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October 28, 2014

milliman.com

PERSONAL & CONFIDENTIAL

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

Re: Coventry Municipal Employees Retirement Plan

Dear Robert:

At your request, we have performed an actuarial valuation of the Coventry Municipal Employees Retirement Plan as of July 1, 2014 for the Fiscal Year ending June 30, 2016. The results of the valuation are contained in the following report.

Respectfully submitted,

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

Steve A. Lemanski, FSA, FCA
Consulting Actuary

SAL/dp 10 COV2014MUNValCov



COVENTRY MUNICIPAL EMPLOYEES RETIREMENT PLAN

**Actuarial Valuation as of July 1, 2014
For Fiscal Year Ending June 30, 2016**

Prepared by
Milliman, Inc.

Steve A. Lemanski, FSA, FCA
Consulting Actuary

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Certification

We have performed an actuarial valuation of the Plan as of July 1, 2014 for fiscal year ending June 30, 2016. 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.



Steve A. Lemanski, FSA, FCA
Consulting Actuary

Section I - Executive Summary

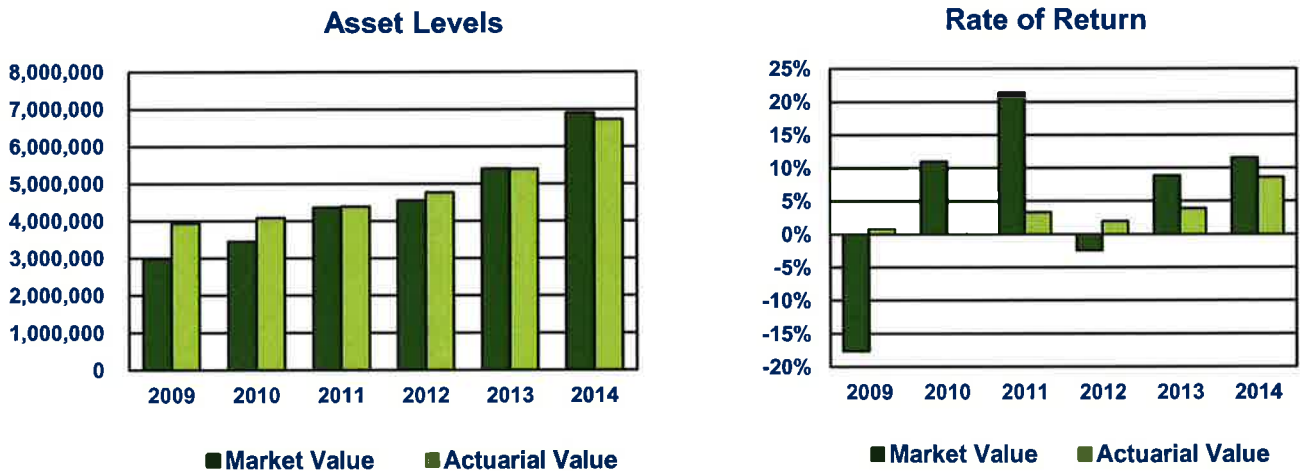
A. Highlights

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, 2013	\$5,402,532	\$5,393,158
Contributions	1,527,441	1,527,441
Investment Income	671,273	500,726
Benefit Payments and Administrative Expenses	(696,196)	(696,196)
Value as of July 1, 2014	6,905,050	6,725,129

For fiscal year 2014, the plan's assets earned 11.54% on a Market Value basis and 8.62% on an Actuarial Value basis. The actuarial assumption for this period was 7.00%; the result is an asset gain of \$264,100 on a Market Value basis and a gain of \$94,100 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 is less than the Market Value by \$179,900. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

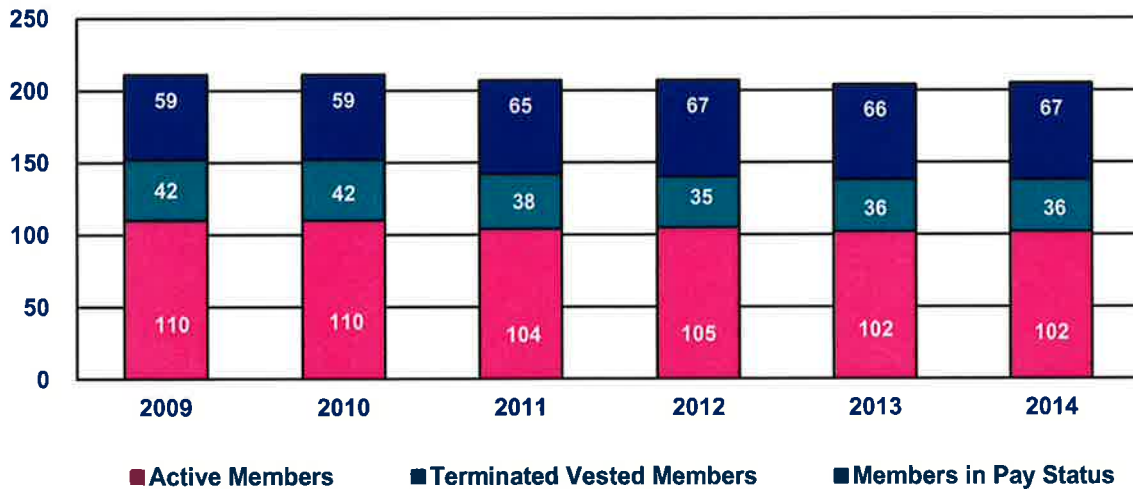
Section I - Executive Summary

A. Highlights

Membership

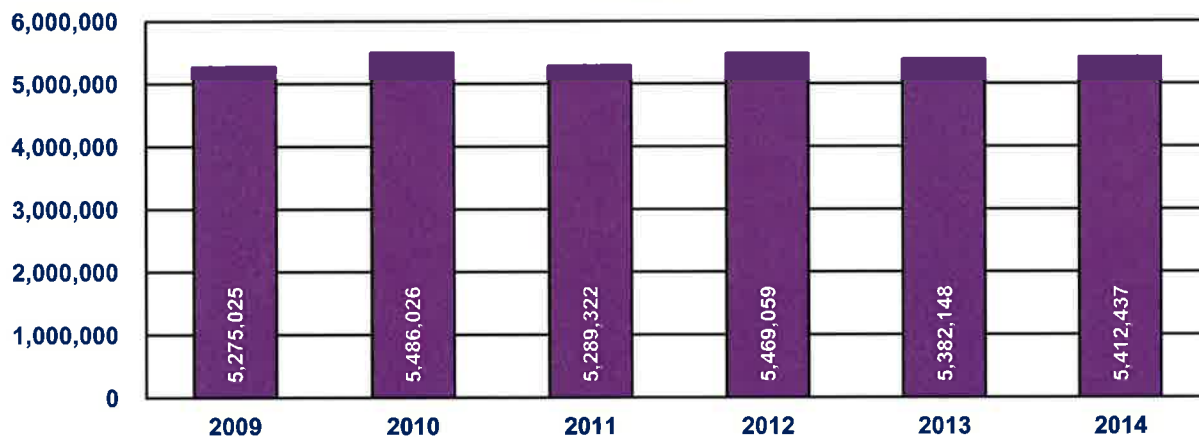
There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly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

Number of Members



From July 1, 2013 to July 1, 2014, the overall membership increased from 204 to 205. During this period, there were 2 new actives and the death of 1 member without a beneficiary.

Payroll



From July 1, 2013 to July 1, 2014, total payroll increased by about 0.6%.

Section I - Executive Summary

A. Highlights

Plan Changes

None.

Changes in Actuarial Methods or Assumptions

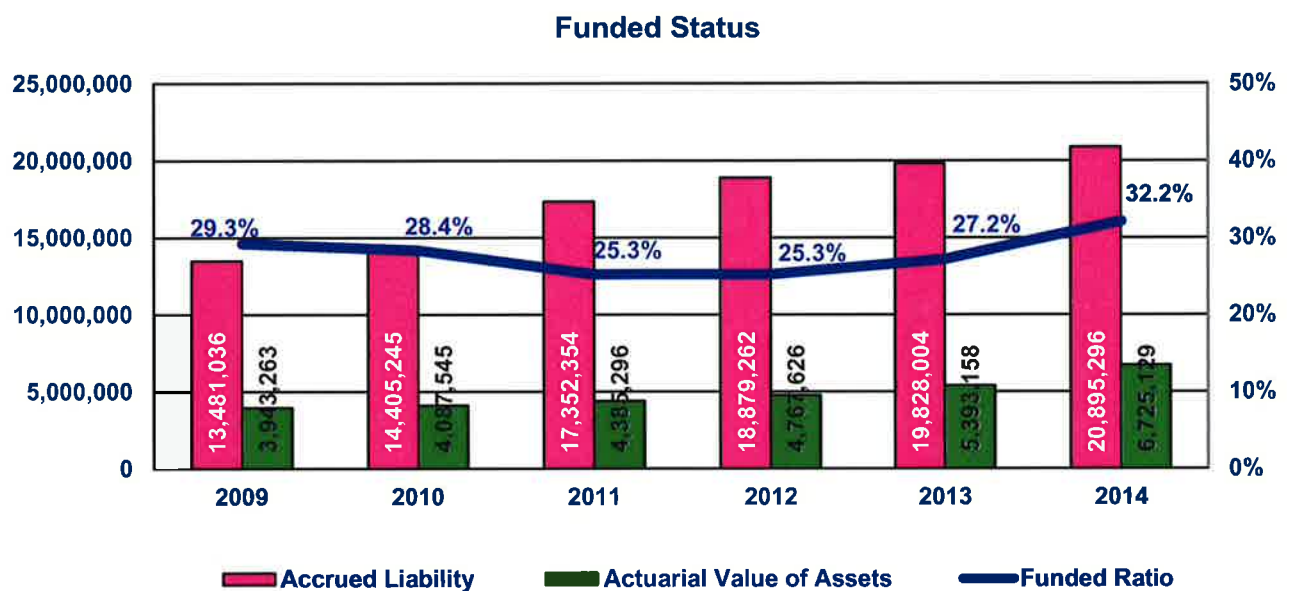
None.

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 few years. Since investment gains and losses are recognized gradually over a five year period, the large market losses suffered in 2008-2009 are manifested by a gradual decline in the funded ratio. Recent market gains have contributed to a rise in the funded ratio for the July 1, 2013 and July 1, 2014 actuarial valuations.



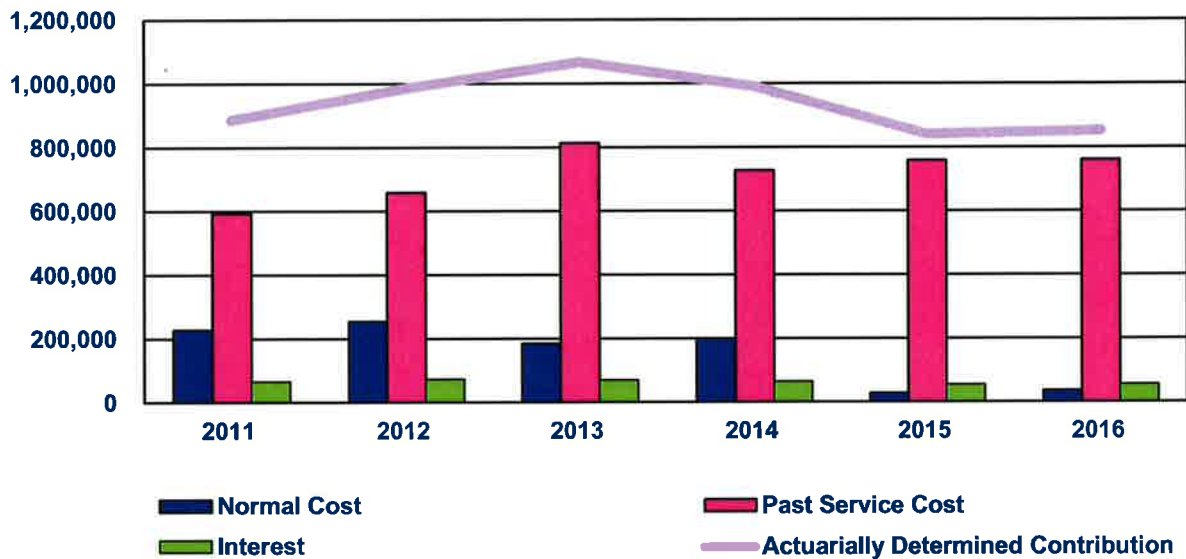
Section I - Executive Summary

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 few fiscal years are shown below.



Section I - Executive Summary

B. Summary of Principal Results

Membership	July 1, 2013	July 1, 2014
Active Members	102	102
Terminated Vested Members	36	36
Terminated Nonvested Members Due Refund	0	0
Members in Pay Status	66	67
Payroll	\$5,382,148	\$5,412,437
Assets and Liabilities	July 1, 2013	July 1, 2014
Market Value of Assets	\$5,402,532	\$6,905,050
Actuarial Value of Assets	5,393,158	6,725,129
Accrued Liability for Active Members	\$12,566,471	\$13,415,010
Accrued Liability for Terminated Vested Members	1,038,176	1,039,273
Accrued Liability for Members in Pay Status	6,223,357	6,441,013
Total Accrued Liability	19,828,004	20,895,296
Unfunded Accrued Liability	14,434,846	14,170,167
Funded Ratio	27.2%	32.2%
Actuarially Determined Contribution for Fiscal Year	2015	2016
Normal Cost	\$27,811	\$36,145
Past Service Cost	758,716	760,777
Interest	55,057	55,785
Actuarially Determined Contribution	841,584	852,707
Contribution as a Percent of Payroll	15.64%	15.75%

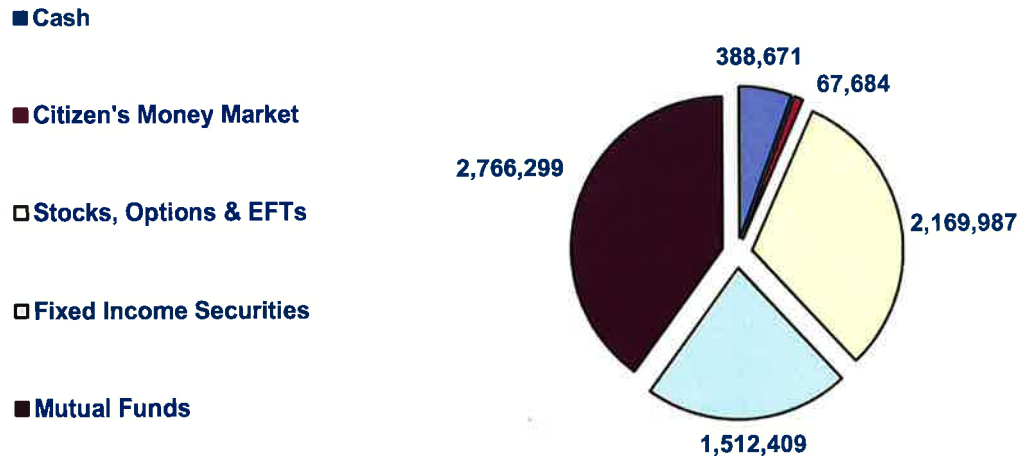
Section II - Plan Assets

A. Summary of Fund Transactions

	Trust Assets	Accrued Contributions	Total
Market Value as of July 1, 2013	\$5,402,532	\$0	\$5,402,532
Employer Contributions	1,080,077	0	1,080,077
Employee Contributions	414,294	33,070	447,364
Benefit Payments	(694,669)	0	(694,669)
Interest and Dividends	142,115	0	142,115
Unrealized Gains/(Losses)	529,158	0	529,158
Realized Gains/(Losses)	0	0	0
Investment Expenses	0	0	0
Administrative Expenses	(1,527)	0	(1,527)
Market Value as of July 1, 2014	6,871,980	33,070	6,905,050
Approximate Rate of Return			11.54%

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, 2014 is determined below.

1.	Expected Market Value of Assets:		
	a. Market Value of Assets as of July 1, 2013		\$5,402,532
	b. Employer and Employee Contributions		1,527,441
	c. Benefit Payments and Administrative Expenses		(696,196)
	d. Expected Investment Return Based on 7.00% Interest		<u>407,185</u>
	e. Expected Market Value of Assets as of July 1, 2014		6,640,962
2.	Actual Market Value of Assets as of July 1, 2014		6,905,050
3.	Delayed Recognition of Market Gains/(Losses):		
		Percent Not	Amount Not
	Period Ending	Recognized	Recognized
	06/30/2014	80%	\$211,270
	06/30/2013	60%	53,158
	06/30/2012	40%	(178,701)
	06/30/2011	20%	94,194
			179,921
4.	Actuarial Value as of July 1, 2014: (2) - (3)		6,725,129
5.	Approximate Rate of Return on Actuarial Value		8.62%
7.	Actuarial Value Gain/(Loss)		94,104

Section III - Development of Contribution

A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a period of 30 years starting on July 1, 2012.

	July 1, 2013	July 1, 2014
1. Accrued Liability		
Active Members	\$12,566,471	\$13,415,010
Terminated Vested Members	1,038,176	1,039,273
Terminated Non-Vested Members Due Refund	0	0
Retired Members	5,340,273	5,556,742
Disabled Members	566,186	563,955
Beneficiaries of Deceased Members	<u>316,898</u>	<u>320,316</u>
Total	19,828,004	20,895,296
2. Actuarial Value of Assets (see Section II B)	5,393,158	6,725,129
3. Unfunded Accrued Liability: (1) - (2)	14,434,846	14,170,167
4. Funded Ratio: (2) / (1)	27.2%	32.2%
5. Amortization Period	29	28
6. Amortization Growth Rate	3.55%	3.55%
7. Past Service Cost: (3) amortized over (5)	758,716	760,777

Section III - Development of Contribution
B. Actuarially Determined Contribution

	Fiscal Year 2015	Fiscal Year 2016
1. Total Normal Cost	\$538,915	\$546,181
2. Expected Employee Contributions	532,704	531,636
3. Expected Expenses	21,600	21,600
4. Net Normal Cost: (1) - (2) + (3)	27,811	36,145
5. Past Service Cost (see Section III A)	758,716	760,777
6. Interest on (4) + (5) to end of fiscal year	55,057	55,785
7. Actuarially Determined Contribution: (4) + (5) + (6)	841,584	852,707
8. Covered Payroll	5,382,148	5,412,437
9. Contribution as a Percent of Covered Payroll: (7) / (8)	15.64%	15.75%

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, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 30 years from July 1, 2012
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	Graded 6.80% to 3.55%
Amortization Growth Rate	3.55%
Inflation	2.75%
Cost-of-Living Adjustments	None

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

Actuarial Valuation Date	For Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2009	2011	3,943,263	13,481,036	9,537,773	29.3%	5,275,025	180.8%
07/01/2010	2012	4,087,545	14,405,245	10,317,700	28.4%	5,486,026	188.1%
07/01/2011	2013	4,385,296	17,352,354	12,967,058	25.3%	5,289,322	245.2%
07/01/2012	2014	4,767,626	18,879,262	14,111,636	25.3%	5,469,059	258.0%
07/01/2013	2015	5,393,158	19,828,004	14,434,846	27.2%	5,382,148	268.2%
07/01/2014	2016	6,725,129	20,895,296	14,170,167	32.2%	5,412,437	261.8%

Section IV - Accounting Information
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the Actuarially Determined Contribution	(3) Contribution Deficiency/ (Excess) (1) - (2)	(4) Covered Payroll	(5) Contribution as a Percentage of Covered Payroll (2) / (4)
2011	\$887,077	\$442,837	\$444,240	\$5,275,025	8%
2012	986,087	559,077	427,010	5,486,026	10%
2013	1,068,188	773,054	295,134	5,289,322	15%
2020	991,124	1,080,077	(88,953)	5,469,059	20%
2015	841,584	TBD	TBD	5,382,148	TBD
2016	852,707	TBD	TBD	5,412,437	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, 2013	As of July 1, 2014
1. Value of Vested Benefits		
Active Members	\$9,145,103	\$10,102,706
Terminated Vested Members	1,038,176	1,039,273
Terminated Non-Vested Due Refund	0	0
Retired Members	5,340,273	5,556,742
Disabled Members	566,186	563,955
Beneficiaries of Deceased Members	<u>316,898</u>	<u>320,316</u>
Total Value of Vested Benefits	16,406,636	17,582,992
2. Value of Non-Vested Benefits	218,455	230,574
3. Total Value of Accrued Benefits: (1) + (2)	16,625,091	17,813,566
4. Market Value of Assets	5,402,532	6,905,050
5. Vested Funded Ratio: (4) / (1)	32.9%	39.3%
6. Accrued Funded Ratio: (4) / (3)	32.5%	38.8%

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

Increase/(Decrease) during the 2013 plan year attributable to:

Increase for interest due to the decrease in the discount period	\$1,139,854
Benefits Accumulated/(Forfeited)	743,290
Benefit Payments	(694,669)
Plan Amendments	0
Changes in Actuarial Assumptions	0
Net Increase/(Decrease)	1,188,475

Value of Accrued Plan Benefits:

July 1, 2014	\$17,813,566
July 1, 2013	16,625,091
Net Increase/(Decrease)	1,188,475

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, 2013	102	36	0	55	4	7	204
Terminated not vested	-	-	-	-	-	-	0
Terminated, benefits due	(1)	1	-	-	-	-	0
Retired	(1)	(1)	-	2	-	-	0
Died, with beneficiary	-	(1)	-	-	-	-	(1)
Died, no beneficiary	-	-	-	(1)	-	-	(1)
New member	2	-	-	-	-	-	2
New beneficiary	-	1	-	-	-	-	1
Lump sum paid	-	-	-	-	-	-	0
Rehired	-	-	-	-	-	-	0
New QDRO	-	-	-	-	-	-	0
Correction	-	-	-	-	-	-	0
Count as of July 1, 2014	102	36	0	56	4	7	205

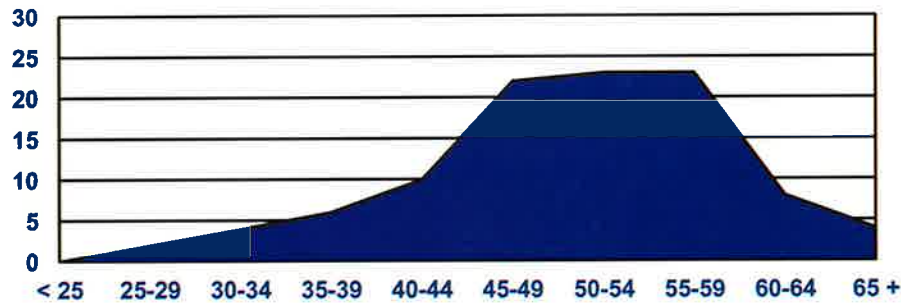
Section V - Membership Data
B. Statistics of Membership

	As of July 1, 2013	As of July 1, 2014
Number of Active Members		
Number	102	102
Average Age	49.2	50.3
Average Service	15.3	16.0
Total Payroll	\$5,382,148	\$5,412,437
Average Payroll	52,766	53,063
Terminated Vested Members		
Number	36	36
Total Annual Benefit	\$150,889	\$147,264
Average Annual Benefit	4,191	4,091
Average Age	53.1	51.4
Terminated Nonvested Members Due Refund		
Number	0	0
Retired Members		
Number	55	56
Total Annual Benefit	\$579,760	\$603,448
Average Annual Benefit	10,541	10,776
Average Age	73.9	74.1
Disabled Members		
Number	4	4
Total Annual Benefit	\$41,829	\$41,829
Average Annual Benefit	10,457	10,457
Average Age	54.7	55.8
Beneficiaries of Deceased Members		
Number	7	7
Total Annual Benefit	\$44,353	\$45,594
Average Annual Benefit	6,336	6,513
Average Age	76.4	86.1

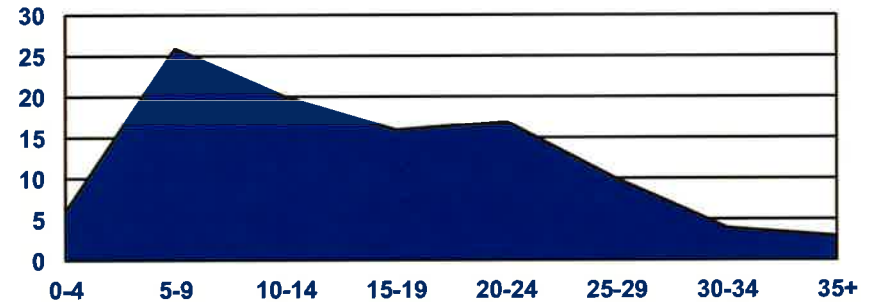
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2014 - Count

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
< 25	0	0	0	0	0	0	0	0	0
25-29	1	1	0	0	0	0	0	0	2
30-34	0	4	0	0	0	0	0	0	4
35-39	0	4	1	1	0	0	0	0	6
40-44	0	4	5	1	0	0	0	0	10
45-49	3	4	5	3	4	3	0	0	22
50-54	2	4	4	7	4	2	0	0	23
55-59	0	4	2	2	8	4	2	1	23
60-64	0	1	1	2	1	0	1	2	8
65 +	0	0	2	0	0	1	1	0	4
Total	6	26	20	16	17	10	4	3	102

Distribution By Age



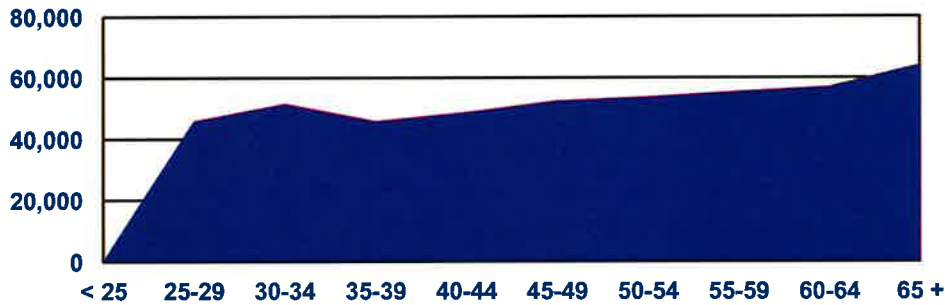
Distribution by Years of Service



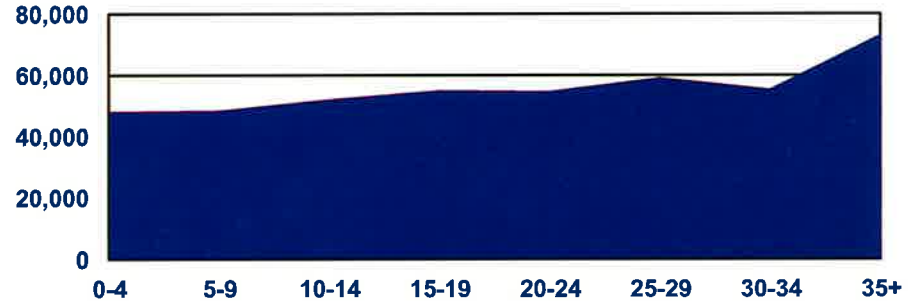
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2014 - Average Pay

Age	Years of Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
< 25	0	0	0	0	0	0	0	0	0
25-29	46,379	44,909	0	0	0	0	0	0	45,644
30-34	0	51,222	0	0	0	0	0	0	51,222
35-39	0	42,389	53,391	50,554	0	0	0	0	45,583
40-44	0	43,537	50,498	58,054	0	0	0	0	48,469
45-49	40,586	53,710	51,878	56,378	52,250	58,143	0	0	52,207
50-54	59,745	47,555	47,976	55,901	58,640	51,132	0	0	53,467
55-59	0	53,467	52,970	57,623	51,685	59,230	52,812	78,686	55,207
60-64	0	42,173	39,581	46,594	69,107	0	70,176	69,985	56,774
65 +	0	0	67,535	0	0	76,084	44,673	0	63,957
Total	47,938	48,254	51,888	54,843	54,479	58,970	55,118	72,885	53,063

Distribution By Age



Distribution by Years of Service



Section V - Membership Data
E. Distribution of Inactive Members as of July 1, 2014

	Age	Number	Annual Benefits
Terminated Vested Members	< 30	0	\$0
	30 - 39	3	3,932
	40 - 49	8	38,073
	50 - 59	15	80,047
	60 - 64	5	10,568
	65 +	4	14,644
	Total	35	147,264
Retired Members	< 50	0	\$0
	50 - 59	0	0
	60 - 69	20	254,780
	70 - 79	21	237,375
	80 - 89	10	90,395
	90 +	5	20,898
	Total	56	603,448
Disabled Retirees	< 50	0	\$0
	50 - 59	3	35,483
	60 - 69	1	6,346
	70 - 79	0	0
	80 - 89	0	0
	90 +	0	0
	Total	4	41,829
Beneficiaries	< 50	0	\$0
	50 - 59	0	0
	60 - 69	3	12,707
	70 - 79	2	15,192
	80 - 89	3	17,695
	90 +	0	0
	Total	8	45,594

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 30 years (closed period).

The **Actuarial Value of Assets** is determined by first projecting the Actuarial Value forward from the last valuation date based on the actual cash flow during the year and the assumed interest rate. The difference between this expected actuarial value and the actual market value is recognized over a **five** year period, subject to the Actuarial Value remaining within +/- 20% of the Market Value.

Appendix B - Actuarial Assumptions

Interest 7.00%

Salary Scale	<u>Service</u>	<u>Rate</u>
	1	6.80%
	2	6.80
	3	3.55
	4	3.55
	5	6.35
	6-9	3.55
	10	6.10
	11-14	3.55
	15	5.85
	16-19	3.55
	20	5.60
	21-24	3.55
	25	5.35
	26 on	3.55

Amortization Growth Rate 3.55%

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 2003 SOA Small Plan Age Table multiplied by 0.45:

<u>Age</u>	<u>Rate</u>
20	10.94%
25	8.78
30	6.98
35	5.45
40	4.23
45	3.29
50	2.52
55	1.89

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.

Appendix B - Actuarial Assumptions

Rate of Retirement

Active members are assumed to retire as follows.

<u>Age</u>	<u>Rate</u>
55 – 58	3%
59	7
60 – 61	10
62	35
63 – 64	20
65	40
66 – 69	30
70	100

Pre-Retirement Disability

1987 Commissioner's Group Disability Table, six month elimination period, separately for males and females:

<u>Age</u>	<u>Male</u>	<u>Female</u>
22	0.080%	0.1000%
27	0.089	0.1157
32	0.105	0.1554
37	0.137	0.2315
42	0.202	0.3050
47	0.356	0.4628
52	0.662	0.7282
57	1.187	1.0683
62	1.671	1.2532

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	Municipal employees working in nonuniform classifications. Eligible members participate on the first day of the month following date of hire. All employees hired after November 21, 2013 shall participate in a defined contribution plan, and will not participate in the defined benefit plan.
Employee Contributions	All active participants contribute 8% of compensation (effective October 1, 2013), 9% of compensation (effective July 1, 2014) and 10% of compensation (effective July 1, 2015). Interest is credited at 5% per annum.
Final Average Compensation	The average of total pay received for the five consecutive years out of the ten latest years which gives the highest average.
Normal Retirement Date	Age 62.
Normal Retirement Benefit	2% of Average Compensation per year of service.
Early Retirement Date	Age 55 with 10 years of vesting service.
Early Retirement Benefit	Accrued benefit reduced by 6 2/3% for each of the first 5 years and 3 1/3% for each of the next 2 years by which the member's Early Retirement Date precedes their Normal Retirement Date.
Late Retirement Date	Any age beyond 62.
Late Retirement Benefit	The greater of (a) the accrued benefit as of the member's Late Retirement Date or (b) the accrued benefit as of the member's Normal Retirement Date increased actuarially.
Disability Retirement Date	10 years of service.
Disability Retirement Benefit	Immediate benefit equal to 25% of Average Compensation, payable until the member's Normal Retirement Date. Deferred benefit equal to the accrued benefit, starting on the member's Normal Retirement Date.

Appendix C - Summary of Plan Provisions

Normal Form of Annuity	Life Annuity with Modified Cash Refund. Optional forms of benefit are available on an actuarially equivalent basis.
Vesting	40% after 4 years of service, increasing 5% for each of the next 2 years, then increasing 10% for each of the next 5 years to 100% after 11 years. Members are 100% vested at their Early Retirement Date, Normal Retirement Date, or Disability Retirement Date.
Pre-Retirement Spouse's Death Benefit	If the member is vested and is married at the time of death, the surviving spouse will receive a benefit equal to 50% of the benefit that would have been payable had the member terminated immediately before death, elected to retire at their earliest retirement eligibility or date of death if later, and elected a 50% joint and survivor annuity. The surviving spouse's benefit is payable starting on the date that would have been the member's earliest retirement date.
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.
Termination Benefit Pre-Retirement	Refund of Employee Contributions with interest to date of termination.