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October 3, 2017

**PERSONAL & CONFIDENTIAL**

Mr. Gary Conrad  
Finance Director  
Westport Town Hall  
110 Myrtle Avenue  
Westport, CT 06880

Re: Town of Westport Other Post-Employment Benefits Program  
Actuarially Determined Contribution (ADC) and Net Budget Impact for FY2018

Dear Gary:

Per your request, we have determined the ADC for FY2018 based on a projection from our July 1, 2015 valuation and using the actual OPEB trust balance as of July 1, 2016. The attached exhibit shows the details of our calculations broken down by employee group.

These calculations are based on the results of our July 1, 2015 valuation and assume that there have been no changes in the membership, premiums, or benefits other than as predicted by our actuarial assumptions; no plan changes; and no changes in the actuarial methods and assumptions. Please see our July 1, 2015 valuation report dated October 3, 2017 for information regarding the plan provisions, actuarial methods and assumptions, and plan membership. The explanatory notes contained in the valuation report, including statements of reliance and limitations on use, continue to apply.

The undersigned is a member of the American Academy of Actuaries and meets 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,

Rebecca A. Sielman, FSA  
Consulting Actuary

RAS/rt 96 WST092617OPEB2018ARC

**TOWN OF WESTPORT OTHER POST-EMPLOYMENT BENEFITS PROGRAM**  
**July 1, 2015 GASB74/75 VALUATION - FISCAL YEAR 2017-2018 ADC AND NET BUDGET IMPACT**

	<u>Police</u>	<u>Fire</u>	<u>Public Works</u>	<u>Municipal</u>	<u>Library</u>	<u>Non-Union</u>	<u>BOE Certified</u>	<u>Total</u>
July 1, 2016 Accrued Liability	\$28,472,507	\$26,773,818	\$6,911,182	\$26,080,630	\$3,564,765	\$16,731,455	\$14,870,964	\$123,405,321
July 1, 2016 Actuarial Value of Assets	11,342,121	10,665,442	2,753,093	10,389,309	1,420,036	6,665,033	0	43,235,034
July 1, 2016 Unfunded Accrued Liability	17,130,386	16,108,376	4,158,089	15,691,321	2,144,729	10,066,422	14,870,964	80,170,287
Amortization Period	20	20	20	20	20	20	20	20
Amortization Growth Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Past Service Cost	1,121,040	1,054,157	272,112	1,026,865	140,354	658,762	973,179	5,246,469
Normal Cost	969,050	1,077,718	191,226	1,409,768	155,485	684,741	574,744	5,062,732
Interest	128,018	130,577	28,379	149,244	18,120	82,290	94,810	631,438
<b>ADC for FY 2018</b>	<b>2,218,108</b>	<b>2,262,452</b>	<b>491,717</b>	<b>2,585,877</b>	<b>313,959</b>	<b>1,425,793</b>	<b>1,642,733</b>	<b>10,940,639</b>
Expected Benefit Payouts	1,104,153	1,054,061	213,399	917,962	196,454	652,681	628,989	4,767,699
<b>Net Budget Impact</b>	<b>1,113,955</b>	<b>1,208,391</b>	<b>278,318</b>	<b>1,667,915</b>	<b>117,505</b>	<b>773,112</b>	<b>1,013,744</b>	<b>6,172,940</b>

The ADC is assumed to be paid at the beginning of the Fiscal Year.

*Assumptions: as per July 1, 2015 GASB74/75 Valuation, including 6.125% discount rate and baseline health care trend.*

This work product was prepared solely for the Town for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Except as otherwise indicated above, the explanatory notes contained in the July 1, 2015 valuation report dated October 3, 2017, including statements of reliance and limitations on use, continue to apply.