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November 17, 2016

PERSONAL & CONFIDENTIAL

Ms. Ann Harter
Director of Finance
Town of Newington
131 Cedar Street
Newington, CT 06111

Re: Town of Newington Pension Plans
Actuarial Reports for Fiscal Year 2017-2018

Dear Ann:

We are pleased to provide these actuarial reports for the Town of Newington Pension Plans. The reports show the financial status of the plans as of July 1, 2016 and present the cost figures for 2017-2018. A summary of the principal results of each valuation can be found at the end of Section I.

The Actuarially Determined Contributions for FY 2017-2018 are shown below:

	Administrative Plan	Municipal Plan	Police Plan	Total
Town	$421,054	$787,717	$3,613,092	$4,821,863
Board of Education	70,387	953,955	0	1,024,342
Total	491,441	1,741,672	3,613,092	5,846,205

Please let me know if you have any questions.

Sincerely,

Becky

Rebecca A. Sielman, FSA
Consulting Actuary

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Milliman

TOWN OF NEWINGTON
MUNICIPAL EMPLOYEES' PENSION PLAN

Actuarial Valuation as of July 1, 2016
For Fiscal Year 2017-18

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

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November 16, 2016

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2016 for fiscal year 2017-18. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town. 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. 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 exception(s): (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.

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. 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. 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.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, 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 the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

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. We are not aware of any relationship that would impair the objectivity of our work.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Rebecca A. Sielman, FSA
Consulting Actuary

Section I - Executive Summary
A. Highlights

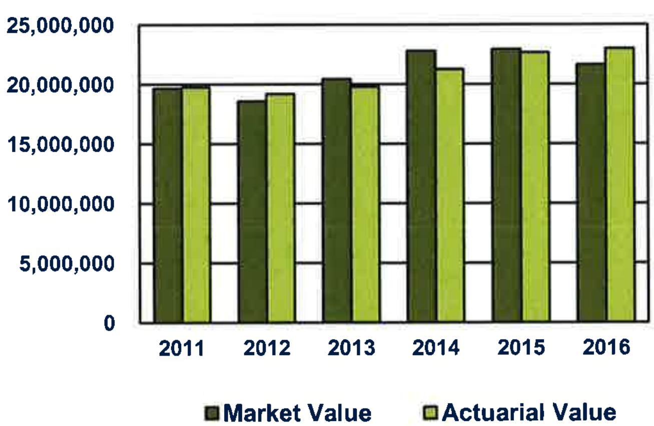
Assets

There are two different measures of the plan's assets that are used throughout this report. The **Market Value** is a snapshot of the plan's investments as of the valuation date. The **Actuarial Value** is a smoothed asset value designed to temper the volatile fluctuations in the market by recognizing investment gains or losses over five years.

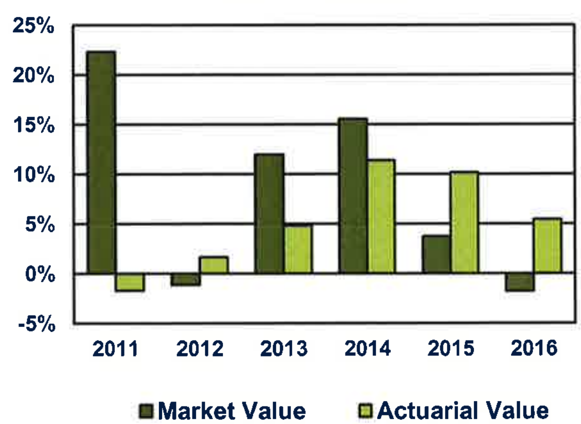
	Market	Actuarial
Value as of July 1, 2015	$22,946,329	$22,679,334
Contributions	1,906,312	1,906,312
Investment Income	(397,357)	1,214,444
Benefit Payments and Administrative Expenses	(2,810,774)	(2,810,774)
Value as of July 1, 2016	21,644,510	22,989,316

For fiscal year 2015-16, the plan's assets earned -1.77% on a Market Value basis and 5.46% on an Actuarial Value basis. The actuarial assumption for this period was 7.375%; the result is an asset loss of $2,053,000 on a Market Value basis and a loss of $425,900 on an Actuarial Value basis. Historical asset values are shown in the graph below to the left; historical returns are shown in the graph below to the right.

Asset Levels



Rate of Return

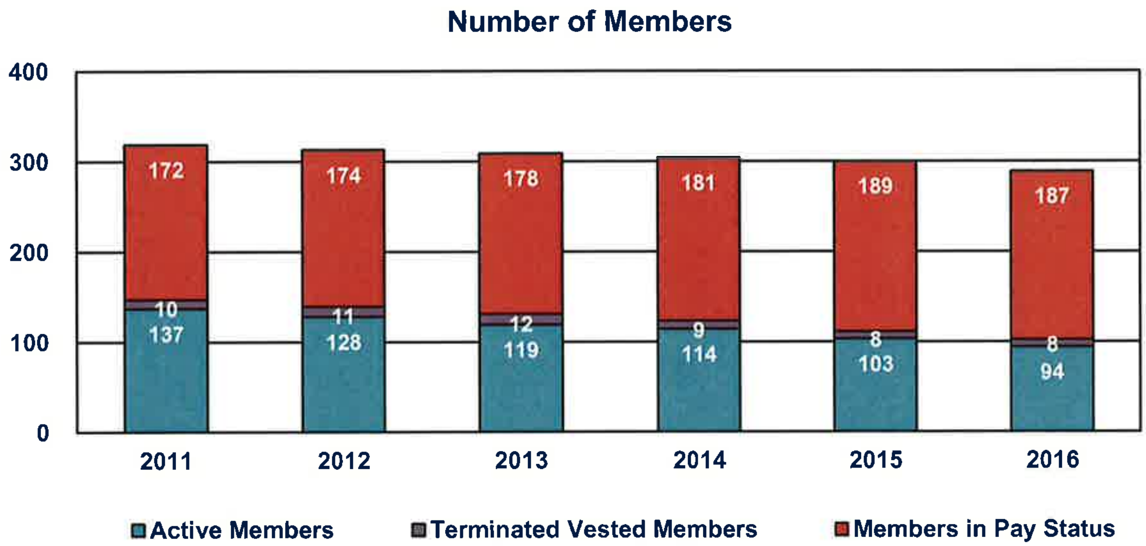


Please note that the Actuarial Value currently exceeds the Market Value by $1,344,800. This figure represents investment losses that will be gradually recognized over the next five years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

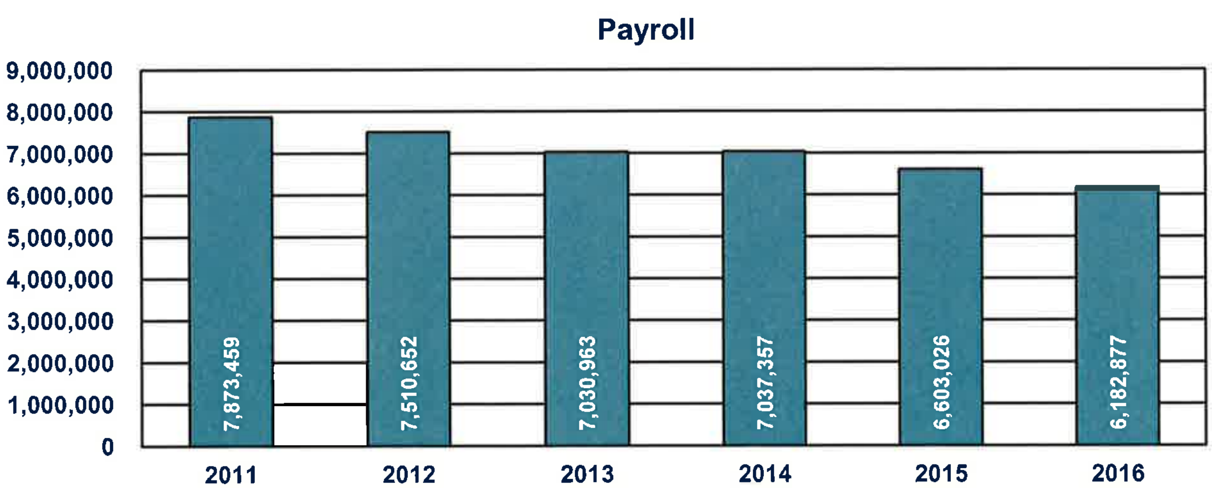
Section I - Executive Summary
A. Highlights

Membership

There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly pension benefits.



From July 1, 2015 to July 1, 2016, the overall membership decreased from 300 to 289. During this period, 11 members died without a beneficiary and 3 members died with benefits continuing to a beneficiary. In addition 8 members retired and one active member terminated and is due a benefit.



The decline in overall payroll levels tracks the decline in active members covered by this plan.

Section I - Executive Summary
A. Highlights

Plan Changes

None.

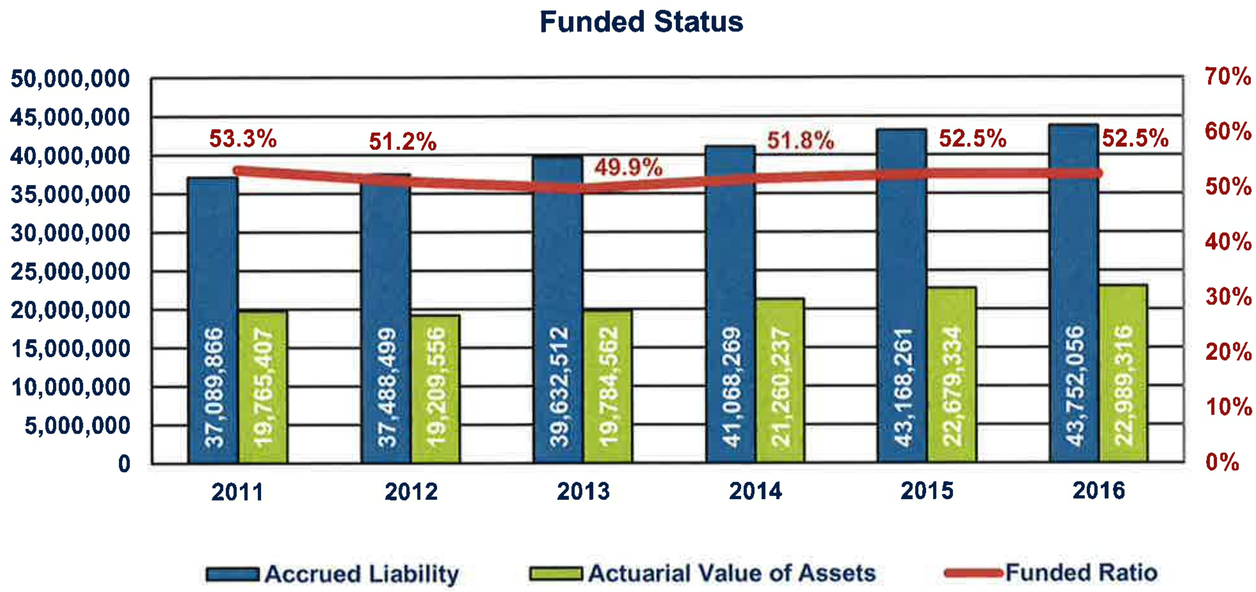
Changes in Actuarial Methods or Assumptions

In order to better anticipate future market returns, we have lowered the interest rate assumption from 7.375% to 7.25%. This change increased the Unfunded Accrued Liability by $518,100 and increased the Actuarially Determined Contribution by $37,400. We will continue to reduce the interest rate assumption by increments over the next several years.

Section I - Executive Summary
A. Highlights

Funded Status

The chart below shows the plan's Accrued Liability and Actuarial Value of Assets for the past few years.

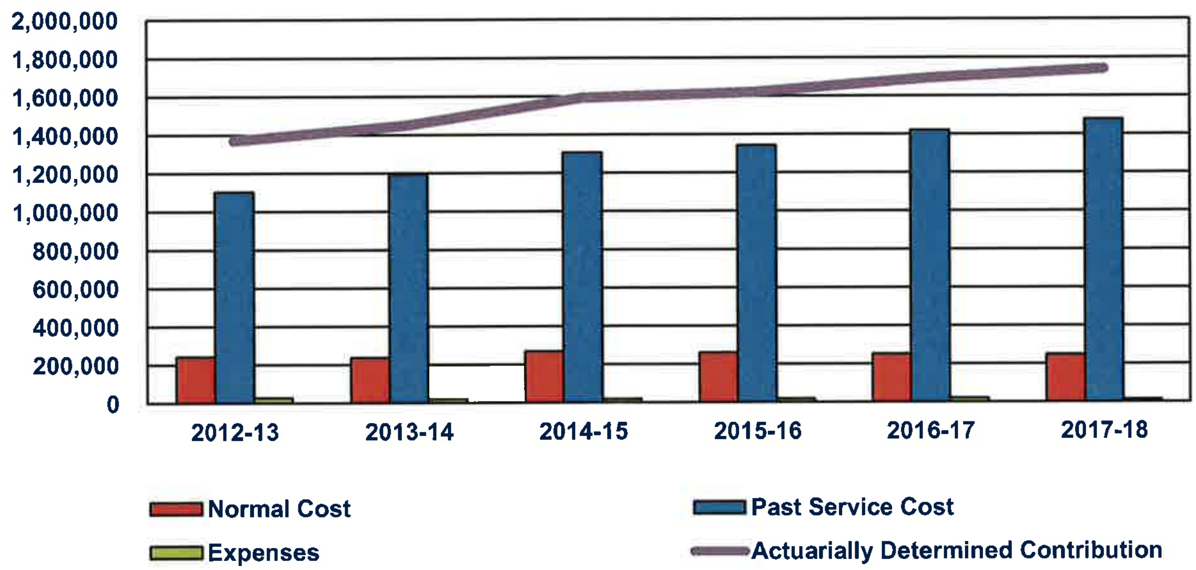


Section I - Executive Summary
A. Highlights

Actuarially Determined Contribution

The Actuarially Determined Contribution consists of three pieces: a **Normal Cost** payment to fund the benefits earned each year, a **Past Service Cost** to gradually reduce any unfunded or surplus liability, and **Expenses** expected to be paid from plan assets. If the plan has a sufficiently large surplus, the Past Service Cost may be large enough to cover the Normal Cost, in which case no contribution is required.

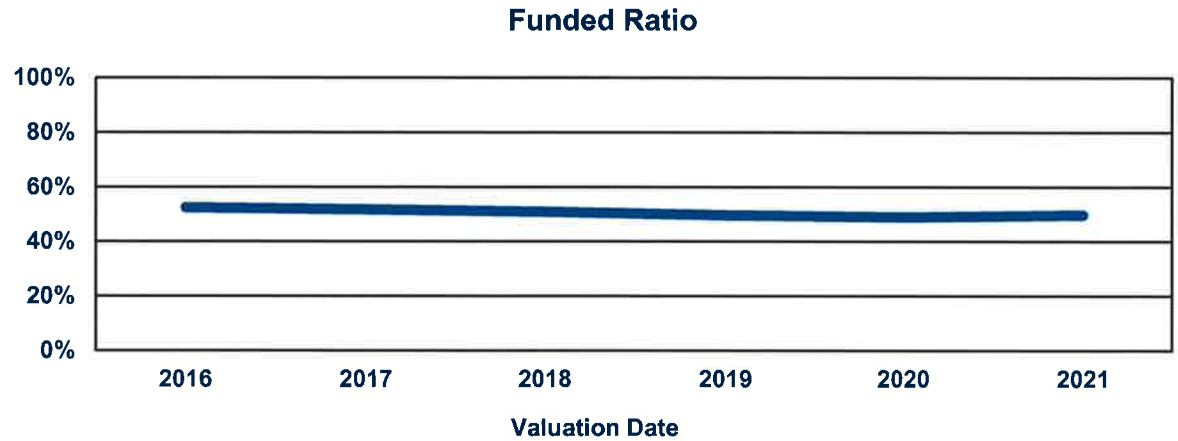
Contribution levels for the current year and the past few fiscal years are shown below.

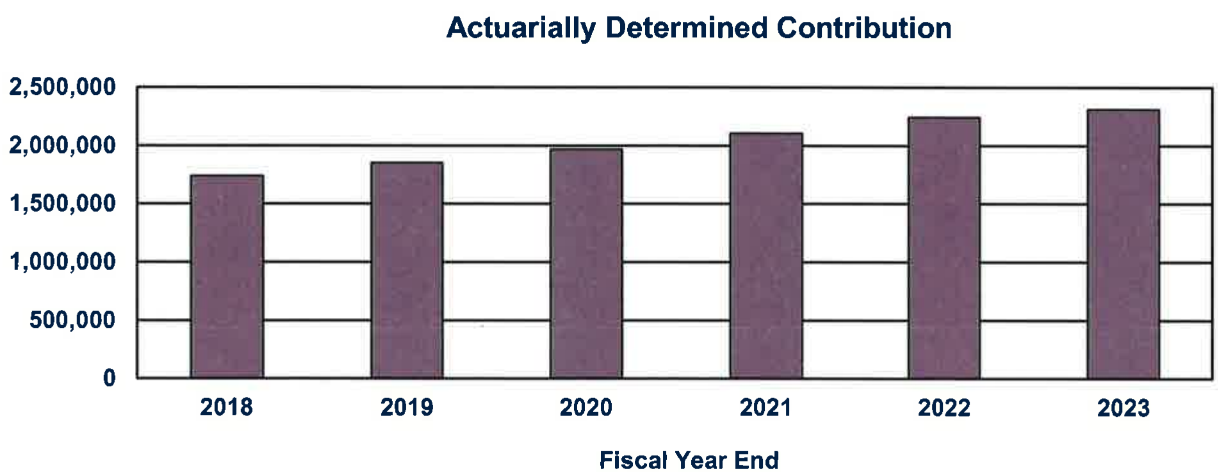


Section I - Executive Summary
A. Highlights

Long Range Forecast

The Town intends to reduce the interest rate assumption gradually over the next several years. This will depress the funded ratio and increase the Actuarially Determined Contribution while that process is underway.





To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary
B. Summary of Principal Results

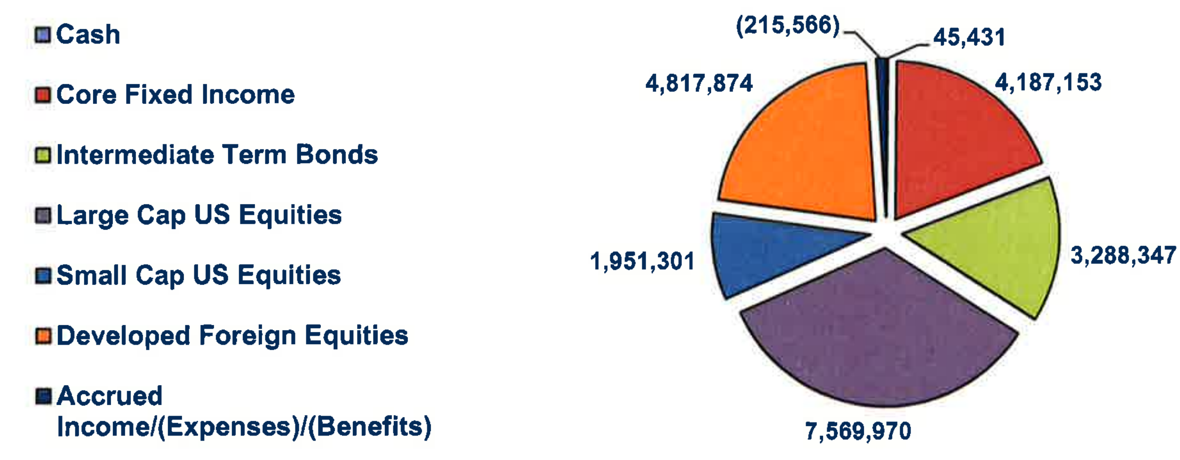
Membership	July 1, 2015	July 1, 2016
Active Members	103	94
Terminated Vested Members	8	8
Members in Pay Status	189	187
Payroll	$6,603,026	$6,182,877
Assets and Liabilities	**July 1, 2015**	**July 1, 2016**
Market Value of Assets	$22,946,329	$21,644,510
Actuarial Value of Assets	22,679,334	22,989,316
Accrued Liability for Active Members	$19,055,079	$18,808,167
Accrued Liability for Terminated Vested Members	474,112	504,493
Accrued Liability for Members in Pay Status	23,639,070	24,439,396
Total Accrued Liability	43,168,261	43,752,056
Unfunded Accrued Liability	20,488,927	20,762,740
Funded Ratio	52.5%	52.5%
Actuarially Determined Contribution for Fiscal Year	**2016-17**	**2017-18**
Normal Cost	$252,841	$249,627
Past Service Cost	1,420,448	1,477,145
Expenses	21,400	14,900
Actuarially Determined Contribution	1,694,689	1,741,672
Breakdown of Actuarially Determined Contribution	**2016-17**	**2017-18**
Board of Education	$967,677	$953,955
Town	727,012	787,717
Total	1,694,689	1,741,672

Section II - Plan Assets
A. Summary of Fund Transactions

Market Value as of July 1, 2015	$22,946,329
Employer Contributions	1,622,642
Employee Contributions	283,670
Benefit Payments	(2,796,272)
Interest and Dividends	355,185
Capital Gains/(Losses)	(633,331)
Investment Expenses	(119,211)
Administrative Expenses	(14,502)
Market Value as of July 1, 2016	21,644,510
Approximate Rate of Return	-1.77%

Note: The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

Asset Allocation



Section II - Plan Assets
B. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses over a five year period. The Actuarial Value of Assets as of July 1, 2016 is determined below.

1.	Expected Market Value of Assets:	
	a. Market Value of Assets as of July 1, 2015	$22,946,329
	b. Employer and Employee Contributions	1,906,312
	c. Benefit Payments and Administrative Expenses	(2,810,774)
	d. Expected Investment Return Based on 7.375% Interest	1,655,654
	e. Expected Market Value of Assets as of July 1, 2016	23,697,521
2.	Actual Market Value of Assets as of July 1, 2016	21,644,510
3.	Market Value (Gain)/Loss: (1e) - (2)	2,053,011
4.	Delayed Recognition of Market (Gains)/Losses:	

Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized	
06/30/2016	$2,053,011	80%	$1,642,409	
06/30/2015	842,672	60%	505,603	
06/30/2014	(1,618,865)	40%	(647,546)	
06/30/2013	(778,300)	20%	(155,660)	
				1,344,806

5.	Actuarial Value as of July 1, 2016: (2) + (4)	22,989,316
6.	Approximate Rate of Return on Actuarial Value	5.46%
7.	Actuarial Value (Gain)/Loss	425,945

Section III - Development of Contribution
A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a period of 30 years starting on July 1, 2005.

	July 1, 2015	July 1, 2016
1. Accrued Liability		
Active Members	$19,055,079	$18,808,167
Terminated Vested Members	474,112	504,493
Retired Members	22,344,413	22,962,534
Disabled Members	112,950	112,592
Beneficiaries of Deceased Members	1,181,707	1,364,270
Total	43,168,261	43,752,056
2. Actuarial Value of Assets (see Section II B)	22,679,334	22,989,316
3. Unfunded Accrued Liability: (1) - (2)	20,488,927	20,762,740
4. Funded Ratio: (2) / (1)	52.5%	52.5%
5. Amortization Period	20	19
6. Amortization Growth Rate	3.50%	3.50%
7. Past Service Cost: (3) amortized over (5)	1,420,448	1,477,145

Section III - Development of Contribution
B. Actuarially Determined Contribution

	Fiscal Year 2016-17	Fiscal Year 2017-18
1. Total Normal Cost	$537,523	$516,470
2. Expected Employee Contributions	284,682	266,843
3. Expected Expenses	21,400	14,900
4. Net Normal Cost: (1) - (2) + (3)	274,241	264,527
5. Past Service Cost (see Section III A)	1,420,448	1,477,145
6. Actuarially Determined Contribution: (4) + (5)	1,694,689	1,741,672

Section III - Development of Contribution
C. Long Range Forecast

This forecast is based on the results of the July 1, 2016 actuarial valuation and assumes that the Town will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

		Values as of the Valuation Date					Cash Flows Projected to the Following Fiscal Year			
Valuation Date	Interest Rate	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year Ending	Town Contributions	Employee Contributions	Benefit Payments	Net Cash Flows
7/1/2016	7.250%	$43,752,056	$22,989,316	$20,762,740	52.5%	2018	$1,741,672	$248,000	($3,004,000)	($1,014,328)
7/1/2017	7.125%	45,323,000	23,491,000	21,832,000	51.8%	2019	1,854,000	232,000	(3,106,000)	(1,020,000)
7/1/2018	7.000%	46,498,000	23,754,000	22,744,000	51.1%	2020	1,969,000	212,000	(3,242,000)	(1,061,000)
7/1/2019	6.875%	47,581,000	23,695,000	23,886,000	49.8%	2021	2,106,000	197,000	(3,337,000)	(1,034,000)
7/1/2020	6.750%	48,493,000	23,772,000	24,721,000	49.0%	2022	2,245,000	182,000	(3,438,000)	(1,011,000)
7/1/2021	6.750%	48,740,000	24,290,000	24,450,000	49.8%	2023	2,314,000	167,000	(3,552,000)	(1,071,000)
7/1/2022	6.750%	48,851,000	24,868,000	23,983,000	50.9%	2024	2,384,000	151,000	(3,684,000)	(1,149,000)
7/1/2023	6.750%	48,809,000	25,421,000	23,388,000	52.1%	2025	2,456,000	135,000	(3,788,000)	(1,197,000)
7/1/2024	6.750%	48,592,000	25,930,000	22,662,000	53.4%	2026	2,533,000	121,000	(3,880,000)	(1,226,000)
7/1/2025	6.750%	48,220,000	26,423,000	21,797,000	54.8%	2027	2,620,000	108,000	(3,970,000)	(1,242,000)
7/1/2026	6.750%	47,690,000	26,920,000	20,770,000	56.4%	2028	2,715,000	96,000	(4,039,000)	(1,228,000)
7/1/2027	6.750%	47,002,000	27,432,000	19,570,000	58.4%	2029	2,818,000	85,000	(4,083,000)	(1,180,000)
7/1/2028	6.750%	46,167,000	27,992,000	18,175,000	60.6%	2030	2,932,000	75,000	(4,139,000)	(1,132,000)
7/1/2029	6.750%	45,208,000	28,639,000	16,569,000	63.3%	2031	3,060,000	65,000	(4,186,000)	(1,061,000)
7/1/2030	6.750%	44,107,000	29,380,000	14,727,000	66.6%	2032	3,202,000	56,000	(4,197,000)	(939,000)
7/1/2031	6.750%	42,861,000	30,243,000	12,618,000	70.6%	2033	3,367,000	49,000	(4,190,000)	(774,000)
7/1/2032	6.750%	41,500,000	31,289,000	10,211,000	75.4%	2034	3,570,000	42,000	(4,168,000)	(556,000)
7/1/2033	6.750%	40,042,000	32,575,000	7,467,000	81.4%	2035	3,846,000	36,000	(4,121,000)	(239,000)
7/1/2034	6.750%	38,496,000	34,174,000	4,322,000	88.8%	2036	4,372,000	31,000	(4,052,000)	351,000
7/1/2035	6.750%	36,882,000	36,207,000	675,000	98.2%	2037	722,000	27,000	(3,967,000)	(3,218,000)

For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility.

Section IV - Accounting Information
A. Notes to Required Supplementary Information

The information presented in Section IV has been determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 30 years from July 1, 2005
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	7.25%
Projected Salary Increases	3.50%
Amortization Growth Rate	3.50%
Inflation	2.75%
Cost-of-Living Adjustments	None

Section IV - Accounting Information
B. Historical Schedule of Funding Progress

Actuarial Valuation Date	For Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2007	2008-09	$20,053,618	$27,690,583	$7,636,965	72.4%	$8,664,697	88.1%
07/01/2008	2009-10	21,122,318	29,652,774	8,530,456	71.2%	8,823,218	96.7%
07/01/2009	2010-11	20,806,821	32,079,255	11,272,434	64.9%	8,831,569	127.6%
07/01/2010	2011-12	20,550,232	32,751,099	12,200,867	62.7%	8,170,250	149.3%
07/01/2011	2012-13	19,765,407	37,089,866	17,324,459	53.3%	7,503,241	230.9%
07/01/2012	2013-14	19,209,556	37,488,499	18,278,943	51.2%	7,230,177	252.8%
07/01/2013	2014-15	19,784,562	39,632,512	19,847,950	49.9%	6,806,553	291.6%
07/01/2014	2015-16	21,260,237	41,068,269	19,808,032	51.8%	6,886,617	287.6%
07/01/2015	2016-17	22,679,334	43,168,261	20,488,927	52.5%	6,603,026	310.3%
07/01/2016	2017-18	22,989,316	43,752,056	20,762,740	52.5%	6,182,877	335.8%

Section IV - Accounting Information
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the Actuarially Determined Contribution	(3) Contribution Deficiency/ (Excess) (1) - (2)	(4) Covered Payroll	(5) Contribution as a Percentage of Covered Payroll (2) / (4)
2009	$853,103	$853,103	$0	$8,664,697	9.85%
2010	969,470	969,470	0	8,823,218	10.99%
2011	1,218,956	1,218,956	0	8,831,569	13.80%
2012	1,267,876	1,267,876	0	8,170,250	15.52%
2013	1,373,058	1,696,511	(323,453)	7,503,241	22.61%
2014	1,452,707	1,452,707	0	7,230,177	20.09%
2015	1,594,153	1,594,153	0	6,806,553	23.42%
2016	1,622,642	1,622,642	0	6,886,617	23.56%
2017	1,694,689	TBD	TBD	6,603,026	TBD
2018	1,741,672	TBD	TBD	6,182,877	TBD

Section IV - Accounting Information
D. Accrued and Vested Benefits

The actuarially computed Value of Accrued Benefits represents the present value of (a) the benefits based on earnings and service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries.

		As of July 1, 2015	As of July 1, 2016
1.	Value of Vested Benefits		
	Active Members	$13,325,597	$13,347,146
	Terminated Vested Members	474,112	504,493
	Retired Members	22,344,413	22,962,534
	Disabled Members	112,950	112,592
	Beneficiaries of Deceased Members	1,181,707	1,364,270
	Total Value of Vested Benefits	37,438,779	38,291,035
2.	Value of Non-Vested Benefits	324,248	304,140
3.	Total Value of Accrued Benefits: (1) + (2)	37,763,027	38,595,175
4.	Market Value of Assets	22,946,329	21,644,510
5.	Vested Funded Ratio: (4) / (1)	61.3%	56.5%
6.	Accrued Funded Ratio: (4) / (3)	60.8%	56.1%

Section IV - Accounting Information
E. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during the 2015-2016 plan year attributable to:

Increase for interest due to the decrease in the discount period	$2,683,745
Benefits Accumulated/(Forfeited)	512,035
Benefit Payments	(2,796,272)
Plan Amendments	0
Changes in Actuarial Assumptions	432,640
Net Increase/(Decrease)	832,148

Value of Accrued Plan Benefits:

July 1, 2016	$38,595,175
July 1, 2015	37,763,027
Net Increase/(Decrease)	832,148

Section V - Membership Data
A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section V.

	Active	Term. Vested	Retirees	Disabled	Bene-ficiaries	Total
Count as of July 1, 2015	103	8	172	3	14	300
Terminated not vested	-	-	-	-	-	0
Terminated, benefits due	(1)	1	-	-	-	0
Retired	(7)	(1)	8	-	-	0
Died, with beneficiary	-	-	(3)	-	-	(3)
Died, no beneficiary	(1)	-	(10)	-	-	(11)
Transfer out to other Plan	-	-	-	-	-	0
Payment Ceased	-	-	-	-	-	0
New member	-	-	-	-	-	0
New beneficiary	-	-	-	-	3	3
Correction	-	-	-	-	-	0
Count as of July 1, 2016	94	8	167	3	17	289

As of July 1, 2016, the active membership included 54 Board of Education members with payroll of $3,355,304 and 40 Town members with payroll of $2,827,573.

Section V - Membership Data
B. Statistics of Membership

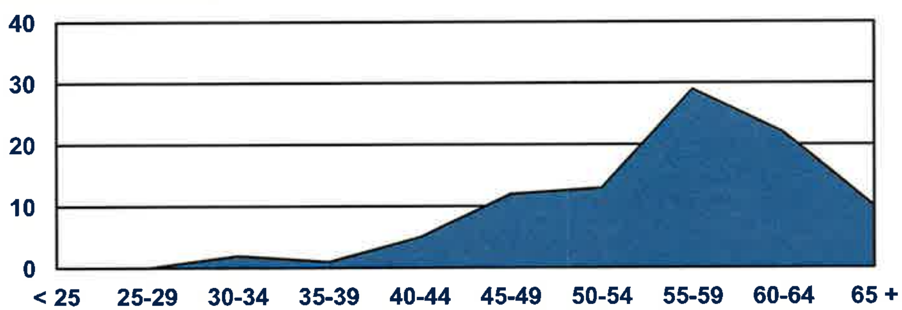
	As of July 1, 2015	As of July 1, 2016
Active Members		
Number	103	94
Average Age	55.5	55.8
Average Service	18.5	18.9
Total Payroll	$6,603,026	$6,182,877
Average Payroll	64,107	65,775
Terminated Vested Members		
Number	8	8
Total Annual Benefit	$65,472	$72,800
Average Annual Benefit	8,184	9,100
Average Age	55.3	54.5
Retired Members		
Number	172	167
Total Annual Benefit	$2,559,667	$2,624,779
Average Annual Benefit	14,882	15,717
Average Age	76.2	76.2
Disabled Members		
Number	3	3
Total Annual Benefit	$18,013	$18,267
Average Annual Benefit	6,004	6,089
Average Age	76.7	77.7
Beneficiaries of Deceased Members		
Number	14	17
Total Annual Benefit	$124,956	$152,863
Average Annual Benefit	8,925	8,992
Average Age	68.7	71.4

Section V - Membership Data

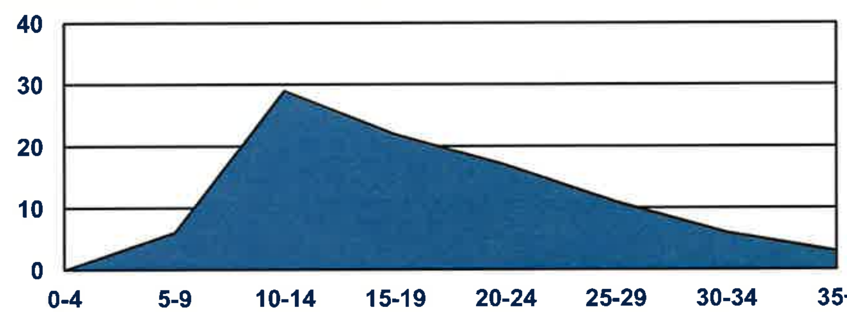
C. Distribution of Active Members as of July 1, 2016 - Count

	Years of Service								
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
< 25	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	2	0	0	0	0	0	2
35-39	0	0	1	0	0	0	0	0	1
40-44	0	0	1	2	2	0	0	0	5
45-49	0	0	6	3	1	1	1	0	12
50-54	0	0	4	3	1	3	2	0	13
55-59	0	3	6	5	8	4	2	1	29
60-64	0	3	7	3	4	3	1	1	22
65 +	0	0	2	6	1	0	0	1	10
Total	0	6	29	22	17	11	6	3	94

Distribution By Age



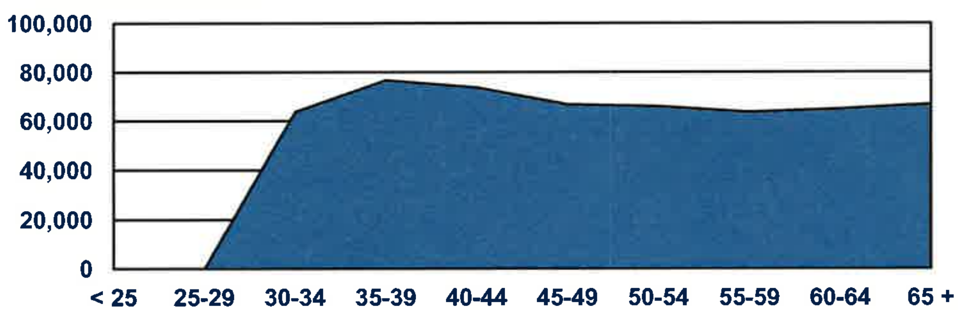
Distribution by Years of Service



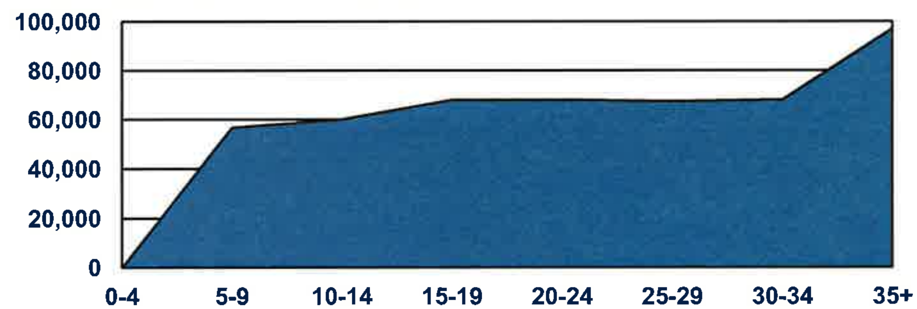
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2016 - Average Pay

	Years of Service								
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
< 25	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	63,826	0	0	0	0	0	63,826
35-39	0	0	76,746	0	0	0	0	0	76,746
40-44	0	0	42,744	85,434	77,485	0	0	0	73,716
45-49	0	0	60,940	77,951	75,347	63,958	63,283	0	66,840
50-54	0	0	58,889	62,098	81,596	68,899	74,349	0	66,065
55-59	0	52,429	63,968	56,589	64,676	68,602	70,166	92,539	63,749
60-64	0	61,121	55,543	71,232	68,100	65,466	56,063	119,711	65,020
65 +	0	0	62,401	68,172	57,150	0	0	78,843	66,983
Total	0	56,775	60,198	68,031	68,169	67,406	68,063	97,031	65,775

Distribution By Age



Distribution by Years of Service



Section V - Membership Data
E. Distribution of Inactive Members as of July 1, 2016

	Age	Number	Annual Benefits
Terminated Vested Members / Members Due Refunds	< 30	0	$0
	30 - 39	0	0
	40 - 49	1	12,956
	50 - 59	6	56,483
	60 - 64	1	3,361
	65 +	0	0
	Total	8	72,800
Retired Members	< 50	0	$0
	50 - 59	11	257,708
	60 - 69	31	714,901
	70 - 79	63	1,050,949
	80 - 89	48	532,063
	90 +	14	69,159
	Total	167	2,624,780
Disabled Members	< 50	0	$0
	50 - 59	0	0
	60 - 69	1	6,034
	70 - 79	1	8,512
	80 - 89	1	3,720
	90 +	0	0
	Total	3	18,266
Beneficiaries of Deceased Members	< 50	0	$0
	50 - 59	3	34,617
	60 - 69	3	24,701
	70 - 79	7	68,337
	80 - 89	4	25,205
	90 +	0	0
	Total	17	152,860

Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the **Entry Age Normal Cost Method**. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Normal Cost** is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the **Accrued Liability**. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The unfunded liability for the plan is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level percent. Beginning on July 1, 2005, the amortization period is 30 years; the amortization period will decrease each year until it reaches 10 years, after which point it will remain at 10 years.

The **Actuarial Value of Assets** is determined by recognizing asset gains and losses over **five** years.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Interest

Current: 7.25%

Prior: 7.375%

Salary Scale

3.50%

Amortization Growth Rate

3.50%

Expenses

Administrative expenses paid in the prior year, increased by 3% and rounded to the nearest $100.

Healthy Mortality

RP-2000 Combined Healthy Mortality Table, Male and Female, with generational projection of future mortality improvements per Scale AA. This assumption includes a margin for improvements in longevity beyond the valuation date.

Turnover

Rates according to the following table:

Service	Rate
0-4 years	10%
5+ years	5%

Retirement

Rates according to the following table:

Age	Rate
55	3%
56-57	1%
58	5%
59-61	1%
62-64	20%
65-69	30%
70	100%

Disability

11th Railroad Retirement Board Disability Rates.

Disabled Mortality

RP-2000 Disabled Mortality Table, Male and Female. This assumption does not include a margin for improvements in longevity beyond the valuation date.

Marital Status

80% of members are assumed to be married with wives 3 years younger than husbands.

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility	Employed for twenty or more hours a week for more than 5 months per calendar year. Effective January 1, 2007, the Plan is closed to new members.
Final Average Earnings	Highest average earnings received in any three full calendar years.
Continuous Service	Period of continuous employment with the Town beginning with the first of the month following date of employment.
Aggregate Service	The sum of all periods of Continuous Service.
Member Contributions	4.5% of after tax Earnings. Interest is credited at 4% per annum. Refund of Employee Contributions with interest to date of termination of employment or death, unless the employee is eligible for a deferred retirement income.
Normal Form of Benefit	Modified Cash Refund.
Normal Retirement Date	Earlier of age 63 or completion of 25 years of service.
Normal Retirement Benefit	1.7% of Final Average Earnings multiplied by years of Aggregate Service through July 1, 1990 plus 2% of Final Average Earnings multiplied by years of Aggregate Service since July 1, 1990, with a minimum of $750 per year.
Early Retirement Date	Age 55, and 5 years of Continuous Service or 15 years of Aggregate Service.
Early Retirement Benefit	Accrued Benefit, actuarially reduced if payments begin prior to the member's 58th birthday.
Death Benefit Eligibility	Married Member (of at least one year) or with minor children. Age 30 with 5 years of Continuous Service.
Death Benefit	35% of benefit accrued to date of death.

Appendix C - Summary of Plan Provisions

Disability Retirement Eligibility	Five years of Aggregate Service and not eligible for benefits under the Long Term Disability Contract.
Disability Retirement Benefit	Accrued Benefit, not less than $1,000 per year, payable to the earlier of the end of disability, death or Normal Retirement Date.
Termination Benefit Eligibility	Five years of Continuous Service or 15 years of Aggregate Service.
Termination Benefit	Benefit accrued to date of termination with payment commencing on Normal Retirement Date.