff, Personnel Analyst; Richard Carey, Fiducient Advisors

II. Lazaro Guzman, Chair

A. Opening Comments

III. Richard Carey, Fiducient Advisors

A. Capital Markets – 2026 Update

B. Pension Plan Update (data through February)

C. Asset Allocation Discussion (the board-approved changes have been implemented)

IV. Formal Actions

A. Minutes

Approval of the minutes for the special meeting held on Monday, February 2, 2026.

"Motion to approve Minutes."

V. Lori Kearney, Human Resources Specialist

A. Meeting Calendar for 2026

B. Pension Administration
   1. Memberships
   2. Withdrawals and Terminations
   3. Applications for approval
      a. Early retirement applications
      b. Normal retirement applications
      c. Survivorship applications

"Motion to approve Pension Administration."

C. Invoices for consideration
   1. Milliman
      Invoice for MARC monthly license fee for December 2025, in the amount of $2,575.50. Invoice date 1/16/2026.

   2. Milliman
      Invoice for MARC monthly license fee for January 2026, in the amount of $2,627.00. Invoice date 2/11/2026.

   3. Milliman
      Invoice for 7/1/2025 Pension Annual Valuation (work in progress), in the amount of $26,000. Invoice date 1/26/2026.

   4. Principal Custody Solutions
      Asset Administration and Transaction for the period of 10/1/2025 to 12/31/2025, in the amount of $10,116.84. Invoice date 1/7/2026.

   5. Pier Capital
      Invoice for 4th Quarter 2025 Portfolio Valuation as of 12/31/2025, in the amount of $22,493.94. Invoice date of 1/12/2026.

"Motion to approve invoices for consideration."

D. Discussion of Buyback Service Rates

VI. New Business

VII. Meeting Adjournment

"Motion to adjourn."

A special meeting of the Town of West Hartford Pension Board was held on Monday, February 2, 2026 at 7:45 a.m. in room 217 of Town Hall. The meeting was called to order at 7:59 a.m.

I. Roll Call/Attendance

Pension Board Members: Chair Lazaro Guzman; Commissioners Al Lebow (phone), Perry Salonia; Pattie Lewis, Acting Director of Finance.

Participants/Guests: Mayor Shari Cantor (phone); Rick Ledwith, Town Manager; Lisa Newton, retired Acting Director of Finance; Lori Kearney, Human Resources Specialist; Lexi Davidoff, Personnel Analyst; Chris Kachmar, Fiducient Advisors; Jennifer Castelhano and Yelena Pelletier, Milliman.

Absent: John Mohring

II. Lazaro Guzman, Chair

A. Opening Comments

III. Jennifer Castelhano and Yelena Pelletier, Milliman

Pension Plan Actuarial Valuation Presentation – July 1, 2025

A. Key Takeaways:

- Assets earned 11.51%
- Funded ratio moved from 92.4% to 92.0%
- Updated the Mortality tables from Pub 2010 to Pub-2016
- Salary scale assumption was tweaked for the next 3 fiscal years
- The contribution for FY 26-27 Actuarially Determined Contribution will be $10.5 million: split $9.3 million coming from the Town Operating Budget and $1.2 million coming from the Pension Reserve Fund.

B. Plan Membership: Active employees continued to increase steadily over the last 5 years.

1. There were a total of 2342 members as of July 1, 2025.
2. Retirees make up the biggest portion of plan population. Of the 1276 members in pay status, over 1,000 are service retirees, 34 are retirees receiving disability pension, and 153 are beneficiaries. They receive $42 million in benefits per year.

3. There are 69 terminated employees who have vested status and 86 due a refund of pension contributions.
4. Active members total 911 with about half employed by the Town and half by the BOE. Of the actives, approximately half are in Part E of the plan.

C. Plan Assets/Investments:
1. For the returns on the plan's assets over the last 5 years, FY 24-25 showed another year of strong market performance following last year's similar strong performance, with a return of 11.5% on a Market Value basis. FY 23-24 showed a return of almost 13%, FY 22-23 with an 11% return, FY 21-22 down at -12%, and FY 20-21 resulted in a great return of 30% (the historical investment returns are illustrated on page 2).
2. On a compound basis, the return for that 5-year period was close to 9.93% which is above the assumed rate of return of 6.5%. The timing of that negative year was unfortunate for the Town's sale of pension obligation bonds.
3. The market value of plan assets dropped in 2022 and have been growing back, but have not yet reached the level they were at on July 1, 2021. A differentiation is made between the market value of assets and the actuarial value of assets. The actuarial value is a smoothed value calculated to avoid having market volatility translate into volatility in plan contributions.
4. Milliman phases in asset gains and losses over a 5-year period. As of July 1, 2025, the actuarial value of assets was $573.6 million as compared to a market value of $578 million, a difference of $4.4 million. The investment gains will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.
5. Despite the last two good years, there are still net losses that need to be phased in over the next several years. As mentioned last year, the FY 21-22 return continues to impact the value of plan assets.

D. <u>Plan Assumptions</u>: Milliman is recommending the following changes to the major assumptions at this time.

1. <u>Mortality Table Assumption</u>: The previous assumption was based on experience for public plans using the Pub-2010 table based on data from 2010. The Society of Actuaries released an updated 2016 version of the mortality table. Milliman recommends implementing the new Pub-2016 mortality table assumption at this time.

2. <u>Salary Scale</u>: Milliman recommends an adjustment to the salary scale assumption. This will include an extra 25 basis points for 3 years.

Impacts of these assumption changes are illustrated in the "Plus Assumption Changes" column on page 6 of the Milliman packet.

E. <u>Funded Status</u>:

1. The Accrued Liability increased this year to $623 million due to fewer retirements, more salary increases and a one-time data correction.
2. The Unfunded Accrued Liability was $315.2 million is 2020. After the issuance of pension obligation bonds, it lowered to $9.2 million in 2021. Since 2022, the Unfunded Accrued Liability has hovered around $40 to $50 million.
3. The Funded Ratio sat at 40.6% in 2020. With the issuance of the pension obligation bonds, it jumped to 98.5% in 2021. Since that year, it hovers around 92-93% (illustrated on page 4).

F. <u>Actuarially Determined Contribution</u>

Each valuation determines the Actuarially Determined Contribution (ADC) for the fiscal year starting one year later. The ADC consists of three pieces:

- Normal Cost (benefits earned by active members each year)
- Past Service Cost (unfunded accrued liability)
- Interest

1. The increase in Normal Cost from $6.4 million in FY 25-26 to $6.5 million in FY 26-27 is based on the plan and assumption changes. The issuance of the pension obligation bonds in 2022-2023 has reduced the past service cost over $17 million. (page 5)
2. The July 1, 2025 valuation determines the ADC for FY 26-27. The ADC as of the July 1, 2024 valuation for FY 25-26 was about $10 million.
3. For FY 26-27, the ADC is $10.5 million. That change results from fewer retirements, salary increases, asset performance, and one-time data correction.
4. To pay the ADC of $10.5 million for FY 26-27, $9.3 million will come from the Operating Budget and $1.2 million from the Pension Reserve Fund. The Pension Reserve Fund helps manage the volatility of the ADC and what the Town budgets from year to year. The Operating Budget payment is capped at whatever was in the paid the prior year plus 8%. The Pension Reserve fund pays the remainder. (page 7)
5. Of this $10.5 million, approximately $1.8 is allocated to BOE and $8.7 million is allocated to Town.

IV. Current vs. Proposed Target Allocation
Presentation by Chris Kachmar of Fiducient

A. The schematic on page 3 of the Fiducient presentation illustrates the <u>asset assumption change</u>. It will be a modest return of 35% to 40% of Fixed Income and 7.1% to 7% of Annualized Return.

B. Page 4 looks at the two Potential Target Allocations as they compare to the Current Target Allocation.
   - Potential Target Allocation #1 gives more transparency
   - Potential Target Allocation #2 is similar (almost identical)

C. The difference between these allocations will be the fees.
   - Vanguard is 3 Basis points
   - Fidelity is 2-1/2 Basis points (going up ½ Basis points)

Reason to change: Lower fees and change capitalization since Vanguard does not include it. Fidelity's mid cap gets 8% mix.

Motion by Chair Guzman to accept the Potential Target Allocation #2 proposed by Fiducient.
Seconded by Perry Salonia. All in favor. Motion passed.

Motion by Chair Guzman to accept the actuarial assumption changes proposed by Milliman to change the Mortality Table to Pub-2016 and the Salary Scale to Extra 25 bps for 3 years.
Seconded by Pattie Lewis. All in favor. Motion passed.

Motion by Chair Guzman accept the changes proposed by Fiducient.
Seconded by Pattie Lewis. All in favor. Motion passed.

IV. Adjournment

Motion by Chair Guzman to adjourn the meeting at 9:05 a.m.
Seconded by Pattie Lewis. All in favor. Motion passed.

Minutes submitted by Lexi Davidoff.
Attest,

Lexi Davidoff

TO: Pension Board

FROM: Lexi Davidoff, Personnel Analyst

DATE: March 16, 2026

SUBJECT: **Pension Board Meeting Dates**

Please review the proposed Pension Board meeting schedule for 2026. The meetings are planned at 7:45 a.m. in room 407 of Town Hall.

Tuesday, May 12, 2026

Monday, September 14, 2026

Monday, October 19, 2026

Monday, November 16, 2026

TO: Pension Board

FROM: Lexi Davidoff, Personnel Analyst, Pension Division

DATE: March 16, 2026

SUBJECT: Pension Plan Membership

In accordance with the definition of employee as stated in Section 30-8 of the Pension Ordinance, I recommend the following employees be accepted into the Town of West Hartford Pension Plan as of the dates listed below:

NEW MEMBERS					
NAME	**POSITION**	**DOH**	**DOE**	**DEPT**	**BOARD**
Dahiana Fulgencio	Clerk	1/20/2026	4/20/2026	BOE	Mar-2026
Jonathan Holmes	Police Officer	2/9/2026	5/9/2026	Police	Mar-2026
Concha Lawrence	Paraprofessional	1/15/2026	4/15/2026	BOE	Mar-2026
Fernando Lopez	Fleet Maintenance	2/2/2026	5/2/2026	Town	Mar-2026
Olivia Oken	Paraprofessional	2/2/2026	5/2/2026	BOE	Mar-2026
Sandra Ortiz	Nurse	2/18/2026	5/18/2026	BOE	Mar-2026
Mirabel Perez	Paraprofessional	2/18/2026	3/18/2026	BOE	Mar-2026
Sulham, Allen	Electrician	3/2/2026	6/2/2026	BOE	Mar-2026
Joseph Tarasek	Firefighter	2/2/2026	5/2/2026	Fire	Mar-2026

TO: Pension Board

FROM: Lexi Davidoff, Personnel Analyst, Pension Division

DATE: March 16, 2026

SUBJECT: Withdrawals and Terminations

NON-VESTED WITHDRAWALS and TERMINATIONS

Reaffirmation of termination for employees with non-vested rights in accordance with Section 30-28 of the Pension Ordinance.

NAME	HIRE DATE	TERMINATION DATE	GROSS REFUND	DEPT	PLAN
Jewel Anderson	10/15/2025	1/30/2026	$123.36	BOE	E
Christopher Chin	11/25/2024	2/3/2026	$4,758.36	Police	D
Nicholas Dicioccio	4/8/2024	10/30/2025	$2,425.87	Town	B
Jana Ferraro	3/26/2021	1/3/2025	$5,682.52	BOE	E
Christina Haynes	12/19/2022	6/30/2025	$3,325.46	BOE	E
Kathleen Johndrow	8/27/2025	12/4/2025	$80.53	BOE	E
Jason Kehayias	10/10/2023	12/19/2025	$3,972.62	Town	E

VESTED WITHDRAWALS and TERMINATIONS

Reaffirmation of termination for employees with vested rights in accordance with Section 30-28 of the Pension Ordinance.

NAME	HIRE DATE	TERMINATION DATE	GROSS REFUND	DEPT	PLAN
Jamesha Redding	12/11/2017	12/24/2025	$14,988.04	Town	B

Early Retirements - For Approval - Pension Board Meeting March 16, 2026 - CHART #1

Name		Date of Early	Years of Service	Department	Benefit Before 65	- After 65	Status	Plan
EDDY	HEIDI	12/23/2025	12 YR 3 MO	BOE SECRETARY		$866.96	LA	B
LAVOIE	BRIAN	2/1/2026	11 YR 4 MO	PUBLIC WORKS		$1,458.64	CA	B
MARSH	LINDA	2/6/2026	6 YR 6 MO	BOE		$160.34	LA	B
MARSH	LINDA	2/6/2026	9 YR 5 MO	BOE		$446.63	LA	E

Normal Retirements - For Approval - Pension Board Meeting March 16, 2026 - CHART #2

Name		Date of Normal	Years of Svs.	Dept.	Benefit - Before 62/65	After 62/65	Status	Plan
BELLIVEAU	CAROLYN	12/5/2025	24 YR 8 MO	BOE SECRETARY		$3,109.91	LA	B
DAKERS, SR.	JOSEPH	12/31/2025	23 YR	ASSESSMENT		$6,140.95	CA	B
DELMONTE	BENJAMIN	1/10/2026	20 YR	POLICE		$8,378.48	LA	D
JACKSON	DOUGLAS	12/31/2025	26 Y + 4 Y 8M BB	LEISURE SERVICE		$4,040.15	CA	B
MAHONEY	JAMES	1/10/2026	20 YR	POLICE		$6,492.32	LA	D
SEGAR	SCOTT	1/15/2026	20 YRS	POLICE		$8,197.75	LA	D
SPILLMAN	GLENN	1/2/2026	25 YR 1 MO	BOE PLANT FACIL		$3,891.70	CA	B
WNUK	KATHRYN	1/5/2026	22 YR 4 MO	NURSE		$3,515.80	LA	B

Survivorship Benefits - For Approval - Pension Board Meeting March 16, 2026 - CHART #3

NAME		Date of Benefit	Survivor / CA of:	Benefit	Plan
BERGEN	LORRIE	1/25/2026	JAMES BERGEN	$2,353.83	D
KELLY	NANCY	2/1/2026	JAMES KELLY	$1,411.80	D

Milliman

Invoice No. **57TWH0502265**

February 11, 2026

Preferred Remittance Instructions (if amount due)
Electronic Payment Info: Wells Fargo Bank 420 Montgomery St. San Francisco, CA 94104 ABA: 121000248 Acct: 4121331599 email: AR@milliman.com **Any fees incurred for using alternate payment platforms will be passed on to the client.**

Lori Kearney
Town of West Hartford
50 South Main Street
West Hartford, CT 06107

INVOICE - MAY BE PAID BY THE PLAN

Services for January 1, 2026 through January 31, 2026

Professional services performed in connection with the Town of West Hartford Pension Plan

Plan Administration Fee

MARC Monthly License Fee $ 2,627.00

TOTAL AMOUNT MAY BE PAID BY THE PLAN **$ 2,627.00**

Due to increases in check fraud and lost mail, we are discouraging check payments. If preferred, please send checks to:

Payment Mailing Address:
Milliman
PO Box 75553
Chicago, IL 60675-5553

If this invoice pertains to an ERISA employee benefit plan, certain reasonable expenses are permitted to be paid from the trust to administer the plan if its terms authorize the payment of such expenses. The plan administrator is the fiduciary with the responsibility to decide which expenses may be paid by the plan and should rely on legal counsel for advice with respect to this issue. The allocation of fees above, if categorized as payable or not payable from the plan, is based on our understanding of Department of Labor guidelines and should not be construed as our acting in a fiduciary or legal capacity.

Milliman

Invoice No. **57TWH0501265**

January 16, 2026

Preferred Remittance Instructions (If amount due)
Electronic Payment Info: Wells Fargo Bank 420 Montgomery St. San Francisco, CA 94104 ABA: 121000248 Acct: 4121331599 email: AR@milliman.com **Any fees incurred for using alternate payment platforms will be passed on to the client.**

Lori Kearney
Town of West Hartford
50 South Main Street
West Hartford, CT 06107

INVOICE - MAY BE PAID BY THE PLAN

Services for December 1, 2025 through December 31, 2025

Professional services performed in connection with the Town of West Hartford Pension Plan

Plan Administration Fee

MARC Monthly License Fee	$ 2,575.50
TOTAL AMOUNT MAY BE PAID BY THE PLAN	**$ 2,575.50**

Due to increases in check fraud and lost mail, we are discouraging check payments. If preferred, please send checks to:

Payment Mailing Address:
Milliman
PO Box 75553
Chicago, IL 60675-5553

If this invoice pertains to an ERISA employee benefit plan, certain reasonable expenses are permitted to be paid from the trust to administer the plan if its terms authorize the payment of such expenses. The plan administrator is the fiduciary with the responsibility to decide which expenses may be paid by the plan and should rely on legal counsel for advice with respect to this issue. The allocation of fees above, if categorized as payable or not payable from the plan, is based on our understanding of Department of Labor guidelines and should not be construed as our acting in a fiduciary or legal capacity.

Milliman

Invoice Date	January 26, 2026
Total Amount Due	$26,000.00
Invoice Number	54WHF010126

Please include the Invoice Number with your remittance

Ms. Lisa Newton
Interim Finance Director
Town of West Hartford
50 South Main Street
West Hartford, CT 06107
Lisa.Newton@WestHartfordCT.gov

Pay via ACH / Wire
Wells Fargo Bank
420 Montgomery St.
San Francisco CA 94104
ABA Number: 121000248
Account Name: Milliman
Account Number: 4121331599

Pay via Check / Lockbox
Milliman Inc.
PO Box 75553
Chicago IL 60675-5553

Send remittance to: AR@milliman.com
Questions? Milliman_Invoice_EBC@milliman.com

The Retirement Plan for Employees of the Town of West Hartford

Actuarial Services

Basic Services

7/1/2025 Pension Annual Valuation (work in progress)	$26,000.00
Total Amount Due	$26,000.00

Principal® | Custody Solutions

Fee Invoice:	**13774506**
Account Number:	9541684070
For Period:	10/01/2025 - 12/31/2025
Invoice Date:	01/07/2026

Town of West Hartford
50 S Main St
West Hartford CT 06107

Return To:
Principal Custody Solutions
Revenue Processing
P.O. Box 10317
Des Moines, IA 50306-0317

$10,116.84

PAYMENT DUE UPON RECEIPT

Account Name: WHARTFORDPEN PIE
Contact: Joseph DePalma 515-878-1323

Fold Here

Summary of Current Period Fees	**Charged**	**Billed**	**Total**
Asset Administration		$8,516.84	$8,516.84
Transaction		$1,600.00	$1,600.00
Total Current Period Fees		$10,116.84	$10,116.84

Wire/ACH Instructions:
Wells Fargo Bank, N.A
ABA/Routing: 121000248
Acct No: 4543773808
Acct Name: Principal Bank PCS Fee DDA
FFC/Customer ID: PCS Invoice #

PLEASE RETURN THIS PAGE WITH PAYMENT

Principal® Custody Solutions

Fee Invoice:	**13774506**
Account Number:	9541684070
For Period:	10/01/2025 - 12/31/2025
Invoice Date:	01/07/2026

Account Number: 9541684070
Account Name: WHARTFORDPEN PIE
Contact: Joseph DePalma 515-878-1323

Services	Value / Quantity		Rate	Frequency	Amount
Asset Administration					
Accounting & Reporting	1.00	@	500.00	x 1/4	125.00
Market Value	21,718,900.43	@	0.0000137498		298.63
				Total Asset Administration	**$423.63**
Transaction					
Domestic Depository Settlements	312.00	@	5.00		1,560.00
				Total Transaction	**$1,560.00**
				Total	**$1,983.63**

Fee Invoice:	**13774506**
Account Number:	9541684070
For Period:	10/01/2025 - 12/31/2025
Invoice Date:	01/07/2026

Principal® Custody Solutions

Account Number: 9546683935
Account Name: WHARTFORDPEN FDS
Contact: Joseph DePalma 515-878-1323

Services	Value / Quantity		Rate	Frequency	Amount
Asset Administration					
Accounting & Reporting	1.00	@	500.00	x 1/4	125.00
Market Value	579,505,781.13	@	0.00001375		7,968.21
				Total Asset Administration	**$8,093.21**
Transaction					
Non Proprietary Fund Buy Sell Delivery Receipt	4.00	@	10.00		40.00
				Total Transaction	**$40.00**
				Total	**$8,133.21**

Summary

Total Charged to Account	**$0.00**
Total Billed	**$10,116.84**
Payment Due	**$10,116.84**

Principal® | Custody Solutions

Fee Invoice:	**13774506**
Account Number:	9541684070
For Period:	10/01/2025 - 12/31/2025
Invoice Date:	01/07/2026

Account Name: WHARTFORDPEN PIE
Contact: Joseph DePalma 515-878-1323

Account Number	Account Name	Charged	Billed	Total
9541684070	WHARTFORDPEN PIE		$1,983.63	$1,983.63
9546683935	WHARTFORDPEN FDS		$8,133.21	$8,133.21
Total			$10,116.84	$10,116.84

PIER CAPITAL LLC
INSTITUTIONAL EQUITY MANAGEMENT

January 12, 2026

Town of West Hartford
Pension Department
Town Hall
50 South Main Street
W. Hartford, CT 06107

STATEMENT OF MANAGEMENT FEES

For The Period 4th Quarter 2025		
Portfolio Valuation as of 12-31-25	$	22,493,942.82
22,493,943 @ 0.4000% per annum		22,493.94
Quarterly Management Fee	$	22,493.94
Incentive Fee For 2025 (calculation attached)		
0 @ 20 % per annum	$	0.00
TOTAL DUE AND PAYABLE	**$**	**22,493.94**

Pier Capital encourages payment by ACH or Bank Wire for security reasons.

PAYMENT BY WIRE OR ACH

Bank Name:	Capital One, N.A.
Bank Address:	299 Park Avenue, New York, NY 10171
Bank Tel. Number:	1-866-308-6090
ABA Number:	065000090
Beneficiary Name:	Pier Capital, LLC
Beneficiary Account Number:	3316977091

PAYMENT BY MAIL

Please make checks payable to:

Pier Capital, LLC
600 Summer Street, Suite 203
Stamford, CT 06901

PAYMENT VOUCHER
TOWN OF WEST HARTFORD

2026

Vendor name and address

PIER CAPITAL, LLC
600 Sommer Street, Suite 203
Stamford, CT 06901

Voucher number

Purchase order number

Due date

Vendor number 06238

1/16/2026

SFX		TREASURER	ORG CODE		Main	Subsidiary	AMOUNT	DESCRIPTION
A			19030003		2061		22,493.94	12/31/25 4th Qtr Mgt Fees for calendar year 2025
B			19030003		2061			Incentive Fee
C			19030003		0220	000021		
D								
E								
F								
G								
H								
I								
J								
					TOTAL		22,493.94	

CERTIFICATION BY AUTHORIZED OFFICIAL

I certify that the item(s) or service listed hereon has been received, that payment has not previously been made and that this expenditure is a proper charge as indicated in conformance with all Town Purchasing Ordinances and Regulations.

Lisa McNeil 1/16/26

AUTHORIZED SIGNATURE DATE

Approved by:

Signature__________ Date__________

Signature__________ Date__________

Signature__________ Date__________

Signature__________ Date__________

Buyback Service Rates – Town of West Hartford
(rates currently used)

Prior Service	Service Rate
Military Service (war time) Must be purchased in first year of employment	4%
Government or Military Service (exclusive of war time)	
• Part B Members	8%
• Part C, D, and B-1 Members	17.5%
• Part E Members	4%

Milliman

November 8, 2024

PERSONAL & CONFIDENTIAL

Lori Kearney
HR Specialist
Town of West Hartford
Via email

Re: Town of West Hartford Pension Plan - Buyback Service Rates

Dear Lori:

The Town of West Hartford Pension Plan allows members to buyback certain military and government service and use that service towards their benefits from the Plan. The Town has an established procedure for calculating the cost of such buybacks which uses a set of "service rates". At a high level, the buyback cost is calculated as (a) the number of years being purchased, multiplied by (b) the applicable service rate, multiplied by (c) the member's starting salary, multiplied by (d) an interest adjustment to reflect the time between the service period being purchased and the purchase date.

Per your request, we have calculated an updated set of service rates, which are equal to the July 1, 2023 actuarial Normal Cost as a percentage of Total Payroll for each benefit tier. The Normal Cost is the cost of one year of service accrual and is therefore an appropriate approximation to use in calculating the cost of a service buyback. Our calculations are summarized below.

Benefit Tier	Total Normal Cost as of July 1, 2023 (A)	Total Payroll as of July 1, 2023 (B)	Service Rate (A)/(B)
1 - Part B, hired before applicable date*	1,327,184	10,678,990	12.4%
2 - Part B, hired after applicable date*	979,963	9,667,382	10.1%
3 - Part B-1	101,421	1,015,637	10.0%
4 - Part C Tier I (hired before 7/1/2005)	356,957	1,680,489	21.2%
5 - Part C Tier II (hired on or after 7/1/2005 and before 4/1/2014)	696,591	3,636,284	19.2%
6 - Part C Tier III (hired on or after 4/1/2014)	1,112,165	7,528,914	14.8%
7 - Part D Tier I (hired before 8/1/2006)	743,499	3,198,651	23.2%
8 - Part D Tier II (hired on or after 8/1/2006 and before 6/26/2018)	1,649,933	7,382,090	22.4%
9 - Part D Tier III (hired on or after 6/26/2018)	949,703	5,762,156	16.5%
10 - Part E Town	610,723	9,279,506	6.6%
11 - Part E Board of Education	667,821	11,817,019	5.7%

*Refer to the plan summary in our July 1, 2023 valuation report for the listing of applicable dates for each union.

Our calculations are based on the active members as of July 1, 2023 and on the actuarial methods and assumptions used for our July 1, 2023 valuation. The actual cost to the Plan of any service buyback depends on the specific member data. Our calculations are also based on the plan provisions described in our July 1, 2023 valuation report with the exception of some provisions relating to the earnings used to calculate benefits. The provisions used for our calculations that are different from those used in the July 1, 2023 valuation are described in the attached exhibit and will be reflected in our July 1, 2024 valuation.

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

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

The results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models, including all input, calculations, and output may not be appropriate for any other purpose.

Milliman's work is prepared solely for the internal business use of the Town of West Hartford. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product, and Milliman may include a legend on its reports so stating. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

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

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

Plan Provisions Exhibit

The following provisions are different from the provisions that were reflected in our July 1, 2023 valuation. Refer to our July 1, 2023 valuation report for a description of the provisions used.

Average Final Compensation (AFC)

Average of the three highest calendar years of Compensation, prior to date of actual retirement.

For Part B members who were hired on or after the dates shown below, AFC is capped at the Member's highest paid calendar year base wage, not including overtime, longevity, meal payments, or other forms of compensation.

Union*	Date
Nurses (5045)	07/01/2004
All Town Unions (1000) – (1095)	07/01/2003

For Part E BOE members, Average of the three highest calendar years of Compensation. For Part E Town members, Base Pay.

Unused Sick Pay (USP)

Unused Sick Pay is included in AFC for Members who were hired prior to the dates shown below:

Union	Date
Secretarial (5075)	05/01/2006
Paraprofessional (5060)	05/01/2006
Custodial (5015)	01/01/2006
Maintenance (5020)	07/01/2004
Nurses (5045)	12/30/9999**
Nutrition (5055)	07/01/2004
Custodial III (5010)	07/01/2005
Security (5080)	05/01/2006
Professional / Technical (5070)	07/01/2004
Nutrition Managers (5050)	07/01/2004
Non-Bargaining Paraprofessional (5030)	05/01/2006
Non-Bargaining Professional (5032)	07/01/2004
Non-Bargaining Therapists (5033)	07/01/2004
Non-Bargaining WHAA (5035)	07/01/2004
Non-Bargaining WHEA (5040)	070/1/2004
All Town Unions (1000) – (1095) *	07/01/2003
Part C (1025)	07/01/2005
Part D (1070)	08/01/2006

* Parking Monitors (1050) – No provision for sick leave to be included in pension calculation.
** Nurses (5045) sick accrual still included.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please let me know if you have any questions.

Sincerely,

Yelena Pelletier, ASA
Consulting Actuary