A N G E L L

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November 17, 2016

VIA E-MAIL ONLY
PERSONAL & CONFIDENTIAL

Ms. Christina D. Collins
Town of Jamestown
93 Narragansett Ave
Jamestown, RI 02835

RE: Town of Jamestown, Rhode Island Police Department Pension Plan

Dear Ms. Collins:

Enclosed is the following material pertaining to the administration of the above referenced plan for the plan year beginning July 1, 2016:

- The Actuarial Valuation, which outlines the funding options for the plan year and summarizes the current funding status of the plan.
- The June 30, 2016 financial disclosure information required by the Government Accounting Standards Board Statement Nos. 67 and 68.

Please note that these reports are being issued under the assumption that the drafted plan amendment, adopting the changes to the collective bargaining agreement, is executed and approved. If the amendment is not approved then the results contained in these reports will need to be revised.

If you should have any questions, please call me at extension 101.

Sincerely,

Scott Gregory

Scott Gregory
Defined Benefit Administrator
sgregory@angellpensiongroup.com
admlet.doc/a0978a/seg

Enclosures

Town of Jamestown, Rhode Island Police Department Pension Plan

Actuarial Valuation as of July 1, 2016

For the Period Beginning July 1, 2016

and Ending June 30, 2017

Prepared By:

The Angell Pension Group, Inc.
88 Boyd Avenue
East Providence, RI 02914
Telephone (401) 438-9250

November 2016

TABLE OF CONTENTS

I. INTRODUCTION

This report presents the results of the actuarial valuation as of July 1, 2016 of the Town of Jamestown, Rhode Island Police Department Pension Plan. The purpose of the report is to illustrate the current position of the plan and present information which will assist the Town in determining the appropriate contribution for the period beginning July 1, 2016 and ending June 30, 2017. The plan provisions have been updated to reflect the most recent agreement between the Town of Jamestown and the International Brotherhood of Police Officers Local 305.

Section II of this report illustrates two levels of plan contributions - one equals the normal cost plus a 15 year amortization of the unfunded actuarial accrued liability and the other equals the normal cost plus a 10 year amortization of the unfunded actuarial accrued liability. Section II also shows the portion expected to be funded by employee contributions and the balance to be funded by the Town.

The major provisions of the plan upon which this valuation is based are illustrated in Section III.

This valuation was prepared on the basis of information submitted to The Angell Pension Group, Inc. in the form of payroll and asset data, as well as ancillary material pertaining to the plan. We have not independently verified, nor do we make any representations as to, the accuracy of such information.

Additionally, this valuation was prepared under the assumption that the drafted plan amendment, adopting the changes to the collective bargaining agreement, is executed and approved. If the amendment is not approved then the results contained in this report will need to be revised.

Jean M. Wilson

Jean M. Wilson, E.A.
Member, American Academy of Actuaries

11/17/2016

Date

II. BREAKDOWN OF PLAN CONTRIBUTIONS

This Section allocates the Total Plan Contribution for the period ending June 30, 2017 between the Police Officers' mandatory employee contributions and the Town's contribution. Refer to Section IX of the valuation for the Development of the Total Plan Contribution.

	15 Year Amortization	10 Year Amortization
1. Total Plan Contribution, if paid on June 30, 2017	$281,131	$281,131
2. Expected Police Officer Contributions*	70,334	70,334
3. Expected interest on (2), assuming monthly payments throughout the year	2,638	2,638
4. Town's Contribution, assuming payment June 30, 2017 [(1) - (2) - (3)]	208,159	208,159

*Effective July 1, 2009, 9% of base pay plus longevity.

III. SUMMARY OF PLAN PROVISIONS

Plan Year:	Effective July 1, 2009, the twelve (12)-consecutive-month period beginning July 1 and ending June 30. Prior to July 1, 2009, the Plan Year is the twelve (12)-consecutive-month period beginning January 1 and ending December 31. The period from January 1, 2009 to June 30, 2009 is a short Plan Year.
Eligibility Requirements:	Age: None Service: None Other: Must be employed on a full-time basis by the Police Department, whose customary employment is for at least 37 1/3 hours per week and for 52 weeks per year.
Employee Contributions:	Must also agree to make the mandatory employee contributions equal to 8% of compensation. Effective July 1, 2008, employee shall contribute eight and one-half percent (8.5%) of their base pay plus longevity. Effective July 1, 2009, employee shall contribute nine percent (9.0%) of their base pay plus longevity.
Plan Entry Date:	An eligible employee will enter the plan on the first day of the month coincident or next following the completion of the eligibility requirements.
Normal Retirement Date:	A participant hired before March 1, 1986 shall have a normal retirement date equal to the earlier of his 55th birthday, or the completion of a specified number of years of service, depending upon the date of hire. A participant hired on or after March 1, 1986 shall have a normal retirement date equal to the earlier of his 55th birthday, or the completion of 25 years of service.
Compensation:	Monthly equivalent of base compensation plus longevity pay paid in a plan year, exclusive of overtime pay, shift differentials or any other program of deferred compensation.
Average Compensation:	For Participants hired prior to July 1, 2014, computed on the thirty-six (36) consecutive months of full service prior to date of normal or late retirement or termination.

For participants hired on or after July 1, 2014, computed on the sixty (60) consecutive months of full service prior to date of normal or late retirement or termination.

Normal Retirement Benefit:

For Participants hired before July 1, 2014:
A monthly benefit equal to the sum of (a) plus (b), subject to a maximum of (c):

(a) 2.5 percent of Average Compensation multiplied by years of service up to 20

(b) 2.0 percent of Average Compensation multiplied by years of service in excess of 20 years

(c) 75 percent of Average Compensation

For Participants hired on or after July 1, 2014:
A monthly benefit equal to the sum of (a) plus (b), subject to a maximum of (c):

(a) 2.4 percent of Average Compensation multiplied by years of service up to 25

(b) 2.0 percent of Average Compensation multiplied by years of service in excess of 25 years

(c) 75 percent of Average Compensation

Normal Form of Benefit:

Life annuity for the participant's lifetime, his spouse shall receive payment of 67.5 percent of the monthly payment paid to the participant. Such payments shall cease upon the death or remarriage of the spouse.

Monthly payments to the legal guardian of dependent children may become payable in certain situations.

Cost of Living Increases:

Upon attainment of age 55, the retirement benefit will be increased by 1% per year (compounded annually) for each year from retirement age to age 55. The benefit will continue to increase at a rate of 2% per year until age 65. Payments after age 65 will remain the same as the age 65 benefit.

Effective July 1, 2007, members retiring on July 1, 2007 or later, the COLA formula changed and is based on Years of Service. For members retiring with at least 20 Years of Service, the base benefit is increased by a 1% annual COLA, compounded from the date of retirement to the date of attainment of 25 Years of Service (as if the Participant had remained in active employment). From the date of attainment of 25 Years of Service (and for members retiring with more than 25 Years of Service) the annual COLA is 3%.

Effective July 1, 2014, for members whose employment date occurred on or after July 1, 2014 who have retired and are receiving a monthly benefit, shall receive a simple COLA increase each year based on the CPIU with a maximum annual increase of 3.0% and a minimum increase of 0.0%.

Accrued Benefit: The Normal Retirement Benefit based on Average Compensation and Years of Service to date.

Late Retirement: Participants who continue employment after their Normal Retirement Date are eligible for a late retirement benefit equal to the accrued benefit determined at actual retirement.

Death Benefit: Single Sum Death Benefit

If a participant shall die while employed, he shall receive a single sum benefit equal to the greater of (a) and (b):

(a) the value of accumulated contributions, plus credited interest

(b) $400 multiplied by years of service up to 25 years, subject to a minimum benefit of $2,000

Spouse Death Benefit

The spouse of a participant who dies while employed will be eligible to receive a surviving spouse benefit equal to 40 percent of Average Compensation. This benefit is payable until the earlier of the spouse's death or remarriage.

The plan may provide death benefits for dependent children, and in cases of death after employment ceases and death following normal retirement date.

Disability Benefit: Non-Occupational Disability

A participant who has completed at least 7 years of service and becomes totally and permanently disabled shall be entitled to receive a benefit equal to 50 percent of the Participant's Average Compensation at the time of disability.

Occupational Disability

A participant who becomes totally and permanently disabled as a result of the course of his employment shall be entitled to receive a benefit equal to 66 2/3 percent of the Participant's rate of pay at the time of disability.

Vesting: Based on Years of Service, subject to the following schedule:

Years of Service	Vested Percentage
Less than 10 years	0%
10 years or more	100%

IV. ACTUARIAL COST METHODS

A. Actuarial Cost Method

Costs for retirement benefits have been computed in accordance with the Entry Age Normal Cost Method.

The normal cost is the sum of the normal costs for all active participants who have not reached the assumed retirement date. For each such participant, the individual normal cost is the participant's normal cost accrual rate multiplied by the participant's current compensation. The normal cost accrual rate equals (a) the actuarial present value of future benefits as of the participant's entry age divided by (b) the actuarial present value of future compensation as of the participant's entry age. For other participants, the normal cost equals zero.

The accrued liability is the sum of the individual accrued liabilities for all participants. The individual accrued liability is equal to the actuarial present value of future benefits less the normal cost accrual rate multiplied by the actuarial present value of future compensation.

Costs for death and disability benefits are funded on a reserve basis along with the retirement benefits.

B. Asset Valuation Method

The actuarial value of the plan assets used in determining plan costs is equal to the fair market value.

C. Changes In Actuarial Methods

No change in actuarial cost methods have occurred since the prior valuation.

V. ACTUARIAL ASSUMPTIONS

A. Assumptions Used For The Current Period

Actuarial assumptions are estimates as to the occurrence of future events affecting the costs of the plan such as mortality rates, withdrawal rates, changes in compensation level, retirement ages, rates of investment earnings, expenses, etc. The assumptions have been chosen to anticipate the long-range experience of the plan.

Investment Return:	7% per annum
Mortality:	RP 2014 at 2006 Blue Collar Employee Non-Annuitant/Annuitant Generational Table (M/F) with MP-2016 mortality improvements.
Withdrawal Rate:	None
Salary Scale:	4% per annum
Assumed Retirement Age:	The later of (a) the earlier of age 55 and the completion of 25 years of service, or (b) the participant's current age.
Disability:	Occupational disability assumed to be three times the rates specified by the 1974 Railroad Retirement Board Valuation.
Marital Status:	For purposes of death benefits and post-retirement survivor benefits, 90% of plan participants are assumed to be married. Males are assumed to be 3 years older than females.
Cost of Living Adjustment:	Effective July 1, 2014, Members whose employment date occurred on or after July 1, 2014 who have retired and are receiving a monthly benefit, shall receive a simple COLA increase each year based on the CPIU with a maximum annual increase of 3.0% and a minimum increase of 0.0%. For purposes of the valuation, we assume this increase will be 1.0%

B. Changes In Actuarial Assumptions

There has been a change in the mortality assumption since the prior valuation date. The RP 2014 Blue Collar Employee/Annuitant Generational Tables (M/F) with using MP-2014 mortality improvements used in the 2014 actuarial valuation were replaced with the RP 2014 at 2006 Blue Collar Employee/Annuitant Generational Tables (M/F) with MP-2016 mortality improvements.

A new assumption has been made to reflect the newly adopted COLA provision for members hired after July 1, 2014. We have assumed a 1.0% simple COLA increase for these participants.

Town of Jamestown, Rhode Island Police Department Pension Plan

Summary of Actuarial Assumptions as of June 30, 2016

Assumption		Entity Who Selects Assumption	Basis for Assumption Selection	Change in Assumption
Discount Rate	7.00%	The Angell Pension Group, Inc.	Equal to the long-term rate of return on assets.	None
Long-Term Rate of Return on Assets	7.00%	The Angell Pension Group, Inc.	The assumed long-term rate of return on assets is developed based on the allocation of the Plan's assets by investment class and the capital market outlook for each investment class. This information is provided by the Plan's investment advisor.	None
Salary Scale	4.00%	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan.	None
Taxable Wage Base Increase	N/A	N/A	N/A	None
Pre-Retirement Mortality	RP 2014 Blue Collar Employee Generational Table (M/F) with MP-2016 mortality improvements.	The Angell Pension Group, Inc.	The Society of Actuaries published a study of retirement experience in October, 2016. The RP-2014 tables presented in the study represent the most current and complete benchmarks of U.S. private pension plan mortality experience. As recommended by the authors of the study, the mortality tables used for the Plan include generational projection of mortality improvements using the MP-2016 projection scale.	The mortality tables changed from the RP-2014 Blue Collar Employee Generational (M/F) tables with MP-2014 mortality improvements as of the prior measurement date, July 1, 2015. The change was made to reflect the best estimate of future experience under the plan. This change, together with the change in post-retirement mortality, decreased the Projected Benefit Obligation as of the current measurement date, July 1, 2016, by 2.07%.
Post-Retirement Mortality	RP 2014 Blue Collar Healthy Annuitant Generational Table (M/F) with MP-2016 mortality improvements.	The Angell Pension Group, Inc.	The Society of Actuaries published a study of retirement experience in October, 2016. The RP-2014 tables presented in the study represent the most current and complete benchmarks of U.S. private pension plan mortality experience. As recommended by the authors of the study, the mortality tables used for the Plan include generational projection of mortality improvements using the MP-2016 projection scale.	The mortality tables changed from the RP-2014 Blue Collar Employee Generational (M/F) tables with MP-2014 mortality improvements as of the prior measurement date, July 1, 2015. The change was made to reflect the best estimate of future experience under the plan. This change, together with the change in post-retirement mortality, decreased the Projected Benefit Obligation as of the current measurement date, July 1, 2016, by 2.07%.
Disability Rates	Occupational disability assumed to be three times the rates specified by the 1974 Railroad Retirement Board Valuation.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan.	None
Withdrawal Rates	None	The Angell Pension Group, Inc.	The incidence of withdrawal under the Plan is negligible	None
Retirement Rates	Active and inactive participants are assumed to retire at the later of (a) the earlier of age 55 and the completion of 25 years of service, or (b) the participant's current age.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan.	None
Cost of Living Adjustment	For participants hired after July 1, 2014, the COLA assumption is 1.0%	The Angell Pension Group, Inc.	This assumption was set based on a review of the CPI-U index.	New
Administrative Expenses	Actual Administrative Expenses	The Angell Pension Group, Inc.	Actual Administrative expenses are paid from Plan assets.	None
Percent Married	90% of males and 90% of females are assumed to be married.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan.	None

Age of Spouse	The female spouse is assumed to be 3 years younger than the male spouse.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan and general experience from similarly situated plans.	None

VI. PLAN ASSETS AS OF JULY 1, 2016

A. Market Value of Plan Assets

WASHINGTON TRUST FINANCIAL MANAGEMENT

TOTAL WASHINGTON TRUST	$9,940,891
TOTAL MARKET VALUE OF ASSETS	**$9,940,891**

B. Actuarial Value of Plan Assets

Total Market Value of Assets:	**$9,940,891**
Plus: Town receivable contributions	0
Employee receivable contributions	0
Less: Benefits Payable	0
Actuarial Value of Plan Assets:	**$9,940,891**

VII. ACTUARIAL PRESENT VALUE OF ESTIMATED ACCUMULATED PLAN BENEFITS

A. Present Values as of July 1, 2016

	Number of Lives	Vested Benefits	Non-Vested Benefits	Total Present Value
Active Lives:	12	1,738,456	677,115	2,415,571
Vested Terminations:*	2	220,332	0	220,332
Retired Lives:	13	6,492,068	0	6,492,068
Totals:	27	8,450,856	677,115	9,127,971

***Will receive return of employee contributions.**

B. Basis of Determination

The actuarial assumptions used in calculating the Actuarial Present Value of Estimated Accumulated Plan Benefits are shown in Section V, except that no salary projection was assumed.

C. Description of Accumulated Benefits

The estimated accumulated benefits whose present values are shown in A above are the estimated benefits accrued through July 1, 2016, based upon service and compensation through that date. Compensation for purposes of determining the Present Value of Estimated Accumulated Plan Benefits includes longevity payments.

VIII. DEVELOPMENT OF UNFUNDED ACCRUED LIABILITY AND NORMAL COST

A. Unfunded Actuarial Accrued Liability

1.	Actuarial Accrued Liability as of July 1, 2016	9,822,342
2.	Actuarial Value of Assets as of July 1, 2016	9,940,891
3.	Unfunded Actuarial Accrued Liability as of July 1, 2016 [(1) - (2)]	0

B. Normal Cost

Total Entry Age Normal Cost as of July 1, 2016 (Retirement, Death and Disability Benefits)	262,739

NOTE: The actuarial accrued liability shown in A.1 above takes into account projected salary increases and is based on salary excluding longevity.

IX. DEVELOPMENT OF TOTAL PLAN CONTRIBUTIONS

This section develops the Total Plan Contribution including the employee contributions mandated for the Police Officers. Refer to Section II for a breakdown of the recommended contribution between the Police Officers and the Town.

A. FIFTEEN YEAR AMORTIZATION CONTRIBUTION

1. Normal Cost	$262,739
2. Fifteen Year Amortization of Unfunded Actuarial Accrued Liability (zero, if unfunded is less than zero)	0
3. Interest on (1) and (2) to June 30, 2017	18,392
4. Total Contribution if paid on June 30, 2017 [(1) + (2) + (3)]	281,131
5. Total Annualized Payroll as of June 30, 2017	781,493*
6. Total Contribution as a Percentage of Payroll [(4) / (5)]	35.97%

B. TEN YEAR AMORTIZATION CONTRIBUTION

1. Normal Cost	$262,739
2. Ten Year Amortization of Unfunded Actuarial Accrued Liability (zero, if unfunded is less than zero)	0
3. Interest on (1) and (2) to June 30, 2017	18,392
4. Total Contribution if paid on June 30, 2017 [(1) + (2) + (3)]	281,131
5. Total Annualized Payroll as of June 30, 2017	781,493*
6. Total Contribution as a Percentage of Payroll [(4) / (5)]	35.97%

NOTE: Payroll reported in Item 5 in both above sections includes longevity.

X. CENSUS DATA USED IN THE VALUATION

A. *Active Participants*

Name	Date of Birth	Date of Hire	Current Salary*
Carlino	[redacted]	12/01/2003	$ 70,390
Carrasquillo		05/23/2015	35,576
Chaves		01/19/2012	55,956
Deneault, Angela		06/19/1994	78,356
Esposito		08/10/2004	68,131
Hebert		03/19/2007	61,956
Hopkins		03/15/2004	68,451
Jacobson		03/16/2009	61,367
Mello		09/19/2011	88,521
Moulay (Catlow)		08/13/2002	68,772
Pages		12/20/2012	53,641
Pinocci, Joel		03/23/1998	70,376

B. *Terminated Vested Participants*

Name		Date of Hire	Monthly Estimated Benefit Amount
Balcom, Thomas		09/06/1992	$ 1,398.02
Areson		12/01/2003	1,318.68

*includes longevity

X. CENSUS DATA USED IN THE VALUATION

C. *Retired Participants*

Name	Date of Birth	Date of Retirement	Monthly Benefit Amount
Balzer, Jr., Paul	[redacted]	04/15/2004	$4,032.58
Donovan , William		05/01/2010	4,705.28
Dube, John		12/18/2006	3,486.42
Grunder, Robert A.*		12/01/1997	1,012.75*
Peckham, Robert L.		03/01/1997	1,793.60
Pemantell, James		09/11/1992	2,478.48
Pfetzer, Christine**		03/21/1994	1,124.84**
Piva Jr., William J.		03/01/2008	3,449.21
Rexter, Robert J.		07/01/1992	1,684.28
Tighe, Thomas P.		07/01/2010	6,340.49
Watson, Franklin T		07/01/2010	5,133.30
Westall, Kathryn**		06/15/2004	2,257.19
Woodbine, Keith		11/01/2014	3,333.27

* A portion of this amount is payable to an alternate payee.
** Beneficiary

SECTION XI

RECONCILIATION OF PLAN PARTICIPANTS

	Active	Vested Term	Retired	Total
Participants included in the 07-01-2015 valuation	11	2	13*	26
Data corrections	0	0	0	0
Terminated vested	0	0	0	0
Retired	0	0	0	0
Died with beneficiary	0	0	0	0
Died without beneficiary	0	0	0	0
Alternate Payee (QDRO)	0	0	0	0
Lump sum	0	0	0	0
Terminated non-vested	0	0	0	0
Rehired	0	0	0	0
New participants	1	0	0	0
Participants included in the 07-01-2016 valuation	12	2	13*	27

*Includes two beneficiaries.

SECTION XII

EXPECTED BENEFIT PAYMENTS IN FUTURE

For plan year beginning in:	Payments
2016	474,000
2017	480,000
2018	485,000
2019	534,000
2020	540,000
2021	546,000
2022	613,000
2023	650,000
2024	656,000
2025	690,000
2026	696,000
2027	770,000
2028	833,000
2029	953,000
2030	961,000

Note: The amounts shown above are the present values at the valuation date, and its anniversaries, of the benefits expected to be paid during the plan year.