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January 27, 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 2016-2017

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, 2015 and present the cost figures for 2016-2017. A summary of the principal results of each valuation can be found at the end of Section I.

The Actuarially Determined Contributions for FY 2016-2017 are shown below:

	Administrative Plan	Municipal Plan	Police Plan	Total
Town	$391,798	$727,012	$3,515,356	$4,634,166
Board of Education	63,660	967,677	0	1,031,337
Total	455,458	1,694,689	3,515,356	5,665,503

Please let me know if you have any questions.

Sincerely,

Becky

Rebecca A. Sielman, FSA
Consulting Actuary

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TOWN OF NEWINGTON
POLICE OFFICERS' PENSION PLAN

Actuarial Valuation as of July 1, 2015
For Fiscal Year 2016-17

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

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January 27, 2016

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2015 for fiscal year 2016-17. 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

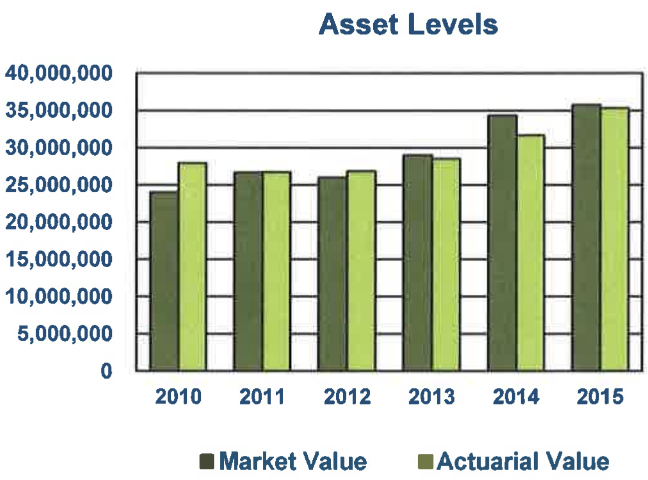
Section I - Executive Summary
A. Highlights

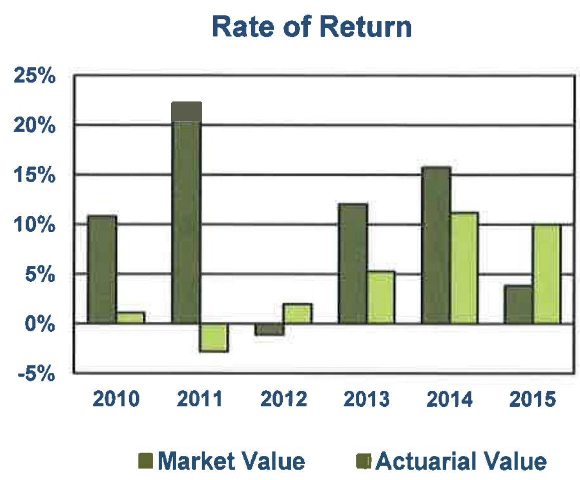
Assets

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, 2014	$33,973,643	$31,673,813
Contributions	3,688,412	3,688,412
Investment Income	1,309,513	3,187,162
Benefit Payments and Administrative Expenses	(3,228,128)	(3,228,128)
Value as of July 1, 2015	35,743,440	35,321,259

For fiscal year 2014-15, the plan's assets earned 3.83% on a Market Value basis and 9.99% on an Actuarial Value basis. The actuarial assumption for this period was 7.50%; the result is an asset loss of $1,254,800 on a Market Value basis and a gain of $794,400 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.





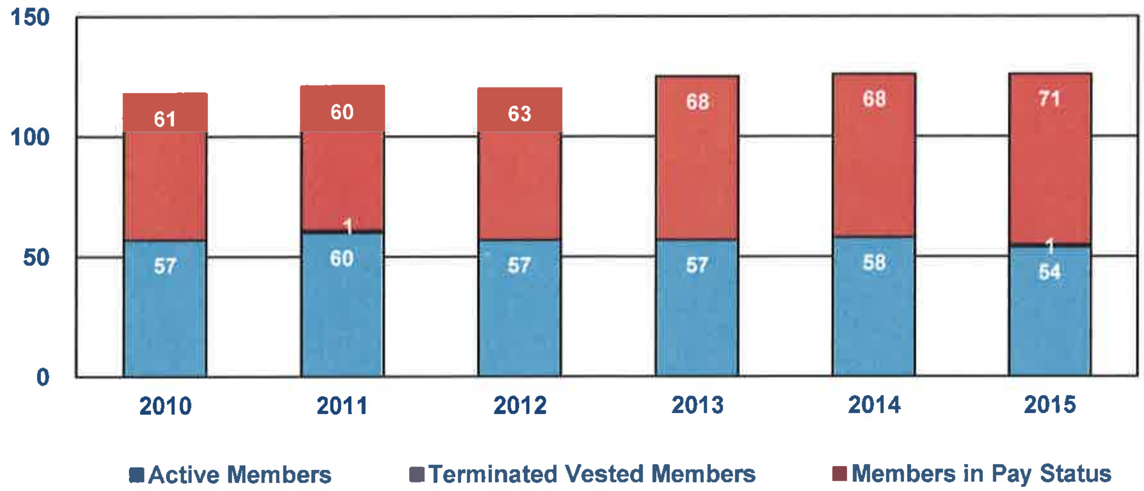
Please note that the Actuarial Value currently is less than the Market Value by $422,200. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

Section I - Executive Summary
A. Highlights

Membership

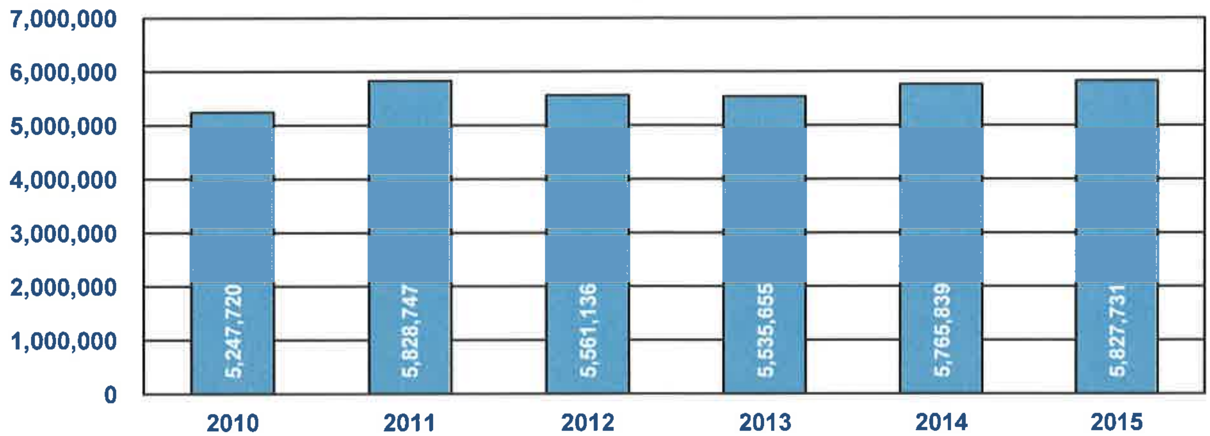
There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly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

Number of Members



From July 1, 2014 to July 1, 2015, the overall membership stayed the same at 126. During this period, there was 1 new active member, 3 active members retired, 1 active member terminated and is due a refund, 1 active member terminated and was paid a refund, and 1 retiree died with benefits continuing to a beneficiary.

Payroll



Section I - Executive Summary
A. Highlights

Plan Changes

None.

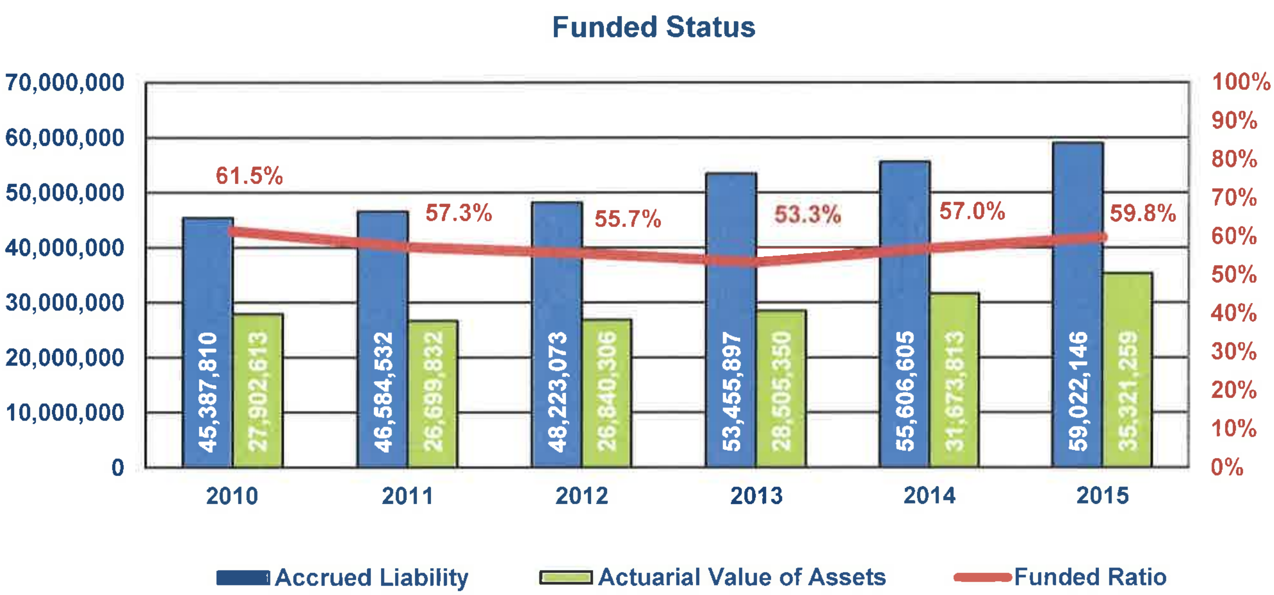
Changes in Actuarial Methods or Assumptions

In order to better anticipate future market returns, we have lowered the interest rate assumption from 7.5% to 7.375%. This change increased the Unfunded Accrued Liability by $835,000 and increased the Actuarially Determined Contribution by $117,200. 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. Since investment gains and losses are recognized gradually over a five year period, the large market losses suffered in 2007-08 and 2008-09 are manifested by a gradual decline in the funded ratio. Absent future market losses, the funded ratio should start to rise.

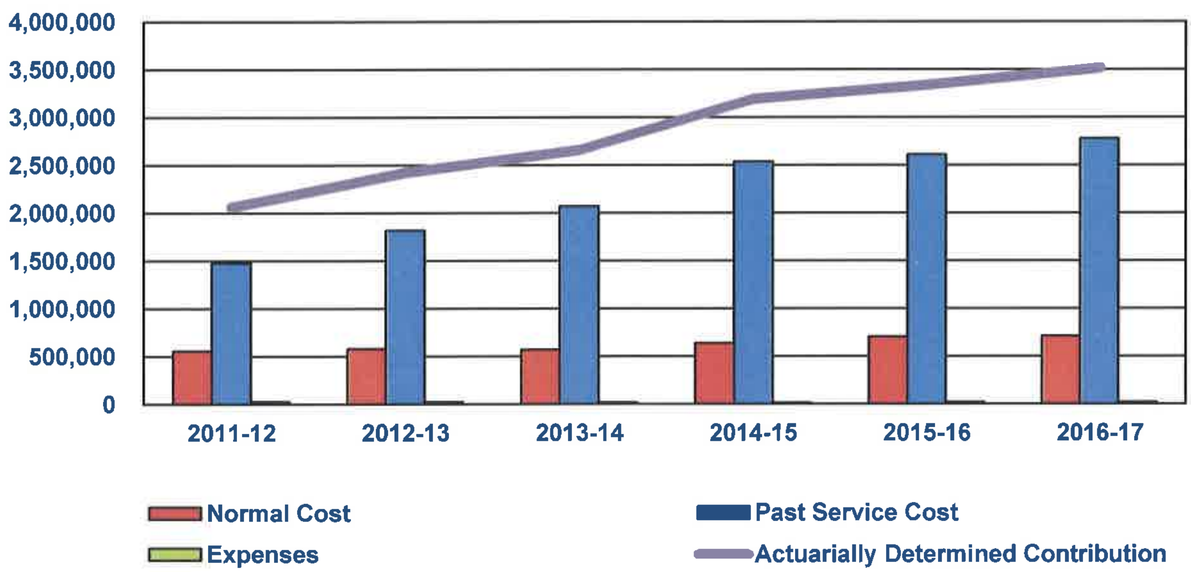


Section I - Executive Summary
A. Highlights

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.

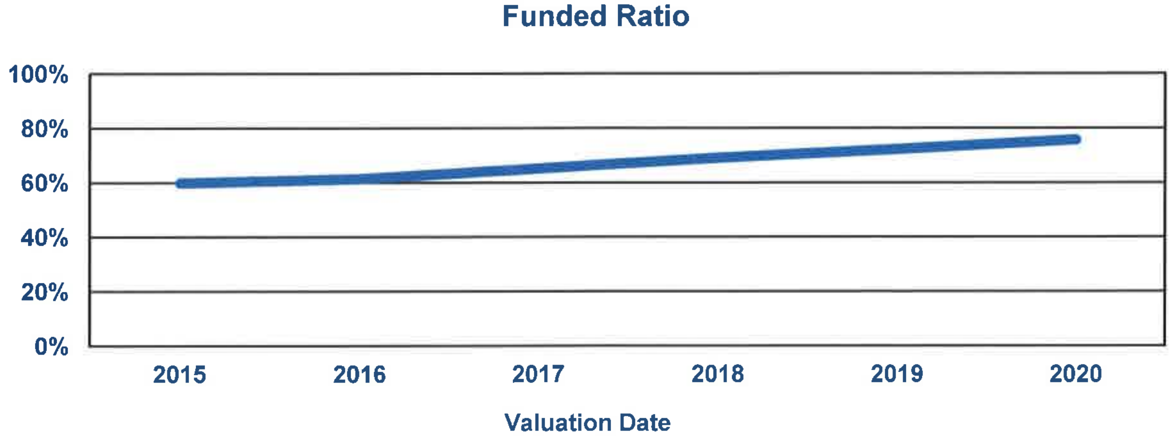
Contribution levels for the current year and the past few fiscal years are shown below.

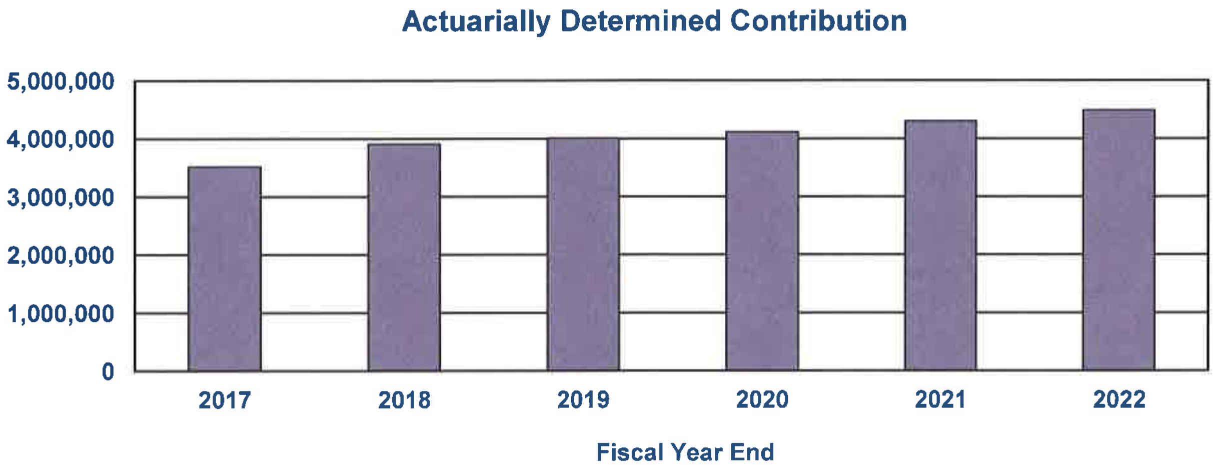


Section I - Executive Summary
A. Highlights

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, 2014	July 1, 2015
Active Members	58	54
Terminated Vested Members	0	1
Members in Pay Status	68	71
Payroll	$5,765,839	$5,827,731

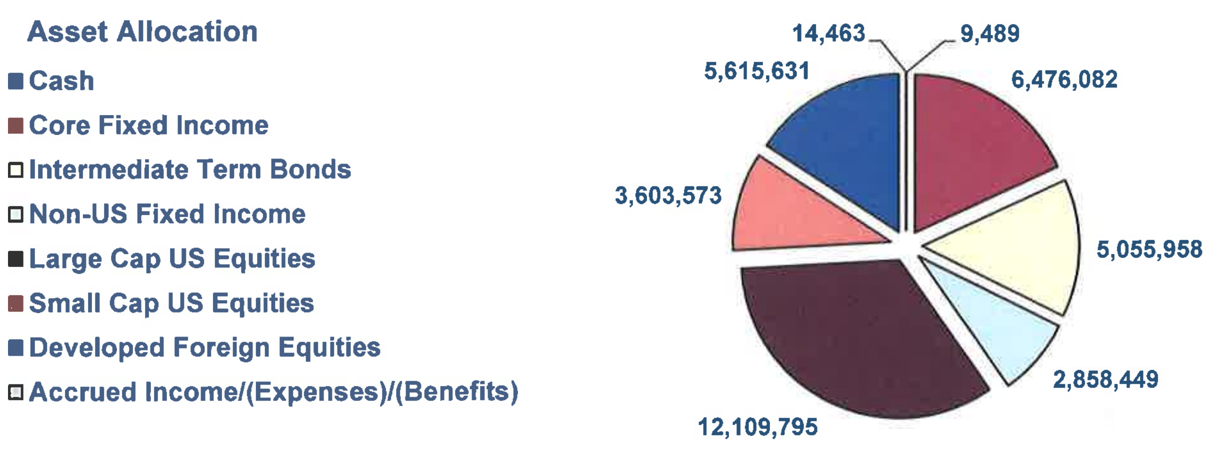
Assets and Liabilities	July 1, 2014	July 1, 2015
Market Value of Assets	$33,973,643	$35,743,440
Actuarial Value of Assets	31,673,813	35,321,259
Accrued Liability for Active Members	$16,548,639	$17,606,347
Accrued Liability for Terminated Vested Members	0	7,571
Accrued Liability for Members in Pay Status	39,057,966	41,408,228
Total Accrued Liability	55,606,605	59,022,146
Unfunded Accrued Liability	23,932,792	23,700,887
Funded Ratio	57.0%	59.8%

Actuarially Determined Contribution for Fiscal Year	2015-16	2016-17
Normal Cost	$706,685	$711,892
Past Service Cost	2,611,100	2,780,864
Expenses	20,500	22,600
Actuarially Determined Contribution	3,338,285	3,515,356

Section II - Plan Assets
A. Summary of Fund Transactions

Market Value as of July 1, 2014	$33,973,643
Employer Contributions	3,195,093
Employee Contributions	493,319
Benefit Payments	(3,206,231)
Interest and Dividends	538,839
Capital Gains/(Losses)	959,447
Investment Expenses	(188,773)
Administrative Expenses	(21,897)
Market Value as of July 1, 2015	35,743,440
Approximate Rate of Return	3.83%

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.



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, 2015 is determined below.

1. Expected Market Value of Assets:	
a. Market Value of Assets as of July 1, 2014	$33,973,643
b. Employer and Employee Contributions	3,688,412
c. Benefit Payments and Administrative Expenses	(3,228,128)
d. Expected Investment Return Based on 7.50% Interest	2,564,320
e. Expected Market Value of Assets as of July 1, 2015	36,998,247
2. Actual Market Value of Assets as of July 1, 2015	35,743,440
3. Market Value (Gain)/Loss: (1e) - (2)	1,254,807
4. Delayed Recognition of Market (Gains)/Losses:	

Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized	
06/30/2015	$1,254,807	80%	$1,003,846	
06/30/2014	(2,406,578)	60%	(1,443,947)	
06/30/2013	(1,123,296)	40%	(449,318)	
06/30/2012	2,336,191	20%	467,238	
				(422,181)

5. Actuarial Value as of July 1, 2015: (2) + (4)	35,321,259
6. Approximate Rate of Return on Actuarial Value	9.99%
7. Actuarial Value (Gain)/Loss	(794,398)

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 20 years starting on July 1, 2005.

		July 1, 2014	July 1, 2015
1.	Accrued Liability		
	Active Members	$16,548,639	$17,606,347
	Terminated Vested Members	0	7,571
	Retired Members	34,053,004	36,157,210
	Disabled Members	1,538,656	1,558,647
	Beneficiaries of Deceased Members	3,466,306	3,692,371
	Total	55,606,605	59,022,146
2.	Actuarial Value of Assets (see Section II B)	31,673,813	35,321,259
3.	Unfunded Accrued Liability: (1) - (2)	23,932,792	23,700,887
4.	Funded Ratio: (2) / (1)	57.0%	59.8%
5.	Amortization Period	11	10
6.	Amortization Growth Rate	3.50%	3.50%
7.	Past Service Cost: (3) amortized over (5)	2,611,100	2,780,864

Section III - Development of Contribution
B. Actuarially Determined Contribution

	Fiscal Year 2015-16	Fiscal Year 2016-17
1. Total Normal Cost	$1,164,119	$1,177,497
2. Expected Employee Contributions	457,434	465,605
3. Expected Expenses	20,500	22,600
4. Net Normal Cost: (1) - (2) + (3)	727,185	734,492
5. Past Service Cost (see Section III A)	2,611,100	2,780,864
6. Actuarially Determined Contribution: (4) + (5)	3,338,285	3,515,356

Section III - Development of Contribution
C. Long Range Forecast

This forecast is based on the results of the July 1, 2015 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
7/1/2015	7.375%	$59,022,146	$35,321,259	$23,700,887	59.8%	2017	$3,515,356	$474,000	($3,428,000)	$561,356
7/1/2016	7.250%	62,558,000	38,419,000	24,139,000	61.4%	2018	3,910,000	482,000	(3,538,000)	854,000
7/1/2017	7.125%	64,795,000	42,248,000	22,547,000	65.2%	2019	4,007,000	477,000	(3,722,000)	762,000
7/1/2018	7.000%	67,082,000	46,348,000	20,734,000	69.1%	2020	4,112,000	481,000	(3,935,000)	658,000
7/1/2019	6.875%	69,332,000	50,086,000	19,246,000	72.2%	2021	4,299,000	478,000	(4,168,000)	609,000
7/1/2020	6.750%	71,487,000	54,183,000	17,304,000	75.8%	2022	4,489,000	482,000	(4,357,000)	614,000
7/1/2021	6.750%	73,531,000	58,442,000	15,089,000	79.5%	2023	4,748,000	483,000	(4,536,000)	695,000
7/1/2022	6.750%	75,490,000	62,993,000	12,497,000	83.4%	2024	5,066,000	486,000	(4,703,000)	849,000
7/1/2023	6.750%	77,363,000	67,935,000	9,428,000	87.8%	2025	5,553,000	491,000	(4,877,000)	1,167,000
7/1/2024	6.750%	79,173,000	73,369,000	5,804,000	92.7%	2026	6,564,000	495,000	(5,040,000)	2,019,000
7/1/2025	6.750%	80,920,000	79,497,000	1,423,000	98.2%	2027	2,178,000	497,000	(5,218,000)	(2,543,000)
7/1/2026	6.750%	82,596,000	86,919,000	(4,323,000)	105.2%	2028	0	501,000	(5,403,000)	(4,902,000)
7/1/2027	6.750%	84,188,000	90,125,000	(5,937,000)	107.1%	2029	0	514,000	(5,510,000)	(4,996,000)
7/1/2028	6.750%	85,669,000	91,108,000	(5,439,000)	106.3%	2030	0	515,000	(5,655,000)	(5,140,000)
7/1/2029	6.750%	87,153,000	92,058,000	(4,905,000)	105.6%	2031	0	522,000	(5,820,000)	(5,298,000)
7/1/2030	6.750%	88,571,000	92,923,000	(4,352,000)	104.9%	2032	0	530,000	(5,946,000)	(5,416,000)
7/1/2031	6.750%	89,919,000	93,682,000	(3,763,000)	104.2%	2033	0	533,000	(6,101,000)	(5,568,000)
7/1/2032	6.750%	91,232,000	94,369,000	(3,137,000)	103.4%	2034	0	537,000	(6,292,000)	(5,755,000)
7/1/2033	6.750%	92,465,000	94,944,000	(2,479,000)	102.7%	2035	0	548,000	(6,423,000)	(5,875,000)
7/1/2034	6.750%	93,583,000	95,363,000	(1,780,000)	101.9%	2036	0	552,000	(6,553,000)	(6,001,000)

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, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 20 years from July 1, 2005
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	7.375%
Projected Salary Increases	3.50%
Amortization Growth Rate	3.50%
Inflation	2.75%
Cost-of-Living Adjustments	1.50%

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)
07/01/2006	2007-08	$24,742,806	$36,042,071	$11,299,265	68.6%	$4,374,797	258.3%
07/01/2007	2008-09	26,546,049	38,205,414	11,659,365	69.5%	4,499,543	259.1%
07/01/2008	2009-10	28,004,694	41,214,834	13,210,140	67.9%	4,788,496	275.9%
07/01/2009	2010-11	27,947,368	43,198,720	15,251,352	64.7%	5,237,052	291.2%
07/01/2010	2011-12	27,902,613	45,387,810	17,485,197	61.5%	5,247,720	333.2%
07/01/2011	2012-13	26,699,832	46,584,532	19,884,700	57.3%	5,828,742	341.1%
07/01/2012	2013-14	26,840,306	48,223,073	21,382,767	55.7%	5,561,136	384.5%
07/01/2013	2014-15	28,505,350	53,455,897	24,950,547	53.3%	5,535,655	450.7%
07/01/2014	2015-16	31,673,813	55,606,605	23,932,792	57.0%	5,765,839	415.1%
07/01/2015	2016-17	35,321,259	59,022,146	23,700,887	59.8%	5,827,731	406.7%

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)
2008	$1,276,735	$1,276,735	$0	$4,374,797	29.2%
2009	1,335,957	1,335,957	0	4,499,543	29.7%
2010	1,525,296	1,525,296	0	4,788,496	31.9%
2011	1,799,656	1,799,656	0	5,237,052	34.4%
2012	2,064,999	2,064,999	0	5,247,720	39.4%
2013	2,426,210	2,804,586	(378,376)	5,828,747	48.1%
2014	2,661,462	2,661,462	0	5,561,136	47.9%
2015	3,195,093	3,195,093	0	5,535,655	57.7%
2016	3,338,285	TBD	TBD	5,765,839	TBD
2017	3,515,356	TBD	TBD	5,827,731	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, 2014	As of July 1, 2015
1.	Value of Vested Benefits		
	Active Members	$11,704,542	$12,334,116
	Terminated Vested Members	0	7,571
	Retired Members	34,053,004	36,157,210
	Disabled Members	1,538,656	1,558,647
	Beneficiaries of Deceased Members	3,466,306	3,692,371
	Total Value of Vested Benefits	50,762,508	53,749,915
2.	Value of Non-Vested Benefits	1,134,457	959,858
3.	Total Value of Accrued Benefits: (1) + (2)	51,896,965	54,709,773
4.	Market Value of Assets	33,973,643	35,743,440
5.	Vested Funded Ratio: (4) / (1)	66.9%	66.5%
6.	Accrued Funded Ratio: (4) / (3)	65.5%	65.3%

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

Increase/(Decrease) during the 2014-2015 plan year attributable to:

Increase for interest due to the decrease in the discount period	$3,774,212
Benefits Accumulated/(Forfeited)	1,462,439
Benefit Payments	(3,206,231)
Plan Amendments	0
Changes in Actuarial Assumptions	782,388
Net Increase/(Decrease)	2,812,808

Value of Accrued Plan Benefits:

July 1, 2015	$54,709,773
July 1, 2014	51,896,965
Net Increase/(Decrease)	2,812,808

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, 2014	58	0	55	4	9	126
Terminated not vested	-	-	-	-	-	0
Terminated, benefits due	(1)	1	-	-	-	0
Retired	(3)	-	3	-	-	0
Died, with beneficiary	-	-	(1)	-	1	0
Died, no beneficiary	-	-	-	-	-	0
Paid refund	(1)	-	-	-	-	(1)
New member	1	-	-	-	-	1
New beneficiary	-	-	-	-	-	0
Correction	-	-	-	-	-	0
Count as of July 1, 2015	54	1	57	4	10	126

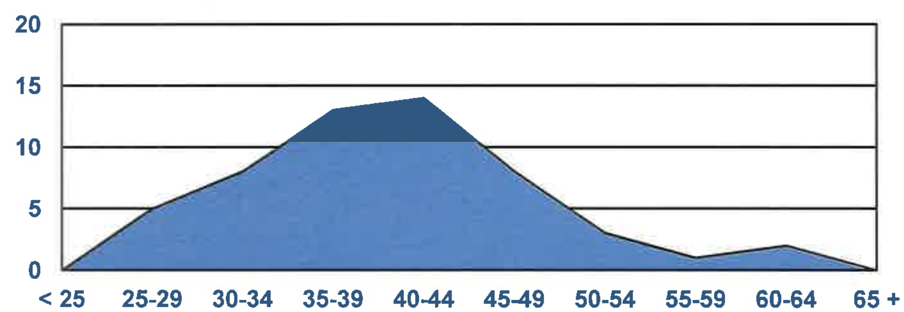
Section V - Membership Data
B. Statistics of Membership

	As of July 1, 2014	As of July 1, 2015
Active Members		
Number	58	54
Average Age	39.5	40.1
Average Service	10.4	11.0
Total Payroll	$5,765,839	$5,827,731
Average Payroll	99,411	107,921
Terminated Vested Members		
Number	0	1
Total Annual Benefit	$0	$0
Average Annual Benefit	0	0
Average Age	0.0	40.0
Retired Members		
Number	55	57
Total Annual Benefit	$2,712,256	$2,846,498
Average Annual Benefit	49,314	49,939
Average Age	62.9	62.9
Disabled Members		
Number	4	4
Total Annual Benefit	$132,175	$134,059
Average Annual Benefit	33,044	33,515
Average Age	52.5	53.5
Beneficiaries of Deceased Members		
Number	9	10
Total Annual Benefit	$288,996	$316,282
Average Annual Benefit	32,111	31,628
Average Age	67.2	68.9

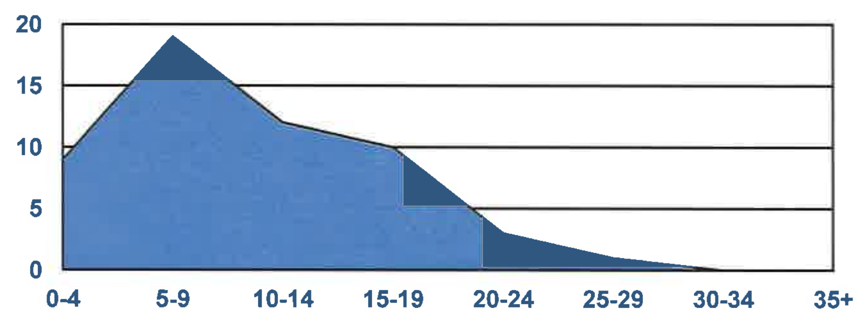
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2015 - Count

	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	4	1	0	0	0	0	0	0	5
30-34	2	5	1	0	0	0	0	0	8
35-39	1	7	2	3	0	0	0	0	13
40-44	2	3	6	3	0	0	0	0	14
45-49	0	0	2	3	3	0	0	0	8
50-54	0	1	1	1	0	0	0	0	3
55-59	0	1	0	0	0	0	0	0	1
60-64	0	1	0	0	0	1	0	0	2
65 +	0	0	0	0	0	0	0	0	0
Total	9	19	12	10	3	1	0	0	54

Distribution By Age



Distribution by Years of Service

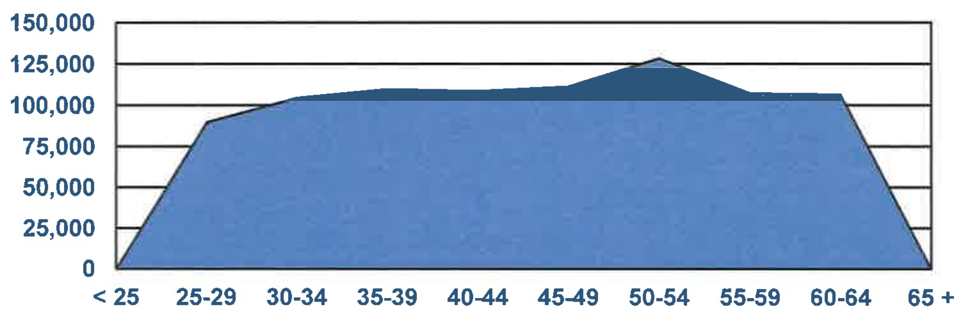


Section V - Membership Data

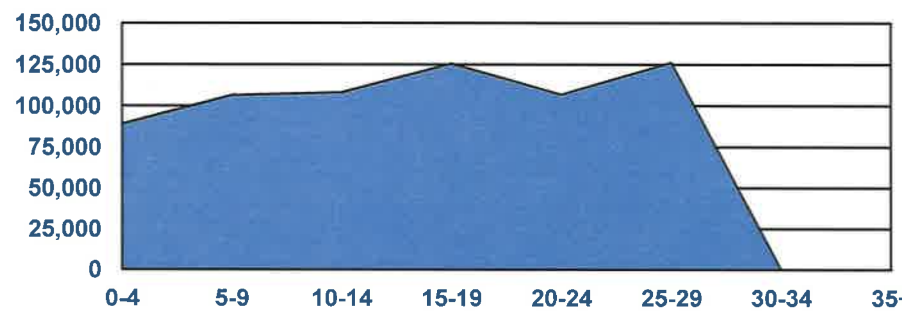
D. Distribution of Active Members as of July 1, 2015 - Average Pay

	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	86,939	100,921	0	0	0	0	0	0	89,736
30-34	109,113	105,585	89,456	0	0	0	0	0	104,451
35-39	94,659	106,068	123,888	113,972	0	0	0	0	109,756
40-44	70,352	122,265	108,002	121,900	0	0	0	0	108,658
45-49	0	0	100,598	122,761	106,961	0	0	0	111,295
50-54	0	91,824	112,274	180,724	0	0	0	0	128,274
55-59	0	107,268	0	0	0	0	0	0	107,268
60-64	0	86,744	0	0	0	126,216	0	0	106,480
65 +	0	0	0	0	0	0	0	0	0
Total	89,038	106,524	108,226	125,662	106,961	126,216	0	0	107,921

Distribution By Age



Distribution by Years of Service



Section V - Membership Data
E. Distribution of Inactive Members as of July 1, 2015

	Age	Number	Annual Benefits
Terminated Vested Members / Members Due Refunds	< 30	0	$0
	30 - 39	0	0
	40 - 49	1	0
	50 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	1	0
Retired Members	< 50	9	$503,734
	50 - 59	17	906,905
	60 - 69	12	591,570
	70 - 79	14	675,381
	80 - 89	5	168,910
	90 +	0	0
	Total	57	2,846,500
Disabled Members	< 50	1	$43,155
	50 - 59	2	69,268
	60 - 69	1	21,637
	70 - 79	0	0
	80 - 89	0	0
	90 +	0	0
	Total	4	134,060
Beneficiaries of Deceased Members	< 50	0	$0
	50 - 59	3	160,252
	60 - 69	2	68,959
	70 - 79	4	73,564
	80 - 89	1	13,508
	90 +	0	0
	Total	10	316,283

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 20 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: 7.375% Prior: 7.50%
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	None.
Retirement	50% in the first year eligible for Normal Retirement. 15% in each following year. 100% at age 65. For employees hired after January 1, 2007, no retirements are assumed prior to the completion of 25 years of service.
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.
Cost of Living Adjustment	1.50%
Worker's Compensation	10% of Final Average Earnings.

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.

Employee Contributions

8% of after tax earnings. For employees hired after October 1, 2013, 8.5% of after tax earnings effective July 1, 2015 and 9% of after tax earnings effective July 1, 2016. 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.

Continuous Service

The period of continuous employment with the Police Department beginning with the first of the month following date of employment measured in years and full months.

Final Average Earnings

Highest average earnings received in any three full calendar years.

Normal Retirement Date

Earlier of age 50 or completion of 20 years of service or for employees hired after October 1, 2013, age 45 and completion of 20 years of service. For employees hired after January 1, 2007 the completion of 25 years of service is required to be eligible for retiree medical benefits. For employees hired after January 1, 2007 but before October 1, 2013 the completion of 25 years of service is required to be eligible for cost of living adjustments.

Normal Retirement Benefit

2.5% of Final Average Earnings multiplied by Continuous Service. For employees hired after January 1, 2007 the benefit is capped at the lesser of 70% of base compensation in the year prior to retirement and 62.5% of Final Average Earnings.

Early Retirement Date

Age 45 and 10 years of Continuous Service.

Early Retirement Benefit

Benefit is based on Continuous Service and Final Average Earnings to actual retirement date actuarially reduced for early commencement.

Deferred Retirement Date

Members may continue to work beyond Normal Retirement.

Deferred Retirement Benefit

Benefit based on Continuous Service and Final Average Earnings to actual date of retirement.

Appendix C - Summary of Plan Provisions

Death Benefit Eligibility	Married Member (for at least one year) or with minor children. Age 25 with 1 year of Aggregate Service.
Death Benefit	35% of benefit accrued to date of death.
Disability Retirement	Members not covered under the Long Term Disability Contract.
Disability Retirement Benefit	60% of earnings at the time of disability, less Worker's Compensation.
Termination Benefit Eligibility	Ten years of Continuous Service.
Termination Benefit	Benefit accrued to date of termination with payment commencing on Normal Retirement Date.
Cost of Living Adjustment	One half of active salary increases.