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December 29, 2016

PERSONAL & CONFIDENTIAL

Mr. Robert Thibeault
Finance Director
Town of Coventry
1670 Flat River Road
Coventry, RI 02816

Re: Town of Coventry Police Officers Retirement Plan

Dear Bob:

At your request, we have performed an actuarial valuation of the Town of Coventry Police Officers Retirement Plan as of July 1, 2016 for the Fiscal Year ending June 30, 2018. The results of the valuation are contained in the following report.

Respectfully submitted,

A handwritten signature in blue ink that reads "Becky".

Rebecca A. Sielman, FSA
Consulting Actuary

RAS/dp 10 COV2016POLValCov



TOWN OF COVENTRY POLICE OFFICERS RETIREMENT PLAN

**Actuarial Valuation as of July 1, 2016
For Fiscal Year Ending June 30, 2018**

Prepared by
Milliman, Inc.

Rebecca A. Sielman, FSA
Consulting Actuary

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2016 for fiscal year ending June 30, 2018. 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.

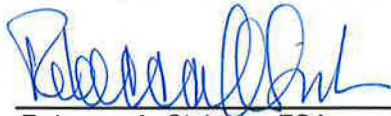
Certification

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.

I further certify that, in my 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.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Rebecca A. Sielman, FSA
Consulting Actuary

Section I - Executive Summary

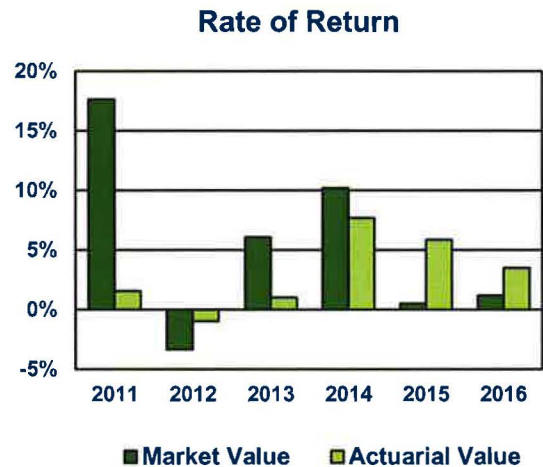
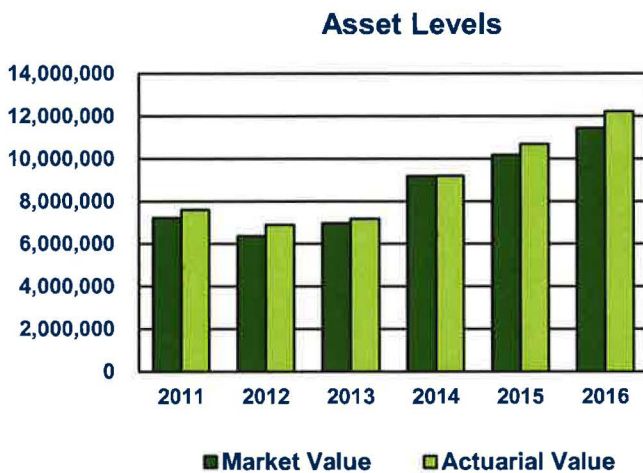
A. Highlights

Assets

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

	Market	Actuarial
Value as of July 1, 2015	\$10,178,121	\$10,697,229
Contributions	4,982,455	4,982,455
Investment Income	125,285	394,062
Benefit Payments and Administrative Expenses	(3,848,155)	(3,848,155)
Value as of July 1, 2016	11,437,706	12,225,591

For fiscal year 2016, the plan's assets earned 1.17% on a Market Value basis and 3.50% on an Actuarial Value basis. The actuarial assumption for this period was 7.00%; the result is an asset loss of \$624,300 on a Market Value basis and a loss of \$394,100 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 exceeds the Market Value by \$787,900. This figure represents investment losses that will be gradually recognized over the next five years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

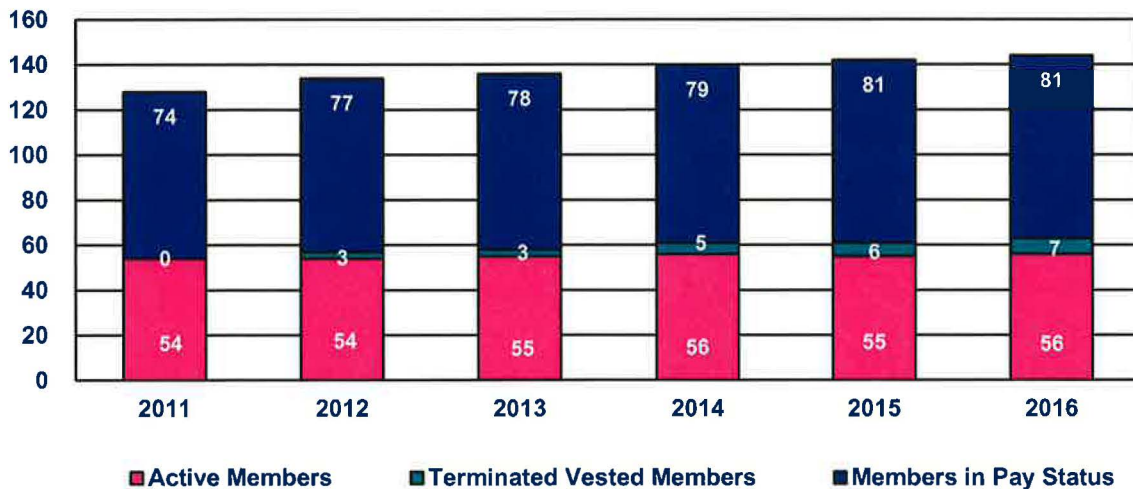
Section I - Executive Summary

A. Highlights

Membership

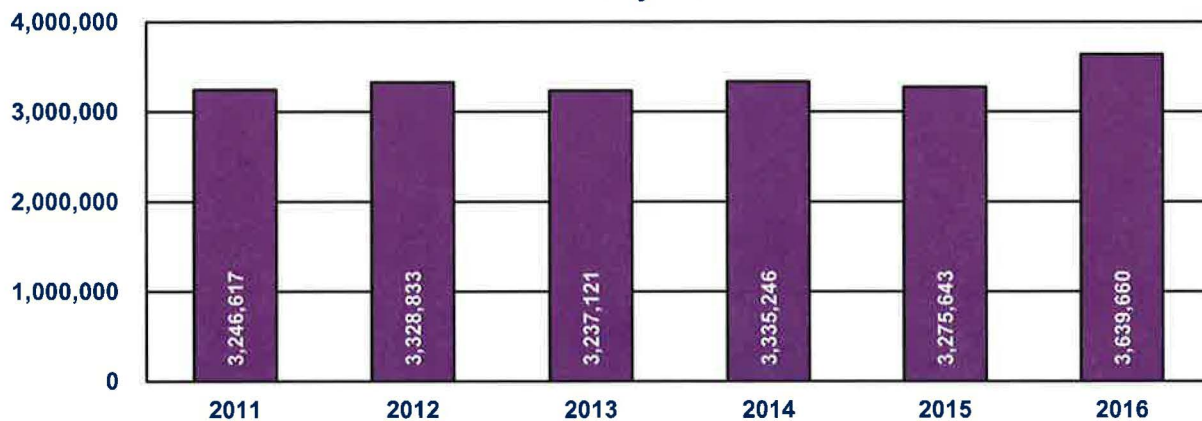
There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly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

Number of Members



From July 1, 2015 to July 1, 2016, the overall membership increased from 142 to 144. During this period, there were a total of 4 new members, 1 active member who terminated with vested benefits, 2 active members who retired, the deaths of 1 retiree and 2 beneficiaries, and the addition of 1 new alternate payee.

Payroll



From July 1, 2015 to July 1, 2016, payroll increased by approximately 11.1%, reflecting the terms of the new Collective Bargaining Agreement. This increase in payroll is the primary driver of the increase in the Actuarially Determined Contribution from FY 2017 to FY 2018.

Section I - Executive Summary

A. Highlights

Plan Changes

This valuation reflects increases in the employee contribution rates that were contained in the Collective Bargaining Agreement signed December 3, 2015. Officers hired after December 31, 2012 will continue to contribute 12% of their base pay. Officers hired between January 1, 1994 and December 31, 2012 will contribute 11% of their base pay effective on July 1, 2016 with an increase to 12% effective on July 1, 2017 (previously 10% effective on 7/1/2015). All other employees will contribute 9.5% of their total annual compensation effective on July 1, 2016 with an increase to 11% effective on July 1, 2017 (previously 8% effective on 7/1/2000).

The impact of the above change was to decrease the Fiscal Year 2018 Actuarially Determined Contribution by about \$99,000.

Changes in Actuarial Methods or Assumptions

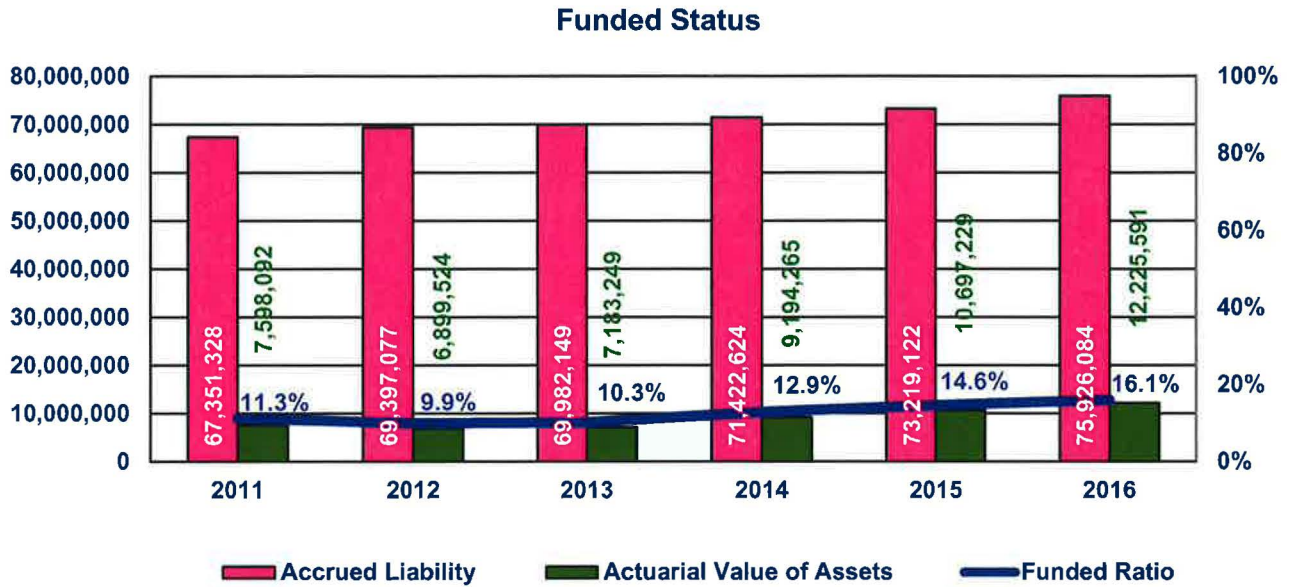
None.

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 several years.



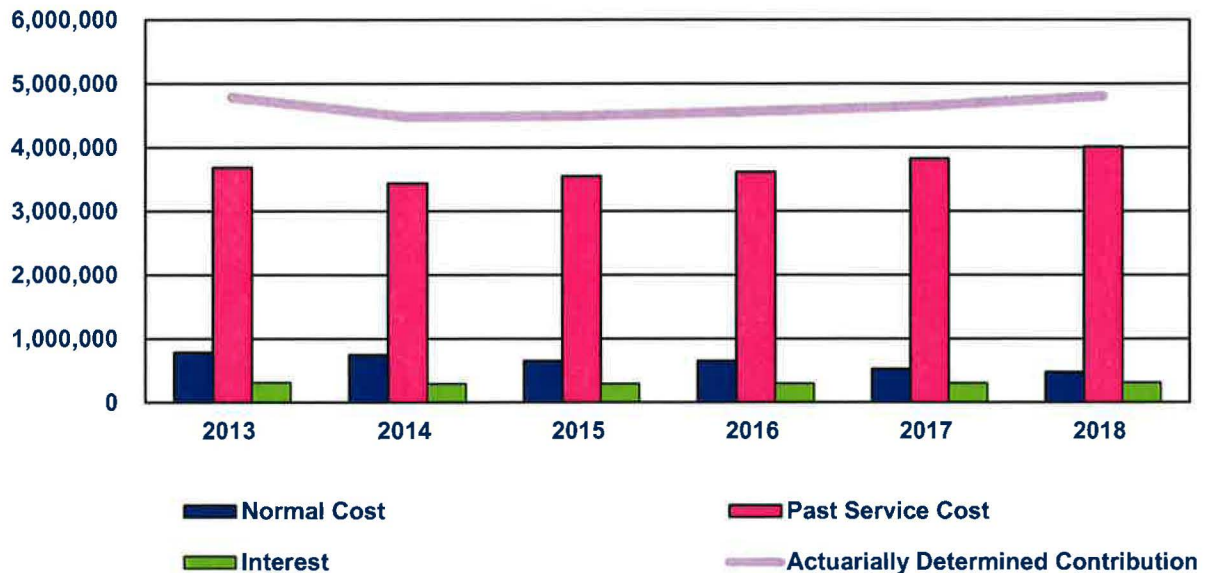
Section I - Executive Summary

A. Highlights

Actuarially Determined Contribution

The Actuarially Determined Contribution consists of three pieces: a **Normal Cost** payment to fund the benefits earned each year, a **Past Service Cost** to gradually reduce any unfunded or surplus liability, and **Interest** assuming payment is made mid-year. 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 several fiscal years are shown below.



Section I - Executive Summary
B. Summary of Principal Results

Membership	July 1, 2015	July 1, 2016
Active Members	55	56
Terminated Vested Members	6	7
Terminated Nonvested Members Due Refund	0	0
Members in Pay Status	81	81
Payroll	\$3,275,643	\$3,639,660
 Assets and Liabilities	 July 1, 2015	 July 1, 2016
Market Value of Assets	\$10,178,121	\$11,437,706
Actuarial Value of Assets	10,697,229	12,225,591
Accrued Liability for Active Members	\$13,086,566	\$12,977,340
Accrued Liability for Terminated Vested Members	821,317	1,053,683
Accrued Liability for Members in Pay Status	59,311,239	61,895,061
Total Accrued Liability	73,219,122	75,926,084
Unfunded Accrued Liability	62,521,893	63,700,493
Funded Ratio	14.6%	16.1%
 Actuarially Determined Contribution for Fiscal Year	 2017	 2018
Normal Cost	\$526,289	\$477,915
Past Service Cost	3,825,300	4,015,614
Interest	304,611	314,547
Actuarially Determined Contribution	4,656,200	4,808,076
Contribution as a Percent of Payroll	142.2%	132.1%

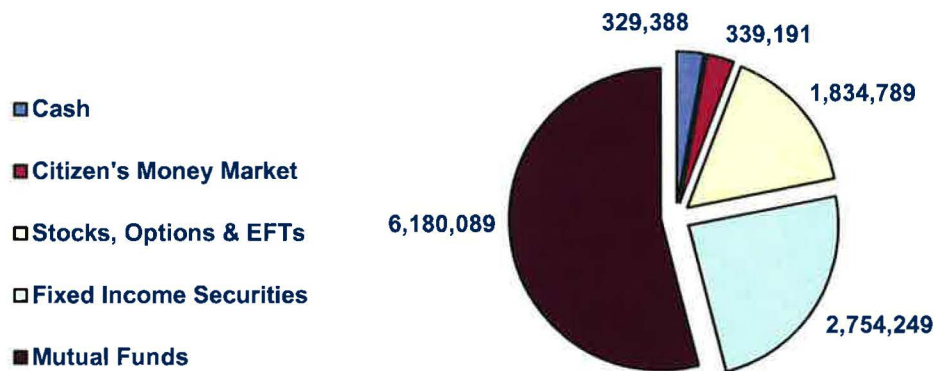
Section II - Plan Assets

A. Summary of Fund Transactions

	Trust Assets	Accrued Contributions	Total
Market Value as of July 1, 2015	\$10,178,121	\$0	\$10,178,121
Employer Contributions	4,619,691	0	4,619,691
Employee Contributions	362,764	0	362,764
Benefit Payments	(3,842,128)	0	(3,842,128)
Interest and Dividends	73,732	0	73,732
Unrealized Gains/(Losses)	51,553	0	51,553
Realized Gains/(Losses)	0	0	0
Investment Expenses	0	0	0
Administrative Expenses	(6,027)	0	(6,027)
Market Value as of July 1, 2016	11,437,706	0	11,437,706
Approximate Rate of Return			1.17%

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

Asset Allocation



Section II - Plan Assets

B. Development of Actuarial Value of Assets

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

1. Expected Market Value of Assets:				
a. Market Value of Assets as of July 1, 2015				\$10,178,121
b. Employer and Employee Contributions				4,982,455
c. Benefit Payments and Administrative Expenses				(3,848,155)
d. Expected Investment Return Based on 7.00% Interest				<u>749,568</u>
e. Expected Market Value of Assets as of July 1, 2016				12,061,989
2. Actual Market Value of Assets as of July 1, 2016				11,437,706
3. Delayed Recognition of Market Gains/(Losses):				
	Plan Year End	Gain/(Loss)	Percent Not Recognized	Amount Not Recognized
	06/30/2016	(\$624,283)	80%	(\$499,426)
	06/30/2015	(624,311)	60%	(374,587)
	06/30/2014	245,453	40%	98,181
	06/30/2013	(60,266)	20%	<u>(12,053)</u>
				(787,885)
4. Actuarial Value as of July 1, 2016: (2) - (3)				12,225,591
5. Approximate Rate of Return on Actuarial Value				3.50%
6. Actuarial Value Gain/(Loss)				(394,062)

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 26 years starting on July 1, 2012.

	July 1, 2015	July 1, 2016
1. Accrued Liability		
Active Members	\$13,086,566	\$12,977,340
Terminated Vested Members	821,317	1,053,683
Terminated Non-Vested Members Due Refund	0	0
Retired Members	54,631,274	56,818,154
Disabled Members	0	0
Beneficiaries of Deceased Members	<u>4,679,965</u>	<u>5,076,907</u>
Total	73,219,122	75,926,084
2. Actuarial Value of Assets (see Section II B)	10,697,229	12,225,591
3. Unfunded Accrued Liability: (1) - (2)	62,521,893	63,700,493
4. Funded Ratio: (2) / (1)	14.6%	16.1%
5. Amortization Period	23	22
6. Amortization Growth Rate	3.50%	3.50%
7. Past Service Cost: (3) amortized over (5)	3,825,300	4,015,614

Section III - Development of Contribution
B. Actuarially Determined Contribution

	Fiscal Year June 30, 2017	Fiscal Year June 30, 2018
1. Total Normal Cost	\$811,806	\$903,371
2. Expected Employee Contributions	291,917	431,656
3. Expected Expenses	6,400	6,200
4. Net Normal Cost: (1) - (2) + (3)	526,289	477,915
5. Past Service Cost (see Section III A)	3,825,300	4,015,614
6. Interest on (4) + (5)	304,611	314,547
7. Actuarially Determined Contribution: (4) + (5) + (6)	4,656,200	4,808,076
8. Payroll	3,275,643	3,639,660
9. Contribution as a Percent of Payroll: (7) / (8)	142.15%	132.10%

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

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

Valuation Date	July 1, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 26 years from July 1, 2012
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Interest Rate	7.00%
Projected Salary Increases	Graded 13.50% to 3.50%
Amortization Growth Rate	3.50%
Inflation	2.70%
Cost-of-Living Adjustments	For officers retired prior to July 1, 1986; 1.50% (compounded)
	For officers retired after July 1, 1986 (and hired prior to January 1, 1994); 2.50% (compounded)
	For officers hired on or after January 1, 1994; 2.70% (non-compounded)

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)
07/01/2011	2013	\$7,598,092	\$67,351,328	\$59,753,236	11.3%	\$3,246,617	1840.5%
07/01/2012	2014	6,899,524	69,397,077	62,497,553	9.9%	3,124,718	2000.1%
07/01/2013	2015	7,183,249	69,982,149	62,798,900	10.3%	3,047,317	2060.8%
07/01/2014	2016	9,194,265	71,422,624	62,228,359	12.9%	3,144,906	1978.7%
07/01/2015	2017	10,697,229	73,219,122	62,521,893	14.6%	3,076,771	2032.1%
07/01/2016	2018	12,225,591	75,926,084	63,700,493	16.1%	3,523,041	1808.1%

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)
2013	\$4,784,708	\$3,260,756	\$1,523,952	\$3,246,617	100%
2014	4,481,020	4,563,733	(82,713)	3,124,718	146%
2015	4,495,252	4,152,024	343,228	3,047,317	136%
2016	4,565,873	4,619,691	(53,818)	3,144,906	147%
2017	4,656,200	TBD	TBD	3,076,771	TBD
2018	4,808,076	TBD	TBD	3,523,041	TBD

Section IV - Accounting Information
D. Accrued and Vested Benefits

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

	As of July 1, 2015	As of July 1, 2016
1. Value of Vested Benefits		
Active Members	\$10,548,155	\$10,047,860
Terminated Vested Members	821,317	1,053,683
Terminated Non-Vested Due Refund	0	0
Retired Members	54,631,274	56,818,154
Disabled Members	0	0
Beneficiaries of Deceased Members	<u>4,679,965</u>	<u>5,076,907</u>
Total Value of Vested Benefits	70,680,711	72,996,604
2. Value of Non-Vested Benefits	3,961,842	4,442,238
3. Total Value of Accrued Benefits: (1) + (2)	74,642,553	77,438,842
4. Market Value of Assets	10,178,121	11,437,706
5. Vested Funded Ratio: (4) / (1)	14.4%	15.7%
6. Accrued Funded Ratio: (4) / (3)	13.6%	14.8%

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

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

Increase for interest due to the decrease in the discount period	\$5,092,779
Benefits Accumulated/(Forfeited)	1,545,638
Benefit Payments	(3,842,128)
Plan Amendments	0
Changes in Actuarial Assumptions	0
Net Increase/(Decrease)	2,796,289

Value of Accrued Plan Benefits:

July 1, 2016	\$77,438,842
July 1, 2015	74,642,553
Net Increase/(Decrease)	2,796,289

This work product was prepared solely for the Town for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

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	Due Refund	Retirees	Disabled	Bene- ficiaries	Total
Count as of July 1, 2015	55	6	0	64	0	17	142
Terminated, not vested	-	-	-	-	-	-	0
Terminated, benefits due	(1)	1	-	-	-	-	0
Retired	(2)	-	-	2	-	-	0
Died, with beneficiary	-	-	-	-	-	-	0
Died, no beneficiary	-	-	-	(1)	-	(2)	(3)
New member	4	-	-	-	-	-	4
New beneficiary	-	-	-	-	-	-	0
Lump sum paid	-	-	-	-	-	-	0
Rehired	-	-	-	-	-	-	0
New alternate payee	-	-	-	-	-	1	1
Adjustment	-	-	-	-	-	-	0
Count as of July 1, 2016	56	7	0	65	0	16	144

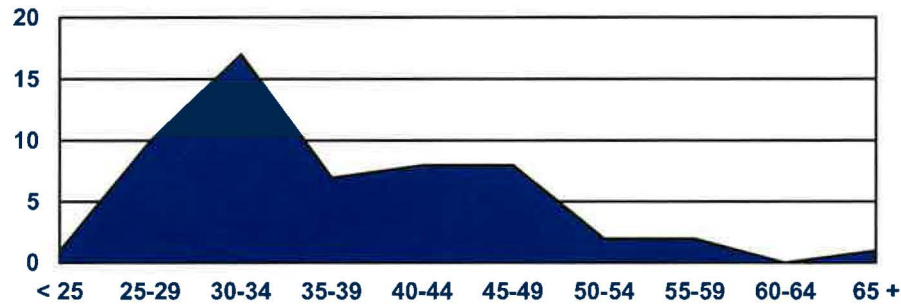
Section V - Membership Data
B. Statistics of Membership

	As of July 1, 2015	As of July 1, 2016
Active Members		
Number	55	56
Average Age	37.5	37.4
Average Service	10.5	10.0
Payroll	\$3,275,643	\$3,639,660
Average Payroll	59,557	64,994
Covered Payroll (excludes members beyond Normal Retirement Age)	\$3,076,771	\$3,523,041
Terminated Vested Members		
Number	6	7
Total Annual Benefit	\$78,762	\$99,094
Average Annual Benefit	13,127	14,156
Average Age	41.2	42.6
Terminated Nonvested Members Due Refund		
Number	0	0
Retired Members		
Number	64	65
Total Annual Benefit	\$3,348,299	\$3,526,829
Average Annual Benefit	52,317	54,259
Average Age	60.5	60.9
Disabled Members		
Number	0	0
Total Annual Benefit	\$0	\$0
Average Annual Benefit	0	0
Average Age	0.0	0.0
Beneficiaries of Deceased Members		
Number	17	16
Total Annual Benefit	\$384,413	\$398,858
Average Annual Benefit	22,613	24,929
Average Age	63.8	62.0

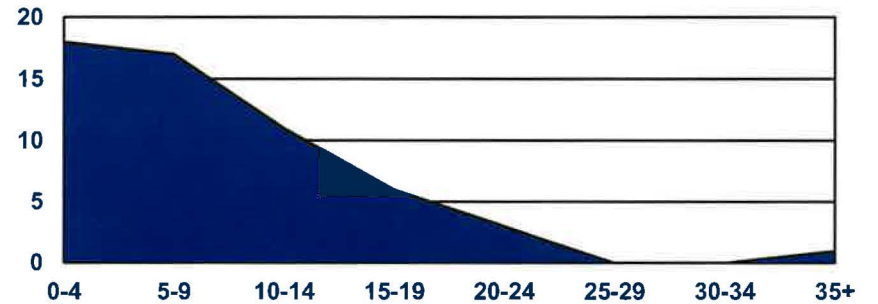
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2016 - Count

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
< 25	1	0	0	0	0	0	0	0	1
25-29	10	0	0	0	0	0	0	0	10
30-34	3	12	2	0	0	0	0	0	17
35-39	0	1	5	1	0	0	0	0	7
40-44	2	1	3	2	0	0	0	0	8
45-49	1	2	1	2	2	0	0	0	8
50-54	1	0	0	0	1	0	0	0	2
55-59	0	1	0	1	0	0	0	0	2
60-64	0	0	0	0	0	0	0	0	0
65 +	0	0	0	0	0	0	0	1	1
Total	18	17	11	6	3	0	0	1	56

Distribution By Age



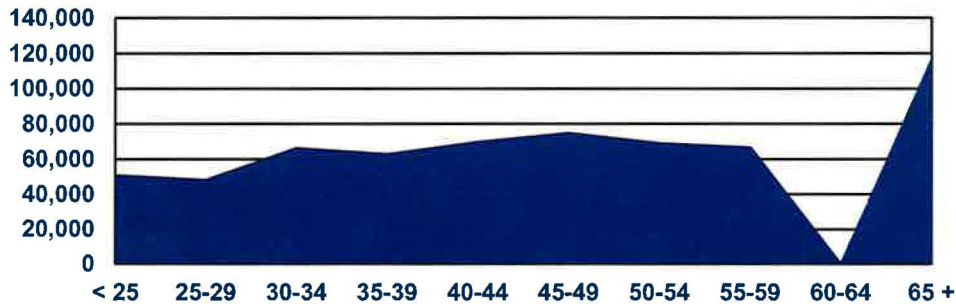
Distribution by Years of Service



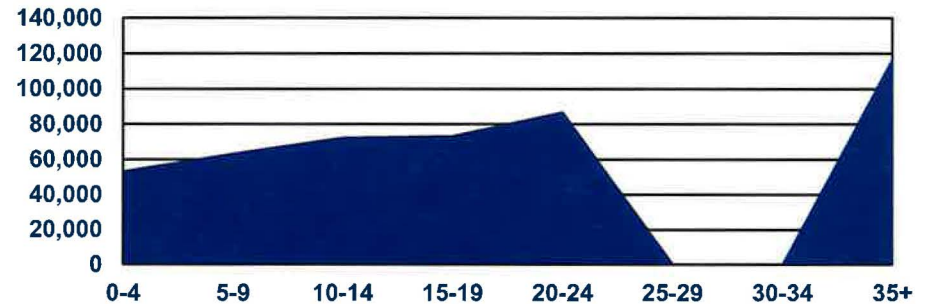
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2016 - Average Pay

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
< 25	50,810	0	0	0	0	0	0	0	50,810
25-29	47,962	0	0	0	0	0	0	0	47,962
30-34	57,008	66,994	75,881	0	0	0	0	0	66,277
35-39	0	18,351	70,067	70,960	0	0	0	0	62,807
40-44	59,221	66,740	73,943	75,261	0	0	0	0	69,692
45-49	69,562	59,229	71,050	75,417	93,857	0	0	0	74,702
50-54	65,956	0	0	0	71,977	0	0	0	68,967
55-59	0	66,586	0	66,586	0	0	0	0	66,586
60-64	0	0	0	0	0	0	0	0	0
65 +	0	0	0	0	0	0	0	116,619	116,619
Total	53,078	63,180	72,271	73,150	86,564	0	0	116,619	64,994

Distribution By Age



Distribution by Years of Service



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

	Age	Number	Annual Benefits
Terminated Vested Members	< 30	0	\$0
	30 - 39	2	2,814
	40 - 49	5	96,280
	50 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	7	99,094
Retired Members	< 50	9	\$566,262
	50 - 59	21	1,296,441
	60 - 69	21	1,125,208
	70 - 79	11	406,785
	80 - 89	3	132,133
	90 +	0	0
	Total	65	3,526,829
Disabled Retirees	< 50	0	\$0
	50 - 59	0	0
	60 - 69	0	0
	70 - 79	0	0
	80 - 89	0	0
	90 +	0	0
	Total	0	0
Beneficiaries	< 50	2	\$43,833
	50 - 59	6	114,750
	60 - 69	5	146,116
	70 - 79	2	37,541
	80 - 89	1	56,618
	90 +	0	0
	Total	16	398,858

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, 2012, the amortization period is 26 years (closed period).

The **Actuarial Value of Assets** is based on the Market Value as of the valuation date, with market gains and losses recognized over a five year period.

Appendix B - Actuarial Assumptions

Each of the assumptions used in this valuation was set based on a formal study of the plan's experience for the period July 1, 2010 to June 30, 2014, 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. Please see the report dated March 23, 2015 for details concerning the information, analysis, and conclusions from the formal study of the plan's 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 Rate 7.00%

Salary Scale	Service	Hired Pre 1/1/2013	Hired Post 12/31/2012
	1	9.70%	9.70%
	2	6.10%	6.10%
	3	13.50%	13.50%
	4	2.70%	2.70%
	5	7.70%	3.70%
	6-9	3.70%	3.70%
	10	7.10%	3.70%
	11-14	3.70%	3.70%
	15	5.10%	3.70%
	16-19	3.70%	3.70%
	20	3.70%	3.70%
	21	3.66%	3.66%
	22	3.62%	3.62%
	23	3.58%	3.58%
	24	3.54%	3.54%
	25	3.50%	3.50%
	26 - on	3.50%	3.50%

Employees hired prior to 1994 receive an additional 55% salary increase in the year before retirement.

Amortization Growth Rate 3.50%

Expenses Prior year's actual administrative expenses increased by 3% and rounded to the nearest \$100.

Mortality RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA with separate male and female tables. This assumption recognizes future mortality improvements beyond the valuation date.

Turnover None

Appendix B - Actuarial Assumptions

Pre-Retirement Disability 1987 Commissioner’s Group Disability Table, six month elimination period, separately for males and females:

Age	Male	Female
22	0.0800%	0.1000%
27	0.0890	0.1157
32	0.1050	0.1554
37	0.1370	0.2315
42	0.2020	0.3050
47	0.3560	0.4628
52	0.6620	0.7282
57	1.1870	1.0683
62	1.6710	1.2532

Retirement Active members are assumed to retire based on the following rates:

60% of employees hired prior to 1994 are assumed to retire when first eligible. 35% are assumed to retire in the year thereafter. 25% are assumed to retire in the two years thereafter. 20% are assumed to retire in the two years thereafter. 15% are assumed to retire in the four years thereafter. 100% of employees are assumed to retire at 30 years of service.

75% of employees hired after 1994 and prior to 2013 are assumed to retire when first eligible. 20% are assumed to retire in the years thereafter. 100% of employees are assumed to retire at 30 years of service.

75% of employees hired after 2012 are assumed to retire at 25 years of service (no earlier than age 55). 20% are assumed to retire in the years thereafter. 100% of employees are assumed to retire at 30 years of service.

Percent Married 75% of active and terminated vested members are assumed to be married.

Age of Spouse Females are assumed to be three years younger than their male spouses.

Cost of Living Adjustment 1.50% compounded for officers retired prior to July 1, 1986.

2.50% compounded for officers retired after July 1, 1986 and hired prior to January 1, 1994.

2.70% non-compounded for officers hired on or after January 1, 1994.

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	Full-time police officers that have received his/her appointment.
Employee Contributions	Officers hired after December 31, 2012 will continue to contribute 12% of their base pay. Officers hired between January 1, 1994 and December 31, 2012 will contribute 11% of their base pay effective on July 1, 2016 with an increase to 12% effective on July 1, 2017 (previously 10% effective on 7/1/2015). All other employees will contribute 9.5% of their total annual compensation effective on July 1, 2016 with an increase to 11% effective on July 1, 2017 (previously 8% effective on 7/1/2000). Interest is credited at 5% per year.
Normal Retirement Date	Officers who received their appointments prior to January 1, 1994: 20 years of service. Officers who received their appointments after January 1, 1994, but prior to January 1, 2013: 23 years of service. Officers who received their appointments on or after January 1, 2013: 25 years of service, but no earlier than age 55.
Normal Retirement Benefit	50% of Compensation. For members hired before January 1, 2013, Compensation is the final 12 months of pensionable earnings. For members hired after January 1, 2013, Compensation is the final five years' average pensionable earnings.
Late Retirement Date	Any date after Normal Retirement Date.
Late Retirement Benefit	An additional 2% of Compensation for each year of service worked beyond Normal Retirement Date, up to a maximum of 5 such years.
Disability Retirement	Injured in the line of duty and unable to return to work within 2 years, or permanently and totally disabled not in the line of duty with 10 years of service.
Disability Benefit	Benefit equal to 66 2/3% (in the line of duty) or 25% (not in the line of duty) of the member's accrued benefit, payable until the member's Normal Retirement Date.
Normal Form of Annuity	100% Joint & Survivor Annuity with Modified Cash Refund. Optional forms of benefit are available on an actuarially equivalent basis.

Appendix C - Summary of Plan Provisions

Pre-Retirement Spouse's Death Eligibility	Has attained Normal Retirement Date.
Pre-Retirement Spouse's Death Benefit	100% of the benefit that would have been payable as if he/she had retired on the date of death.
Pre-Retirement Lump Sum Death Eligibility	Immediate (if not eligible for Pre-Retirement Spouse's Death Benefit).
Pre-Retirement Lump Sum Death Benefit	Refund of Employee Contributions with interest to date of death.
Death Benefits After Retirement	Based on form of benefit elected at retirement.
Vesting	25% after 5 years of service, increasing 5% for each of the next 5 years, then increasing 10% for each of the next 5 years to 100% after 15 years. Members are 100% vested at their Normal Retirement Date or Disability Retirement Date.
Termination Benefit Pre-Retirement	Refund of Employee Contributions with interest to date of termination.
Cost of Living Adjustment	<p>1 ½% (compounded) for officers retired prior to July 1, 1986.</p> <p>2 ½% (compounded) for officers retired after July 1, 1986 and hired prior to January 1, 1994.</p> <p>For officers hired on or after January 1, 1994, there will be an annual non-compounded cost-of-living adjustment (COLA) equal to the greater of (a) 1.50%, or (b) the Consumer Price Index (CPI-W) as published by the Bureau of Labor Statistics (BLS).</p>