



Substitute Senate Bill No. 533

Public Act No. 06-79

AN ACT CONCERNING MUNICIPAL PENSION DEFICIT FUNDING BONDS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (b) of section 7-374b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(b) Any municipality may authorize the issuance of bonds, notes or other obligations in accordance with the provisions of this chapter for the purpose of funding a [loss and retiree benefits] reserve fund for property or casualty losses established pursuant to section 7-403a, as amended by this act.

Sec. 2. Section 7-374c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) For purposes of this section:

(1) "Actuarial valuation" means a determination certified by an enrolled actuary, in a method and using assumptions meeting the parameters established by generally accepted accounting principles, of the normal cost, actuarial accrued liability, actuarial value of assets and related actuarial present values for a pension plan of a municipality as

Substitute Senate Bill No. 533

of a valuation date not more than thirty months preceding the date of issue of the pension deficit funding bonds, together with an actuarial update of such valuation as of a date not more than three months preceding the date of notification of the secretary by the municipality, in accordance with subdivision (1) of subsection (c) of this section, of its intent to issue the pension deficit funding bonds.

(2) "Actuarially recommended contribution" means the lesser of the annual employer normal cost or the [recommended] annual required contribution of the municipal employer to the pension plan of the municipality, [each of which is] as established by the actuarial valuation and determined by an enrolled actuary in a method and using assumptions meeting the parameters established by generally accepted accounting principles provided such contribution shall, [in a time and manner to be prescribed by regulations adopted by the secretary, in consultation with the Treasurer,] be at least equal to the amount actuarially determined necessary to maintain the pension plan's funding ratio substantially the same as immediately succeeding the deposit of the proceeds of the pension deficit funding bonds in such pension plan. Notwithstanding the provisions of this subdivision, with respect to any pension deficit funding bonds (A) issued on or after July 1, 2006, or (B) issued prior to such date and with respect to which the municipality issuing the bonds requests and receives the approval of the Treasurer and the secretary, the term "actuarially recommended contribution" means the annual required contribution of the municipal employer to the pension plan of the municipality, as established by the actuarial valuation and determined by an enrolled actuary in a method and using assumptions meeting the parameters established by generally accepted accounting principles, provided the amortization schedule used to determine such contribution shall be fixed and shall have a term not longer than the longest of ten years, or thirty years from the date of issuance of the pension deficit funding bonds. In the event that the funding ratio of the pension plan, as

Substitute Senate Bill No. 533

determined immediately succeeding the deposit of the proceeds of the pension deficit funding bonds in such pension plan, is reduced by thirty per cent or more, the maximum permitted term of such amortization schedule shall be reduced by the same percentage. Any municipality receiving the approval of the secretary and the Treasurer to apply this definition with respect to pension deficit funding bonds issued prior to July 1, 2006, shall thereafter comply with the provisions of subdivision (3) of subsection (c) of this section.

(3) "Chief executive officer" means [such officer as described in section 7-193] (A) for a municipality as described in section 7-188, such officer as described in section 7-193, (B) for a metropolitan district, such officer as described in the special act, charter, local ordinance or other local law applicable to such metropolitan district, (C) for a district, as defined in section 7-324, the president of its board of directors, (D) for a regional school district, the chairperson of its regional board of education, and (E) for any other municipal corporation having the power to levy taxes and to issue bonds, notes or other obligations, such officer as prescribed by the general statutes or any special act, charter, special act charter, home-rule ordinance, local ordinance or local law applicable to such municipal corporation.

(4) "Enrolled actuary" means a person who is enrolled by the Joint Board for the Enrollment of Actuaries established under subtitle C of title III of the Employee Retirement Income Security Act of 1974, as from time to time amended.

(5) "General obligation" means an obligation issued by a municipality and secured by the full faith and credit and taxing power of such municipality.

(6) "Legislative body" means (A) for a regional school district, the regional board of education, and (B) for any other municipality not having the authority to make ordinances, the body, board, committee

Substitute Senate Bill No. 533

or similar body charged under the general statutes, special acts or its charter with the power to authorize the issue of bonds by the municipality.

[(6)] (7) "Municipal Finance Advisory Commission" means the Municipal Finance Advisory Commission established pursuant to section 7-394b.

[(7)] (8) "Municipality" means a municipality, as defined in section 7-369 or a regional school district.

[(8)] (9) "Obligation" means any bond or any other transaction which constitutes debt in accordance with both municipal reporting standards in section 7-394a and the regulations prescribing municipal financial reporting adopted by the secretary pursuant to said section 7-394a.

[(9)] (10) "Pension deficit funding bond" means any obligation issued by a municipality to fund, in whole or in part, an unfunded past benefit obligation. ["Pension deficit funding bond"] The term "pension deficit funding bond" shall not include any bond issued by a municipality pursuant to and in accordance with the provisions of subsection (g) of this section to pay, fund or refund prior to maturity any of its pension deficit funding bonds previously issued, or any bond issued prior to January 1, 1999, but may include any bond issued by a municipality prior to January 1, 1999, for the sole and exclusive purposes of (A) applying the provisions of subsection (f) of this section in lieu of subsection (c) of section 7-403a, as amended by this act, as the municipality may determine, and (B) requiring the municipality to apply and comply with the provisions of subsections (c) and (d) of this section.

[(10)] (11) "Secretary" means the Secretary of the Office of Policy and Management or the secretary's designee.

Substitute Senate Bill No. 533

[(11)] (12) "Treasurer" means the Treasurer of the state of Connecticut or the Treasurer's designee.

[(12)] (13) "Unfunded past benefit obligation" means the unfunded actuarial accrued liability of the pension plan determined in a method and using assumptions meeting the parameters established by generally accepted accounting principles.

[(13)] (14) "Weighted average maturity" means (A) the sum of the products, determined separately for each maturity or sinking fund payment date and taking into account any mandatory redemptions of the obligation, of (i) with respect to a serial obligation, the principal amount of each serial maturity of such obligation and the number of years to such maturity, or (ii) with respect to a term obligation, the dollar amount of each mandatory sinking fund payment with respect to such obligation and the number of years to such payment, divided by (B) the aggregate principal amount of such obligation.

(b) Except as expressly provided in this section, no municipality shall issue any pension deficit funding bond.

(c) Any municipality which has no outstanding pension deficit funding bonds, other than an earlier series of such obligations issued under [section 7-374] subsection (b) of section 7-374b, as amended by this act, or this section to partially fund an unfunded past pension obligation, may authorize and issue pension deficit funding bonds to fund all or a portion of an unfunded past benefit obligation, as determined by an actuarial valuation, and the payment of costs related to the issuance of such bonds in accordance with the following requirements.

(1) The municipality shall, within the time and in the manner prescribed by regulations adopted by the secretary or as otherwise required by the secretary, notify the secretary of its intent to issue such

Substitute Senate Bill No. 533

pension deficit funding bonds and shall include with such notice (A) the actuarial valuation, (B) an actuarial analysis of the method by which the municipality proposes to fund any unfunded past benefit obligation not to be defrayed by the pension deficit funding bonds, which method may include a plan of issuance of a series of pension deficit funding bonds, (C) an explanation of the municipality's investment strategic plan for the pension plan with respect to which the pension deficit funding bonds are to be issued, including, but not limited to, an asset allocation plan, (D) a three-year financial plan, including the major assumptions and plan of finance for such pension deficit funding bonds, [prepared in the manner prescribed by the secretary, (E) documentation of the municipality's authorization of the issuance of such pension deficit funding bonds, and (F) such other information and documentation, as defined in regulations, as is required by the secretary or the Treasurer to carry out the provisions of this section.] (E) a comparison of the anticipated effects of funding the unfunded past benefit obligation through the issuance of pension deficit funding bonds with the funding of the obligation through the annual actuarially recommended contribution, prepared in the manner prescribed by the secretary, (F) documentation of the municipality's authorization of the issuance of such pension deficit funding bonds including a certified copy of the resolution or ordinance of the municipality authorizing the issuance of the pension deficit funding bonds and an opinion of nationally recognized bond counsel as to the due authorization of the issuance of the bonds, (G) documentation that the municipality has adopted an ordinance, or with respect to a municipality not having the authority to make ordinances, has adopted a resolution by a two-thirds vote of the members of its legislative body, requiring the municipality to appropriate funds in an amount sufficient to meet the actuarially required contribution and contribute such amounts to the plan as required in subdivision (3) of subsection (c) of this section, (H) the methodology used and actuarial assumptions that will be utilized to calculate the actuarially

Substitute Senate Bill No. 533

recommended contribution, (I) a draft official statement with respect to the issuance of the pension deficit funding bonds, and (J) such other information and documentation as reasonably required by the secretary or the Treasurer to carry out the provisions of this section. The secretary and the Treasurer may, if they deem necessary, hire an independent actuary to review the information submitted by the municipality.

(2) Not later than ten days after the sale of the pension deficit funding bonds, the municipality shall provide the secretary and the Treasurer with a final financing summary comparing the anticipated effects of funding the unfunded past benefit obligation through the issuance of the pension deficit funding bonds with the funding of the obligation through the annual actuarially recommended contribution, prepared in the manner prescribed by the secretary.

[(2)] (3) So long as the pension deficit funding bonds or any bond refunding such bonds are outstanding, the municipality shall (A) [meet any actuarially recommended contribution in] for each fiscal year of the municipality commencing with the fiscal year in which the bonds are issued, appropriate funds in an amount sufficient to meet the actuarially required contribution and contribute such amount to the plan, and (B) notify the secretary annually, who shall in turn notify the Treasurer, of the amount [and] or the rate of any such actuarially recommended contribution and the amount [and] or the rate, if any, of the actual annual contribution by the municipality to the pension plan to meet such actuarially recommended contribution. On an annual basis, the municipality shall provide the secretary and the Treasurer with: (i) The actuarial valuation of the pension plan, (ii) a specific identification, in a format to be determined by the secretary, of any changes that have been made in the actuarial assumptions or methods compared to the previous actuarial valuation of the pension plan, (iii) the footnote disclosure and required supplementary information

Substitute Senate Bill No. 533

disclosure required by GASB Statement Number 27 with respect to the pension plan, and (iv) a review of the investments of the pension plan including a statement of the current asset allocation and an analysis of performance by asset class. With respect to a municipality which issues pension deficit funding bonds on or after July 1, 2006, in any fiscal year for which such municipality fails to appropriate sufficient funds to meet the actuarially required contribution in accordance with the provisions of this subdivision there shall be deemed appropriated an amount sufficient to meet such requirement, notwithstanding the provisions of any other general statute or of any special act, charter, special act charter, home-rule ordinance, local ordinance or local law.

[(3)] (4) The municipality shall not issue pension deficit funding bonds prior to, nor more than six months subsequent to, receipt of the written final review required under subsection (d) of this section. A municipality may renotify the secretary of its intention to issue pension deficit funding bonds and provide the secretary with updated information and documentation in the manner and as described in subdivision (1) of this subsection, and request an updated final review from the secretary if more than six months will elapse between the receipt of the prior final review of the secretary and the proposed date of issue of the pension deficit funding bonds.

(d) Upon receipt of notification from a municipality that it intends to issue pension deficit funding bonds, the secretary shall inform the Treasurer and the Municipal Finance Advisory Commission of such notification. The secretary and the Treasurer shall review the information and documentation required in subsection (c) of this section and within fifteen days shall notify the municipality as to the adequacy of the materials provided and whether any additional information is required. The secretary and the Treasurer shall issue a written final review to the municipality verifying that the municipality has complied with the provisions of subdivision (1) of subsection (c) of

Substitute Senate Bill No. 533

this section and, including any recommendations to the municipality concerning the issuance of pension deficit funding bonds, not later than thirty days following the receipt of such information and documentation. The secretary shall file a copy of such final review with the chief executive officer of the municipality and the Municipal Finance Advisory Commission. If the secretary and the Treasurer fail to provide a written final review to the municipality by the forty-fifth day following the receipt of such information and documentation, such final review shall be deemed to have been received by the municipality.

(e) Except as otherwise provided by this section, the provisions and limitations of this chapter shall apply to any pension deficit funding bonds issued pursuant to the provisions of this section. Such pension deficit funding bonds shall be general obligations of the municipality, and shall be serial bonds maturing in annual or semiannual installments of principal, or shall be term bonds with mandatory annual or semiannual deposits of sinking fund payments into a sinking fund. Notwithstanding the provisions of any other general statute or of any special act, charter, special act charter, home-rule ordinance, local ordinance or local law, (1) the first installment of any series of pension deficit funding bonds shall mature or the first sinking fund payment of any series of pension deficit funding bonds shall be due not later than eighteen months from the date of the issue of such series, provided that such first installment shall mature or such first sinking fund payment shall be due not later than the fiscal year of the municipality next following the fiscal year in which such series is issued, and the last installment of such series shall mature or the last sinking fund payment of such series shall be due not later than thirty years from such date of issue, (2) any such pension deficit funding bonds may be sold at public sale on sealed proposal, by negotiation or by private placement in such manner at such price or prices, at such time or times and on such terms or conditions as the municipality, or

Substitute Senate Bill No. 533

the officers or board of the municipality delegated the authority to issue such bonds, determines to be in the best interest of the municipality, and (3) no municipality shall issue temporary notes in anticipation of the receipt of the proceeds from the sale of its pension deficit funding bonds.

(f) Proceeds of the pension deficit funding bonds, to the extent not applied to the payment of costs related to the issuance thereof, shall be deposited in the pension plan of the municipality to fund the unfunded past benefit obligation for which the bonds were issued, and, notwithstanding any limitations on the investment of proceeds received from the sale of bonds, notes or other obligations set forth in section 7-400 may be invested in accordance with the terms of said pension plan, as such terms may be amended from time to time.

(g) A municipality may authorize and issue refunding bonds to pay, fund or refund prior to maturity any of its pension deficit funding bonds in accordance with the provisions of section 7-370c, provided, or, with respect to a regional school district, the provision of section 10-60a, notwithstanding the provisions of said [section] sections 7-370c and 10-60a, the weighted average maturity of such refunding bonds shall not exceed the weighted average maturity of the outstanding pension deficit funding bonds being paid, funded or refunded by such refunding bonds. The municipality shall notify the secretary, who shall in turn notify the Treasurer, of its intention to issue refunding bonds pursuant to this subsection, not less than fifteen days prior to the issuance thereof, and shall provide the secretary with a copy of the final official statement, if any, prepared for the refunding bonds, not more than fifteen days after the date of issue of such bonds.

(h) The secretary, in consultation with the Treasurer, [shall] may adopt regulations, in accordance with the provisions of chapter 54, as necessary to establish guidelines concerning compliance with the provisions of subsections (c), (d) and (g) of this section.

Substitute Senate Bill No. 533

Sec. 3. Section 7-403a of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) Upon the recommendation of the chief executive officer of a municipality and approval of the budget-making authority of the municipality, the legislative body of any municipality, as defined in section 7-369, may, by a majority vote, create a loss and retiree benefits reserve fund. The provisions of subsection (a) of section 7-450, as amended, regarding the establishment of postemployment health and life benefit systems, shall not affect the provisions of this section.

(b) Upon the recommendation of the chief executive officer and approval of the budget-making authority and the legislative body, there shall be paid into such reserve fund (1) amounts authorized to be transferred thereto from the general fund cash surplus available at the end of any fiscal year, (2) amounts raised by the annual levy of a tax for the benefit of such fund, and for no other purpose, provided such tax shall be levied and collected in the same manner and at the same time as the regular annual taxes of the municipality, or (3) with respect to a reserve fund for property or casualty losses, the proceeds of bonds, notes or other obligations issued pursuant to subsection (b) of section 7-374b, as amended by this act.

(c) The budget-making authority may, from time to time, direct the treasurer to invest such portion of such reserve fund as in its opinion is advisable, provided: (1) Not more than forty per cent, or with respect to a reserve fund for retiree benefits for which the budget-making authority has adopted an asset allocation and investment policy, fifty per cent, of the total amount [invested] of the reserve fund shall be invested in equity securities, and (2) [not less than fifty per cent of the total amount invested shall be invested in United States government obligations, United States agency obligations, United States postal service obligations, certificates of deposit, commercial paper, savings

Substitute Senate Bill No. 533

accounts and bank acceptances] any portion of such reserve fund not so invested may be invested in: (A) Bonds or obligations of, or guaranteed by, the state or the United States, or agencies or instrumentalities of the United States, (B) certificates of deposit, commercial paper, savings accounts and bank acceptances, (C) the obligations of any state of the United States or any political subdivision thereof or the obligations of any instrumentality, authority or agency of any state or political subdivision thereof, provided at the time of investment such obligations are rated within the top rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, and applicable to such obligations, (D) the obligations of any regional school district in this state, of any municipality in this state or any metropolitan district in this state, provided at the time of investment such obligations of such government entity are rated within one of the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, and applicable to such obligations, (E) in any fund in which a trustee may invest pursuant to section 36a-353, (F) in investment agreements with financial institutions whose long-term obligations are rated within the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner or whose short-term obligations are rated within the top rating category of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, or (G) investment agreements fully secured by obligations of, or guaranteed by, the United States or agencies or instrumentalities of the United States.

(d) The treasurer shall submit annually a complete and detailed report of the condition of such fund to the chief executive officer, the budget-making authority and the legislative body and such report shall be made a part of the annual report of the municipality.

Substitute Senate Bill No. 533

(e) Upon the recommendation of the chief executive officer and the budget-making authority and approval by the legislative body, (1) any part or the whole of such fund may be used and appropriated to pay only for property or casualty losses and employee retirement benefits, and expenses related thereto, including court costs and attorneys' fees, incurred by the municipality, or (2) any part or the whole of such fund may be transferred to a trust established to hold and invest the assets of a pension, retirement or other postemployment health and life benefit system of the municipality. Any unexpended portion of such appropriation remaining after such payment, together with all interest accruing on the balance in the fund, shall revert to and be credited to such reserve fund. For the purposes of this section, "property or casualty losses and employee retirement benefits" shall include, but not be limited to, [(1)] (A) motor vehicle liability, physical damage and collision, [(2)] (B) loss or damage to, or legal liability for, real or personal property, [(3)] (C) legal liability for personal injuries or deaths, including but not limited to, workers' compensation and heart and hypertension, and [(4)] (D) retiree health and life benefits.

(f) Such fund may be discontinued, after recommendation by the chief executive officer and the budget-making authority to the legislative body and upon approval of such body, and [such] to the extent there is any remaining portion of such fund, the fund shall be converted into, or added to, a sinking fund to provide for the retirement of the bonded indebtedness of the municipality. If the municipality has no bonded indebtedness, such fund shall be transferred to the general fund of the municipality.

Sec. 4. Subdivision (1) of section 7-425 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(1) "Municipality" means any town, city, borough, school district, regional school district, taxing district, fire district, district department

Substitute Senate Bill No. 533

of health, probate district, housing authority, regional work force development board established under section 31-3k, regional emergency telecommunications center, tourism district established under section 10-397, flood commission or authority established by special act or regional planning agency.

Sec. 5. Subdivision (3) of section 7-425 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(3) "Legislative body" means, for towns having a town council, the council; for other towns, the selectmen; for cities, the common council or other similar body of officials; for boroughs, the warden and burgesses; for regional school districts, the regional board of education for district departments of health, the board of the district; in the case of a probate district, the judge of probate; for regional planning agencies, the regional planning board; for regional emergency telecommunications center, a representative board; for tourism districts, the board of directors of such tourism district; and in all other cases the body authorized by the general statutes or by special act to make ordinances for the municipality.

Sec. 6. Section 7-450 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) Any municipality or subdivision thereof may, by ordinance, or with respect to a municipality not having the authority to make ordinances, by resolution adopted by a two-thirds vote of the members of its legislative body, establish pension, retirement, or other postemployment health and life benefit systems for its officers and employees and their beneficiaries, or amend any special act concerning its pension, retirement, or other postemployment health and life benefit systems, toward the maintenance in sound condition of a

Substitute Senate Bill No. 533

pension, retirement, or other postemployment health and life benefit fund or funds, provided the rights or benefits granted to any individual under any municipal pension or retirement system shall not be diminished or eliminated. The legislative body of any such municipality, by resolution adopted by a two-thirds vote of its members, may provide for pensions to persons, including survivors' benefits for widows of such persons, not included in such pension or retirement system.

[(b) The provisions of subsection (a) of this section shall not operate to invalidate the establishment of any postemployment health and life benefit system duly established prior to October 1, 2005, by any municipality or subdivision thereof, pursuant to the provisions of any public or special act, charter, special act charter, home-rule ordinance, local ordinance or local law.]

(b) Notwithstanding the provisions of the general statutes or of any special act, charter, special act charter, home-rule ordinance, local ordinance or other local law, any municipality or subdivision thereof may, by ordinance and amendment thereto, or with respect to a municipality not having the authority to make ordinances, by resolution adopted by a two-thirds vote of the members of its legislative body, (1) establish one or more trusts, or determine to participate in a multiemployer trust, to hold and invest the assets of such pension, retirement or other postemployment health and life benefit system; (2) provide for the management and investment of such system and any such trust, including the establishment of a board or commission or the designation of an existing board or commission for such purposes; or (3) provide for the organization of and the manner of election or appointment of the members of such board or commission. Notwithstanding any limitations on the investment of municipal funds set forth in section 7-400, funds held in any such trust may be invested in accordance with the terms of the pension,

Substitute Senate Bill No. 533

retirement or other postemployment health and life benefit plan, as such terms may be amended from time to time. The investment and management of the assets of any such trust shall be in compliance with the prudent investor rule as set forth in sections 45a-541 to 45a-451l, inclusive.

(c) The provisions of subsections (a) and (b) of this section shall not operate to invalidate the establishment by any municipality or subdivision thereof, pursuant to the provisions of any public or special act, charter, special act charter, home-rule ordinance, local ordinance or local law, of any postemployment health and life benefit system duly established prior to October 1, 2005, or of any trust duly established or board or commission duly established or designated prior to the effective date of this act with respect to a pension, retirement or other postemployment health and life benefit system.

Sec. 7. Section 7-450a of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2006*):

(a) Any municipality, in which a pension, retirement, or other postemployment health and life benefit system applicable with respect to any employees of such municipality has been established by ordinance or under the authority of any public or special act, charter or special act charter, shall have prepared, no less often than once every five years commencing July 1, 1977, an actuarial evaluation of such system, including evaluation of accumulated or past service liability and the annual liability related to benefits currently earned under such system. Such evaluation shall be prepared by an actuary enrolled by the joint board for the enrollment of actuaries established under Subtitle C of Title III of the federal act entitled Employee Retirement Income Security Act of 1974, and such evaluation shall be prepared on the basis of such assumptions as to interest earnings, mortality experience, employee turnover and any other factors affecting future

Substitute Senate Bill No. 533

liabilities under such system, which in the judgment of such actuary represent the best estimate as to future experience under such system.

(b) No ordinance, resolution or other act altering the pension, retirement, or other postemployment health and life benefit system shall be enacted until the legislative body [, as defined in subsection (3) of section 7-425,] of the municipality has requested and received a qualified cost estimate from such enrolled actuary.

(c) Any municipality subject to the requirements in subsection (a) of this section shall have prepared, within six months following the adoption of any amendment to such system increasing benefits to any extent, in addition to such evaluations as required under subsection (a), a revision of the last preceding evaluation reflecting the increase in potential municipal liability under such system. If such amendment is adopted within one year preceding a date on which an actuarial evaluation is required under subsection (a) of this section, an additional evaluation shall not be required.

(d) Any actuarial evaluation prepared for a municipality in accordance with this section shall be delivered to the chief fiscal officer of such municipality who shall file a certified copy thereof with the [town or city clerk] municipal clerk and, with respect to any municipality constituting a multitown district, with the municipal clerk of each such town, for custody in the manner of other public records. A summary of such evaluation, including a statement prepared by the actuary as to the amount of annual payment that should be made for proper funding on the basis of such evaluation with respect to benefits currently earned and the accumulated or past service liability, shall be included in the first annual report of the municipality next following completion of each such evaluation.

Approved May 30, 2006