UPDATED	
FUNDING	
IMPROVEMENT	
PLAN - 2016	

The purpose of this report is to present the Town of Scituate's updated funding improvement plan with regard to the Town of Scituate Retirement Plan for the Police Department Employees (the "Plan"). The Plan's funding improvement plan was originally established in 2012. This update reflects (a) the progress of the original funding improvement plan and (b) the Plan provision changes from the collective bargaining agreements effective for the period July 1, 2013 through June 30, 2015 and July 1, 2015 through June 30, 2018, as finalized and received by the Town of Scituate on November 18, 2015.

This funding improvement plan is based on the Plan's data as of the April 1, 2015, and projected to April 1, 2016.

This funding improvement plan includes future funding projections under the improved funding methods by the Town.

The discount rate and assumed rate of return on investments, unless otherwise noted, is assumed to be 7.50%.

Executive Summary

In accordance with the Rhode Island General Laws Section 45-65-6(2), and as requested by the Division of Municipal Finance on December 16, 2015, the Town of Scituate (the "Town") is submitting this updated Funding Improvement Plan for the Town of Scituate Retirement Plan for the Police Department Employees (the "Plan"). The Town has most recently completed the April 1, 2015 actuarial valuation on September 1, 2015, and an experience study as of March 25, 2015. Based on these results the funded status of the Plan was 36.1% as of April 1, 2015, and therefore, considered in critical status. This is an improvement of the Plan's funded status of 27.5% as of April 1, 2011, at the time the original funding improvement plan was established.

This report contains the Town's improvement plan and will describe the Town's plans to increase the Plan's funded status to the point it is no longer considered in critical status. Improvements include future funding projections under (a) improved funding methods by the Town and (b) benefit provision changes. The benefit provision changes detailed in the this improvement plan are provisions recently agreed upon in collective bargaining.

The Town has agreed to contribute the Annual Recommended Contribution to the Plan. If the current economic environment continues, the Plan can expect to reach 60% funded status by 2027 (see Exhibit A). The Town will continue negotiations with the Plan's union to ensure the funding level remains at a sustainable level, as necessary.

Changes to Plan Provisions Since 2012 Funding Improvement Plan

The Town and the International Brotherhood of Police Officers (IBPO) finalized their collective bargaining agreements effective for the period July 1, 2013 through June 30, 2015 and July 1, 2015 through June 30, 2018. The agreements were finalized and received by the Town of Scituate on November 18, 2015. The following is a summary of the changes to the Plan provisions as a results of the new CBAs:

Plan Changes:

- a. The annual cost of living adjustments (COLAs) is eliminated for participants hired after July 1, 2012. For participants who were hired on or before July 1, 2012 and retire on or after July 1, 2015, the COLA is based on a 3% non-compounded annual increase that begins in the fourth year following retirement.
- b. The normal retirement benefit is now based on a 3-year average of a Participant's base salary (was based on last single year).
- c. Annual employee contributions increase from 10% to 12%, effective July 1, 2015.
- d. Eligibility to enter the Plan is proposed to be closed to participants hired on or after July 1, 2014. Future employees will be enrolled in the Municipal Employees' Retirement System of Rhode Island ("MERS").

These Plan changes will be included in the April 1, 2016 actuarial valuation to be completed later in 2016 once census and asset data is available and the Plan document has been amended to reflect these changes. The forecasts included within this Updated Funding Improvement Plan are based on April 1, 2015 valuation, projected to April 1, 2016 assuming the Plan is amended to reflect the changes.

Current Funding Policy

The Town's current funding policy is to contribute at least the Annual Recommended Contribution (the "ARC") to the Plan on an annual basis.

Effective April 1, 2012, the ARC has been determined using a 7.50% discount rate, 4.00% growth assumption and a 25-year closed amortization. As of April 1, 2015, the amortization period will decrease to 22 years.

Active participants contribute 12% of covered payroll to the Plan each year. This contribution reduces the amount of contributions required by the Town to fund the ARC.

The projection of the active population, through results of the April 1, 2015 valuation, result in all active participants retiring by 2037. With the active population projected to be retired within 22 years, the Town has considered amortizing the unfunded liability over a closed period that is consistent with the expected career of active participants.

Exhibit A illustrates the forecast of the current funding schedule.

Exhibit B illustrates the forecast of the current funding schedule plus an additional \$100,000 per year.

Exhibit C and **Exhibit D** illustrate the forecast of the closed amortization, with a 4.00% growth assumption, under additional investment and liability measurement scenarios.

Future Funding	
Revenue Enhancements	

No actions have been determined at this time.

APPENDIX

EXHIBIT A	Projections of Current Plan Provisions Current Plan Provisions - 25 Year Closed Amortization - 4.00% Growth
EXHIBIT B	Projections of Current Plan Provisions Funding the ARC Plus an Additional \$100,000 Per Year
EXHIBIT C	Projections of Current Plan Provisions - Funding ARC Rate of return on investments is 7.00%
EXHIBIT D	Projections of Current Plan Provisions - Funding ARC Assumes 15% Investment Loss in 2016
EXHIBIT E	Summary of Future Funding Projections
EXHIBIT F	Summary of Future Town Contribution Projections
EXHIBIT G	Summary of Actuarial Assumptions Compared to the State

EXHIBIT A

Current Plan Provisions - 25 Year Closed Amortization - 4.00% Growth

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2015	718,361	821,754	13,220,333	4,771,187	8,449,146	551,802	198,687	750,489	91.3%	94,502	655,987	N/A	100.0%	36.1%	TBD	TBD
2016	763,094	965,954	12,896,548	5,131,971	7,764,577	523,539	178,980	702,519	72.7%	115,914	586,605	-11%	100.0%	39.8%	TBD	TBD
2017	771,106	838,525	13,255,144	5,425,293	7,829,851	546,253	184,616	730,869	87.2%	100,623	630,246	7%	100.0%	40.9%	TBD	TBD
2018	779,078	864,524	13,638,136	5,760,627	7,877,509	570,014	190,335	760,349	88.0%	103,743	656,605	4%	100.0%	42.2%	TBD	TBD
2019	788,016	890,882	14,047,482	6,142,294	7,905,188	594,883	196,139	791,022	88.8%	106,906	684,116	4%	100.0%	43.7%	TBD	TBD
2020	796,873	917,520	14,484,243	6,573,959	7,910,284	620,923	201,999	822,922	89.7%	110,102	712,820	4%	100.0%	45.4%	TBD	TBD
2021	805,719	944,391	14,950,616	7,060,682	7,889,934	648,203	207,910	856,113	90.7%	113,327	742,786	4%	100.0%	47.2%	TBD	TBD
2022	856,670	893,299	15,448,885	7,607,895	7,840,990	676,802	196,583	873,385	97.8%	107,196	766,189	3%	100.0%	49.2%	TBD	TBD
2023	865,154	918,085	15,919,768	8,160,400	7,759,368	706,749	202,029	908,778	99.0%	110,170	798,608	4%	100.0%	51.3%	TBD	TBD
2024	915,247	865,665	16,422,781	8,780,907	7,641,874	738,193	190,398	928,591	107.3%	103,880	824,711	3%	100.0%	53.5%	TBD	TBD
2025	923,250	888,157	16,899,341	9,415,637	7,483,704	771,180	195,337	966,517	108.8%	106,579	859,938	4%	100.0%	55.7%	TBD	TBD
2026	1,065,561	663,392	17,408,432	10,127,570	7,280,862	805,893	146,219	952,112	143.5%	79,607	872,505	1%	100.0%	58.2%	TBD	TBD
2027	1,073,349	680,832	17,756,719	10,730,400	7,026,319	842,254	150,040	992,294	145.7%	81,700	910,594	4%	100.0%	60.4%	TBD	TBD
2028	1,080,823	698,034	18,126,983	11,410,520	6,716,463	880,647	153,806	1,034,453	148.2%	83,764	950,689	4%	100.0%	62.9%	TBD	TBD
2029	1,087,937	714,919	18,521,140	12,176,031	6,345,109	921,302	157,499	1,078,801	150.9%	85,790	993,011	4%	100.0%	65.7%	TBD	TBD
2030	1,097,453	731,414	18,941,283	13,035,900	5,905,383	964,521	161,095	1,125,616	153.9%	87,770	1,037,846	5%	100.0%	68.8%	TBD	TBD
2031	1,265,968	450,889	19,386,760	13,997,171	5,389,589	1,010,733	97,592	1,108,325	245.8%	54,107	1,054,218	2%	100.0%	72.2%	TBD	TBD
2032	1,271,292	462,924	19,624,488	14,837,886	4,786,602	1,060,033	100,181	1,160,214	250.6%	55,551	1,104,663	5%	100.0%	75.6%	TBD	TBD
2033	1,388,818	271,741	19,877,189	15,788,003	4,089,186	1,113,858	55,548	1,169,406	430.3%	32,609	1,136,797	3%	100.0%	79.4%	TBD	TBD
2034	1,447,906	171,888	19,980,295	16,696,270	3,284,025	1,173,516	34,752	1,208,268	702.9%	20,627	1,187,641	4%	100.0%	83.6%	TBD	TBD
2035	1,447,164	176,119	20,008,098	17,650,031	2,358,067	1,243,491	35,589	1,279,080	726.3%	21,134	1,257,947	6%	100.0%	88.2%	TBD	TBD
2036	1,446,493	180,230	20,039,626	18,746,909	1,292,717	1,341,194	36,397	1,377,591	764.4%	21,628	1,355,962	8%	100.0%	93.5%	TBD	TBD
2037	1,548,530	0	20,075,053	20,025,260	49,793	51,660	0	51,660	N/A	0	51,660	-96%	100.0%	99.8%	TBD	TBD
2038	1,548,919	0	19,969,243	19,967,375	1,868	1,938	0	1,938	N/A	0	1,938	-96%	100.0%	100.0%	TBD	TBD
2039	1,546,981	0	19,855,093	19,855,022	71	74	0	74	N/A	0	74	-96%	100.0%	100.0%	TBD	TBD
2040	1,542,579	0	19,734,397	19,734,396	1	1	0	1	N/A	0	1	-99%	100.0%	100.0%	TBD	TBD
2041	1,535,538	0	19,609,231	19,609,230	1	1	0	1	N/A	0	1	0%	100.0%	100.0%	TBD	TBD
2042	1,525,739	0	19,482,004	19,482,004	0	0	0	0	N/A	0	0	-100%	N/A	100.0%	TBD	TBD
2043	1,513,053	0	19,355,432	19,355,432	0	0	0	0	N/A	0	0	N/A	N/A	100.0%	TBD	TBD
2044	1,497,395	0	19,232,569	19,232,569	0	0	0	0	N/A	0	0	N/A	N/A	100.0%	TBD	TBD
2045	1,478,717	0	19,116,785	19,116,785	0	0	0	0	N/A	0	0	N/A	N/A	100.0%	TBD	TBD

Contribution Total 2015-2045: 1,797,229 19,834,158 8.3% 91.7%

The above forecast is based on the April 1, 2015 actuarial valuation results and census, projected through April 1, 2016.

The above forecast is also based on terms of the collective bargaining agreements effective for the period July 1, 2013 through June 30, 2015 and July 1, 2015 through June 30, 2018.

The funding policy assumes:

Employee Share: Town Share:

12% of Compensation, effective July 1, 2015 Annual Recommended Contributon (ARC) based on 25 year closed amortization beginning in 2012, with 4.00% growth

Rate of return and discount rate assumed to be 7.50%.

* This amount has been estimated to increase at 3% annually for illustration purposes.

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Current Plan Provisions - Funding ARC Plus \$100,000 Per Year Until Fully Funded

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2015	718,361	821,754	13.220.333	4,771,187	8,449,146	551,802	198,687	750,489	91.3%	94,502	755,987	N/A	113.3%	36.1%	TBD	TBD
2016	763,094	965,954	12,896,548	5,231,971	7,664,577	516,796	178,980	695,776	72.0%	115,914	679,863	-10%	114.4%	40.6%	TBD	TBD
2017	771,106	838,525	13,255,144	5,626,051	7,629,093	532,247	184,616	716,863	85.5%	100,623	716,240	5%	113.9%	42.4%	TBD	TBD
2018	779,078	864,524	13,638,136	6,062,436	7,575,700	548,176	190,335	738,511	85.4%	103,743	734,767	3%	113.5%	44.5%	TBD	TBD
2019	788,016	890,882	14,047,482	6,544,901	7,502,581	564,586	196,139	760,725	85.4%	106,906	753,819	3%	113.1%	46.6%	TBD	TBD
2020	796,873	917,520	14,484,243	7,076,464	7,407,779	581,478	201,999	783,477	85.4%	110,102	773,375	3%	112.8%	48.9%	TBD	TBD
2021	805,719	944,391	14,950,616	7,661,430	7,289,186	598,848	207,910	806,758	85.4%	113,327	793,431	3%	112.4%	51.2%	TBD	TBD
2022	856,670	893,299	15,448,885	8,304,344	7,144,541	616,688	196,583	813,271	91.0%	107,196	806,075	2%	112.3%	53.8%	TBD	TBD
2023	865,154	918,085	15,919,768	8,948,969	6,970,799	634,924	202,029	836,953	91.2%	110,170	826,783	3%	111.9%	56.2%	TBD	TBD
2024	915,247	865,665	16,422,781	9,656,794	6,765,987	653,584	190,398	843,982	97.5%	103,880	840,101	2%	111.8%	58.8%	TBD	TBD
2025	923,250	888,157	16,899,341	10,372,606	6,526,735	672,566	195,337	867,903	97.7%	106,579	861,324	3%	111.5%	61.4%	TBD	TBD
2026	1,065,561	663,392	17,408,432	11,157,697	6,250,735	691,872	146,219		126.3%	79,607	858,484	0%	111.9%	64.1%	TBD	TBD
2027	1,073,349	680,832	17,756,719	11,823,766	5,932,953	711,191	150,040		126.5%	81,700	879,531	2%	111.6%	66.6%	TBD	TBD
2028	1,080,823	698,034	18,126,983	12,554,826	5,572,157	730,609	153,806		126.7%	83,764	900,651	2%	111.3%	69.3%	TBD	TBD
2029	1,087,937	714,919	18,521,140	13,356,122	5,165,018	749,954	157,499	907,453	126.9%	85,790	921,662	2%	111.0%	72.1%	TBD	TBD
2030	1,097,453	731,414	18,941,283	14,233,149	4,708,134	768,976	161,095	930,071	127.2%	87,770	942,301	2%	110.8%	75.1%	TBD	TBD
2031	1,265,968	450,889	19,386,760	15,188,669	4,198,091	787,286	97,592	884,878	196.3%	54,107	930,772	-1%	111.3%	78.3%	TBD	TBD
2032	1,271,292	462,924	19,624,488	15,995,300	3,629,188	803,715	100,181	903,896	195.3%	55,551	948,345	2%	111.1%	81.5%	TBD	TBD
2033	1,388,818	271,741	19,877,189	16,875,905	3,001,284	817,523	55,548		321.3%	32,609	940,462	-1%	111.5%	84.9%	TBD	TBD
2034	1,447,906	171,888	19,980,295	17,669,430	2,310,865	825,767	34,752	860,519	500.6%	20,627	939,892	0%	111.6%	88.4%	TBD	TBD
2035	1,447,164	176,119	20,008,098	18,448,429	1,559,669	822,468	35,589	858,057	487.2%	21,134	936,923	0%	111.7%	92.2%	TBD	TBD
2036	1,446,493	180,230	20,039,626	19,284,163	755,463	783,793	36,397	820,190	455.1%	21,628	849,835	-9%	106.3%	96.2%	TBD	TBD
2037	1,548,530	0	20,075,053	20,096,681	(21,628)	0	0	0	N/A	0	0	-100%	N/A	100.1%	TBD	TBD
2038	1,548,919	0	19,969,243	19,992,493	(23,250)	0	0		N/A	0	0	N/A		100.1%	TBD	TBD
2039	1,546,981	0	19,855,093	19,880,086	(24,993)	0	0		N/A	0	0	N/A	N/A	100.1%	TBD	TBD
2040	1,542,579	0	19,734,397	19,761,265	(26,868)	0	0		N/A	0	0	N/A	N/A	100.1%	TBD	TBD
2041	1,535,538	0	19,609,231	19,638,114	(28,883)	0	0		N/A	0	0	N/A		100.1%	TBD	TBD
2042	1,525,739	0	19,482,004	19,513,053	(31,049)	0	0		N/A	0	0	N/A		100.2%	TBD	TBD
2043	1,513,053	0	19,355,432	19,388,810	(33,378)	0	0		N/A	0	0	N/A		100.2%	TBD	TBD
2044	1,497,395	0	19,232,569	19,268,450	(35,881)	0	0		N/A	0	0	N/A	N/A	100.2%	TBD	TBD
2045	1,478,717	0	19,116,785	19,155,357	(38,572)	0	0	0	N/A	0	0	N/A	N/A	100.2%	TBD	TBD

Contribution Total 2015-2045: 1,797,229 18,590,623 8.8% 91.2%

The above forecast is based on the April 1, 2015 actuarial valuation results and census, projected through April 1, 2016.

The above forecast is also based on terms of the collective bargaining agreements effective for the period July 1, 2013 through June 30, 2015 and July 1, 2015 through June 30, 2018.

The funding policy assumes:

Employee Share: Town Share: 12% of Compensation, effective July 1, 2015 Annual Recommended Contributon (ARC) based on 25 year closed amortization beginning in 2012, with 4.00% growth

Rate of return and discount rate assumed to be 7.50%.

* This amount has been estimated to increase at 3% annually for illustration purposes.

EXHIBIT C

Current Plan Provisions - Investment Underperformance by 0.5% Each Year

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2015	718,361	821,754	13,220,333	4,771,187	8,449,146	551,802	198,687	750,489	91.3%	94,502	655,987	N/A	100.0%	36.1%	TBD	TBD
2016	763,094	965,954	12,896,548	5,110,060	7,786,488	525,017	178,980	703,997	72.9%	115,914	588,083	-10%	100.0%	39.6%	TBD	TBD
2017	771,106	838,525	13,255,144	5,379,733	7,875,411	549,431	184,616	734,047	87.5%	100,623	633,424	8%	100.0%	40.6%	TBD	TBD
2018	779,078	864,524	13,638,136	5,690,018	7,948,118	575,124	190,335	765,459	88.5%	103,743	661,715	4%	100.0%	41.7%	TBD	TBD
2019	788,016	890,882	14,047,482	6,045,159	8,002,323	602,193	196,139	798,332	89.6%	106,906	691,426	4%	100.0%	43.0%	TBD	TBD
2020	796,873	917,520	14,484,243	6,448,757	8,035,486	630,750	201,999	832,749	90.8%	110,102	722,647	5%	100.0%	44.5%	TBD	TBD
2021	805,719	944,391	14,950,616	6,905,831	8,044,785	660,925	207,910	868,835	92.0%	113,327	755,508	5%	100.0%	46.2%	TBD	TBD
2022	856,670	893,299	15,448,885	7,421,805	8,027,080	692,864	196,583	889,447	99.6%	107,196	782,252	4%	100.0%	48.0%	TBD	TBD
2023	865,154	918,085	15,919,768	7,941,627	7,978,141	726,676	202,029	928,705	101.2%	110,170	818,536	5%	100.0%	49.9%	TBD	TBD
2024	915,247	865,665	16,422,781	8,528,289	7,894,492	762,596	190,398	952,994	110.1%	103,880	849,114	4%	100.0%	51.9%	TBD	TBD
2025	923,250	888,157	16,899,341	9,128,313	7,771,028	800,787	195,337	996,124	112.2%	106,579	889,546	5%	100.0%	54.0%	TBD	TBD
2026	1,065,561	663,392	17,408,432	9,805,163	7,603,269	841,580	146,219	987,799	148.9%	79,607	908,192	2%	100.0%	56.3%	TBD	TBD
2027	1,073,349	680,832	17,756,719	10,373,360	7,383,359	885,053	150,040	1,035,093	152.0%	81,700	953,393	5%	100.0%	58.4%	TBD	TBD
2028	1,080,823	698,034	18,126,983	11,020,541	7,106,442	931,780	153,806	1,085,586	155.5%	83,764	1,001,822	5%	100.0%	60.8%	TBD	TBD
2029	1,087,937	714,919	18,521,140	11,755,761	6,765,379	982,325	157,499	1,139,824	159.4%	85,790	1,054,033	5%	100.0%	63.5%	TBD	TBD
2030	1,097,453	731,414	18,941,283	12,589,299	6,351,984	1,037,465	161,095	1,198,560	163.9%	87,770	1,110,789	5%	100.0%	66.5%	TBD	TBD
2031	1,265,968	450,889	19,386,760	13,530,044	5,856,716	1,098,335	97,592	1,195,927	265.2%	54,107	1,141,820	3%	100.0%	69.8%	TBD	TBD
2032	1,271,292	462,924	19,624,488	14,359,105	5,265,383	1,166,064	100,181	1,266,245	273.5%	55,551	1,210,694	6%	100.0%	73.2%	TBD	TBD
2033	1,388,818	271,741	19,877,189	15,310,992	4,566,197	1,243,792	55,548	1,299,340	478.2%	32,609	1,266,731	5%	100.0%	77.0%	TBD	TBD
2034	1,447,906	171,888	19,980,295	16,240,624	3,739,671	1,336,337	34,752	1,371,089	797.7%	20,627	1,350,462	7%	100.0%	81.3%	TBD	TBD
2035	1,447,164	176,119	20,008,098	17,245,751	2,762,347	1,456,682	35,589	1,492,271	847.3%	21,134	1,471,138	9%	100.0%	86.2%	TBD	TBD
2036	1,446,493	180,230	20,039,626	18,443,190	1,596,436	1,656,302	36,397	1,692,699	939.2%	21,628	1,671,071	14%	100.0%	92.0%	TBD	TBD
2037	1,548,530	0	20,075,053	19,925,573	149,480	155,086	0	,	N/A	0	155,086	-91%	100.0%	99.3%	TBD	TBD
2038	1,548,919	0	19,969,243	19,868,204	101,039	104,828	0		N/A	0	104,828	-32%	100.0%	99.5%	TBD	TBD
2039	1,546,981	0	19,855,093	19,756,157	98,936	102,646	0	- ,	N/A	0	102,646	-2%	100.0%	99.5%	TBD	TBD
2040	1,542,579	0	19,734,397	19,636,097	98,300	101,986	0		N/A	0	101,986	-1%	100.0%	99.5%	TBD	TBD
2041	1,535,538	0	19,609,231	19,511,541	97,690	101,353	0	. ,	N/A	0	101,353	-1%	100.0%	99.5%	TBD	TBD
2042	1,525,739	0	19,482,004	19,384,941	97,063	100,703	0		N/A	0	100,703	-1%	100.0%	99.5%	TBD	TBD
2043	1,513,053	0	19,355,432	19,259,000	96,432	100,048	0	,	N/A	0	100,048	-1%	100.0%	99.5%	TBD	TBD
2044	1,497,395	0	19,232,569	19,136,755	95,814	99,407	0	,	N/A	0	99,407	-1%	100.0%	99.5%	TBD	TBD
2045	1,478,717	0	19,116,785	19,021,564	95,221	98,792	0	98,792	N/A	0	98,792	-1%	100.0%	99.5%	TBD	TBD

Contribution Total 2015-2045: 1,797,229 22,153,232 7.5% 92.5%

The above forecast is based on the April 1, 2015 actuarial valuation results and census, projected through April 1, 2016. The above forecast is also based on terms of the collective bargaining agreements effective for the period July 1, 2013 through June 30, 2015 and July 1, 2015 through June 30, 2018.

The funding policy assumes:

Employee Share: Town Share: 12% of Compensation, effective July 1, 2015 Annual Recommended Contributon (ARC) based on 25 year closed amortization beginning in 2012, with 4.00% growth

Discount rate assumed to be 7.50%.

Rate of return assumed to be 7.00%.

* This amount has been estimated to increase at 3% annually for illustration purposes.

EXHIBIT D

Current Plan Provisions - 15% Investment Loss in 2016

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2015	718,361	821,754	13,220,333	4,771,187	8,449,146	551,802	198,687	750,489	91.3%	94,502	655,987	N/A	100.0%	36.1%	TBD	TBD
2016	763,094	965,954	12,896,548	4,146,004	8,750,544	590,020	178,980	769,000	79.6%	115,914	653,086	0%	100.0%	32.1%	TBD	TBD
2017	771,106	838,525	13,255,144	4,431,860	8,823,284	615,560	184,616	800,176	95.4%	100,623	699,553	7%	100.0%	33.4%	TBD	TBD
2018	779,078	864,524	13,638,136	4,761,993	8,876,143	642,275	190,335	832,610	96.3%	103,743	728,866	4%	100.0%	34.9%	TBD	TBD
2019	788,016	890,882	14,047,482	5,141,023	8,906,459	670,231	196,139	866,370	97.2%	106,906	759,465	4%	100.0%	36.6%	TBD	TBD
2020	796,873	917,520	14,484,243	5,572,942	8,911,301	699,498	201,999	901,497	98.3%	110,102	791,395	4%	100.0%	38.5%	TBD	TBD
2021	805,719	944,391	14,950,616	6,063,164	8,887,452	730,155	207,910	938,065	99.3%	113,327	824,738	4%	100.0%	40.6%	TBD	TBD
2022	856,670	893,299	15,448,885	6,617,515	8,831,370	762,288	196,583	958,871	107.3%	107,196	851,675	3%	100.0%	42.8%	TBD	TBD
2023	865,154	918,085	15,919,768	7,181,227	8,738,541	795,936	202,029	997,965	108.7%	110,170	887,795	4%	100.0%	45.1%	TBD	TBD
2024	915,247	865,665	16,422,781	7,817,483	8,605,298	831,258	190,398	1,021,656	118.0%	103,880	917,776	3%	100.0%	47.6%	TBD	TBD
2025	923,250	888,157	16,899,341	8,473,021	8,426,320	868,314	195,337	1,063,651	119.8%	106,579	957,072	4%	100.0%	50.1%	TBD	TBD
2026	1,065,561	663,392	17,408,432	9,211,392	8,197,040	907,302	146,219	1,053,521	158.8%	79,607	973,914	2%	100.0%	52.9%	TBD	TBD
2027	1,073,349	680,832	17,756,719	9,846,918	7,909,801	948,158	150,040	1,098,198	161.3%	81,700	1,016,498	4%	100.0%	55.5%	TBD	TBD
2028	1,080,823	698,034	18,126,983	10,566,681	7,560,302	991,289	153,806	1,145,095	164.0%	83,764	1,061,331	4%	100.0%	58.3%	TBD	TBD
2029	1,087,937	714,919	18,521,140	11,379,546	7,141,594	1,036,950	157,499	1,194,449	167.1%	85,790	1,108,659	4%	100.0%	61.4%	TBD	TBD
2030	1,097,453	731,414	18,941,283	12,295,327	6,645,956	1,085,479	161,095	1,246,574	170.4%	87,770	1,158,804	5%	100.0%	64.9%	TBD	TBD
2031	1,265,968	450,889	19,386,760	13,322,013	6,064,747	1,137,348	97,592	1,234,940	273.9%	54,107	1,180,833	2%	100.0%	68.7%	TBD	TBD
2032	1,271,292	462,924	19,624,488	14,238,706	5,385,782	1,192,728	100,181	1,292,909	279.3%	55,551	1,237,358	5%	100.0%	72.6%	TBD	TBD
2033	1,388,818	271,741	19,877,189	15,276,580	4,600,609	1,253,165	55,548	1,308,713	481.6%	32,609	1,276,104	3%	100.0%	76.9%	TBD	TBD
2034	1,447,906	171,888	19,980,295	16,285,798	3,694,497	1,320,195	34,752	1,354,947	788.3%	20,627	1,334,320	5%	100.0%	81.5%	TBD	TBD
2035	1,447,164	176,119	20,008,098	17,355,453	2,652,645	1,398,832	35,589	1,434,421	814.5%	21,134	1,413,288	6%	100.0%	86.7%	TBD	TBD
2036	1,446,493	180,230	20,039,626	18,585,579	1,454,047	1,508,574	36,397	1,544,971	857.2%	21,628	1,523,342	8%	100.0%	92.7%	TBD	TBD
2037	1,548,530	0	20,075,053	20,019,211	55,842	57,936	0	,	N/A	0	57,936	-96%	100.0%	99.7%	TBD	TBD
2038	1,548,919	0	19,969,243	19,967,149	2,094	2,173	0	2,173	N/A	0	2,173	-96%	100.0%	100.0%	TBD	TBD
2039	1,546,981	0	19,855,093	19,855,014	79	82	0	82	N/A	0	82	-96%	100.0%	100.0%	TBD	TBD
2040	1,542,579	0	19,734,397	19,734,395	2	2	0	2	N/A	0	2	-98%	100.0%	100.0%	TBD	TBD
2041	1,535,538	0	19,609,231	19,609,230	1	1	0	1	N/A	0	1	-50%	100.0%	100.0%	TBD	TBD
2042	1,525,739	0	19,482,004	19,482,004	0	0	0	0	N/A	0	0	-100%	N/A	100.0%	TBD	TBD
2043	1,513,053	0	19,355,432	19,355,432	0	0	0	0	N/A	0	0	N/A	N/A	100.0%	TBD	TBD
2044	1,497,395	0	19,232,569	19,232,569	0	0	0	0	N/A	0	0	N/A	N/A	100.0%	TBD	TBD
2045	1,478,717	0	19,116,785	19,116,785	0	0	0	0	N/A	0	0	N/A	N/A	100.0%	TBD	TBD

Contribution Total 2015-2045: 1,797,229 22,072,053 7.5% 92.5%

The above forecast is based on the April 1, 2015 actuarial valuation results and census, projected through April 1, 2016.

The above forecast is also based on terms of the collective bargaining agreements effective for the period July 1, 2013 through June 30, 2015 and July 1, 2015 through June 30, 2018.

The funding policy assumes:

Employee Share: Town Share:

12% of Compensation, effective July 1, 2015 Annual Recommended Contributon (ARC) based on 25 year closed amortization beginning in 2012, with 4.00% growth

Rate of return and discount rate assumed to be 7.50%, Except for a 15% loss in the Plan Year ending March 31, 2016.

* This amount has been estimated to increase at 3% annually for illustration purposes.

EXHIBIT E

Summary of Future Funding Projections

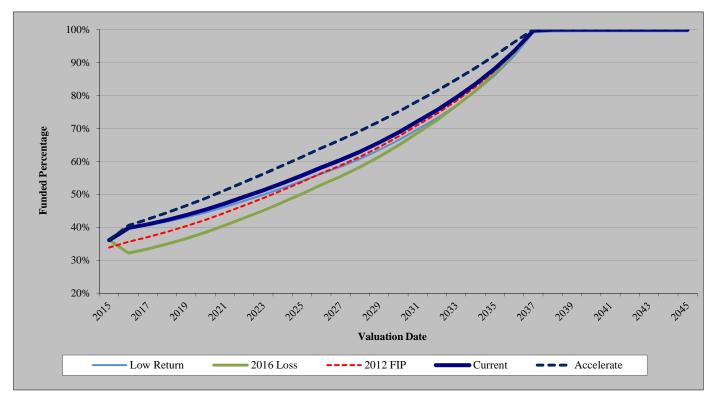


Chart <u>Indicator</u>	Funding Policy
Current	Current Funding Policy
Accelerate	Current Funding Policy Plus Additional \$100,000 Per Year
Low Return	Current Funding Policy Assumes 7.00% Return on Investments
2016 Loss	Current Funding Policy Assumes 15% Investment Loss through March 31, 2016 & 7.50% Investment Return in Future Years
2012 FIP	Projected Funding Percentage under 2012 Funding Improvement Plan (Exhibit B) Based on April 1, 2011 census, valuation and Plan provisions.

Funding projection results are based on a 7.50% discount rate to determine liabilities and Annual Required Contributions (ARC),

EXHIBIT F

Summary of Future Town Contribution Projections



2012 FIPProjected Funding Percentage under 2012 Funding Improvement Plan (Exhibit B)
Based on April 1, 2011 census, valuation and Plan provisions.

Funding projection results are based on a 7.50% discount rate to determine liabilities and Annual Required Contributions (ARC),

Methods and AssumptionsState of RhodeIsland - State Police			Town of Scituate Police Department	Actual Town Experience		
Valuation Date			April 1, 2015	n/a		
Actuarial Cost Method			Entry Age Normal	n/a		
Actuarial Value of Assets	of gains/(le	smoothing osses) over period	Market Value	n/a		
Discount Rate / (Investment Return)	7.5	0%	7.50%	Scituate's actual rate of return since April 1999 is 4.96%.		
Salary Increase	and (ii)	f (i) 3.75% service omponent:	4.00%	Recent CBAs were executed with 3.50% sala increases effective retroactive to July 1, 201		
	Service	Rate		In future years, it is expecte		
	0	4.25%		the salary scale will decreas		
	1-2	4.00%		to 3.50% per year.		
	3	8.00%				
	4	5.00%				
	5	3.25%				
	6-7 8-9	1.25% 1.00%				
	8-9 10-14	0.75%				
	15-19	0.50%				
	20-24	0.25%				
	25+	0.00%				
Termination Rates	No	one	None	There have been 4 terminations since		

Summary of Actuarial Assumptions Compared to the State

There have been 4 terminations since April 1, 2000, averaging 1.7% per year.

Summary of Actuarial Assumptions Compared to the State

Methods and Assumptions	State of Rhode Island - State Police	Town of Scituate Police Department	Actual Town Experience	
Disability Rates	Sample rates:AgeRate200.12%250.17%300.22%350.29%400.44%450.72%501.21%75% of disabilities are considered work related and result in retirement. Not work-related disabilities result in termination and refund.	Sample rates:AgeRate200.03%250.03%300.03%350.06%400.21%450.39%500.81%Occupational disabilityassumed to equal 3x the1974 Railroad RetirementBoard Incidence	There are currently 3 disabled participants in pay status. No disabilities have occurred since 1999.	
Mortality Rates	Post-retirement for healthy males (females) is 115% (95%) of RP-2000 Combined Healthy mortality table for males with white collar adjustments, projected with Scale AA from 2000 Pre-retirement is 75% of RP-2000 Combined Healthy mortality tables with white collar adjustment. 15% of active member deaths are assumed occupational. Disabled retirees use 60% of the PBGC Table Va/Via for males/females for Social Security disability	RP-2014 Blue Collar Employee/ Annuitant with MP-2014 Generational Improvement Scale for males and females. Effective for April 1, 2016, it is expected the Plan will use MP-2015 Generational Improvement Scale.	There has been only 4 retiree deaths since April 1, 2000.	

Methods and Assumptions	State of Rhode Island - State Police	Town of Scituate Police Department	Actual Town Experience		
Retirement Rates	Retirement rates differ for participants hired prior to July 1, 2007 (A) and hired after July 1, 2007 (B)	100% retirement assumed after 25 Years of Service.	Scituate has experienced retirements at various service markers.		
	ServiceAB2025%n/a2115%n/a2210%n/a2320%n/a2430%n/a25100%35%26100%25%27100%20%28100%30%29100%40%30100%100%				
Marriage Rates	85% of employees are assumed to be married. Males assumed to be 3 years older than females.	75% of employees are assumed to be married. Males assumed to be 4 years older than females.			
Calculation of Annual Required Contribution (ARC)	The unfunded liability is amortized over a 25-year closed period, assuming 7.50% discount rate and 3.75% growth.	The unfunded liability is amortized over a 25-year closed period, assuming 7.50% discount rate and 4.00% growth. The employee contributions are included in the determination of ARC.	N/A		

Summary of Actuarial Assumptions Compared to the State

A special meeting of the Town Council was held for the Town of Scituate on Wednesday, February 24, 2016 in the Town Council Chambers, 195 Danielson Pike, N. Scituate was called to order at 7:01 PM. Council President Collins was presiding.

After pledging allegiance to the flag of our country, Town Clerk Long called the roll. Roll call vote as follows:

Councilman Hurry – absent	Councilwoman Knight-Bianchi – absent
Councilwoman Frederickson – present	Councilman Campbell – present
Council Vice President Winfield – present	Council President Collins - present
Councilman D'Agostino – absent	

There was no audience participation.

Motion made by Councilman Campbell, seconded by Council Vice-President Winfield and voted to ratify the revised funding improvement plan ("FIP") submitted to the State of RI on February 12, 2016.

Councilwoman Frederickson – aye	Councilman Campbell – aye
Council Vice President Winfield – aye	Council President Collins – aye
Motion passes.	

General discussion regarding the status of SARCO, including, but not limited to the police issue of SARCO inclusion on the Town's run card, budgetary recommendations to be submitted and/or considered by the Town's budget Committee for funding SARCO, insurance coverage for SARCO members/volunteers, and related matters.

Council President Collins explained that several months ago SARCO was taken off the run card because they lost their insurance. Since that time they have found a new insurer and the Council said that they would go back on the run card once they obtained insurance. He said that the Town has received several bills from residents that had to be transported to the hospital in a non-Scituate rescue. He said that since SARCO has people that want to run why not put them back on the run card. He said that they historically have only been toned out for the Chopmist Hill area.

Adam Hebert, Chief N. Scituate Fire Department said that when they were running they would respond to calls in the N. Scituate area.

Mark Horner, Trimtown Road said that they are an illegal corperation and the license to do business has been revoked by the State.

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Town Treasurer Przybyla said that this should be verified.

Rocky Vaughn, 24 Ram Tail Road, Foster said that the Council is being misled by SARCO. He feels that they should not be reinstated until there is a full investigation and audit. He said that if he is wrong about them he will take back all of the negative things he has said about them.

Council President Collins said that the Town is going to incorporate the audits for the fire departments into our annual audit which will be going out to bid soon.

Town Treasurer Przybyla said that we can bid them together but feels they should be conducted separately.

Mark Horner, Trimtown Road asked if they have their insurance documents.

Town Solicitor D'Agostino said that they have valid insurance which they purchased themselves.

General discussion followed about the fact that our residents are getting charged when they have to use mutual aid rescue from another community but we don't bill their residents.

Council Vice-President Winfield said that maybe the Fire Chief's Association can look into this problem.

Councilman Campbell stated that the way he votes on this is not indicative of his support for future funding.

Council President Collins said that he was thinking to fund SARCO at amount they bring in through rescue billing. But, he said that decision has to be made by the Budget Committee.

Chief Randall said that the run card from 2014 will only allow them to be toned out for the Chopmist Hill and N. Scituate area. He said until a new card can be drawn up and signed by all of the Fire Chiefs the area that they can respond to will have to stay the same.

Council President Collins said to prepare another document and have everyone sign it.

Chief Hebert said that the run card should be looked at and clearly outline where other departments can respond.

Councilwoman Frederickson asked Chief Randall if he could email her a copy of the 2014 run card.

Motion made by Council Vice-President Winfield, seconded by Councilman Campbell and voted to reinstate SARCO on the run card and to tone them out for calls in the N. Scituate and Chopmist Hill areas only, providing they are in service.

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Councilwoman Frederickson - aye

Councilman Campbell – aye

Council Vice President Winfield – aye Motion passes.

Council President Collins - aye

Motion made by Councilman Campbell, seconded by Councilwoman Frederickson and voted to adjourn at 7:28 P.M. and to keep the minutes of the meeting previously closed to the public; closed pursuant to RIGL 42-46-4 and 42-46-5 and allow the Town Clerk 14 days to prepare the minutes of the meeting.

Councilwoman Frederickson – aye Council Vice President Winfield – aye Motion passes.

Councilman Campbell – aye Council President Collins – aye

`Attest:

Margaret McGraw Long, CMC

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Town Clerk

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FUNDING IMPROVEMENT PLAN - 2012

The purpose of this report is to present the Town of Scituate's funding improvement plan with regards to the Town of Scituate Retirement Plan for the Police Department Employees.

This funding improvement plan is based on the Plan's data as of the April 1, 2011 actuarial valuation - the most recent actuarial valuation completed.

This funding improvement plan includes future funding projections under (a) improved funding methods by the Town and (b) proposed benefit provision changes. The proposed benefit provision changes detailed in this improvement plan are current Town proposals to the Plan's union, and are subject to collective bargaining.

The discount rate and assumed rate of return on investments, unless otherwise noted, is assumed to be 7.50%. The revenue projection is assumed to grow at 3.00% annually.

Executive Summary

In accordance with the Rhode Island General Laws Section 45-65-6(2), the Town of Scituate (the "Town") is submitting this Funding Improvement Plan to the Locally-Administered Pension Plans Study Commission for the Town of Scituate Retirement Plan for the Police Department Employees (the "Plan"). The Town had completed an actuarial valuation and an experience study as of March 29, 2012. Based on these results the funded status of the Plan was 27.5% as of April 1, 2011, and therefore, considered in critical status.

This report contains the Town's improvement plan and will describe the Town's plans to increase the Plan's funded status to the point it is no longer considered in critical status. Improvements include future funding projections under (a) improved funding methods by the Town and (b) proposed benefit provision changes. The proposed benefit provision changes detailed in the this improvement plan are current Town proposals to the Plan's union, and are subject to collective bargaining.

It is currently anticipated that Town Proposal 2 will be the Town's improvement plan.

The Town has agreed to contribute the Annual Required Contribution (the "ARC") to the Plan. If the current economic environment continues, the Plan can expect to reach 60% funded status in approximately 17 years (see Exhibit D - Town Proposal 2). The Town will continue negotiations with the Plan's union to ensure the funding level remains at a sustainable level.

Current Funding

Prior to the completion of the Town's actuarial experience study in March 2012, the Town was contributing \$250,000 to the Plan in addition to matching the amount of employee contributions. The employees contribute 10% of covered compensation each year. The projected contribution for the fiscal year beginning April 1, 2011 was \$341,794.

Exhibit A illustrates the forecast of the prior funding schedule.

After the experience study was completed and the Town had an opportunity to review the Plan's projected funded levels, a decision was made to fund the Plan's ARC each year. The April 1, 2011 actuarial valuation determined the total Plan ARC to be \$738,709 under a 25-year open amortization with 4.00% growth assumed. Employee contributions are assumed to be \$105,000. The Town's share of the ARC is \$633,709 (\$738,709 - \$105,000). Beginning on April 1, 2012, the Town began funding quarterly contributions equal to 1/4th of the Town's share of the ARC minus the amount that will match the employee contributions (i.e., [\$633,709 - \$105,000]/4 = \$132,177.25), as well as paying matching contributions at the same timeframe employees pay their contributions.

Future Funding - Amortization

The April 1, 2011 actuarial valuation was prepared using a 7.50% discount rate, 4.00% growth assumption (same rate as salary scale assumption) and a 25-year open amortization. Resulting projections of the closed population and static return conclude that the amortization of the unfunded liability on an open amortization basis is unsustainable, with the funded status never exceeding 27.5%.

The projection of the active population, through results of the April 1, 2011 valuation, result in all active participants retiring by 2034. With the active population projected to be retired within 23 years, the Town has considered amortizing the unfunded liability over a closed period of at most 25 years.

Exhibit B illustrates the forecast of the 25-year closed amortization under a 4.00% growth assumption.

The Town generally was contributing \$350,000 per year for the past 6 years - the Town must make changes to (a) reduce the Town's budget and increase revenue to afford the increasing contributions and (b) reduce the rate of benefits accruals under the Plan.

Future Funding Revenue Enhancements

No actions have been determined at this time.

Future Funding	
Changes to Plan Provisions	

To decrease the rate in which future benefits are accrued under the Plan, in order to reduce the Plan underfunded status, the Town has proposed the following changes to Plan provisions, subject to ongoing collective bargaining with the International Brotherhood of Police Officers (IBPO). If collective bargaining results in impasse on the Town's proposals to the IBPO, then under the Municipal Police Arbitration Act, the impasse shall be subject to binding interest arbitration. Ultimately, the arbitrators shall decide whether to adopt the Town's proposals to reform the Plan as addressed below.

Town Proposal 1

- a. Currently, the annual cost of living adjustments (COLAs) for future retirees is 3% non-compounded. The Town's proposal is to eliminate the COLAs for future retirees.
- b. The normal retirement benefit is currently 2.5% of final salary for the first 20 years plus an additional 2.0% of final salary for the next 5 years (for participants hired after July 1, 2000, the benefit is 2.4% of final salary for the first 25 years). The maximum benefit is 60% of final salary. The Town's proposal would have a fresh start with all participants' benefits equal to (i) plus (ii) where: (i) equals the accrued benefit as of June 30, 2012 under the current formula and (ii) equals annual accruals equal to 2.0% of salary for each year of service to a maximum of 25 years (including service prior to June 30, 2012).
- c. Annual employee contributions would increase from 10% currently, to a proposed 15%.
- d. Eligibility to enter the Plan is proposed to be closed as of July 1, 2012. This proposal does not impact the projections within this improvement plan since the projections are based on a closed census as of April 1, 2011.

Exhibit C illustrates the forecast of the 25-year closed amortization under a 4.00% growth assumption for the Town Proposal 1.

It has been projected that for the fiscal year ending March 31, 2013 ("FYE 13"), the changes to the plan provisions outlined in Town Proposal 1 will significantly decrease the cost of liabilities and the Town's projected contributions. The estimated FYE 13 results are:

	Current Plan Provisions	Town Proposal 1
Plan Normal Cost	\$249,032	\$146,848
Actuarial Accrued Liability	\$11,914,710	\$10,397,457
Unfunded Liability	\$8,663,654	\$7,146,401
Funded Percentage	27.3%	31.3%
Employee Contributions	\$95,108	\$142,662
Town Contributions	\$673,860	\$433,065
Total ARC	\$768,968	\$575,727

Future Funding Changes to Plan Provisions (cont'd)

An alternative proposal has also been reviewed. The features of this proposal are:

Town Proposal 2

This alternative plan design is expected to be the Plan's provisions in the future, and if agreed upon by the Town and IBPO, will result in a Plan amendment to effectuate the changes.

- a. Currently, the annual cost of living adjustments (COLAs) for future retirees is 3% non-compounded. The alternative proposal is to be 2%, and continues to be non-compounded.
- b. The normal retirement benefit is currently 2.5% of final salary for the first 20 years plus an additional 2.0% of final salary for the next 5 years (for participants hired after July 1, 2000, the benefit is 2.4% of final salary for the first 25 years). The maximum benefit is 60% of final salary. The alternative proposal is to change future accruals to 2.0% per year of service (continue 60% maximum), and change the salary to be a final 5 year average. The June 30, 2012 accrued benefit based on the single final salary would remain the minimum benefit.
- c. Annual employee contributions would increase from 10% currently, to a proposed 12%.

Exhibit D illustrates the forecast of the 25-year closed amortization under a 4.00% growth assumption for the Alternative Proposal 2.

The estimated FYE 13 results of the Town Proposal 2 are:

[Current Plan Provisions	Town Proposal 2
Plan Normal Cost	\$249,032	\$215,184
Actuarial Accrued Liability	\$11,914,710	\$11,232,304
Unfunded Liability	\$8,663,654	\$7,981,248
Funded Percentage	27.3%	28.9%
Employee Contributions	\$95,108	\$114,129
Town Contributions	\$673,860	\$580,036
Total ARC	\$768,968	\$694,165

Future Funding Changes to Plan Provisions (cont'd)

Another scenario may be considered is to fully freeze all future benefit accruals. For illustration purposes, it is assumed the Plan freezes benefit accruals as of March 31, 2012.

Exhibit E illustrates the forecast of the 25-year closed amortization under a 4.00% growth assumption for the hard freeze scenario.

The estimated FYE 13 results of the hard freeze scenario are:

	Current Plan Provisions	Hard Freeze at 3/31/2012
Plan Normal Cost	\$249,032	\$0
Actuarial Accrued Liability	\$11,914,710	\$10,246,751
Unfunded Liability	\$8,663,654	\$6,995,695
Funded Percentage	27.3%	31.7%
Employee Contributions	\$95,108	\$0
Town Contributions	\$673,860	\$419,836
Total ARC	\$768,968	\$419,836

Consideration of Transfer	
to MERS	

An alternative that was considered was to fully freeze all benefit accruals under the Plan, and transfer current and future employees to the Municipal Employees' Retirement System of Rhode Island ("MERS").

The Town has contacted the State Retirement Board and has asked the Board to provide cost estimates for transitioning the Plan to MERS. Detailed census information has been provided to the Board; however the Town has not yet received the cost estimates.

APPENDIX

EXHIBIT A	Projections of Current Plan Provisions Contribution of \$250,000 plus employee contribution and match
EXHIBIT B	Projections of Current Plan Provisions - Funding ARC
EXHIBIT C	Projections of Town Proposal 1
EXHIBIT D	Projections of Town Proposal 2
EXHIBIT E	Projections of Hard Freeze as of March 31, 2012
EXHIBIT F-1	Projections of Current Plan Provisions - Funding ARC (compared to Exhibit B) Rate of return on investments is 7.00%
EXHIBIT F-2	Projections of Current Plan Provisions - Funding ARC (compared to Exhibit B and F-1) Rate of return on investments is 7.00% and the discount rate is 7.00%
EXHIBIT G	Summary of Future Funding Projections
EXHIBIT H	Summary of Future Town Contribution Projections
EXHIBIT I	Summary of Actuarial Assumptions Compared to the State
EXHIBIT J	Plan Provisions and Proposed Changes

Current Plan Provisions - Contribution of \$250,000 Plus Employee Contribution and Match

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2011	518,040	917,936	11,348,767	3,122,375	8,226,392	493,694	245,015	738,709	80.5%	91,794	341,794	N/A	58.7%	27.5%	TBD	TBD
2012	528,203	951,078	11,914,710	3,251,056	8,663,654	519,936	249,032	768,968	80.9%	95,108	345,108	1%	57.2%	27.3%	32,857,221	1.1%
2013	576,665	924,850	12,516,685	3,385,440	9,131,245	547,997	241,567	789,564	85.4%	92,485	342,485	-1%	55.1%	27.0%	34,000,000	1.0%
2014	632,934	883,255	13,105,643	3,474,226	9,631,417	578,014	230,520	808,534	91.5%	88,326	338,326	-1%	52.8%	26.5%	35,000,000	1.0%
2015	695,865	829,738	13,668,772	3,502,798	10,165,974	610,095	216,876	826,971	99.7%	82,974	332,974	-2%	50.3%	25.6%	36,000,000	0.9%
2016	791,287	721,811	14,194,510	3,457,321	10,737,189	644,376	189,937	834,313	115.6%	72,181	322,181	-3%	47.3%	24.4%	37,000,000	0.9%
2017	803,112	748,465	14,632,468	3,287,549	11,344,919	680,847	196,958	877,805	117.3%	74,847	324,847	1%	45.5%	22.5%	38,000,000	0.9%
2018	814,728	775,774	15,098,241	3,098,071	12,000,170	720,171	204,154	924,325	119.1%	77,577	327,577	1%	43.8%	20.5%	39,000,000	0.8%
2019	826,320	803,710	15,594,316	2,887,754	12,706,562	762,565	211,517	974,082	121.2%	80,371	330,371	1%	42.2%	18.5%	40,000,000	0.8%
2020	837,861	832,218	16,123,163	2,655,188	13,467,975	808,259	219,029	1,027,288	123.4%	83,222	333,222	1%	40.5%	16.5%	42,000,000	0.8%
2021	849,403	861,265	16,687,447	2,398,872	14,288,575	857,506	226,688	1,084,194	125.9%	86,127	336,127	1%	38.9%	14.4%	43,000,000	0.8%
2022	911,589	807,940	17,289,976	2,117,131	15,172,845	910,574	212,624	1,123,198	139.0%	80,794	330,794	-2%	36.6%	12.2%	44,000,000	0.8%
2023	923,741	835,209	17,858,411	1,738,882	16,119,529	967,388	219,822	1,187,210	142.1%	83,521	333,521	1%	35.1%	9.7%	45,000,000	0.7%
2024	986,537	779,836	18,464,292	1,325,072	17,139,220	1,028,584	205,203	1,233,787	158.2%	77,984	327,984	-2%	32.9%	7.2%	47,000,000	0.7%
2025	999,169	805,026	19,035,119	803,805	18,231,314	1,094,124	211,856	1,305,980	162.2%	80,503	429,530	31%	39.1%	4.2%	48,000,000	0.9%
2026	1,176,346	563,425	19,642,506	334,363	19,308,143	1,158,747	149,258	1,308,005	232.2%	56,343	1,059,784	147%	85.3%	1.7%	50,000,000	2.1%
2027	1,188,798	582,736	20,046,212	251,433	19,794,779	1,187,952	154,381	1,342,333	230.4%	58,274	1,167,628	10%	91.3%	1.3%	51,000,000	2.3%
2028	1,200,347	602,256	20,472,546	259,100	20,213,446	1,213,078	159,560	1,372,638	227.9%	60,226	1,177,168	1%	90.1%	1.3%	53,000,000	2.2%
2029	1,211,461	621,851	20,924,204	266,815	20,657,389	1,239,720	164,761	1,404,481	225.9%	62,185	1,186,211	1%	88.9%	1.3%	54,000,000	2.2%
2030	1,221,838	641,458	21,403,559	274,545	21,129,014	1,268,024	169,966	1,437,990	224.2%	64,146	1,194,450	1%	87.5%	1.3%	56,000,000	2.1%
2031	1,475,237	265,467	21,913,460	282,256	21,631,204	1,298,163	70,774	1,368,937	515.7%	26,547	1,355,787	14%	101.0%	1.3%	58,000,000	2.3%
2032	1,485,424	273,748	22,095,133	150,590	21,944,543	1,316,967	72,979	1,389,946	507.7%	27,375	1,510,563	11%	110.6%	0.7%	59,000,000	2.6%
2033	1,608,807	100,878	22,282,116	154,053	22,128,063	1,327,980	25,074	1,353,054	1341.3%	10,088	1,589,841	5%	118.2%	0.7%	61,000,000	2.6%
2034	1,680,104	0	22,305,090	91,371	22,213,719	1,333,121	0	1,333,121	N/A	0	1,707,888	7%	128.1%	0.4%	63,000,000	2.7%
2035	1,686,338	0	22,229,614	57,754	22,171,860	1,330,609	0	1,330,609	N/A	0	1,750,728	3%	131.6%	0.3%	65,000,000	2.7%
2036	1,690,497	0	22,141,989	57,968	22,084,021	1,325,338	0	1,325,338	N/A	0	1,754,969	0%	132.4%	0.3%	67,000,000	2.6%
2037	1,692,429	0	22,043,465	58,111	21,985,354	1,319,417	0	1,319,417	N/A	0	1,756,892	0%	133.2%	0.3%	69,000,000	2.5%
2038	1,691,948	0	21,935,541	58,177	21,877,364	1,312,936	0	1,312,936	N/A	0	1,756,304	0%	133.8%	0.3%	71,000,000	2.5%
2039	1,688,902	0	21,820,023	58,161	21,761,862	1,306,004	0	1,306,004	N/A	0	1,753,047	0%	134.2%	0.3%	73,000,000	2.4%
2040	1,683,133	0	21,699,011	58,056	21,640,955	1,298,748	0	1,298,748	N/A	0	1,746,958	0%	134.5%	0.3%	75,000,000	2.3%
2041	1,674,510	0	21,574,927	57,858	21,517,069	1,291,313	0	1,291,313	N/A	0	1,737,901	-1%	134.6%	0.3%	77,000,000	2.3%

10% of Compensation

1,521,204	28,961,165
5.0%	95.0%
	,. , .

The funding policy assumes:

Employee Share: Town Share:

\$250,000 plus 10% of Compensation (but no less than the amount needed to pay for benefit payments if Plan Trust is insufficient)

Rate of return and discount rate assumed to be 7.50%.

* This amount has been estimated to increase at 3% annually for illustration purposes.

The above forecast is based on the April 1, 2011 actuarial valuation results and census.

EXHIBIT B

Current Plan Provisions - 25 Year Closed Amortization - 4.00% Growth

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2011	518,040	917,936	11,348,767	3,122,375	8,226,392	493,694	245,015	738,709	80.5%	91,794	341,794	N/A	58.7%	27.5%	TBD	TBD
2012	528,203	951,078	11,914,710	3,251,056	8,663,654	519,936	249,032	768,968	80.9%	95,108	673,860	97%	100.0%	27.3%	32,857,221	2.1%
2013	576,665	924,850	12,516,685	3,714,192	8,802,493	542,448	241,567	784,015	84.8%	92,485	691,530	3%	100.0%	29.7%	34,000,000	2.0%
2014	632,934	883,255	13,105,643	4,176,679	8,928,964	565,939	230,520	796,459	90.2%	88,326	708,133	2%	100.0%	31.9%	35,000,000	2.0%
2015	695,865	829,738	13,668,772	4,627,742	9,041,030	590,458	216,876	807,334	97.3%	82,974	724,360	2%	100.0%	33.9%	36,000,000	2.0%
2016	791,287	721,811	14,194,510	5,058,022	9,136,488	616,043	189,937	805,980	111.7%	72,181	733,799	1%	100.0%	35.6%	37,000,000	2.0%
2017	803,112	748,465	14,632,468	5,419,921	9,212,547	642,716	196,958	839,674	112.2%	74,847	764,827	4%	100.0%	37.0%	38,000,000	2.0%
2018	814,728	775,774	15,098,241	5,830,351	9,267,890	670,621	204,154	874,775	112.8%	77,577	797,198	4%	100.0%	38.6%	39,000,000	2.0%
2019	826,320	803,710	15,594,316	6,294,576	9,299,740	699,825	211,517	911,342	113.4%	80,371	830,971	4%	100.0%	40.4%	40,000,000	2.1%
2020	837,861	832,218	16,123,163	6,818,122	9,305,041	730,405	219,029	949,434	114.1%	83,222	866,212	4%	100.0%	42.3%	42,000,000	2.1%
2021	849,403	861,265	16,687,447	7,407,016	9,280,431	762,438	226,688	989,126	114.8%	86,127	902,999	4%	100.0%	44.4%	43,000,000	2.1%
2022	911,589	807,940	17,289,976	8,067,758	9,222,218	796,024	212,624	1,008,648	124.8%	80,794	927,854	3%	100.0%	46.7%	44,000,000	2.1%
2023	923,741	835,209	17,858,411	8,732,866	9,125,545	831,183	219,822	1,051,005	125.8%	83,521	967,484	4%	100.0%	48.9%	45,000,000	2.1%
2024	986,537	779,836	18,464,292	9,477,568	8,986,724	868,106	205,203	1,073,309	137.6%	77,984	995,325	3%	100.0%	51.3%	47,000,000	2.1%
2025	999,169	805,026	19,035,119	10,235,080	8,800,039	906,829	211,856	1,118,685	139.0%	80,503	1,038,182	4%	100.0%	53.8%	48,000,000	2.2%
2026	1,176,346	563,425	19,642,506	11,081,636	8,560,870	947,575	149,258	1,096,833	194.7%	56,343	1,040,490	0%	100.0%	56.4%	50,000,000	2.1%
2027	1,188,798	582,736	20,046,212	11,785,457	8,260,755	990,229	154,381	1,144,610	196.4%	58,274	1,086,336	4%	100.0%	58.8%	51,000,000	2.1%
2028	1,200,347	602,256	20,472,546	12,576,883	7,895,663	1,035,266	159,560	1,194,826	198.4%	60,226	1,134,601	4%	100.0%	61.4%	53,000,000	2.1%
2029	1,211,461	621,851	20,924,204	13,465,865	7,458,339	1,082,938	164,761	1,247,699	200.6%	62,185	1,185,515	4%	100.0%	64.4%	54,000,000	2.2%
2030	1,221,838	641,458	21,403,559	14,462,828	6,940,731	1,133,624	169,966	1,303,590	203.2%	64,146	1,239,445	5%	100.0%	67.6%	56,000,000	2.2%
2031	1,475,237	265,467	21,913,460	15,579,656	6,333,804	1,187,810	70,774	1,258,584	474.1%	26,547	1,232,037	-1%	100.0%	71.1%	58,000,000	2.1%
2032	1,485,424	273,748	22,095,133	16,471,546	5,623,587	1,245,405	72,979	1,318,384	481.6%	27,375	1,291,008	5%	100.0%	74.5%	59,000,000	2.2%
2033	1,608,807	100,878	22,282,116	17,479,526	4,802,590	1,308,169	25,074	1,333,243	1321.6%	10,088	1,323,156	2%	100.0%	78.4%	61,000,000	2.2%
2034	1,680,104	0	22,305,090	18,449,570	3,855,520	1,377,730	0	1,377,730	N/A	0	1,377,730	4%	100.0%	82.7%	63,000,000	2.2%
2035	1,686,338	0	22,229,614	19,462,660	2,766,954	1,459,141	0	1,459,141	N/A	0	1,459,141	6%	100.0%	87.6%	65,000,000	2.2%
2036	1,690,497	0	22,141,989	20,626,655	1,515,334	1,572,159	0	1,572,159	N/A	0	1,572,159	8%	100.0%	93.2%	67,000,000	2.3%
2037	1,692,429	0	22,043,465	21,986,640	56,825	58,956	0	58,956	N/A	0	58,956	-96%	100.0%	99.7%	69,000,000	0.1%
2038	1,691,948	0	21,935,541	21,933,410	2,131	2,211	0	2,211	N/A	0	2,211	-96%	100.0%	100.0%	71,000,000	0.0%
2039	1,688,902	0	21,820,023	21,819,943	80	83	0	83	N/A	0	83	-96%	100.0%	100.0%	73,000,000	0.0%
2040	1,683,133	0	21,699,011	21,699,008	3	3	0	3	N/A	0	3	-96%	100.0%	100.0%	75,000,000	0.0%
2041	1,674,510	0	21,574,927	21,574,926	1	1	0	1	N/A	0	1	-67%	100.0%	100.0%	77,000,000	0.0%

10% of Compensation

Contribution Total 2012-2041:	1,521,204	25,625,606
	5.6%	94.4%

The above forecast is based on the April 1, 2011 actuarial valuation results and census.

The funding policy assumes:

Employee Share: Town Share:

Annual Required Contributon (ARC) based on 25 year closed amortization, with 4.00% growth

Rate of return and discount rate assumed to be 7.50%.

* This amount has been estimated to increase at 3% annually for illustration purposes.

EXHIBIT C

Town Proposal 1 - 25 Year Closed Amortization - 4.00% Growth

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2011	518,040	917,936	11,348,767	3,122,375	8,226,392	493,694	245,015	738,709	80.5%	91,794	341,794	N/A	58.7%	27.5%	TBD	TBD
2012	528,183	951,078	10,397,457	3,251,056	7,146,401	428,880	146,848	575,728	60.5%	142,662	433,065	27%	100.0%	31.3%	32,857,221	1.3%
2013	573,430	924,850	10,779,782	3,520,972	7,258,810	447,319	139,791	587,110	63.5%	138,728	448,382	4%	100.0%	32.7%	34,000,000	1.3%
2014	625,134	883,255	11,136,383	3,775,429	7,360,954	466,554	130,107	596,661	67.6%	132,488	464,173	4%	100.0%	33.9%	35,000,000	1.3%
2015	680,404	829,738	11,455,891	4,004,717	7,451,174	486,626	118,749	605,375	73.0%	124,461	480,914	4%	100.0%	35.0%	36,000,000	1.3%
2016	765,854	721,811	11,730,079	4,202,400	7,527,679	507,566	96,940	604,506	83.7%	108,272	496,234	3%	100.0%	35.8%	37,000,000	1.3%
2017	772,955	748,465	11,913,311	4,325,119	7,588,192	529,393	100,507	629,900	84.2%	112,270	517,629	4%	100.0%	36.3%	38,000,000	1.4%
2018	779,741	775,774	12,106,593	4,475,046	7,631,547	552,217	104,163	656,380	84.6%	116,366	540,014	4%	100.0%	37.0%	39,000,000	1.4%
2019	786,381	803,710	12,311,097	4,655,636	7,655,461	576,090	107,901	683,991	85.1%	120,557	563,434	4%	100.0%	37.8%	40,000,000	1.4%
2020	792,850	832,218	12,527,903	4,870,472	7,657,431	601,075	111,710		85.6%	124,833	587,951	4%	100.0%	38.9%	42,000,000	1.4%
2021	799,195	861,265	12,758,184	5,123,482	7,634,702	627,232	115,591	742,823	86.2%	129,190	613,633	4%	100.0%	40.2%	43,000,000	1.4%
2022	840,690	807,940	13,003,154	5,418,904	7,584,250	654,642	106,963	761,605	94.3%	121,191	640,414	4%	100.0%	41.7%	44,000,000	1.5%
2023	846,393	835,209	13,214,377	5,712,084	7,502,293	683,332	110,553	793,885	95.1%	125,281	668,604	4%	100.0%	43.2%	45,000,000	1.5%
2024	885,228	779,836	13,439,226	6,053,598	7,385,628	713,443	102,233	815,676	104.6%	116,975	698,701	5%	100.0%	45.0%	47,000,000	1.5%
2025	890,143	805,026	13,631,906	6,402,103	7,229,803	745,018	105,510		105.7%	120,754	729,774	4%	100.0%	47.0%	48,000,000	1.5%
2026	996,232	563,425	13,837,317	6,806,484	7,030,833	778,220	71,262	849,482	150.8%	84,514	764,968	5%	100.0%	49.2%	50,000,000	1.5%
2027	997,604	582,736	13,912,249	7,129,748	6,782,501	813,029	73,705	886,734	152.2%	87,410	799,324	4%	100.0%	51.2%	51,000,000	1.6%
2028	998,106	602,256	13,993,906	7,513,081	6,480,825	849,755	76,175	925,930	153.7%	90,338	835,592	5%	100.0%	53.7%	53,000,000	1.6%
2029	997,999	621,851	14,083,723	7,963,838	6,119,885	888,597	78,655	967,252	155.5%	93,278	873,974	5%	100.0%	56.5%	54,000,000	1.6%
2030	997,081	641,458	14,182,957	8,489,835	5,693,122	929,853	81,137	1,010,990	157.6%	96,219	914,771	5%	100.0%	59.9%	56,000,000	1.6%
2031	1,132,517	265,467	14,293,161	9,099,975	5,193,186	973,904	33,138	1,007,042	379.3%	39,820	967,222	6%	100.0%	63.7%	58,000,000	1.7%
2032	1,126,724	273,748	14,220,958	9,610,990	4,609,968	1,020,928	34,171	1,055,099	385.4%	41,062	1,014,037	5%	100.0%	67.6%	59,000,000	1.7%
2033	1,181,176	100,878	14,150,439	10,214,416	3,936,023	1,072,127	11,886	1,084,013	1074.6%	15,132	1,068,880	5%	100.0%	72.2%	61,000,000	1.8%
2034	1,206,311	0	13,994,876	10,835,348	3,159,528	1,129,025	0	, . ,	N/A	0	1,129,025	6%	100.0%	77.4%	63,000,000	1.8%
2035	1,193,563	0	13,789,174	11,521,707	2,267,467	1,195,740	0	, ,	N/A	0	1,195,740	6%	100.0%	83.6%	65,000,000	1.8%
2036	1,178,939	0	13,581,311	12,339,524	1,241,787	1,288,354	0	,,	N/A	0	1,288,354	8%	100.0%	90.9%	67,000,000	1.9%
2037	1,162,376	0	13,373,076	13,326,509	46,567	48,313	0	-)	N/A	0	48,313	-96%	100.0%	99.7%	69,000,000	0.1%
2038	1,143,802	0	13,166,459	13,164,713	1,746	1,811	0	, -	N/A	0	1,811	-96%	100.0%	100.0%	71,000,000	0.0%
2039	1,123,177	0	12,963,674	12,963,609	65	67	0	67	N/A	0	67	-96%	100.0%	100.0%	73,000,000	0.0%
2040	1,100,455	0	12,767,144	12,767,141	3	3	0		N/A	0	3	-96%	100.0%	100.0%	75,000,000	0.0%
2041	1,075,635	0	12,579,519	12,579,519	0	0	0	0	N/A	0	0	-100%	N/A	100.0%	77,000,000	0.0%

Contribution Total 2012-2041: 2,281,801 18,785,003

10.8% 89.2%

The above forecast is based on the April 1, 2011 actuarial valuation results and census.

The funding policy assumes:

Employee Share: Town Share: 15% of Compensation (10% in 2011) Annual Required Contributon (ARC) based on 25 year closed amortization, with 4.00% growth

Rate of return and discount rate assumed to be 7.50%.

Proposal of Plan Changes:

<u>Plan Provision</u> a. COLA for future retirees b. Normal retirement benefit c. Employee contributions <u>Current Plan</u> 3.00% non-compounded Based on final salary (60% maximum) 10% of salary Proposed Plan None Fresh start as of June 30, 2012; sum of accruals afterwards (maximum 25 years total) 15% of salary

EXHIBIT D

Town Proposal 2 - 25 Year Closed Amortization - 4.00% Growth

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2011	518,040	917,936	11,348,767	3,122,375	8,226,392	493,694	245,015	738,709	80.5%	91,794	341,794	N/A	58.7%	27.5%	TBD	TBD
2012	528,408	951,078	11,232,304	3,251,056	7,981,248	478,982	215,184	694,166	73.0%	114,129	580,036	70%	100.0%	28.9%	32,857,221	1.8%
2013	574,954	924,850	11,747,814	3,639,176	8,108,638	499,689	208,499	708,188	76.6%	110,982	597,206	3%	100.0%	31.0%	34,000,000	1.8%
2014	628,607	883,255	12,246,624	4,021,991	8,224,633	521,297	198,779	720,076	81.5%	105,991	614,085	3%	100.0%	32.8%	35,000,000	1.8%
2015	687,484	829,738	12,716,940	4,389,572	8,327,368	543,849	186,897	730,746	88.1%	99,569	631,178	3%	100.0%	34.5%	36,000,000	1.8%
2016	775,655	721,811	13,148,950	4,734,124	8,414,826	567,383	163,619	731,002	101.3%	86,617	644,385	2%	100.0%	36.0%	37,000,000	1.7%
2017	785,788	748,465	13,497,488	5,013,019	8,484,469	591,921	169,663	761,584	101.8%	89,816	671,768	4%	100.0%	37.1%	38,000,000	1.8%
2018	795,623	775,774	13,867,885	5,332,869	8,535,016	617,591	175,861	793,452	102.3%	93,093	700,359	4%	100.0%	38.5%	39,000,000	1.8%
2019	805,341	803,710	14,262,249	5,698,341	8,563,908	644,451	182,200	826,651	102.9%	96,445	730,206	4%	100.0%	40.0%	40,000,000	1.8%
2020	814,899	832,218	14,682,645	6,114,310	8,568,335	672,577	188,667	861,244	103.5%	99,866	761,378	4%	100.0%	41.6%	42,000,000	1.8%
2021	824,364	861,265	15,131,326	6,586,123	8,545,203	702,035	195,261	897,296	104.2%	103,352	793,943	4%	100.0%	43.5%	43,000,000	1.8%
2022	880,601	807,940	15,610,640	7,119,523	8,491,117	732,918	183,276	916,194	113.4%	96,953	819,241	3%	100.0%	45.6%	44,000,000	1.9%
2023	890,075	835,209	16,054,963	7,653,306	8,401,657	765,249	189,470	954,719	114.3%	100,225	854,494	4%	100.0%	47.7%	45,000,000	1.9%
2024	946,299	779,836	16,529,170	8,255,789	8,273,381	799,199	177,006	976,205	125.2%	93,580	882,625	3%	100.0%	49.9%	47,000,000	1.9%
2025	955,613	805,026	16,967,518	8,866,436	8,101,082	834,803	182,735	1,017,538	126.4%	96,603	920,934	4%	100.0%	52.3%	48,000,000	1.9%
2026	1,117,048	563,425	17,434,987	9,554,521	7,880,466	872,264	128,238	1,000,502	177.6%	67,611	932,891	1%	100.0%	54.8%	50,000,000	1.9%
2027	1,124,668	582,736	17,713,056	10,109,184	7,603,872	911,487	132,640	1,044,127	179.2%	69,928	974,200	4%	100.0%	57.1%	51,000,000	1.9%
2028	1,131,247	602,256	18,008,613	10,741,143	7,267,470	952,898	137,087	1,089,985	181.0%	72,271	1,017,714	4%	100.0%	59.6%	53,000,000	1.9%
2029	1,137,207	621,851	18,324,096	11,459,510	6,864,586	996,726	141,554	1,138,280	183.0%	74,622	1,063,659	5%	100.0%	62.5%	54,000,000	2.0%
2030	1,142,272	641,458	18,661,669	12,273,848	6,387,821	1,043,318	146,023	1,189,341	185.4%	76,975	1,112,366	5%	100.0%	65.8%	56,000,000	2.0%
2031	1,372,063	265,467	19,023,918	13,195,051	5,828,867	1,093,116	60,774	1,153,890	434.7%	31,856	1,122,034	1%	100.0%	69.4%	58,000,000	1.9%
2032	1,374,822	273,748	19,085,879	13,910,767	5,175,112	1,146,085	62,667	1,208,752	441.6%	32,850	1,175,902	5%	100.0%	72.9%	59,000,000	2.0%
2033	1,482,069	100,878	19,151,578	14,732,152	4,419,426	1,203,800	21,424	1,225,224	1214.6%	12,105	1,213,119	3%	100.0%	76.9%	61,000,000	2.0%
2034	1,540,034	0	19,067,867	15,520,009	3,547,858	1,267,791	0	1,267,791	N/A	0	1,267,791	5%	100.0%	81.4%	63,000,000	2.0%
2035	1,537,038	0	18,895,359	16,349,203	2,546,156	1,342,704	0		N/A	0	1,342,704	6%	100.0%	86.5%	65,000,000	2.1%
2036	1,531,829	0	18,713,031	17,318,617	1,394,414	1,446,705	0		N/A	0	1,446,705	8%	100.0%	92.5%	67,000,000	2.2%
2037	1,524,300	0	18,522,448	18,470,159	52,289	54,250	0	54,250	N/A	0	54,250	-96%	100.0%	99.7%	69,000,000	0.1%
2038	1,514,319	0	18,325,407	18,323,446	1,961	2,035	0	2,035	N/A	0	2,035	-96%	100.0%	100.0%	71,000,000	0.0%
2039	1,501,785	0	18,123,975	18,123,901	74	77	0	77	N/A	0	77	-96%	100.0%	100.0%	73,000,000	0.0%
2040	1,486,603	0	17,920,478	17,920,476	2	2	0	2	N/A	0	2	-97%	100.0%	100.0%	75,000,000	0.0%
2041	1,468,704	0	17,717,517	17,717,517	0	0	0	0	N/A	0	0	-100%	N/A	100.0%	77,000,000	0.0%
								Contribution To	tal 2012-2041:	1,825,439	22,927,287					
The above f	orecast is base	d on the April 1, 2	2011 actuarial val	uation results an	d census.					7.4%	92.6%					

Employee Share: The funding policy assumes: 12% of Compensation (10% in 2011) Annual Required Contributon (ARC) based on 25 year closed amortization, with 4.00% growth Town Share:

Rate of return and discount rate assumed to be 7.50%.

Plan Provision Proposed Plan Proposal of Plan Changes: Current Plan a. COLA for future retirees 3.00% non-compounded 2.00% non-compounded b. Final Average Earnings Highest 1 year Highest 5 consecutive year average provided the June 30, 2012 accrued benefit is grandfathered c. Employee contributions 10% of salary 12% of salary d. Normal Retirement Benefit Current accruals of either 2.5% and 2.0% Future accruals of 2.0% provided the June 30, 2012 accrued benefit is for EEs hired before 7/1/2000 and 2.4% for others grandfathered

EXHIBIT E

Frozen Plan - 25 Year Closed Amortization - 4.00% Growth

Year	Expected Benefit	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2011	518,040	917,936	11,348,767	3,122,375	8,226,392	493,694	245,015	738,709	80.5%	91,794	341,794	N/A	58.7%	27.5%	TBD	TBD
2012	528,183	951,078	10,246,751	3,251,056	6,995,695	419,836	0	419,836	44.1%	0	419,836	23%	100.0%	31.7%	32,857,221	1.3%
2013	572,390	924,850	10,465,617	3,365,081	7,100,536	437,566	0	437,566	47.3%	0	437,566	4%	100.0%	32.2%	34,000,000	1.3%
2014	621,820	883,255	10,654,895	3,459,385	7,195,510	456,068	0	456,068	51.6%	0	456,068	4%	100.0%	32.5%	35,000,000	1.3%
2015	672,444	829,738	10,806,930	3,527,825	7,279,105	475,389	0	475,389	57.3%	0	475,389	4%	100.0%	32.6%	36,000,000	1.3%
2016	743,858	721,811	10,917,688	3,568,039	7,349,649	495,562	0	495,562	68.7%	0	495,562	4%	100.0%	32.7%	37,000,000	1.3%
2017	750,938	748,465	10,962,437	3,557,127	7,405,310	516,634	0	516,634	69.0%	0	516,634	4%	100.0%	32.4%	38,000,000	1.4%
2018	757,715	775,774	11,003,175	3,559,101	7,444,074	538,650	0	538,650	69.4%	0	538,650	4%	100.0%	32.3%	39,000,000	1.4%
2019	764,321	803,710	11,039,916	3,576,186	7,463,730	561,661	0	561,661	69.9%	0	561,661	4%	100.0%	32.4%	40,000,000	1.4%
2020	770,736	832,218	11,072,538	3,610,689	7,461,849	585,723	0	585,723	70.4%	0	585,723	4%	100.0%	32.6%	42,000,000	1.4%
2021	777,009	861,265	11,100,932	3,665,167	7,435,765	610,888	0	610,888	70.9%	0	610,888	4%	100.0%	33.0%	43,000,000	1.4%
2022	804,436	807,940	11,124,927	3,742,368	7,382,559	637,233	0	637,233	78.9%	0	637,233	4%	100.0%	33.6%	44,000,000	1.4%
2023	810,055	835,209	11,122,180	3,823,162	7,299,018	664,817	0	664,817	79.6%	0	664,817	4%	100.0%	34.4%	45,000,000	1.5%
2024	832,528	779,836	11,113,380	3,931,753	7,181,627	693,737	0	693,737	89.0%	0	693,737	4%	100.0%	35.4%	47,000,000	1.5%
2025	837,360	805,026	11,080,534	4,054,022	7,026,512	724,070	0	724,070	89.9%	0	724,070	4%	100.0%	36.6%	48,000,000	1.5%
2026	882,192	563,425	11,040,196	4,210,766	6,829,430	755,928	0	755,928	134.2%	0	755,928	4%	100.0%	38.1%	50,000,000	1.5%
2027	883,688	582,736	10,950,180	4,364,470	6,585,710	789,439	0	789,439	135.5%	0	789,439	4%	100.0%	39.9%	51,000,000	1.5%
2028	884,453	602,256	10,851,856	4,561,656	6,290,200	824,761	0	824,761	136.9%	0	824,761	4%	100.0%	42.0%	53,000,000	1.6%
2029	884,551	621,851	10,745,361	4,808,157	5,937,204	862,072	0	862,072	138.6%	0	862,072	5%	100.0%	44.7%	54,000,000	1.6%
2030	883,854	641,458	10,630,777	5,110,355	5,520,422	901,647	0	901,647	140.6%	0	901,647	5%	100.0%	48.1%	56,000,000	1.6%
2031	909,025	265,467	10,508,325	5,475,518	5,032,807	943,827	0	943,827	355.5%	0	943,827	5%	100.0%	52.1%	58,000,000	1.6%
2032	903,788	273,748	10,350,495	5,884,055	4,466,440	989,142	0	989,142	361.3%	0	989,142	5%	100.0%	56.8%	59,000,000	1.7%
2033	903,361	100,878	10,186,278	6,373,997	3,812,281	1,038,421	0	1,038,421	1029.4%	0	1,038,421	5%	100.0%	62.6%	61,000,000	1.7%
2034	897,656	0	10,010,188	6,950,408	3,059,780	1,093,381	0	1,093,381	N/A	0	1,093,381	5%	100.0%	69.4%	63,000,000	1.7%
2035	886,091	0	9,826,829	7,630,946	2,195,883	1,157,990	0	1,157,990	N/A	0	1,157,990	6%	100.0%	77.7%	65,000,000	1.8%
2036	872,767	0	9,641,753	8,439,169	1,202,584	1,247,681	0	1,247,681	N/A	0	1,247,681	8%	100.0%	87.5%	67,000,000	1.9%
2037	857,637	0	9,456,661	9,411,565	45,096	46,787	0	46,787	N/A	0	46,787	-96%	100.0%	99.5%	69,000,000	0.1%
2038	840,663	0	9,273,432	9,271,741	1,691	1,754	0	,	N/A	0	1,754	-96%	100.0%	100.0%	71,000,000	0.0%
2039	821,821	0	9,094,125	9,094,061	64	66	0	66	N/A	0	66	-96%	100.0%	100.0%	73,000,000	0.0%
2040	801,088	0	8,920,977	8,920,974	3	3	0		N/A	0	3	-95%	100.0%	100.0%	75,000,000	0.0%
2041	778,471	0	8,756,418	8,756,418	0	0	0	0	N/A	0	0	-100%	N/A	100.0%	77,000,000	0.0%

The above forecast is based on the April 1, 2011 actuarial valuation resul	lts and census.	Contribution Total 2012-2041:	0 0.0%	18,470,733 100.0%
The funding policy assumes:	Employee Share: Town Share:	10% of Compensation (until the Plan freezes accruals on Annual Required Contributon (ARC) based on 25 year cl		· · · · · · · · · · · · · · · · · · ·

Rate of return and discount rate assumed to be 7.50%.

Proposal of Plan Changes:

It is assumed the Plan freezes benefit accruals as of June 30, 2012.

EXHIBIT F-1

Current Plan Provisions - 25 Year Closed Amortization - 4.00% Growth (Compared to Exhibit B)

Year	Expected Benefit Payments	Covered Compensation	Accrued Liability (AAL)	Market Value of Assets	Unfunded Liability (UAAL)	Amortization of UAAL	Normal Cost	Annual Required Contrib. (ARC)	ARC as Share of Payroll	Employee Contribution	Town Contribution	Increase in Town Contribution	Contribution as Share of ARC	Funded Ratio	Revenue Forecast*	Town Contribution as Share of Revenue
2011	518,040	917,936	11,348,767	3,122,375	8,226,392	493,694	245,015	738,709	80.5%	91,794	341,794	N/A	58.7%	27.5%	TBD	TBD
2012	528,203	951,078	11,914,710	3,236,847	8,677,863	520,789	249,032	769,821	80.9%	95,108	674,713	97%	100.0%	27.2%	32,857,221	2.1%
2013	576,665	924,850	12,516,685	3,685,017	8,831,668	544,246	241,567	785,813	85.0%	92,485	693,328	3%	100.0%	29.4%	34,000,000	2.0%
2014	632,934	883,255	13,105,643	4,130,251	8,975,392	568,882	230,520	799,402	90.5%	88,326	711,076	3%	100.0%	31.5%	35,000,000	2.0%
2015	695,865	829,738	13,668,772	4,561,838	9,106,934	594,761	216,876	811,637	97.8%	82,974	728,663	2%	100.0%	33.4%	36,000,000	2.0%
2016	791,287	721,811	14,194,510	4,970,554	9,223,956	621,940	189,937	811,877	112.5%	72,181	739,696	2%	100.0%	35.0%	37,000,000	2.0%
2017	803,112	748,465	14,632,468	5,309,080	9,323,388	650,448	196,958	847,406	113.2%	74,847	772,559	4%	100.0%	36.3%	38,000,000	2.0%
2018	814,728	775,774	15,098,241	5,694,558	9,403,683	680,447	204,154	884,601	114.0%	77,577	807,025	4%	100.0%	37.7%	39,000,000	2.1%
2019	826,320	803,710	15,594,316	6,132,159	9,462,157	712,047	211,517	923,564	114.9%	80,371	843,193	4%	100.0%	39.3%	40,000,000	2.1%
2020	837,861	832,218	16,123,163	6,627,323	9,495,840	745,382	219,029	964,411	115.9%	83,222	881,188	5%	100.0%	41.1%	42,000,000	2.1%
2021	849,403	861,265	16,687,447	7,186,016	9,501,431	780,594	226,688	1,007,282	117.0%	86,127	921,155	5%	100.0%	43.1%	43,000,000	2.1%
2022	911,589	807,940	17,289,976	7,814,710	9,475,266	817,866	212,624	1,030,490	127.5%	80,794	949,697	3%	100.0%	45.2%	44,000,000	2.2%
2023	923,741	835,209	17,858,411	8,446,077	9,412,334	857,304	219,822	1,077,126	129.0%	83,521	993,605	5%	100.0%	47.3%	45,000,000	2.2%
2024	986,537	779,836	18,464,292	9,155,662	9,308,630	899,202	205,203	1,104,405	141.6%	77,984	1,026,421	3%	100.0%	49.6%	47,000,000	2.2%
2025	999,169	805,026	19,035,119	9,877,020	9,158,099	943,726	211,856	1,155,582	143.5%	80,503	1,075,079	5%	100.0%	51.9%	48,000,000	2.2%
2026	1,176,346	563,425	19,642,506	10,686,939	8,955,567	991,263	149,258	1,140,521	202.4%	56,343	1,084,178	1%	100.0%	54.4%	50,000,000	2.2%
2027	1,188,798	582,736	20,046,212	11,354,597	8,691,615	1,041,877	154,381	1,196,258	205.3%	58,274	1,137,984	5%	100.0%	56.6%	51,000,000	2.2%
2028	1,200,347	602,256	20,472,546	12,111,804	8,360,742	1,096,246	159,560	1,255,806	208.5%	60,226	1,195,581	5%	100.0%	59.2%	53,000,000	2.3%
2029	1,211,461	621,851	20,924,204	12,969,577	7,954,627	1,154,998	164,761	1,319,759	212.2%	62,185	1,257,574	5%	100.0%	62.0%	54,000,000	2.3%
2030	1,221,838	641,458	21,403,559	13,939,811	7,463,748	1,219,048	169,966	1,389,014	216.5%	64,146	1,324,868	5%	100.0%	65.1%	56,000,000	2.4%
2031	1,475,237	265,467	21,913,460	15,036,446	6,877,014	1,289,681	70,774	1,360,455	512.5%	26,547	1,333,908	1%	100.0%	68.6%	58,000,000	2.3%
2032	1,485,424	273,748	22,095,133	15,918,279	6,176,854	1,367,931	72,979	1,440,910	526.4%	27,375	1,413,535	6%	100.0%	72.0%	59,000,000	2.4%
2033	1,608,807	100,878	22,282,116	16,931,722	5,350,394	1,457,385	25,074	1,482,459	1469.6%	10,088	1,472,371	4%	100.0%	76.0%	61,000,000	2.4%
2034	1,680,104	0	22,305,090	17,929,594	4,375,496	1,563,538	0	1,563,538	N/A	0	1,563,538	6%	100.0%	80.4%	63,000,000	2.5%
2035	1,686,338	0	22,229,614	19,004,396	3,225,218	1,700,805	0	1,700,805	N/A	0	1,700,805	9%	100.0%	85.5%	65,000,000	2.6%
2036	1,690,497	0	22,141,989	20,285,230	1,856,759	1,926,387	0	1,926,387	N/A	0	1,926,387	13%	100.0%	91.6%	67,000,000	2.9%
2037	1,692,429	0	22,043,465	21,876,988	166,477	172,720	0	172,720	N/A	0	172,720	-91%	100.0%	99.2%	69,000,000	0.3%
2038	1,691,948	0	21,935,541	21,824,497	111,044	115,208	0	115,208	N/A	0	115,208	-33%	100.0%	99.5%	71,000,000	0.2%
2039	1,688,902	0	21,820,023	21,711,319	108,704	112,780	0	112,780	N/A	0	112,780	-2%	100.0%	99.5%	73,000,000	0.2%
2040	1,683,133	0	21,699,011	21,590,952	108,059	112,111	0	112,111	N/A	0	112,111	-1%	100.0%	99.5%	75,000,000	0.1%
2041	1,674,510	0	21,574,927	21,467,478	107,449	111,478	0	111,478	N/A	0	111,478	-1%	100.0%	99.5%	77,000,000	0.1%

10% of Compensation

Contribution Total 2012-2041:	1,521,204	27,852,424
	5.2%	94.8%

The above forecast is based on the April 1, 2011 actuarial valuation results and census.

The funding policy assumes:

Employee Share: Town Share:

Annual Required Contributon (ARC) based on 25 year closed amortization, with 4.00% growth

Discount rate assumed to be 7.50%.

Rate of return assumed to be 7.00%.

EXHIBIT F-2

Current Plan Provisions - 25 Year Closed Amortization - 4.00% Growth (Compared to Exhibit B and F-1)

	Expected		Accrued	Market	Unfunded			Annual	ARC			Increase in	Contribution			Town Contribution
	Benefit	Covered	Liability	Value of	Liability	Amortization	Normal	Required	as Share	Employee	Town	Town	as Share	Funded	Revenue	as Share
Year	Payments	Compensation	(AAL)	Assets	(UAAL)	of UAAL	Cost	Contrib. (ARC)	of Payroll	Contribution	Contribution	Contribution	of ARC	Ratio	Forecast*	of Revenue
2011	518,040	917,936	11,348,767	3,122,375	8,226,392	469,160	244,425	713,585	77.7%	91,794	341,794	N/A	60.8%	27.5%	TBD	TBD
2012	529,292	951,078	12,607,625	3,236,847	9,370,778	534,425	281,072	815,497	85.7%	95,108	720,389	111%	100.0%	25.7%	32,857,221	2.2%
2013	577,851	924,850	13,231,374	3,729,562	9,501,812	557,422	272,645	830,067	89.8%	92,485	737,582	2%	100.0%	28.2%	34,000,000	2.2%
2014	634,236	883,255	13,839,674	4,220,937	9,618,737	581,415	260,119	841,534	95.3%	88,326	753,209	2%	100.0%	30.5%	35,000,000	2.2%
2015	697,296	829,738	14,419,083	4,699,653	9,719,430	606,446	244,735	851,181	102.6%	82,974	768,207	2%	100.0%	32.6%	36,000,000	2.1%
2016	792,914	721,811	14,957,695	5,156,075	9,801,620	632,564	214,326		117.3%	72,181	774,709	1%	100.0%	34.5%	37,000,000	2.1%
2017	804,761	748,465	15,403,328	5,540,912	9,862,416	659,780	222,248		117.8%	74,847	807,181	4%	100.0%	36.0%	38,000,000	2.1%
2018	816,399	775,774	15,876,050	5,975,529	9,900,521	688,247	230,370	918,617	118.4%	77,577	841,040	4%	100.0%	37.6%	39,000,000	2.2%
2019	828,016	803,710	16,378,179	6,465,079	9,913,100	718,024	238,679	956,703	119.0%	80,371	876,332	4%	100.0%	39.5%	40,000,000	2.2%
2020	839,580	832,218	16,911,991	7,014,926	9,897,065	749,196	247,161	996,357	119.7%	83,222	913,135	4%	100.0%	41.5%	42,000,000	2.2%
2021	851,140	861,265	17,479,936	7,630,914	9,849,022	781,836	255,803	1,037,639	120.5%	86,127	951,512	4%	100.0%	43.7%	43,000,000	2.2%
2022	913,457	807,940	18,084,572	8,319,305	9,765,267	816,046	239,872	1,055,918	130.7%	80,794	975,123	2%	100.0%	46.0%	44,000,000	2.2%
2023	925,636	835,209	18,650,383	9,009,481	9,640,902	851,837	247,988	1,099,825	131.7%	83,521	1,016,304	4%	100.0%	48.3%	45,000,000	2.3%
2024	988,559	779,836	19,251,551	9,779,237	9,472,314	889,408	231,437	1,120,845	143.7%	77,984	1,042,861	3%	100.0%	50.8%	47,000,000	2.2%
2025	1,001,217	805,026	19,812,382	10,558,587	9,253,795	928,789	238,943	1,167,732	145.1%	80,503	1,087,230	4%	100.0%	53.3%	48,000,000	2.3%
2026	1,178,754	563,425	20,407,092	11,426,241	8,980,851	970,199	168,556	1,138,755	202.1%	56,343	1,082,412	0%	100.0%	56.0%	50,000,000	2.2%
2027	1,191,231	582,736	20,786,396	12,141,384	8,645,012	1,013,524	174,342	1,187,866	203.8%	58,274	1,129,591	4%	100.0%	58.4%	51,000,000	2.2%
2028	1,202,801	602,256	21,185,282	12,942,747	8,242,535	1,059,228	180,191	1,239,419	205.8%	60,226	1,179,194	4%	100.0%	61.1%	53,000,000	2.2%
2029	1,213,935	621,851	21,606,130	13,839,752	7,766,378	1,107,572	186,065	1,293,637	208.0%	62,185	1,231,452	4%	100.0%	64.1%	54,000,000	2.3%
2030	1,224,335	641,458	22,050,953	14,842,208	7,208,745	1,158,908	191,944	1,350,852	210.6%	64,146	1,286,706	4%	100.0%	67.3%	56,000,000	2.3%
2031	1,478,251	265,467	22,522,196	15,961,257	6,560,939	1,213,729	79,940	1,293,669	487.3%	26,547	1,267,122	-2%	100.0%	70.9%	58,000,000	2.2%
2032	1,488,459	273,748	22,647,092	16,837,913	5,809,179	1,271,841	82,432	1,354,273	494.7%	27,375	1,326,898	5%	100.0%	74.3%	59,000,000	2.2%
2033	1,612,089	100,878	22,772,712	17,825,944	4,946,768	1,335,082	28,428	1,363,510	1351.6%	10,088	1,353,422	2%	100.0%	78.3%	61,000,000	2.2%
2034	1,683,532	0	22,722,977	18,764,056	3,958,921	1,404,836	0	, . ,	N/A	0	1,404,836	4%	100.0%	82.6%	63,000,000	2.2%
2035	1,689,775	0	22,566,220	19,735,010	2,831,210	1,485,955	0	1,485,955	N/A	0	1,485,955	6%	100.0%	87.5%	65,000,000	2.3%
2036	1,693,936	0	22,392,009	20,848,570	1,543,439	1,597,459	0	1,597,459	N/A	0	1,597,459	8%	100.0%	93.1%	67,000,000	2.4%
2037	1,695,871	0	22,201,285	22,147,264	54,021	55,912	0	55,912	N/A	0	55,912	-96%	100.0%	99.8%	69,000,000	0.1%
2038	1,695,382	0	21,995,203	21,993,312	1,891	1,957	0	-,,, - ,	N/A	0	1,957	-96%	100.0%	100.0%	71,000,000	0.0%
2039	1,692,331	0	21,775,202	21,775,136	66	68	0		N/A	0	68	-97%	100.0%	100.0%	73,000,000	0.0%
2040	1,686,546	0	21,542,967	21,542,965	2	2	0	2	N/A	0	2	-97%	100.0%	100.0%	75,000,000	0.0%
2041	1,677,900	0	21,300,481	21,300,480	1	1	0	1	N/A	0	1	-50%	100.0%	100.0%	77,000,000	0.0%

10% of Compensation

Contribution Total 2012-2041: 1,521,204 26,667,801

5.4% 94.6%

The above forecast is based on the April 1, 2011 actuarial valuation results and census.

The funding policy assumes:

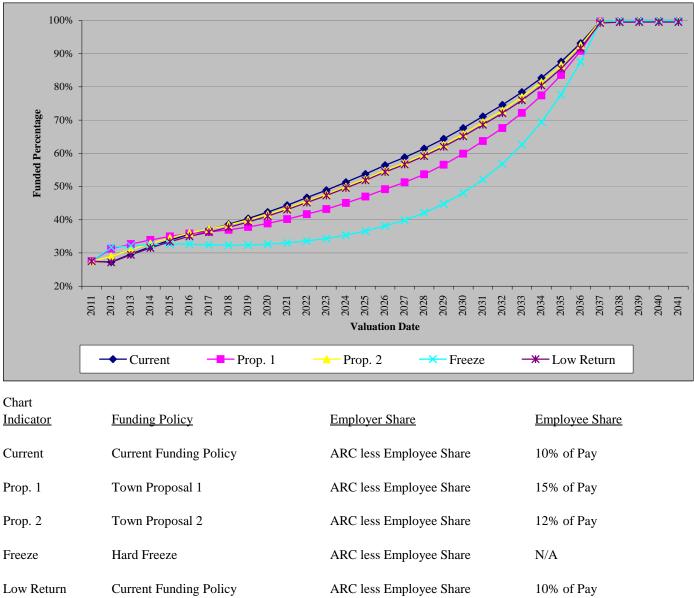
Employee Share: Town Share:

Annual Required Contributon (ARC) based on 25 year closed amortization, with 4.00% growth

Discount rate assumed to be 7.00%.

Rate of return assumed to be 7.00%.

Summary of Future Funding Projections

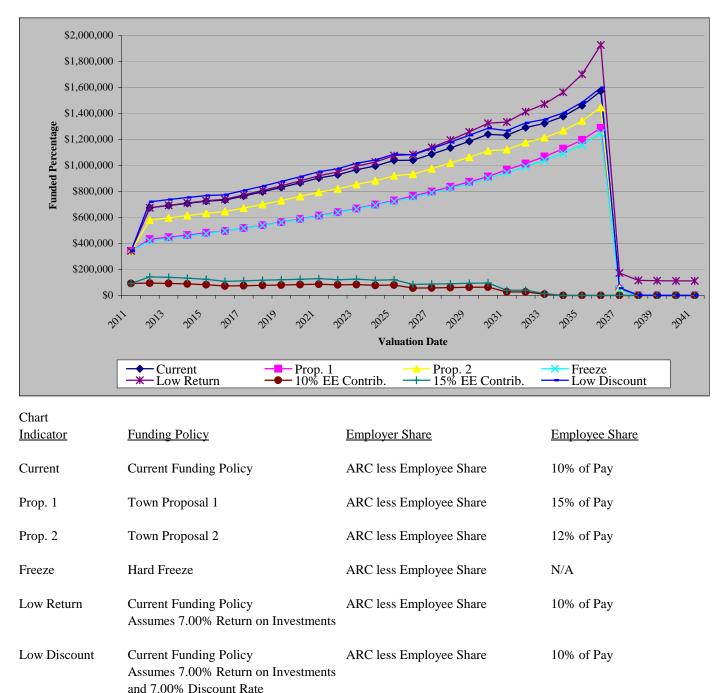


Assumes 7.00% Return on Investments

Funding projection results are based on a 7.50% discount rate to determine liabilities and Annual Required Contributions (ARC), and a 7.50% investment rate of return, unless otherwise stated. Projections are based on the closed census as of April 1, 2011.

EXHIBIT H

Summary of Future Town Contribution Projections



Funding projection results are based on a 7.50% discount rate to determine liabilities and Annual Required Contributions (ARC), and a 7.50% investment rate of return, unless otherwise stated. Projections are based on the closed census as of April 1, 2011.

EXHIBIT I

Methods and Assumptions		f Rhode tate Police	Town of Scituate Police Department	Actual Town Experience		
Valuation Date	June 3	0, 2010	April 1, 2011	n/a		
Actuarial Cost Method	Entry Ag	ge Normal	Entry Age Normal	n/a		
Actuarial Value of Assets	of gains/(l	smoothing osses) over period	Market Value	n/a		
Discount Rate / (Investment Return)	7.5	50%	7.50%	Scituate's actual rate of return since 1999 is 4.57%.		
Salary Increase	and (ii)	of (i) 4.00%) service omponent:	4.00%	The current group of active participants hav averaged a 3.75% sala increase since April 1, 20		
	Service	Rate		The Plan's payroll growth		
	0	4.25%		since April 1, 2000 has		
	1-2	4.00%		been 4.25% per year.		
	3	8.00%				
	4	5.00%				
	5	3.25%				
	6-7	1.25%				
	8-9	1.00%				
	10-14	0.75%				
	15-19	0.50%				
	20-24	0.25%				
	25+	0.00%				
Termination Rates	N	one	None	There have been 3 terminations since		

Summary of Actuarial Assumptions Compared to the State

There have been 3 terminations since April 1, 2000, averaging 1.6% per year.

EXHIBIT I

Summary of Actuarial Assumptions Compared to the State

Methods and Assumptions	State of Rhode Island - State Police	Town of Scituate Police Department	Actual Town Experience	
Disability Rates	Sample rates:AgeRate200.12%250.17%300.22%350.29%400.44%450.72%501.21%75% of disabilities are considered work related and result in retirement.Not work-related disabilities result in termination and refund.	Sample rates:AgeRate200.03%250.03%300.03%350.06%400.21%450.39%500.81%Occupational disabilityassumed to equal 3x the1974 Railroad RetirementBoard Incidence	There are currently 4 disabled participants in pay status. No disabilities have occurred since 1999.	
Mortality Rates	Post-retirement for healthy males (females) is 115% (95%) of RP-2000 Combined Healthy mortality table for males with white collar adjustments, projected with Scale AA from 2000	Pre-retirement and post-retirement assumption for retirees and disabled participants is RP-2000 Combined Healthy mortality tables for males and females.	There has been only 1 retiree death since April 1, 2000.	
	Pre-retirement is 75% of RP-2000 Combined Healthy mortality tables with white collar adjustment. 15% of active member deaths are assumed occupational.			
	Disabled retirees use 60% of the PBGC Table Va/Via for males/females for Social Security disability benefits.			

EXHIBIT I

Methods and Assumptions	State of Rhode Island - State Police	Town of Scituate Police Department	Actual Town Experience
Retirement Rates	Retirement rates differ for participants hired prior to July 1, 2007 (A) and hired after July 1, 2007 (B)	100% retirement assumed after 25 Years of Service.	Scituate has experienced retirements at various service markers. Since April 1, 2000, 3 retirees have had less than
	ServiceAB2025%n/a2115%n/a2210%n/a2320%n/a2430%n/a25100%35%26100%25%27100%20%28100%30%29100%40%30100%100%		25 years of service, and 3 retirees have made more than 25 years of service.
Marriage Rates	85% of employees are assumed to be married. Males assumed to be 3 years older than females.	75% of employees are assumed to be married. Males assumed to be 4 years older than females.	
Calculation of Annual Required Contribution (ARC)	The unfunded liability is amortized over a 25-year closed period, assuming 7.50% discount rate and 3.75% growth.	The unfunded liability is amortized over a 25-year closed period, assuming 7.50% discount rate and 4.00% growth. The employee contributions are included in the determination of ARC.	N/A

Summary of Actuarial Assumptions Compared to the State

EXHIBIT J

Summary of Current and Proposed Changes to Plan Provisions

Description	Current Plan Provisions	Town Proposal 1	Town Proposal 2	Hard Freeze
Normal Retirement Benefit	If hired prior to 7/1/2000, 2.5% of Final Average Earnings for first 20 years, plus 2.0% for next 5 years. (60% maximum) If hired on or after 7/1/2000,	Effective 7/1/2012, all employees benefit would equal (A) plus (B): (A) Normal Retirement Benefit accrued through 6/30/2012; plus, (B) 2.0% of annual	Effective 7/1/2012, all employees future benefit accruals would be 2.0%. (60% maximum) The Normal Retirement Benefit accrued through	Same as current plan provisions with a hard freeze at 3/31/2012 with no future accruals.
	2.4% of Final Average Earnings for first 25 years. (60% maximum)	earnings for each year of service to a maximum of 25 years (includes service prior to 6/30/2012).	6/30/2012 would be grandfathered.	
Final Average Earnings	Final Salary (High 1)	Prior to 7/1/2012: Final Salary After 7/1/2012: Career Average	Prior to 7/1/2012: Final Salary After 7/1/2012: High 5	Same as current plan.
Employee Contributions	10% of Earnings	15% of Earnings	12% of Earnings	10% of Earnings until Plan freezes.
COLAs for Future Retirees	3.0% non-compounded	None	2.0% non-compounded	None
Eligibility to Enter the Plan	Open	Closed to Employees hired after 7/1/2012	Closed to Employees hired after 7/1/2012	Not Applicable
April 1, 2012 Projected Liability (Entry Age 1	Normal method)			
Active Retirees Total	\$4,349,561 <u>\$7,565,149</u> \$11,914,710	\$2,832,308 <u>\$7,565,149</u> \$10,397,457	\$3,667,155 <u>\$7,565,149</u> \$11,232,304	\$2,681,602 <u>\$7,565,149</u> \$10,246,751
Difference from Current Plan	\$0	(\$1,517,253)	(\$682,406)	(\$1,667,959)