

**HORICON TOWN BOARD
WORKSHOP MEETING**

**AUGUST 17, 2021
6:30 PM**

Present at meeting:	Sylvia Smith	Supervisor
	Michael Geraci	Councilperson
	Frank Hill	Councilperson
	Peter Palmer	Councilperson
	Robert Olson	Councilperson
Krista Wood	Town Clerk	

Also: Craig Relyea, Rob Hill, Bobby Smith, Roger Daby, Ron Chowski, Wayne Monroe, Joe & Donna Cantone, Scott Hayes, and Alissa Hayes.

Supervisor Smith opened the workshop meeting at 6:30pm.

Craig Relyea, of Firefly, gave an overview of the LOSAP program. He explained the current program has an inconsistency with the actuarial equivalent between men and women. Mr. Relyea said the Board has the option to adopt a resolution supporting actuarial equivalence assumptions in order to correct gender discrepancy. Mr. Relyea noted this would be a good thing because it creates consistency and it would equalize the benefit between men and women. Councilperson Geraci asked what the impact would be to the Town. Mr. Relyea said there is no mandate to do this, there would be no financial impact to the Town, and no negative impact on the member's benefits.

RESOLUTION #111-2021

Councilperson Geraci and Councilperson Olson introduced Res. No. 111 and moved its adoption:

RESOLUTION ADOPTING ACTUARIAL EQUIVALENCE ASSUMPTIONS FOR THE LOSAP

WHEREAS, the Town of Horicon is the sponsor of a Defined Benefit Length of Service Award Programs ("LOSAP") on behalf of the Horicon Fire Department in accordance with Article 11-A of the New York State General Municipal Law (GML), and

WHEREAS, the annual contribution due to the Trust Fund is calculated by the actuary retained by the Town Board ("Board"), which is currently Firefly Admin Inc., and

WHEREAS, the actuary uses certain assumptions in the calculations; namely, an assumed investment rate of return and a mortality assumption, and

WHEREAS, past administrative practice has been that the actuarial assumptions used when calculating lump-sum benefits payable at death and disability are the same as the assumptions used to calculate the annual cost of the LOSAP, and

WHEREAS, when the actuary determines that a change in one or more of the actuarial assumptions is necessary, these changes then impact the calculation of lump-sum benefits, which can cause delays and other undesired consequences in the calculation and distribution of benefits, and

WHEREAS, there is no requirement in the General Municipal Law that mandates how actuarially equivalent benefits are to be calculated, but just that different forms of payment are to be actuarially equivalent, and

WHEREAS, it is generally a common administrative practice in the administration of defined benefit plans for a sponsor to adopt a specific set of Actuarial Equivalence Assumptions so that conversion between different forms of payment can be consistent and uniform regardless of changes in other factors that might require the change in actuarial assumptions for determining the annual contribution, and

WHEREAS, Firefly Admin Inc. is recommending that the Board adopt static Actuarial Equivalence Assumptions; and

WHEREAS, the Board desires to facilitate consistent and timely administration and payment of benefits owed to participants and their beneficiaries; and, now, therefore be it

RESOLVED, that the Town Board of the Town of Horicon hereby adopts the following Actuarial Equivalence Assumptions effective January 1, 2021 for the calculation of any benefit that is to be calculated on an actuarially equivalent basis:

- Interest rate: 5.00%
- Pre-entitlement age mortality table: None

- Post-entitlement age mortality table: RP-2014 Healthy Annuitant Male, no projection

BE IT FURTHER RESOLVED, that a copy of this resolution shall be attached to the LOSAP Plan Document and provided to Firefly Admin Inc. for the future administration of the LOSAP effective January 1, 2021.
Ayes: 5 (Geraci, Olson, Palmer, Hill, Smith) Nays: 0

Motion made by Councilperson Palmer , seconded by Councilperson Hill, to adjourn the workshop meeting at 7:00 pm, all in favor.