

RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF SURFSIDE

Projection Actuarial Valuation as of October 1, 2016

This Valuation Determines the Annual Contribution for the Plan and Fiscal Year October 1, 2017 through September 30, 2018 to Be Paid in Fiscal Year October 1, 2017 through September 30, 2018

June 30, 2017



**Retirement Plan for Employees of
the Town of Surfside**

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June 30, 2017

Pension Board
Retirement Plan for Employees
of the Town of Surfside
c/o Ms. Mayte Gamiotea
9293 Harding Avenue
Surfside, Florida 33154

Dear Board Members:

October 1, 2016 Projection Actuarial Valuation

We are pleased to present our October 1, 2016 Projection Actuarial Valuation for the Retirement Plan for Employees of the Town of Surfside (Plan). The purpose of this report is to indicate appropriate contribution levels, comment on the actuarial soundness of the Plan and to satisfy State requirements. Gabriel, Roeder, Smith & Company, as Plan actuary, is authorized by the Pension Board to prepare an annual actuarial valuation under Section 2-185(i)(11)(c) of the Plan.

This report consists of this commentary, detailed Tables I through XV, and the State Required Exhibit on Table XVI. The Tables contain basic Plan cost figures plus significant details on the benefits, liabilities and experience of the Plan. We suggest that you thoroughly review the report at your convenience and contact us with any questions that may arise.

Pension Plan Costs

Our Actuarial Valuation develops the required minimum Pension Plan payment under the Florida Protection of Public Employee Retirement Benefits Act and Police Officers Retirement Chapter 185. The minimum payment consists of payment of annual normal costs and amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The minimum payment for the Plan year ending September 30, 2018 is **\$1,388,686 (23.5%)**. The figure in parentheses is the Plan cost expressed as a percentage of covered annual payroll (\$5,897,832) as of October 1, 2016.

This total cost is to be met by Member and Town contributions. We anticipate Member contributions will be **\$471,412 (8.0%)**. The resulting minimum required Town contribution to be paid in **fiscal year ending September 30, 2018** is **\$917,274 (15.6%)**. This Actuarial Valuation assumes Town contributions will be made on the first day of the Plan Year.

Changes in Actuarial Assumptions, Methods and Plan Benefits

Plan provisions remain unchanged from the plan provisions considered in the October 1, 2015 Actuarial Impact Statement and are summarized on Table IX. Plan provision changes from the prior Actuarial Valuation incorporated in the Actuarial Impact Statement are shown for informational purposes.

The mortality assumption has been updated to use the mortality assumption used by the Florida Retirement System (FRS) as required under F.S., Chapter 2015-157 based upon the July 1, 2016 FRS Actuarial Valuation. The remaining actuarial assumptions and methods remain unchanged from the Actuarial Impact Statement and are outlined on Table X.

Comparison of October 1, 2015 and October 1, 2016 Valuation Results

Table II of our report provides information of a comparative nature. The left columns of the Table indicate the costs as calculated for the October 1, 2015 Actuarial Impact Statement. The center columns indicate the costs as calculated for October 1, 2016, prior to the update in actuarial assumptions. The right columns indicate the costs as calculated for October 1, 2016, after the update in actuarial assumptions.

Comparing the left and center columns of Table II shows the effect of Plan experience during the year. The number of active participants increased by approximately 2% - covered payroll increased by approximately 8%. The total normal cost, unfunded actuarial accrued liability and net Town minimum funding requirement increased both as a dollar amount and as a percentage of covered payroll.

Comparing the center and right columns of Table II shows the effect of the update of the actuarial assumptions. The total normal cost, unfunded actuarial accrued liability and net Town minimum funding requirement increased both as a dollar amount and as a percentage of covered payroll.

Assets exceed the value of vested accrued benefits resulting in a Vested Benefit Security Ratio (VBSR) of 111.8% (112.0% before the update in actuarial assumptions). This is an increase from 108.5% as of the October 1, 2015 Actuarial Impact Statement. The Vested Benefit Security Ratio is based upon the market value of assets.

Actuarial Gains (Losses)

The Plan experienced an actuarial loss of **\$212,159 (3.6%)** during the year. Our Actuarial Valuation Report tracks the actual experience in areas that are very significant in determining whether a gain or loss occurs. Table XIV presents investment return, salary experience and termination experience.

Table XIV provides the investment experience under the Plan in comparison to the actuarial assumption. During 2015-2016, the fund experienced a smoothed actuarial value net return of approximately 8.05%. This return is more than the assumed 7.25% rate of return. Investment return was an offsetting source of actuarial gain this year. The average smoothed actuarial value return over the last three, five and ten-years is 8.0%, 6.3% and 4.9%, respectively. The one, three, five and ten-year average market value returns are 11.08%, 6.5%, 9.8% and 4.8%, respectively.

Table XIV also provides salary increase experience for the Plan in comparison to assumed salary increases. Salary increases averaged 8.7% and 7.6%, respectively for both General Employees and Police Officers this year. The average salary increase assumption was 5.4% for General Employees and 4.8% for Police Officers. Salary increases were generally a source of actuarial loss for both General Employees and Police Officers. General Employee average annual salary increases for the three, five and ten-year periods are 8.5%, 7.3% and 6.1%, respectively. Police Officer average annual salary increases for the three, five and ten-year periods are 4.6%, 4.5% and 6.6%, respectively.

Employee turnover this year was 80% of the assumed turnover for General Employees – there was no turnover for Police Officers. General Employee turnover for the three, five and ten-year periods are 110%, 120% and 170%, respectively of expected turnover. Police Officer turnover for the three, five and ten-year periods are 30%, 40% and 80%, respectively of expected turnover. Employee turnover was generally a source of actuarial loss for both General Employees and Police Officers.

Member Census and Financial Data

The Member census data as of October 1, 2016 used for this Actuarial Valuation was submitted to us by the Town. This information contains name, Social Security number, date of birth, date of hire, October 1, 2016 rate of pay, actual salary paid and member contributions for the previous fiscal year. Dates of termination and retirement are provided where applicable. Information on inactive participants including retirees, beneficiaries and vested terminees was also provided by the Town.

We were supplied with information on the assets of the Plan as of September 30, 2016 by the Board. We do not audit the member census data and asset information provided to us; however, we perform certain reasonableness checks. The Plan is responsible for the accuracy of the data.

Summary

In our opinion the benefits provided for under the current Plan will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. We will continue to update you on the future payment requirements for the Plan through our Actuarial Valuation reports. These reports will also continue to monitor emerging experience of the Plan. The actuarial assumptions used in this Actuarial Valuation are as adopted by the Board. The economic and demographic actuarial assumptions were last updated based on the results of

Experience Study for the period October 1, 2009 – September 30, 2014. The mortality assumptions are as prescribed by statute. Each assumption represents an estimate of future Plan experience.

If all actuarial assumptions are met and if all future minimum required contributions are paid, Plan assets will be sufficient to pay all Plan benefits, future contributions are expected to remain relatively stable as a percent of payroll and the funded status is expected to improve. Plan minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act with normal cost determined as a level percent of covered payroll and a level dollar amortization payment using an initial amortization period of 30 years.

The Unfunded Actuarial Accrued Liability (UAAL) may not be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions. The UAAL would be different if it reflected the market value of assets rather than the smoothed actuarial value of assets.

The Unfunded Actuarial Present Value of Vested Accrued Benefits and the corresponding Vested Benefit Security Ratio may be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations but may not be appropriate for assessing the need for or the amount of future contributions.

The Government Accounting Standards Board Net Pension Liability and Plan Fiduciary Net Position as a Percentage of Total Pension Liability may not be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Plan experience differing from anticipated under 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) and changes in Plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied upon for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement plans. To the best of our knowledge the information contained in this report

is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

This report may be provided to parties other than the Board only in its entirety and only with the permission of an approved representative of the Board.

The signing actuaries are independent of the Plan sponsor.

The undersigned are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are available to respond to any questions with regards to matters covered in this report.

Very truly yours,



Lawrence F. Wilson, E.A., A.S.A.
Senior Consultant and Actuary



Jennifer M. Borregard, E.A.
Consultant and Actuary

Both Groups Combined

Summary of Retirement Plan Costs as of October 1, 2016

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)				
1. Active Employees	89	N/A	89	N/A
2. Terminated Vested	5	N/A	5	N/A
3. Receiving Benefits (including DROPs)	35	N/A	35	N/A
4. Annual Payroll of Active Employees	\$ 5,897,832	100.0%	\$ 5,897,832	100.0%
B. Total Normal Cost				
1. Age Retirement Benefits	\$ 758,229	12.9%	\$ 775,299	13.1%
2. Deferred Vesting Benefits	132,807	2.3%	133,415	2.3%
3. Disability Benefits	126,312	2.1%	127,148	2.2%
4. Return of Employee Contributions	20,304	0.3%	16,152	0.3%
5. Administrative Expenses	130,686	2.2%	130,686	2.2%
6. Total Annual Normal Cost	\$ 1,168,338	19.8%	\$ 1,182,700	20.1%
C. Total Actuarial Accrued Liability				
1. Active Employees	\$ 13,412,444	227.4%	\$ 13,544,396	229.7%
2. Service Retirees and Beneficiaries (including DROPs)	6,989,143	118.5%	6,957,685	118.0%
3. Disabilities	570,310	9.7%	563,128	9.5%
4. Terminated Vested Members	775,083	13.1%	775,083	13.1%
5. Miscellaneous Liability	0	0.0%	0	0.0%
6. Total Actuarial Accrued Liability	\$ 21,746,980	368.7%	\$ 21,840,292	370.3%
D. Plan Assets				
1. Smoothed Actuarial Value	\$ 19,046,952	322.9%	\$ 19,046,952	322.9%
2. Market Value	\$ 18,751,451	317.9%	\$ 18,751,451	317.9%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 2,700,028	45.8%	\$ 2,793,340	47.4%
F. Minimum Required Contribution				
1. Total Normal Cost	\$ 1,168,338	19.8%	\$ 1,182,700	20.1%
2. Amortization of Unfunded Liability	182,865	3.1%	190,053	3.2%
3. Interest Adjustment	15,933	0.3%	15,933	0.3%
4. Total Contribution	\$ 1,367,136	23.2%	\$ 1,388,686	23.5%

Both Groups Combined

Summary of Retirement Plan Costs as of October 1, 2016

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2017 - 2018 Plan Year (\$5,897,832 x 1.000)	\$ 5,897,832	100.0%	\$ 5,897,832	100.0%
H. Expected Contribution Sources (percent of expected 2017 - 2018 payroll)				
1. Town	\$ 895,724	15.2%	\$ 917,274	15.6%
2. Employees	471,412	8.0%	471,412	8.0%
I. Years to Which Contribution Applies:				
1. Plan Year Ending			September 30, 2018	
2. Town Fiscal Year Ending			September 30, 2018	
3. Assumed Dates of Town Contribution			October 1, 2017 - September 30, 2018	
J. Actuarial Gain / (Loss) (Table VI)	\$ (212,159)	(3.6%)	\$ (212,159)	(3.6%)
K. Actuarial Present Value of Vested Accrued Benefits				
1. Members Currently Receiving Benefits (including DROPs)	\$ 7,559,453	128.2%	\$ 7,520,813	127.5%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	775,083	13.1%	775,083	13.1%
3. Active Employees	<u>8,414,371</u>	<u>142.7%</u>	<u>8,469,377</u>	<u>143.6%</u>
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 16,748,907	284.0%	\$ 16,765,273	284.3%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	112.0%	N/A	111.8%	N/A

General Employees / Senior Management Employees

Summary of Retirement Plan Costs as of October 1, 2016

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)				
1. Active Employees	61	N/A	61	N/A
2. Terminated Vested	2	N/A	2	N/A
3. Receiving Benefits (including DROPs)	23	N/A	23	N/A
4. Annual Payroll of Active Employees	\$ 3,409,161	100.0%	\$ 3,409,161	100.0%
B. Total Normal Cost				
1. Age Retirement Benefits	\$ 261,678	7.7%	\$ 266,416	7.8%
2. Deferred Vesting Benefits	91,490	2.7%	91,964	2.7%
3. Disability Benefits	41,225	1.2%	41,624	1.2%
4. Return of Employee Contributions	12,327	0.4%	10,576	0.3%
5. Administrative Expenses	50,308	1.5%	50,308	1.5%
6. Total Annual Normal Cost	<u>\$ 457,028</u>	13.4%	<u>\$ 460,888</u>	13.5%
C. Total Actuarial Accrued Liability				
1. Active Employees	\$ 4,576,870	134.3%	\$ 4,612,386	135.3%
2. Service Retirees and Beneficiaries (including DROPs)	3,902,261	114.5%	3,902,261	114.5%
3. Disabilities	0	0.0%	0	0.0%
4. Terminated Vested Members	209,730	6.2%	209,730	6.2%
5. Miscellaneous Liability	0	0.0%	0	0.0%
6. Total Actuarial Accrued Liability	<u>\$ 8,688,861</u>	254.9%	<u>\$ 8,724,377</u>	255.9%
D. Plan Assets				
1. Smoothed Actuarial Value	\$ 7,308,199	214.4%	\$ 7,308,199	214.4%
2. Market Value	\$ 7,194,817	211.0%	\$ 7,194,817	211.0%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 1,380,662	40.5%	\$ 1,416,178	41.5%
F. Minimum Required Contribution				
1. Total Normal Cost	\$ 457,028	13.4%	\$ 460,888	13.5%
2. Amortization of Unfunded Liability	108,910	3.2%	111,646	3.3%
3. Interest Adjustment	9,204	0.3%	9,204	0.3%
4. Total Contribution	<u>\$ 575,142</u>	16.9%	<u>\$ 581,738</u>	17.1%

General Employees / Senior Management Employees

Summary of Retirement Plan Costs as of October 1, 2016

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2017 - 2018 Plan Year (\$3,409,161 x 1.000)	\$ 3,409,161	100.0%	\$ 3,409,161	100.0%
H. Expected Contribution Sources (percent of expected 2017 - 2018 payroll)				
1. Town	\$ 302,824	8.9%	\$ 309,420	9.1%
2. Employees	272,318	8.0%	272,318	8.0%
I. Years to Which Contribution Applies:				
1. Plan Year Ending			September 30, 2018	
2. Town Fiscal Year Ending			September 30, 2018	
3. Assumed Date of Town Contribution			October 1, 2017 - September 30, 2018	
J. Actuarial Gain / (Loss) (Table VI)	\$ (292,672)	(8.6%)	\$ (292,672)	(8.6%)
K. Actuarial Present Value of Vested Accrued Benefits				
1. Members Currently Receiving Benefits (including DROPs)	\$ 3,902,261	114.5%	\$ 3,902,261	114.5%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	209,730	6.2%	209,730	6.2%
3. Active Employees	<u>2,581,359</u>	<u>75.7%</u>	<u>2,589,348</u>	<u>76.0%</u>
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 6,693,350	196.3%	\$ 6,701,339	196.6%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	107.5%	N/A	107.4%	N/A

Police Officers

Summary of Retirement Plan Costs as of October 1, 2016

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
A. Participant Data Summary (Table III)				
1. Active Employees	28	N/A	28	N/A
2. Terminated Vested	3	N/A	3	N/A
3. Receiving Benefits (including DROPs)	12	N/A	12	N/A
4. Annual Payroll of Active Employees	\$ 2,488,671	100.0%	\$ 2,488,671	100.0%
B. Total Normal Cost				
1. Age Retirement Benefits	\$ 496,551	20.0%	\$ 508,883	20.4%
2. Deferred Vesting Benefits	41,317	1.7%	41,451	1.7%
3. Disability Benefits	85,087	3.4%	85,524	3.4%
4. Return of Employee Contributions	7,977	0.3%	5,576	0.2%
5. Administrative Expenses	80,378	3.2%	80,378	3.2%
6. Total Annual Normal Cost	\$ 711,310	28.6%	\$ 721,812	29.0%
C. Total Actuarial Accrued Liability				
1. Active Employees	\$ 8,835,574	355.0%	\$ 8,932,010	358.9%
2. Service Retirees and Beneficiaries (including DROPs)	3,086,882	124.0%	3,055,424	122.8%
3. Disabilities	570,310	22.9%	563,128	22.6%
4. Terminated Vested Members	565,353	22.7%	565,353	22.7%
5. Miscellaneous Liability	0	0.0%	0	0.0%
6. Total Actuarial Accrued Liability	\$ 13,058,119	524.7%	\$ 13,115,915	527.0%
D. Plan Assets				
1. Smoothed Actuarial Value	\$ 11,738,753	471.7%	\$ 11,738,753	471.7%
2. Market Value	\$ 11,556,634	464.4%	\$ 11,556,634	464.4%
E. Unfunded Actuarial Accrued Liability (C - D.1.)	\$ 1,319,366	53.0%	\$ 1,377,162	55.3%
F. Minimum Required Contribution				
1. Total Normal Cost	\$ 711,310	28.6%	\$ 721,812	29.0%
2. Amortization of Unfunded Liability	73,955	3.0%	78,407	3.2%
3. Interest Adjustment	6,729	0.3%	6,729	0.3%
4. Total Contribution	\$ 791,994	31.8%	\$ 806,948	32.4%

Police Officers

Summary of Retirement Plan Costs as of October 1, 2016

	<u>Prior Assumptions</u>		<u>Current Assumptions</u>	
	<u>Cost Data</u>	<u>% of Payroll</u>	<u>Cost Data</u>	<u>% of Payroll</u>
G. Expected Payroll of Active Employees for 2017 - 2018 Plan Year (\$2,488,671 x 1.000)	\$ 2,488,671	100.0%	\$ 2,488,671	100.0%
H. Expected Contribution Sources (percent of expected 2017 - 2018 payroll)				
1. Town	\$ 592,900	23.8%	\$ 607,854	24.4%
2. Employees	199,094	8.0%	199,094	8.0%
I. Years to Which Contribution Applies:				
1. Plan Year Ending			September 30, 2018	
2. Town Fiscal Year Ending			September 30, 2018	
3. Assumed Date of Town Contribution			October 1, 2017 - September 30, 2018	
J. Actuarial Gain / (Loss) (Table VI)	\$ 80,513	3.2%	\$ 80,513	3.2%
K. Actuarial Present Value of Vested Accrued Benefits				
1. Members Currently Receiving Benefits (including DROPs)	\$ 3,657,192	147.0%	\$ 3,618,552	145.4%
2. Terminated Vested Members Entitled to Future Benefits and Miscellaneous	565,353	22.7%	565,353	22.7%
3. Active Employees	<u>5,833,012</u>	<u>234.4%</u>	<u>5,880,029</u>	<u>236.3%</u>
4. Total Actuarial Present Value of Vested Accrued Benefits	\$ 10,055,557	404.1%	\$ 10,063,934	404.4%
L. Unfunded Actuarial Present Value of Vested Accrued Benefits (K. - D.2., not less than zero)	\$ 0	0.0%	\$ 0	0.0%
M. Vested Benefit Security Ratio (D.2. ÷ K.)	114.9%	N/A	114.8%	N/A

Both Groups Combined

Comparison of Cost Data of October 1, 2015 and October 1, 2016 Valuations

	Actuarial Impact Statement		Prior Assumptions		Current Assumptions	
	October 1, 2015		October 1, 2016		October 1, 2016	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants						
1. Active Employees	87	N/A	89	N/A	89	N/A
2. Terminated Vested	6	N/A	5	N/A	5	N/A
3. Receiving Benefits (including DROPs)	36	N/A	35	N/A	35	N/A
4. Annual Payroll of Active Employees	\$ 5,484,903	100.0%	\$ 5,897,832	100.0%	\$ 5,897,832	100.0%
B. Total Normal Costs	\$ 1,056,690	19.3%	\$ 1,168,338	19.8%	\$ 1,182,700	20.1%
C. Total Actuarial Accrued Liability	\$ 19,669,112	358.6%	\$ 21,746,980	368.7%	\$ 21,840,292	370.3%
D. Smoothed Actuarial Value of Assets	\$ 17,235,998	314.2%	\$ 19,046,952	322.9%	\$ 19,046,952	322.9%
E. Unfunded Actuarial Accrued Liability	\$ 2,433,114	44.4%	\$ 2,700,028	45.8%	\$ 2,793,340	47.4%
F. Net Town Minimum Funding Payment	\$ 798,264	14.6%	\$ 895,724	15.2%	\$ 917,274	15.6%
G. Actuarial Gain / (Loss)	\$ 4,017	0.1%	\$ (212,159)	(3.6%)	\$ (212,159)	(3.6%)
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	108.5%	N/A	112.0%	N/A	111.8%	N/A

General Employees / Senior Management Employees

Comparison of Cost Data of October 1, 2015 and October 1, 2016 Valuations

	Actuarial Impact Statement		Prior Assumptions		Current Assumptions	
	October 1, 2015		October 1, 2016		October 1, 2016	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants						
1. Active Employees	59	N/A	61	N/A	61	N/A
2. Terminated Vested	2	N/A	2	N/A	2	N/A
3. Receiving Benefits (including DROPs)	24	N/A	23	N/A	23	N/A
4. Annual Payroll of Active Employees	\$ 3,121,306	100.0%	\$ 3,409,161	100.0%	\$ 3,409,161	100.0%
B. Total Normal Costs	\$ 406,313	13.0%	\$ 457,028	13.4%	\$ 460,888	13.5%
C. Total Actuarial Accrued Liability	\$ 7,778,952	249.2%	\$ 8,688,861	254.9%	\$ 8,724,377	255.9%
D. Smoothed Actuarial Value of Assets	\$ 6,659,124	213.3%	\$ 7,308,199	214.4%	\$ 7,308,199	214.4%
E. Unfunded Actuarial Accrued Liability	\$ 1,119,828	35.9%	\$ 1,380,662	40.5%	\$ 1,416,178	41.5%
F. Net Town Minimum Funding Payment	\$ 253,280	8.1%	\$ 302,824	8.9%	\$ 309,420	9.1%
G. Actuarial Gain / (Loss)	\$ (148,934)	(4.8%)	\$ (292,672)	(8.6%)	\$ (292,672)	(8.6%)
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	106.3%	N/A	107.5%	N/A	107.4%	N/A

Police Officers

Comparison of Cost Data of October 1, 2015 and October 1, 2016 Valuations

	October 1, 2015		Prior Assumptions October 1, 2016		Current Assumptions October 1, 2016	
	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation	Cost Data	% of Annual Compensation
A. Participants						
1. Active Employees	28	N/A	28	N/A	28	N/A
2. Terminated Vested	4	N/A	3	N/A	3	N/A
3. Receiving Benefits (including DROPs)	12	N/A	12	N/A	12	N/A
4. Annual Payroll of Active Employees	\$ 2,363,597	100.0%	\$ 2,488,671	100.0%	\$ 2,488,671	100.0%
B. Total Normal Costs	\$ 650,377	27.5%	\$ 711,310	28.6%	\$ 721,812	29.0%
C. Total Actuarial Accrued Liability	\$ 11,890,160	503.1%	\$ 13,058,119	524.7%	\$ 13,115,915	527.0%
D. Smoothed Actuarial Value of Assets	\$ 10,576,874	447.5%	\$ 11,738,753	471.7%	\$ 11,738,753	471.7%
E. Unfunded Actuarial Accrued Liability	\$ 1,313,286	55.6%	\$ 1,319,366	53.0%	\$ 1,377,162	55.3%
F. Net Town Minimum Funding Payment	\$ 544,984	23.1%	\$ 592,900	23.8%	\$ 607,854	24.4%
G. Actuarial Gain / (Loss)	\$ 152,951	6.5%	\$ 80,513	3.2%	\$ 80,513	3.2%
H. Unfunded Actuarial Present Value of Vested Accrued Benefits	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
I. Vested Benefit Security Ratio	110.8%	N/A	114.9%	N/A	114.8%	N/A

**Characteristics of Participants in Actuarial
Valuation as of October 1, 2016**

	General/ Senior Management Employees	Police Officers	Total
A. <u>Active Plan Participants Summary</u>			
1. Active Participants Vested	19	24	43
2. Active Participants Partially Vested	14	0	14
3. Active Participants Non-Vested	28	4	32
4. Total Active Participants	61	28	89
5. Annual Payroll of Active Participants	\$ 3,409,161	\$ 2,488,671	\$ 5,897,832
B. <u>Retired and Terminated Vested Participant Summary</u>			
1. Service Retirees Receiving Benefits (including DROPs)	18	9	27
2. Beneficiaries Receiving Benefits	5	2	7
3. Disabled Participants Receiving Benefits	0	1	1
4. Terminated Vested Participants Entitled to Future Benefits	2	3	5

Statement of Assets as of October 1, 2016

	<u>Market Value</u>
<u>Investments</u>	
Cash and Cash Equivalents	345,158
United States Government Securities	285,384
Government Agency Bonds	1,306,318
Corporate Bonds	3,680,385
Municipal Obligations	117,639
Common Stocks	3,077,075
Master Limited Partnerships	653,546
Real Estate Fund	996,008
Mutual Funds	8,301,301
Total Investments	<u>\$ 18,762,814</u>
<u>Receivables</u>	
Accrued Interest	\$ 55,454
Other Receivable	21,972
Employee Contributions	22,146
Due from Broker	0
Prepaid Insurance	1,500
Total Receivables	<u>\$ 101,072</u>
<u>Liabilities</u>	
Refunds Payable	\$ 31,880
Accounts Payable	80,555
Due to Broker	0
Total Liabilities	<u>\$ 112,435</u>
<u>Net Assets Available For Benefits</u>	\$ 18,751,451

Reconciliation of Plan Assets

	<u>Market Value</u>
A. <u>Value of Assets as of October 1, 2015</u>	\$ 16,493,489
B. <u>Receipts During Period</u>	
1. Employee Contributions	\$ 383,619
2. Service Purchase Contributions	0
3. Town Contributions	757,304
4. Net Investment Return	1,850,417
5. Total Receipts During Period	\$ 2,991,340
C. <u>Disbursements During Period</u>	
1. Benefit Payments	\$ 565,440
2. DROP Distributions	19,280
3. Contribution Refunds	17,972
4. Administrative Expenses	130,686
5. Total Disbursements During Period	\$ 733,378
D. <u>Value of Assets as of September 30, 2016</u>	\$ 18,751,451
E. <u>Approximate Rate of Return:</u> (Net of Investment Expense)	11.1%
F. <u>Reconciliation of DROP Account Balances</u>	
1. DROP Accounts Balance as of October 1, 2015	\$ 167,155
2. Benefit Payments into DROP Accounts during Year	77,811
3. Investment Gains / (Losses) during Year	22,142
4. Distributions from DROP Accounts during Year	(19,280)
5. DROP Accounts Balance as of September 30, 2016	# \$ 247,828

Development of Smoothed Actuarial Value of Assets as of September 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
A. Preliminary smoothed actuarial value from prior year	15,746,681	17,235,998	19,046,952			
B. Market value end of year	16,493,489	18,751,451				
C. Market beginning of year	16,258,030	16,493,489	18,751,451			
D. Non-investment net cash flow	367,788	407,545				
E. Investment return	(132,329)	1,850,417				
F. Phased-in recognition of investment return						
1. Current year	(273,095)	75,973				
2. First prior year	59,027	(273,095)	75,973			
3. Second prior year	101,840	59,027	(273,095)	75,973		
4. Third prior year	229,115	101,840	59,027	(273,095)	75,973	
5. Fourth prior year	(228,502)	229,113	101,840	59,025	(273,093)	75,971
6. Total phased-in recognition of investment return	<u>(111,615)</u>	<u>192,858</u>	<u>(36,255)</u>	<u>(138,097)</u>	<u>(197,120)</u>	<u>75,971</u>
G. Smoothed actuarial value end of year						
1. Preliminary smoothed actuarial value end of year:	17,235,998	19,046,952				
2. Upper corridor limit:120% of B.	19,792,187	22,501,741				
3. Lower corridor limit: 80% of B.	13,194,791	15,001,161				
4. Smoothed actuarial value end of year:						
G.1., not more than G.2., nor less than G.3.	17,235,998	19,046,952				
H. Difference between market value and smoothed actuarial value	(742,509)	(295,501)				
I. Smoothed actuarial value rate of return	7.0%	8.05%				
J. Market value rate of return	(0.8%)	11.08%				

Allocation of Smoothed Actuarial Value of Assets for Budgeting Purposes

	General / Senior Management Employees	Police Officers	Total
A. <u>Value of Assets as of October 1, 2015</u>	\$ 6,659,124	\$ 10,576,874	\$ 17,235,998
B. <u>Receipts During Period</u>			
1. Employee Contributions	\$ 191,709	\$ 191,910	\$ 383,619
2. Service Purchases	0	0	0
3. Town Contributions	271,560	485,744	757,304
4. Net Investment Return	540,250	863,159	1,403,409
5. Total Receipts During Period	\$ 1,003,519	\$ 1,540,813	\$ 2,544,332
C. <u>Disbursements During Period</u>			
1. Pension Benefit Payments	\$ 266,884	\$ 298,556	\$ 565,440
2. DROP Distributions	19,280	0	19,280
3. Contribution Refunds	17,972	0	17,972
4. Administrative Expenses	50,308	80,378	130,686
5. Total Disbursements During Period	\$ 354,444	\$ 378,934	\$ 733,378
D. <u>Value of Assets as of September 30, 2016</u>	\$ 7,308,199	\$ 11,738,753	\$ 19,046,952

Actuarial Gain / (Loss) for Plan Year Ended September 30, 2016

	General / Senior Management Employees	Police Officers	Total
A. <u>Derivation of Actuarial Gain / (Loss)</u>			
1. Town normal cost previous actuarial impact statement	\$ 156,996	\$ 461,289	\$ 618,285
2. Unfunded actuarial accrued liability (UAAL) previous actuarial impact statement	1,119,828	1,313,286	2,433,114
3. Town contributions previous year	271,560	485,744	757,304
4. Interest on:			
(a) Town normal cost	\$ 11,382	\$ 33,443	\$ 44,825
(b) Unfunded actuarial accrued liability	81,188	95,213	176,401
(c) Town contribution	9,844	17,608	27,452
(d) Net total: (a) + (b) - (c)	<u>\$ 82,726</u>	<u>\$ 111,048</u>	<u>\$ 193,774</u>
5. Increase (decrease) in unfunded actuarial accrued liability due to assumption changes	\$ 35,516	\$ 57,796	\$ 93,312
6. Expected unfunded actuarial accrued liability current year (1. + 2. - 3. + 4. + 5.)	\$ 1,123,506	\$ 1,457,675	\$ 2,581,181
7. Actual unfunded actuarial accrued liability current year	1,416,178	1,377,162	2,793,340
8. Actuarial gain / (loss): (6. - 7.)	\$ (292,672)	\$ 80,513	\$ (212,159)
B. <u>Approximate Portion of Gain / (Loss) due to Investments</u>			
1. Smoothed actuarial value of assets previous year	\$ 6,659,124	\$ 10,576,874	\$ 17,235,998
2. Contributions during period	463,269	677,654	1,140,923
3. Benefits and administrative expenses during period	354,444	378,934	733,378
4. Expected appreciation for period	<u>486,731</u>	<u>777,652</u>	<u>1,264,383</u>
5. Expected smoothed actuarial value of assets current year (1. + 2. - 3. + 4.)	\$ 7,254,680	\$ 11,653,246	\$ 18,907,926
6. Actual smoothed actuarial value of assets current year	7,308,199	11,738,753	19,046,952
7. Approximate gain / (loss) due to investments: (6. - 5.)	\$ 53,519	\$ 85,507	\$ 139,026
C. <u>Approximate Portion of Gain / (Loss) due to Liabilities: A. - B.</u>	\$ (346,191)	\$ (4,994)	\$ (351,185)

Amortization of Unfunded Actuarial Accrued Liability

<u>Valuation Date</u>	<u>Unfunded Liability</u>	<u>Amortization Payment</u>
10/01/2016	\$ 2,793,340	\$ 190,053
10/01/2017	\$ 2,792,025	\$ 190,053
10/01/2018	\$ 2,790,615	\$ 190,053
10/01/2019	\$ 2,789,103	\$ 190,053
10/01/2020	\$ 2,787,481	\$ 190,053
...
10/01/2046	\$ 0	\$ 0

Both Groups Combined

Accounting Disclosure Exhibit

	Actuarial Valuation <u>10/01/2015</u>	Prior Assumptions <u>10/01/2016</u>	Current Assumptions <u>10/01/2016</u>
I. <u>Financial Accounting Standards Board Allocation as of</u>			
A. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested plan benefits			
a. Participants currently receiving benefits	\$ 7,530,010	\$ 7,559,453	\$ 7,520,813
b. Other participants	7,600,757	9,189,454	9,244,460
c. Total	<u>\$ 15,130,767</u>	<u>\$ 16,748,907</u>	<u>\$ 16,765,273</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>869,947</u>	<u>804,173</u>	<u>808,705</u>
3. Total actuarial present value of accumulated plan benefits	\$ 16,000,714	\$ 17,553,080	\$ 17,573,978
B. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 16,000,714
2. Increase / (decrease) during year attributable to:			
a. Plan amendment			\$ 202,883
b. Change in actuarial assumptions			20,898
c. Benefits paid (includes refunds and DROP distributions)			(602,692)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>1,952,175</u>
e. Net increase			\$ 1,573,264
3. Actuarial present value of accumulated plan benefits as of October 1, 2016			\$ 17,573,978
C. <u>Significant Matters Affecting Calculations</u>			
1. Assumed rate of return used in determining actuarial present values			7.25%
2. Change in plan provisions			See Table IX, Item N.
3. Change in actuarial assumptions			See Table X, Item K.

General Employees / Senior Management Employees

Accounting Disclosure Exhibit

	Actuarial Valuation <u>10/01/2015</u>	Prior Assumptions <u>10/01/2016</u>	Current Assumptions <u>10/01/2016</u>
I. <u>Financial Accounting Standards Board Allocation as of</u>			
A. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested plan benefits			
a. Participants currently receiving benefits	\$ 3,899,103	\$ 3,902,261	\$ 3,902,261
b. Other participants	2,098,210	2,791,089	2,799,078
c. Total	<u>\$ 5,997,313</u>	<u>\$ 6,693,350</u>	<u>\$ 6,701,339</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>526,026</u>	<u>614,745</u>	<u>617,561</u>
3. Total actuarial present value of accumulated plan benefits	\$ 6,523,339	\$ 7,308,095	\$ 7,318,900
B. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 6,523,339
2. Increase / (decrease) during year attributable to:			
a. Plan amendment			\$ 202,883
b. Change in actuarial assumptions			10,805
c. Benefits paid (includes refunds and DROP distributions)			(304,136)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>886,009</u>
e. Net increase			\$ 795,561
3. Actuarial present value of accumulated plan benefits as of October 1, 2016			\$ 7,318,900
C. <u>Significant Matters Affecting Calculations</u>			
1. Assumed rate of return used in determining actuarial present values			7.25%
2. Change in plan provisions			See Table IX, Item N.
3. Change in actuarial assumptions			See Table X, Item K.

Police Officers

Accounting Disclosure Exhibit

	<u>10/01/2015</u>	<u>Prior Assumptions 10/01/2016</u>	<u>Current Assumptions 10/01/2016</u>
I. <u>Financial Accounting Standards Board Allocation as of</u>			
A. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested plan benefits			
a. Participants currently receiving benefits	\$ 3,630,907	\$ 3,657,192	\$ 3,618,552
b. Other participants	5,502,547	6,398,365	6,445,382
c. Total	<u>\$ 9,133,454</u>	<u>\$ 10,055,557</u>	<u>\$ 10,063,934</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>343,921</u>	<u>189,428</u>	<u>191,144</u>
3. Total actuarial present value of accumulated plan benefits	\$ 9,477,375	\$ 10,244,985	\$ 10,255,078
B. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 9,477,375
2. Increase / (decrease) during year attributable to:			
a. Plan amendment			\$ 0
b. Change in actuarial assumptions			10,093
c. Benefits paid (includes refunds and DROP distributions)			(298,556)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>1,066,166</u>
e. Net increase			\$ 777,703
3. Actuarial present value of accumulated plan benefits as of October 1, 2016			\$ 10,255,078
C. <u>Significant Matters Affecting Calculations</u>			
1. Assumed rate of return used in determining actuarial present values			7.25%
2. Change in plan provisions			None.
3. Change in actuarial assumptions			See Table X, Item K.

Accounting Disclosure Exhibit

II. Net Pension Liability and Related Ratios (GASB No. 67 & No. 68)

Measurement date	9/30/2014	9/30/2015	9/30/2016	Projected 9/30/2017 *
A. Total Pension Liability (TPL)				
Service Cost	\$ 888,988	\$ 901,998	\$ 932,365	\$ 1,052,014
Interest	1,227,596	1,336,817	1,458,652	1,636,189
Benefit Changes	35,244	0	0	282,066
Difference Between Actual and Expected Experience	170,264	100,031	(35,527)	297,252
Assumption Changes	0	0	402,655	93,312
Benefit Payments, including Refunds of Member Contributions	(545,746)	(665,021)	(602,692)	(648,375)
Net Change in Total Pension Liability	\$ 1,776,346	\$ 1,673,825	\$ 2,155,453	\$ 2,712,458
Total Pension Liability (TPL) - (beginning of year)	15,562,038	17,338,384	19,012,209	21,167,662
Total Pension Liability (TPL) - (end of year)	\$ 17,338,384	\$ 19,012,209	\$ 21,167,662	\$ 23,880,120
B. Plan Fiduciary Net Position				
Contributions - Town	\$ 631,584	\$ 727,022	\$ 757,304	\$ 798,264
Contributions - Member	349,600	391,213	383,619	471,412
Net Investment Income	1,396,431	(132,329)	1,850,417	1,377,265
Benefit Payments, including Refunds of Member Contributions	(545,746)	(665,021)	(602,692)	(648,375)
Administrative Expenses	(80,194)	(85,426)	(130,686)	(130,686)
Other	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,751,675	\$ 235,459	\$ 2,257,962	\$ 1,867,880
Plan Fiduciary Net Position - (beginning of year)	14,506,355	16,258,030	16,493,489	18,751,451
Plan Fiduciary Net Position - (end of year)	\$ 16,258,030	\$ 16,493,489	\$ 18,751,451	\$ 20,619,331
C. Net Pension Liability (NPL) - (end of year): (A) - (B)	\$ 1,080,354	\$ 2,518,720	\$ 2,416,211	\$ 3,260,789
D. Plan Fiduciary Net Position as a Percentage of TPL: (B) / (A)	93.77 %	86.75 %	88.59 %	86.35 %
E. Covered Employee Payroll **	\$ 5,103,795	\$ 5,321,296	\$ 5,710,172	\$ 5,897,832
F. NPL as a Percentage of Covered Employee Payroll: (C) / (E)	21.17 %	47.33 %	42.31 %	55.29 %
G. Notes to Schedule:				
Valuation Date	10/01/2013	10/01/2014	10/01/2015	10/01/2016
Reporting Date (GASB No. 68)	9/30/2015	9/30/2016	9/30/2017	9/30/2018

Update procedures used to roll forward TPL excluding DROP account balances to the measurement dates - actual DROP account balances as of measurement dates included in TPL.

See Table VIII, Item IV., Table IX, Item N. and Table X, Item K. for a history of benefit and assumption changes.

* Projected - actual amounts will be available after fiscal year end.

** Reported payroll used to determine contribution as provided under GASB No. 82.

Accounting Disclosure Exhibit

III. Schedule of Employer Contributions (GASB No. 67 & No. 68)

Fiscal Year End 9/30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll ^{1,2}	Actual Contribution as a % of Covered Payroll
2007	\$ 264,370	\$ 264,370	0	\$ 3,653,048	7.24%
2008	384,905	384,416	489	3,978,291	9.66%
2009	423,747	423,747	0	4,568,544	9.28%
2010	553,919	553,919	0	4,059,522	13.64%
2011	625,963	625,963	0	4,016,852	15.58%
2012	515,440	515,440	0	4,053,208	12.72%
2013	534,209	534,209	0	4,359,957	12.25%
2014	631,584	631,584	0	5,103,795	12.37%
2015	727,022	727,022	0	5,321,296	13.66%
2016	757,304	757,304	0	5,710,172	13.26%
2017 ³	798,264	798,264	0	5,897,832	13.53%

¹ Projected prior to fiscal year ended September 30, 2014

² Reported payroll on which contributions to the Plan are based as provided under GASB No. 82

³ Projected - actual amounts will be available after fiscal year end

Accounting Disclosure Exhibit

IV. Notes to Schedule of Contributions (GASB No. 67 & No. 68)

Valuation Date: Actuarially determined contributions are calculated as of October 1st - two years prior the fiscal year end in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level dollar amount, Closed
Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	4.0% - 13.5%
Investment Rate of Return	7.5%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition

Mortality For healthy General Employee participants, RP 2000 Combined Mortality Table, separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

For healthy Police Officer participants, RP 2000 Combined Mortality Table with Blue Collar Adjustment, separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

For disabled participants, RP 2000 Disabled Mortality Table, separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA.

Cost of Living Adjustment 1.5%

Other Information:

Benefit Changes

2013: Police Officers - normal retirement eligibility updated to include completion of 15 years and 4 months of service if hired on a full time basis in March 2003; General Employees - may enter DROP upon attainment of normal retirement. 2012: Police Officers - normal retirement eligibility updated to the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service or (3) completion of 25 years of Creditable Service. 2011: Town Manager and Town Attorney allowed to opt out of Plan. 2009: Member contributions *picked-up* by the Town. 2006: Police Officers - vesting percentages updated.

Accounting Disclosure Exhibit

IV. Notes to Schedule of Contributions (GASB No. 67 & No. 68) (cont'd)

Assumption Changes

2012: Mortality assumption for healthy General Employees updated to RP 2000 Combined Mortality Table (RP 2000 Disabled Mortality Table for disabled lives), separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA; mortality assumption for healthy Police Officer participants updated to RP 2000 Combined Mortality Table with Blue Collar Adjustment, separate rates for males and females, 15 years generational projection from valuation date for actives - 7 years generational projection from valuation date for inactives with Scale AA. 2010: Salary increase factors updated. 2007: Mortality assumption for healthy participants updated to 1994 UP Mortality Table (RP 2000 Disabled Mortality Table for Disabled Lives) projected to 2007 with separate rates for males and females, salary increase, withdrawal and service related disability assumptions updated.

V. Discount Rate (GASB No. 67 & No. 68)

A discount rate of 7.25% was used to measure the TPL effective with the September 30, 2016 TPL. This discount rate was based on the expected rate of return on Plan investments of 7.25%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined current contribution rates and the member contribution rate. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the TPL.

VI. Sensitivity of the NPL to the Discount Rate Assumption (GASB No. 67 & No. 68)

Measurement date: September 30, 2016

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
NPL	\$ 5,488,159	\$ 2,416,211	\$ (85,474)

Measurement date: September 30, 2017 *

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
NPL	\$ 6,764,185	\$ 3,260,789	\$ 409,548

* Projected - actual amounts will be available after fiscal year end

Accounting Disclosure Exhibit

VII. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Reporting Date (GASB No. 68)

Pension Expense for Fiscal Year Ending September 30, 2017 \$ 1,110,593

Summary of Outstanding Deferred Inflows and Outflows of Resources as of September 30, 2017

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience on liabilities	168,932	29,888
Changes of assumptions or other inputs	338,742	0
Net difference between projected and actual earnings on pension plan investments	<u>189,338</u>	<u>0</u>
Total	<u><u>\$ 697,012</u></u>	<u><u>\$ 29,888</u></u>

Projected Deferred Outflows for City Contributions to Be Recognized in Pension Expense for Fiscal Year Ending September 30, 2018 \$ 798,264

Summary of Deferred Outflows and Inflows of Resources that will be Recognized in Pension Expense in Future Years.

<u>Year Ending 30-Sep</u>	<u>Amount</u>
2018	\$ 183,060
2019	183,062
2020	242,085
2021	(31,009)
2022	72,442
Thereafter	17,484

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

VIII. Components of Pension Expense (GASB No. 68)

Measurement Date	<u>9/30/2014</u>	<u>9/30/2015</u>	<u>9/30/2016</u>	Projected <u>9/30/2017 *</u>
Service Cost	\$ 888,988	\$ 901,998	\$ 932,365	\$ 1,052,014
Interest on Total Pension Liability	1,227,596	1,336,817	1,458,652	1,636,189
Current-Period Benefit Changes	35,244	0	0	282,066
Contributions - Member	(349,600)	(391,213)	(383,619)	(471,412)
Projected Earnings on Plan Investments	(1,101,298)	(1,233,144)	(1,210,551)	(1,377,265)
Administrative Expenses	80,194	85,426	130,686	130,686
Other Changes in Plan Fiduciary Net Position	0	0	0	0
Recognition of Beginning Deferred Outflows / (Inflows) due to Liabilities	23,981	38,691	96,965	159,959
Recognition of Beginning Deferred Outflows / (Inflows) due to Assets	<u>(59,027)</u>	<u>214,068</u>	<u>86,095</u>	<u>86,095</u>
Total Pension Expense	<u>\$ 746,078</u>	<u>\$ 952,643</u>	<u>\$ 1,110,593</u>	<u>\$ 1,498,332</u>

* Projected - actual amounts will be available after measurement date

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

IX. Recognition of Deferred Outflows and (Inflows) due to Liabilities - Measurement Date (GASB No. 68)

Recognition of Deferred Outflows due to Differences Between Actual and Expected Experience on Liabilities

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2016	Recognition Amount for 2015 / 2016	Balance as of 9/30/2016
2013 / 2014	\$ 170,264	7.1	4.1	\$ 23,981	\$ 98,321
2014 / 2015	100,031	6.8	4.8	14,710	70,611
2015 / 2016	0	6.3	5.3	0	0
TOTAL				\$ 38,691	\$ 168,932

Recognition of Deferred (Inflows) due to Differences Between Actual and Expected Experience on Liabilities

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2016	Recognition Amount for 2015 / 2016	Balance as of 9/30/2016
2013 / 2014	\$ 0	7.1	4.1	\$ 0	\$ 0
2014 / 2015	0	6.8	4.8	0	0
2015 / 2016	(35,527)	6.3	5.3	(5,639)	(29,888)
TOTAL				\$ (5,639)	\$ (29,888)

Recognition of Deferred Outflows due to Changes of Assumptions or Other Inputs

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2016	Recognition Amount for 2015 / 2016	Balance as of 9/30/2016
2013 / 2014	\$ 0	7.1	4.1	\$ 0	\$ 0
2014 / 2015	0	6.8	4.8	0	0
2015 / 2016	402,655	6.3	5.3	63,913	338,742
TOTAL				\$ 63,913	\$ 338,742

Accounting Disclosure Exhibit

The following information is not required to be disclosed but is provided for informational purposes.

IX. Recognition of Deferred Outflows and (Inflows) due to Liabilities - Measurement Date (GASB No. 68) (cont'd)

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2016	Recognition Amount for 2015 / 2016	Balance as of 9/30/2016
2013 / 2014	\$ 0	7.1	4.1	\$ 0	\$ 0
2014 / 2015	0	6.8	4.8	0	0
2015 / 2016	0	6.3	5.3	0	0
TOTAL				\$ 0	\$ 0

X. Recognition of Deferred Outflows and (Inflows) Due to Assets - Measurement Date (GASB No. 68)

Recognition of Deferred Outflows / (Inflows) due to Difference Between Projected and Actual Earnings on Pension Plan Investments

Established	Initial Balance	Initial Recognition Period	Remaining Recognition Period as of 9/30/2016	Recognition Amount for 2015 / 2016	Balance as of 9/30/2016
2013 / 2014	\$ (295,133)	5	2	\$ (59,027)	\$ (118,052)
2014 / 2015	1,365,473	5	3	273,095	819,283
2015 / 2016	(639,866)	5	4	(127,973)	(511,893)
TOTAL				\$ 86,095	\$ 189,338

Outline of Principal Provisions of the Retirement Plan

A. Effective Date:

January 1, 1962. Most recent amendatory Ordinance considered: 16-1652.

B. Eligibility Requirements:

All regular, full-time employees are eligible upon employment. The Town Manager and Town Attorney have the right to opt out of the Plan at any time.

C. Creditable Service:

All service of a member measured in years and completed calendar months since latest date of hire with the Town.

D. Average Final Compensation (AFC):

The average of basic compensation during the highest three years (five years for General Employees) of the ten years preceding termination of employment; does not include bonuses, overtime, lump sum payments of unused leave or other nonregular payments.

E. Normal Retirement:

1. Eligibility:

For sworn Police Officers, the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003. For a participating Town Manager and the Town Attorney, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 64 with 7 years of Creditable Service. For all other employees, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 65 with 10 years of Creditable Service.

2. Benefit:

Period of Service	Benefit Accrual Rate per Year of Service Based on Employee Contribution Rate of			
	5%	6%	7%	8%
Before 10/1/1979	1 2/3%	N/A	N/A	N/A
10/1/1979 - 6/30/1996	1 2/3%	N/A	2.0%	N/A
7/1/1996 - 1/31/2003	1 2/3%	N/A	2.0%	2.5%
2/1/2003 - 9/30/2005	2.0%	2.5%	N/A	N/A
10/1/2005 - 9/30/2006	2.0%	2.5%	N/A	3.0% ¹
10/1/2006 - 9/30/2016	2.0%	2.5%	N/A	3.5% ¹
10/1/2016 forward	N/A	N/A	2.65% ²	2.8% ² / 3.0% ³ / 3.5% ¹

Maximum benefit is 90% (75% prior to October 1, 2006) of AFC for Police Officers, 68% (60% prior to October 1, 2016) of AFC for General Employees and 80% (60% prior to October 1, 2016) of AFC for Senior Management Employees.

¹ For Police Officers only.

² For General Employees only.

³ For Senior Management Employees only.

Outline of Principal Provisions of the Retirement Plan

3. Form of Payment:

Straight life annuity with guaranteed refund of Accumulated Contributions (with options available).

F. Early Retirement:

1. Eligibility:

The earlier of (a) age 55 with 15 years of Creditable Service, or (b) 20 years of Creditable Service regardless of age.

2. Benefit:

Same as Normal Retirement Benefit using AFC and Creditable Service as of Early Retirement Date but payable at Normal Retirement Date assuming continued employment. Alternatively, benefits may commence immediately after reduction of 0.5% for each month early.

G. Delayed Retirement:

1. Eligibility:

Retirement after Normal Retirement Date.

2. Benefit:

Calculated in the same manner as Normal Retirement Benefit using AFC and Creditable Service as of delayed retirement date.

H. Disability Retirement:

1. Service Connected:

a) Eligibility:

Total and permanent disability incurred prior to normal retirement date as a direct result of performance of service to the Town and eligible for Social Security disability benefits.

b) Benefit:

75% (if injury) or 45% (if disease) of the rate of pay in effect on date of disability payable for life or until recovery. For General Employees, less Social Security disability benefits; there is an offset for Workers' Compensation to the extent that the disability benefit plus the Workers' Compensation benefit exceed 100% of preretirement salary.

2. Non-Service Connected:

a) Eligibility:

Total and permanent disability not incurred as a direct result of performance of service to the Town.

Outline of Principal Provisions of the Retirement Plan

b) Benefit:

Accrued pension benefit.

I. Death Benefit:

1. Pre-Retirement:

Refund of Accumulated Contributions

2. After Normal Retirement Date but before Actual Retirement:

Survivor benefit payable in accordance with optional form of benefit chosen by member.

3. After Retirement:

Refund of any remaining Accumulated Contributions or optional survivor's benefits if elected.

J. Accumulated Contributions:

The sum of all amounts contributed by members including 4% interest on contributions made after January 1, 1979. Effective January 1, 2009, member contributions are *picked-up* by the Town.

K. Termination Benefit:

Upon termination prior to normal or early retirement date a member shall be entitled to choose (1) or (2) below, where:

1. A refund of Accumulated Contributions.

2. The benefit as for normal retirement using AFC and Creditable Service as of date of termination multiplied by the applicable percentage on the table below, commencing upon the earliest date a member would have attained normal retirement had he remained in service (age 65 for General Employees).

<u>Years of Creditable Service</u>	<u>Percentage</u>	
	<u>General Employees</u>	<u>Police Officers</u>
Less than 5	0%	0%
5	50%	100%
6	60%	100%
7	70%	100%
8	80%	100%
9	90%	100%
10 or more	100%	100%

3. A participating Town Manager and the Town Attorney 100% vested upon completion of 7 years of Creditable Service.

Outline of Principal Provisions of the Retirement Plan

L. Cost of Living Increase

A 1.5% automatic annual cost of living increase is provided for all current and future retirees, disableds, beneficiaries and vested terminated members.

M. Deferred Retirement Option Program (DROP)

1. Eligibility: Attainment of normal retirement date.
2. The maximum period of participation in the DROP is five (5) years.
3. An employee's account in the DROP program shall be credited with interest based upon actual Fund investment return.
4. No payment may be made from DROP until the employee actually separates from service with the Town.

N. Changes Reflected in Actuarial Impact Statement (Included for Informational Purposes)

1. Normal Retirement was:

1. Eligibility:

For sworn Police Officers, the earliest of (1) age 52 with 20 years of Creditable Service, (2) age 62 with 5 years of Creditable Service, (3) completion of 25 years of Creditable Service or (4) the completion of 15 years and 4 months of service if hired on a full time basis in March 2003. For a participating Town Manager, age 64 with 7 years of Creditable Service. For all other employees, the earlier of (1) age 62 with 15 years of Creditable Service or (2) age 65 with 10 years of Creditable Service.

2. Benefit:

	Benefit Accrual Rate per Year of Service Based on Employee Contribution Rate of			
Period of Service	5%	6%	7%	8%
Before 10/1/1979	1 2/3%	N/A	N/A	N/A
10/1/1979 - 6/30/1996	1 2/3%	N/A	2%	N/A
7/1/1996 - 1/31/2003	1 2/3%	N/A	2%	2.5%
2/1/2003 - 9/30/2005	2%	2.5%	N/A	N/A
10/1/2005 - 9/30/2006	2%	2.5%	N/A	3% *
After 10/1/2006	2%	2.5%	N/A	3.5% *
Maximum benefit is 90% (75% prior to October 1, 2006) of AFC (60% of AFC for General Employees).				

* For Police Officers only.

Outline of Principal Provisions of the Retirement Plan

N. Changes Reflected in Actuarial Impact Statement (Included for Informational Purposes) (cont'd)

2. Termination Benefit was:

Upon termination prior to normal or early retirement date a member shall be entitled to choose (1) or (2) below, where:

1. A refund of Accumulated Contributions.
2. The benefit as for normal retirement using AFC and Creditable Service as of date of termination multiplied by the applicable percentage on the table below, commencing upon the earliest date a member would have attained normal retirement had he remained in service (age 65 for General Employees).

<u>Years of Creditable Service</u>	<u>Percentage</u>	
	<u>General Employees</u>	<u>Police Officers</u>
Less than 5	0%	0%
5	50%	100%
6	60%	100%
7	70%	100%
8	80%	100%
9	90%	100%
10 or more	100%	100%

3. Participating Town Manager 100% vested upon completion of 7 years of Creditable Service.

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality

General Mortality Assumptions:

For healthy male participants during employment, RP 2000 Combined Male Healthy Participant Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants during employment, RP 2000 Combined Female Healthy Participant Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For healthy male participants post employment, RP 2000 Annuitant Male Mortality Table, with 50% White Collar / 50% Blue Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants post employment, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For disabled male participants, RP 2000 Disabled Male Mortality Table, setback four years, without projected mortality improvements. For disabled female participants, RP 2000 Disabled Female Mortality Table, set forward two years, without projected mortality improvements.

Sample Ages (2016)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	30.30	33.37	29.88
60	25.37	28.35	25.21	28.25
62	23.47	26.40	23.37	26.33

Sample Ages (2036)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	32.47	35.23	32.06
60	27.57	30.20	27.42	30.12
62	25.66	28.23	25.57	28.17

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality (cont'd)

Police Mortality Assumptions:

For healthy participants during employment, RP 2000 Combined Healthy Participant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For healthy participants post employment, RP 2000 Annuitant Mortality Tables, separate rates for males and females, with 90% Blue Collar Adjustment / 10% White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

For disabled male participants, 60% RP 2000 Disabled Male Mortality Table setback four years / 40% RP 2000 Annuitant Male Mortality Table, with White Collar Adjustment and no setback, without projected mortality improvements. For disabled female participants, 60% RP 2000 Disabled Female Mortality Table set forward two years / 40% RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment, without projected mortality improvements.

Sample Ages (2016)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	29.61	32.40	29.10
60	24.73	27.36	24.52	27.21
62	22.86	25.40	22.74	25.29

Sample Ages (2036)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Male	Female	Male	Female
	55	31.85	34.35	31.35
60	27.00	29.30	26.81	29.17
62	25.12	27.32	25.01	27.23

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

B. Investment Return

7.25%, compounded annually - net of investment expenses includes inflation at 2.50%.

C. Allowances for Expenses or Contingencies

Estimated expenses for upcoming year, not including investment related expenses.

D. Employee Withdrawal Rates

Withdrawal rates for males and females were used in accordance with the following illustrative examples:

<u>General Employees</u>	
<u>Age</u>	<u>Withdrawal Rate</u>
Under 25	30.0%
25 - 29	20.0%
30 - 34	15.0%
35 - 39	10.0%
40 - 44	9.0%
45 - 49	8.0%
50 - 54	7.0%
55 - 60	6.0%
60 & over	5.0%

<u>Police Officers</u>	
<u>Service</u>	<u>Withdrawal Rate</u>
0 - 4	12.0%
5 - 6	10.0%
7	5.0%
8	2.0%
9 & over	1.0%

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

E. Salary Increase Factors

Current salary is assumed to increase at a rate based on the tables below - includes assumed wage inflation of 3.0%.

General Employees	
<u>Service</u>	<u>Salary Increase</u>
0 - 4	6.5%
4 - 5	6.0%
6	5.0%
7 - 9	4.5%
10 & over	4.0%

Police Officers	
<u>Service</u>	<u>Salary Increase</u>
0 - 3	8.0%
3	7.0%
4 - 5	6.0%
6	5.0%
7 & over	4.0%

F. Disability Benefits

1. Rates: See Table Below
2. Percent Service Connected: 25% for General, 80% for Police.
3. Assume 50% of Service Connected Disabilities are due to injury and 50% are due to disease.

Age	Annual Rate of Disability	
	General Employees	Police Department
20	0.07%	0.14%
30	0.11%	0.18%
40	0.19%	0.30%
50	0.51%	1.00%
60	1.66%	0.00%

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

G. Smoothed Actuarial Value of Assets

The method used for determining the smoothed actuarial value of assets phases in the deviation between the expected and actual return on assets at the rate of 20% per year. The smoothed actuarial value of assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the fair market value of plan assets and whose upper limit is 120% of the fair market value of plan assets.

H. Assumed Retirement Age

Age	Annual Rate of Retirement*	
	General Employees	Police Officers
40	N/A	3%
41-45	4%	2%
46-47	3%	1%
48-50	2%	1%
51 & over	1%	1%
NRA	40%	50%
Past NRA	50%	50%

100% of members are assumed to retire upon reaching age 70 for General Employees and age 65 for Police Officers.

* For Employees who meet the age and service eligibility requirements for normal or early retirement

I. Marriage Assumption

100% of all members are assumed to be married. Wives are assumed to be three years younger than their husbands.

J. Actuarial Funding Method

Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Actuarial Cost Method.

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his age at hire to his assumed retirement age to fund his estimated benefits, assuming the Plan has always been in effect. The normal cost for the Plan is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Plan is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the smoothed actuarial accrued liability over the actuarial value of assets of the Plan.

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

K. Change From Previous Actuarial Impact Statement

Healthy Mortality was:

For healthy male participants, RP 2000 Annuitant Male Mortality Table, with 10% White Collar / 90% Blue Collar Adjustment for Police Officers - 50% White Collar / 50% Blue Collar Adjustment for General Employees and fully generational mortality improvements projected to each future decrement date with Scale BB. For healthy female participants, RP 2000 Annuitant Female Mortality Table, with White Collar Adjustment and fully generational mortality improvements projected to each future decrement date with Scale BB.

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2016**

General Employees / Senior Management Employees

Attained Age Group	<u>Completed Years of Service Since Hire</u>									<u>Total</u>
	<u>0-- 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40 +</u>	
0- 24	4	-	-	-	-	-	-	-	-	4
25 - 29	4	1	-	-	-	-	-	-	-	5
30 - 34	4	1	1	-	-	-	-	-	-	6
35 - 39	5	1	3	-	-	-	-	-	-	9
40 - 44	2	3	2	1	-	-	-	-	-	8
45 - 49	1	1	-	1	1	-	-	-	-	4
50 - 54	4	4	3	1	-	-	-	-	-	12
55 - 59	1	3	1	1	1	-	-	-	-	7
60 - 64	2	-	1	-	-	1	-	-	-	4
65 - 69	1	1	-	-	-	-	-	-	-	2
70 +	-	-	-	-	-	-	-	-	-	0
TOTAL	28	15	11	4	2	1	0	0	0	61

	<u>Prior Year</u>	<u>Current Year</u>
Average Pay	\$ 52,903	\$ 55,888
Average Service	7.05 years	7.65 years
Percent Female	35.6%	39.3%

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2016**

Police Officers

Completed Years of Service Since Hire

Attained Age Group	<u>0 - 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40 +</u>	<u>Total</u>
0- 24	-	-	-	-	-	-	-	-	-	0
25 - 29	-	1	-	-	-	-	-	-	-	1
30 - 34	2	1	2	-	-	-	-	-	-	5
35 - 39	-	-	3	1	-	-	-	-	-	4
40 - 44	-	3	3	1	-	-	-	-	-	7
45 - 49	-	2	2	-	1	-	-	-	-	5
50 - 54	2	-	1	-	-	-	-	-	-	3
55 - 59	-	-	-	-	-	-	-	-	-	0
60 - 64	-	1	-	-	-	-	-	-	-	1
65 - 69	-	1	-	-	-	1	-	-	-	2
70 +	-	-	-	-	-	-	-	-	-	0
TOTAL	4	9	11	2	1	1	0	0	0	28

	<u>Prior Year</u>	<u>Current Year</u>
Average Pay	\$ 84,414	\$ 88,881
Average Service	9.26 years	10.26 years
Percent Female	14.3%	14.3%

**Distribution of Plan Participants by Attained Age Groups
and Service Groups as of October 1, 2016**

General Employees - 7% Contribution Group

Attained Age Group	<u>Completed Years of Service Since Hire</u>									Total		
	<u>0 - 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40 +</u>			
0- 24	-	-	-	-	-	-	-	-	-	0		
25 - 29	-	-	-	-	-	-	-	-	-	0		
30 - 34	-	-	-	-	-	-	-	-	-	0		
35 - 39	-	-	-	-	-	-	-	-	-	0		
40 - 44	-	-	-	-	-	-	-	-	-	0		
45 - 49	-	-	-	-	-	-	-	-	-	0		
50 - 54	-	-	-	-	-	-	-	-	-	0		
55 - 59	-	-	-	1	-	-	-	-	-	1		
60 - 64	-	-	-	-	-	-	-	-	-	0		
65 - 69	-	-	-	-	-	-	-	-	-	0		
70 +	-	-	-	-	-	-	-	-	-	0		
TOTAL	0	0	0	1	0	0	0	0	0	1		
											Average Pay	\$ 41,347

General Employees / Senior Management Employees - 8% Contribution Group

Attained Age Group	<u>Completed Years of Service Since Hire</u>									Total		
	<u>0 - 4</u>	<u>5 - 9</u>	<u>10 - 14</u>	<u>15 - 19</u>	<u>20 - 24</u>	<u>25 - 29</u>	<u>30 - 34</u>	<u>35 - 39</u>	<u>40 +</u>			
0- 24	4	-	-	-	-	-	-	-	-	4		
25 - 29	4	1	-	-	-	-	-	-	-	5		
30 - 34	4	1	1	-	-	-	-	-	-	6		
35 - 39	5	1	3	-	-	-	-	-	-	9		
40 - 44	2	3	2	1	-	-	-	-	-	8		
45 - 49	1	1	-	1	1	-	-	-	-	4		
50 - 54	4	4	3	1	-	-	-	-	-	12		
55 - 59	1	3	1	-	1	-	-	-	-	6		
60 - 64	2	-	1	-	-	1	-	-	-	4		
65 - 69	1	1	-	-	-	-	-	-	-	2		
70 +	-	-	-	-	-	-	-	-	-	0		
TOTAL	28	15	11	3	2	1	0	0	0	60		
											Average Pay	\$ 56,130

Both Groups Combined

Summary of Participant Data

	<u>10/01/2015</u>	<u>10/01/2016</u>
Active Participants		
Number: Fully Vested	38	43
Partially Vested	13	14
Non-Vested	36	32
Total	<u>87</u>	<u>89</u>
Average Attained Age	43.03 years	43.74 years
Average Years of Service	7.76 years	8.47 years
Average Compensation	\$ 63,045	\$ 66,268
 Inactive Participants Receiving Benefits (including DROPs)		
Number	36	35
Average Age at Retirement	60.85 years	60.83 years
Average Annual Benefit	\$ 17,938	\$ 18,239
 Inactive Participants Due Deferred Benefits		
Number	6	5
Average Age at Commencement	59.00 years	58.40 years
Average Annual Benefit	\$ 17,904	\$ 17,750

General Employees / Senior Management Employees

Summary of Participant Data

	<u>10/01/2015</u>	<u>10/01/2016</u>
Active Participants		
Number: Fully Vested	17	19
Partially Vested	13	14
Non-Vested	29	28
Total	59	61
Average Attained Age	43.30 years	43.88 years
Average Years of Service	7.05 years	7.65 years
Average Compensation	\$ 52,903	\$ 55,888
 Inactive Participants Receiving Benefits (including DROPs)		
Number	24	23
Average Age at Retirement	61.54 years	61.50 years
Average Annual Benefit	\$ 14,166	\$ 14,777
 Inactive Participants Due Deferred Benefits		
Number	2	2
Average Age at Commencement	63.50 years	63.50 years
Average Annual Benefit	\$ 9,856	\$ 9,856

**Table XII
(Cont'd)**

Police Officers

Summary of Participant Data

	<u>10/01/2015</u>	<u>10/01/2016</u>
Active Participants		
Number: Fully Vested	21	24
Partially Vested	0	0
Non-Vested	7	4
Total	28	28
Average Attained Age	42.45 years	43.45 years
Average Years of Service	9.26 years	10.26 years
Average Compensation	\$ 84,414	\$ 88,881
 Inactive Participants Receiving Benefits (including DROPs)		
Number	12	12
Average Age at Retirement	59.46 years	59.54 years
Average Annual Benefit	\$ 25,482	\$ 24,874
 Inactive Participants Due Deferred Benefits		
Number	4	3
Average Age at Commencement	56.75 years	55.00 years
Average Annual Benefit	\$ 21,928	\$ 23,014

Both Groups Combined

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	87
2. Retired during year	0
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	(5)
7. Vested employment terminations	0
8. Terminated vested paid lump sum	0
9. Leave of absence	0
10. Transfers	0
11. New active participants	7
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	<u>89</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	32
2. New retired participants	0
3. New terminated vested receiving benefits	1
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	1
7. Died or ceased payment during year	(2)
8. Retired or terminated vested receiving benefits current year	<u>32</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	4
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	(1)
5. Entered DROP during year	0
6. DROP participants current year	<u>3</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	6
2. Died during year	0
3. Commenced receiving benefits during year	(1)
4. New terminated vested	0
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	<u>5</u>

General Employees / Senior Management Employees

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	59
2. Retired during year	0
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	(5)
7. Vested employment terminations	0
8. Terminated vested paid lump sum	0
9. Leave of absence	0
10. Transfers	0
11. New active participants	7
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	<u>61</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	21
2. New retired participants	0
3. New terminated vested receiving benefits	0
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	1
7. Died or ceased payment during year	(1)
8. Retired or terminated vested receiving benefits current year	<u>21</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	3
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	(1)
5. Entered DROP during year	0
6. DROP participants current year	<u>2</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	2
2. Died during year	0
3. Commenced receiving benefits during year	0
4. New terminated vested	0
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	<u>2</u>

Police Officers

Reconciliation of Employee Data

A. <u>Active Participants</u>	
1. Active participants previous year	28
2. Retired during year	0
3. Entered DROP	0
4. Died during year	0
5. Disabled during year	0
6. Non-vested employment terminations	0
7. Vested employment terminations	0
8. Terminated vested paid lump sum	0
9. Leave of absence	0
10. Transfers	0
11. New active participants	0
12. Rehired participant	0
13. Part time employees transferred to full time participants	0
14. Active participants current year	<u>28</u>
B. <u>Participants Receiving Benefits</u>	
1. Participants receiving benefits previous year	11
2. New retired participants	0
3. New terminated vested receiving benefits	1
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Former DROPs now receiving benefits	0
7. Died or ceased payment during year	(1)
8. Retired or terminated vested receiving benefits current year	<u>11</u>
C. <u>DROP Participants</u>	
1. DROP participants previous year	1
2. Died during year	0
3. Became disabled during year	0
4. Employment terminated and retired during year	0
5. Entered DROP during year	0
6. DROP participants current year	<u>1</u>
D. <u>Terminated Vested Participants Entitled to Future Benefits</u>	
1. Terminated vested entitled previous year	4
2. Died during year	0
3. Commenced receiving benefits during year	(1)
4. New terminated vested	0
5. Terminated vested paid lump sum	0
6. Terminated vested entitled current year	<u>3</u>

Recent Plan Experience**A. Investment Return Experience**

<u>Year Ended</u>	<u>Market Value</u>	<u>Smoothed Actuarial Value</u>	<u>Assumed</u>
09/30/2016	11.08%	8.05%	7.25%
09/30/2015	(0.8%)	7.0%	7.5%
09/30/2014	9.5%	8.9%	7.5%
09/30/2013	11.5%	6.7%	7.5%
09/30/2012	18.4%	0.9%	7.5%
09/30/2011	(3.2%)	0.3%	7.5%
09/30/2010	7.7%	3.9%	7.5%
09/30/2009	(2.1%)	(0.7%)	7.5%
09/30/2008	(13.8%)	4.6%	7.5%
09/30/2007	13.9%	9.5%	7.5%
Average			
Last 3 Years	6.5%	8.0%	7.4%
Last 5 Years	9.8%	6.3%	7.4%
Last 10 Years	4.8%	4.9%	7.5%

B. Review of Recent Salary Experience *

<u>Year Ended</u>	<u>General / Senior Management Employees</u>		<u>Police Officers</u>	
	<u>Actual</u>	<u>Assumed</u>	<u>Actual</u>	<u>Assumed</u>
09/30/2016	8.7%	5.4%	7.6%	4.8%
09/30/2015	6.1%	5.1%	2.4%	5.7%
09/30/2014	10.7%	4.9%	3.9%	5.8%
09/30/2013	6.6%	5.0%	4.6%	5.1%
09/30/2012	4.6%	4.9%	4.2%	5.3%
09/30/2011	8.6%	5.0%	5.0%	5.5%
09/30/2010	1.0%	7.0%	11.1%	11.4%
09/30/2009	3.0%	6.7%	13.4%	12.1%
09/30/2008	6.8%	6.8%	14.7%	12.4%
09/30/2007	4.8%	6.0%	(0.1%)	6.0%
Average				
Last 3 Years	8.5%	5.1%	4.6%	5.4%
Last 5 Years	7.3%	5.1%	4.5%	5.3%
Last 10 Years	6.1%	5.7%	6.6%	7.4%

* Participants who have full years of pay for both years considered.

Recent Plan Experience

C. Recent Termination Experience

<u>General Employees / Senior Management Employees</u>				
<u>Year Ended</u>	<u>Number of Employees Previous Valuation</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual To Expected</u>
09/30/2016	59	6.2	5	0.8
09/30/2015	57	4.2	5	1.2
09/30/2014	64	4.8	6	1.3
09/30/2013	52	3.5	3	0.9
09/30/2012	51	3.7	8	2.2
09/30/2011	50	3.1	7	2.3
09/30/2010	50	3.3	3	0.9
09/30/2009	66	4.9	17	3.5
09/30/2008	60	4.2	9	2.1
09/30/2007	65	3.6	9	2.5
Last 3 Years	180	15.2	16	1.1
Last 5 Years	283	22.4	27	1.2
Last 10 Years	574	41.5	72	1.7

<u>Police Officers</u>				
<u>Year Ended</u>	<u>Number of Employees Previous Valuation</u>	<u>Expected Terminations</u>	<u>Actual Terminations</u>	<u>Ratio of Actual To Expected</u>
09/30/2016	28	1.0	0	0.0
09/30/2015	27	1.3	1	0.8
09/30/2014	27	1.4	0	0.0
09/30/2013	27	2.0	1	0.5
09/30/2012	27	2.3	1	0.4
09/30/2011	27	2.4	3	1.3
09/30/2010	29	3.2	1	0.3
09/30/2009	30	3.7	3	0.8
09/30/2008	30	4.4	4	0.9
09/30/2007	25	0.7	3	4.3
Last 3 Years	82	3.7	1	0.3
Last 5 Years	136	8.0	3	0.4
Last 10 Years	277	22.4	17	0.8

Town Contribution Information

Valuation Date	Contribution Fiscal Year End		Minimum Required Employer Contributions	Actual Employer Contributions Made
10/01/2016	09/30/2018	¹	\$ 917,274	N/A
10/01/2015	09/30/2017	²	\$ 798,264	N/A
10/01/2014	09/30/2016		\$ 757,304	\$ 757,304
10/01/2013	09/30/2015	³	\$ 727,022	\$ 727,022
10/01/2012	09/30/2014	⁴	\$ 631,584	\$ 631,584
10/01/2011	09/30/2013		\$ 534,209	\$ 534,209
10/01/2010	09/30/2012	⁵	\$ 515,440	\$ 515,440
10/01/2009	09/30/2011		\$ 625,963	\$ 625,963
10/01/2008	09/30/2010		\$ 553,919	\$ 553,919
10/01/2007	09/30/2009	⁶	\$ 423,747	\$ 423,747
10/01/2006	09/30/2008	⁷	\$ 384,905	\$ 384,416
10/01/2005	09/30/2007		\$ 264,370	\$ 264,370
10/01/2004	09/30/2006	⁸	\$ 203,274	\$ 230,812
10/01/2003	09/30/2005		\$ 0	\$ 102,410
10/01/2002	09/30/2004		\$ 0	\$ 102,410
10/01/2001	09/30/2003		\$ 0	\$ 0
10/01/2000	09/30/2002		\$ 0	\$ 0
10/01/1999	09/30/2001		\$ 0	\$ 0
10/01/1998	09/30/2000		\$ 14,417	\$ 14,417
10/01/1997	09/30/1999		\$ 0	\$ 0
10/01/1996	09/30/1998		\$ 58,833	\$ 58,833
10/01/1995	09/30/1997		\$ 140,751	\$ 140,751
10/01/1994	09/30/1996		\$ 116,992	\$ 116,992
01/01/1994	09/30/1995		\$ 118,566	\$ 118,566
01/01/1993	09/30/1994		\$ 147,703	\$ 167,952
01/01/1992	09/30/1993		\$ 145,740	\$ 167,952
01/01/1991	09/30/1992		\$ 167,483	\$ 167,952
01/01/1990	09/30/1991		\$ 167,981	\$ 167,981

¹ Reflects assumption changes effective October 1, 2016

² Reflects assumption changes effective October 1, 2015 and benefit changes effective October 1, 2016.

³ Reflects benefit changes effective October 1, 2013

⁴ Reflects assumption and benefit changes effective October 1, 2012

⁵ Reflects assumption changes effective October 1, 2010

⁶ Reflects assumption changes effective October 1, 2007

⁷ Reflects benefit improvement effective October 1, 2007

⁸ Reflects benefit improvement effective October 1, 2005

Actuarial Valuation as of October 1, 2016**State Required Exhibit****All Members**

	Actuarial Impact Statement <u>10/01/2015</u>	Prior Assumptions <u>10/01/2016</u>	Current Assumptions <u>10/01/2016</u>
A. <u>Participant Data</u>			
1. Active participants	87	89	89
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	36	35	35
3. Terminated vested participants	6	5	5
4. Annual payroll of active participants	\$ 5,484,903	\$ 5,897,832	\$ 5,897,832
5. Expected payroll of active employees for the following year	\$ 5,484,903	\$ 5,897,832	\$ 5,897,832
6. Annual benefits payable to those currently receiving benefits (including DROPs)	\$ 645,765	\$ 638,358	\$ 638,358
B. <u>Assets</u>			
1. Smoothed actuarial value	\$ 17,235,998	\$ 19,046,952	\$ 19,046,952
2. Market value	\$ 16,493,489	\$ 18,751,451	\$ 18,751,451
C. <u>Liabilities</u>			
1. Actuarial present value of future expected benefit payments for active members			
a. Retirement benefits	\$ 15,891,309	\$ 18,083,317	\$ 18,450,400
b. Vesting benefits	1,487,906	1,617,707	1,628,847
c. Disability benefits	1,526,841	1,627,105	1,649,538
d. Return of member contributions	265,945	269,847	199,938
e. Total	<u>\$ 19,172,001</u>	<u>\$ 21,597,976</u>	<u>\$ 21,928,723</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 934,081	\$ 775,083	\$ 775,083
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	<u>\$ 7,530,010</u>	<u>\$ 7,559,453</u>	<u>\$ 7,520,813</u>
4. Total actuarial present value of future expected benefit payments	\$ 27,636,092	\$ 29,932,512	\$ 30,224,619
5. Actuarial accrued liabilities	\$ 19,669,112	\$ 21,746,980	\$ 21,840,292
6. Unfunded actuarial accrued liabilities	\$ 2,433,114	\$ 2,700,028	\$ 2,793,340

Actuarial Valuation as of October 1, 2016

State Required Exhibit

General Employees / Senior Management Employees

	Actuarial Impact Statement <u>10/01/2015</u>	Prior Assumptions <u>10/01/2016</u>	Current Assumptions <u>10/01/2016</u>
A. <u>Participant Data</u>			
1. Active participants	59	61	61
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	24	23	23
3. Terminated vested participants	2	2	2
4. Annual payroll of active participants	\$ 3,121,306	\$ 3,409,161	\$ 3,409,161
5. Expected payroll of active employees for the following year	\$ 3,121,306	\$ 3,409,161	\$ 3,409,161
6. Annual benefits payable to those currently receiving benefits	\$ 339,985	\$ 339,876	\$ 339,876
B. <u>Assets</u>			
1. Smoothed actuarial value	\$ 6,659,124	\$ 7,308,199	\$ 7,308,199
2. Market value	\$ 6,372,256	\$ 7,194,817	\$ 7,194,817
C. <u>Liabilities</u>			
1. Actuarial present value of future expected benefit payments for active members			
a. Retirement benefits	\$ 4,572,192	\$ 5,445,696	\$ 5,539,119
b. Vesting benefits	988,988	1,097,372	1,104,651
c. Disability benefits	557,939	630,156	638,835
d. Return of member contributions	142,716	143,643	119,603
e. Total	<u>\$ 6,261,835</u>	<u>\$ 7,316,867</u>	<u>\$ 7,402,208</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 197,871	\$ 209,730	\$ 209,730
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	<u>\$ 3,899,103</u>	<u>\$ 3,902,261</u>	<u>\$ 3,902,261</u>
4. Total actuarial present value of future expected benefit payments	\$ 10,358,809	\$ 11,428,858	\$ 11,514,199
5. Actuarial accrued liabilities	\$ 7,778,952	\$ 8,688,861	\$ 8,724,377
6. Unfunded actuarial accrued liabilities	\$ 1,119,828	\$ 1,380,662	\$ 1,416,178

Actuarial Valuation as of October 1, 2016

State Required Exhibit

Police Officers

	<u>10/01/2015</u>	Prior Assumptions <u>10/01/2016</u>	Current Assumptions <u>10/01/2016</u>
A. <u>Participant Data</u>			
1. Active participants	28	28	28
2. Retired, disabled and beneficiaries receiving benefits (including DROPs)	12	12	12
3. Terminated vested participants	4	3	3
4. Annual payroll of active participants	\$ 2,363,597	\$ 2,488,671	\$ 2,488,671
5. Expected payroll of active employees for the following year	\$ 2,363,597	\$ 2,488,671	\$ 2,488,671
6. Annual benefits payable to those currently receiving benefits	\$ 305,780	\$ 298,482	\$ 298,482
B. <u>Assets</u>			
1. Smoothed actuarial value	\$ 10,576,874	\$ 11,738,753	\$ 11,738,753
2. Market value	\$ 10,121,233	\$ 11,556,634	\$ 11,556,634
C. <u>Liabilities</u>			
1. Actuarial present value of future expected benefit payments for active members			
a. Retirement benefits	\$ 11,319,117	\$ 12,637,621	\$ 12,911,281
b. Vesting benefits	498,918	520,335	524,196
c. Disability benefits	968,902	996,949	1,010,703
d. Return of member contributions	123,229	126,204	80,335
e. Total	<u>\$ 12,910,166</u>	<u>\$ 14,281,109</u>	<u>\$ 14,526,515</u>
2. Actuarial present value of future expected benefit payments for terminated vested members and miscellaneous	\$ 736,210	\$ 565,353	\$ 565,353
3. Actuarial present value of future expected benefit payments for members currently receiving benefits (including DROPs)	<u>\$ 3,630,907</u>	<u>\$ 3,657,192</u>	<u>\$ 3,618,552</u>
4. Total actuarial present value of future expected benefit payments	\$ 17,277,283	\$ 18,503,654	\$ 18,710,420
5. Actuarial accrued liabilities	\$ 11,890,160	\$ 13,058,119	\$ 13,115,915
6. Unfunded actuarial accrued liabilities	\$ 1,313,286	\$ 1,319,366	\$ 1,377,162

Actuarial Valuation as of October 1, 2016

State Required Exhibit - All Members

	Actuarial Valuation <u>10/01/2015</u>	Prior Assumptions <u>10/01/2016</u>	Current Assumptions <u>10/01/2016</u>
D. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested benefits			
a. Participants currently receiving benefits	\$ 7,530,010	\$ 7,559,453	\$ 7,520,813
b. Terminated vested members and miscellaneous	934,081	775,083	775,083
c. Other participants	6,666,676	8,414,371	8,469,377
d. Total	<u>\$ 15,130,767</u>	<u>\$ 16,748,907</u>	<u>\$ 16,765,273</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>869,947</u>	<u>804,173</u>	<u>808,705</u>
3. Total actuarial present value of accumulated plan benefits	\$ 16,000,714	\$ 17,553,080	\$ 17,573,978
E. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 16,000,714
2. Increase / (decrease) during year attributable to:			
a. Plan amendment			\$ 202,883
b. Change in actuarial assumptions			20,898
c. Benefits paid (includes refunds and DROP distributions)			(602,692)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>1,952,175</u>
e. Net increase			\$ 1,573,264
3. Actuarial present value of accumulated plan benefits as of October 1, 2016			\$ 17,573,978
Actuarial Impact Statement			
F. <u>Pension Cost</u>			
1. Total normal cost	\$ 1,056,690	\$ 1,168,338	\$ 1,182,700
2. Payment required to amortize unfunded liability	165,162	182,865	190,053
3. Interest	14,817	15,933	15,933
4. Total required contributions	<u>\$ 1,236,669</u>	<u>\$ 1,367,136</u>	<u>\$ 1,388,686</u>
5. Item 4 as a percentage of payroll	22.5%	23.2%	23.5%
6. Estimated employee contributions	\$ 438,405	\$ 471,412	\$ 471,412
7. Item 6 as a percentage of payroll	8.0%	8.0%	8.0%
8. Net amount payable by Town	\$ 798,264	\$ 895,724	\$ 917,274
9. Item 8 as a percentage of payroll	14.6%	15.2%	15.6%

Actuarial Valuation as of October 1, 2016

State Required Exhibit - General Employees / Senior Management Employees

	Actuarial Valuation <u>10/01/2015</u>	Prior Assumptions <u>10/01/2016</u>	Current Assumptions <u>10/01/2016</u>
D. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested benefits			
a. Participants currently receiving benefits	\$ 3,899,103	\$ 3,902,261	\$ 3,902,261
b. Terminated vested members and miscellaneous	197,871	209,730	209,730
c. Other participants	1,900,339	2,581,359	2,589,348
d. Total	<u>\$ 5,997,313</u>	<u>\$ 6,693,350</u>	<u>\$ 6,701,339</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>526,026</u>	<u>614,745</u>	<u>617,561</u>
3. Total actuarial present value of accumulated plan benefits	\$ 6,523,339	\$ 7,308,095	\$ 7,318,900
E. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 6,523,339
2. Increase / (decrease) during year attributable to:			
a. Plan amendment			\$ 202,883
b. Change in actuarial assumptions			10,805
c. Benefits paid (includes refunds and DROP distributions)			(304,136)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>886,009</u>
e. Net increase			\$ 795,561
3. Actuarial present value of accumulated plan benefits as of October 1, 2016			\$ 7,318,900
Actuarial Impact Statement			
F. <u>Pension Cost</u>			
1. Total normal cost	\$ 406,313	\$ 457,028	\$ 460,888
2. Payment required to amortize unfunded liability	87,858	108,910	111,646
3. Interest	8,426	9,204	9,204
4. Total required contributions	<u>\$ 502,597</u>	<u>\$ 575,142</u>	<u>\$ 581,738</u>
5. Item 4 as a percentage of payroll	16.1%	16.9%	17.1%
6. Estimated employee contributions	\$ 249,317	\$ 272,318	\$ 272,318
7. Item 6 as a percentage of payroll	8.0%	8.0%	8.0%
8. Net amount payable by Town	\$ 253,280	\$ 302,824	\$ 309,420
9. Item 8 as a percentage of payroll	8.1%	8.9%	9.1%

Actuarial Valuation as of October 1, 2016

State Required Exhibit - Police Officers

	<u>10/01/2015</u>	<u>Prior Assumptions 10/01/2016</u>	<u>Current Assumptions 10/01/2016</u>
D. <u>Statement of Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated vested benefits			
a. Participants currently receiving benefits	\$ 3,630,907	\$ 3,657,192	\$ 3,618,552
b. Terminated vested members and miscellaneous	736,210	565,353	565,353
c. Other participants	4,766,337	5,833,012	5,880,029
d. Total	<u>\$ 9,133,454</u>	<u>\$ 10,055,557</u>	<u>\$ 10,063,934</u>
2. Actuarial present value of accumulated non-vested plan benefits	<u>343,921</u>	<u>189,428</u>	<u>191,144</u>
3. Total actuarial present value of accumulated plan benefits	\$ 9,477,375	\$ 10,244,985	\$ 10,255,078
E. <u>Statement of Change in Accumulated Plan Benefits</u>			
1. Actuarial present value of accumulated plan benefits as of October 1, 2015			\$ 9,477,375
2. Increase / (decrease) during year attributable to:			
a. Plan amendment			\$ 0
b. Change in actuarial assumptions			10,093
c. Benefits paid (includes refunds and DROP distributions)			(298,556)
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period			<u>1,066,166</u>
e. Net increase			\$ 777,703
3. Actuarial present value of accumulated plan benefits as of October 1, 2016			\$ 10,255,078
F. <u>Pension Cost</u>			
1. Total normal cost	\$ 650,377	\$ 711,310	\$ 721,812
2. Payment required to amortize unfunded liability	77,304	73,955	78,407
3. Interest	6,391	6,729	6,729
4. Total required contributions	<u>\$ 734,072</u>	<u>\$ 791,994</u>	<u>\$ 806,948</u>
5. Item 4 as a percentage of payroll	31.1%	31.8%	32.4%
6. Estimated employee contributions	\$ 189,088	\$ 199,094	\$ 199,094
7. Item 6 as a percentage of payroll	8.0%	8.0%	8.0%
8. Net amount payable by Town	\$ 544,984	\$ 592,900	\$ 607,854
9. Item 8 as a percentage of payroll	23.1%	23.8%	24.4%

Actuarial Valuation as of October 1, 2016

State Required Exhibit - All Members

	Actuarial Impact Statement <u>10/01/2015</u>	Prior Assumptions <u>10/01/2016</u>	Current Assumptions <u>10/01/2016</u>
G. <u>Past Contributions</u>			
1. Total contribution required (Prior Year)	\$ 1,106,592	\$ 1,236,669	\$ 1,236,669
2. Actual contributions made:			
a. Member	\$ 383,619	N/A	N/A
b. Town	757,304	N/A	N/A
c. Total	<u>\$ 1,140,923</u>	<u>N/A</u>	<u>N/A</u>
H. <u>Net Actuarial Gain / (Loss)</u>			
1. General Employees	\$ (148,934)	\$ (292,672)	\$ (292,672)
2. Police Officers	152,951	80,513	80,513
3. Total	<u>\$ 4,017</u>	<u>\$ (212,159)</u>	<u>\$ (212,159)</u>
I. <u>Disclosure of Following Items:</u>			
1. Actuarial present value of future salaries - attained age			
a. General Employees	\$ 22,572,170	\$ 24,317,547	\$ 24,512,123
b. Police Officers	21,145,496	21,342,425	21,557,678
c. Total	<u>\$ 43,717,666</u>	<u>\$ 45,659,972</u>	<u>\$ 46,069,801</u>
2. Actuarial present value of future employee contributions - attained age			
a. General Employees	\$ 1,803,225	\$ 1,942,961	\$ 1,958,514
b. Police Officers	1,691,640	1,707,394	1,724,614
c. Total	<u>\$ 3,494,865</u>	<u>\$ 3,650,355</u>	<u>\$ 3,683,128</u>
3. Actuarial present value of future contributions from other sources	N/A	N/A	N/A
4. Amount of active members' accumulated contributions			
a. General Employees	\$ 1,161,694	\$ 1,390,599	\$ 1,390,599
b. Police Officers	1,664,479	1,932,935	1,932,935
c. Total	<u>\$ 2,826,173</u>	<u>\$ 3,323,534</u>	<u>\$ 3,323,534</u>
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A	N/A

Actuarial Valuation as of October 1, 2016

State Required Exhibit

<u>Date</u>	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Current Unfunded Liabilities</u>	<u>Amortization Payment</u>	<u>Remaining Funding Period</u>
<u>General Employees</u>				
10/01/2009	Combined Bases *	\$ 1,886	\$ 183	17 years
10/01/2010	Actuarial (Gain) / Loss	213,739	17,759	24 years
10/01/2010	Assumption Changes	(114,830)	(9,541)	24 years
10/01/2011	Actuarial (Gain) / Loss	77,867	6,371	25 years
10/01/2012	Actuarial (Gain) / Loss	151,031	12,184	26 years
10/01/2012	Assumption Changes	114,112	9,206	26 years
10/01/2013	Actuarial (Gain) / Loss	80	6	27 years
10/01/2014	Actuarial (Gain) / Loss	82,486	6,490	28 years
10/01/2015	Actuarial (Gain) / Loss	144,972	11,282	29 years
10/01/2015	Assumption Changes	134,581	10,473	29 years
10/01/2015	Plan Amendment	282,066	21,951	29 years
10/01/2016	Actuarial (Gain) / Loss	292,672	22,546	30 years
10/01/2016	Assumption Changes	35,516	2,736	30 years
	Total	\$ 1,416,178	\$ 111,646	
<u>Police Officers</u>				
10/01/2011	Combined Credit Bases *	\$ (5,412,798)	\$ (525,916)	17 years
10/01/2011	Combined Charge Bases *	6,238,578	559,784	20 years
10/01/2012	Actuarial (Gain) / Loss	567,357	45,770	26 years
10/01/2012	Assumption Changes	42,858	3,457	26 years
10/01/2013	Actuarial (Gain) / Loss	(33,044)	(2,631)	27 years
10/01/2013	Plan Amendment	39,308	3,130	27 years
10/01/2014	Actuarial (Gain) / Loss	(160,948)	(12,664)	28 years
10/01/2015	Actuarial (Gain) / Loss	(162,726)	(12,664)	29 years
10/01/2015	Assumption Changes	281,294	21,891	29 years
10/01/2016	Actuarial (Gain) / Loss	(80,513)	(6,202)	30 years
10/01/2016	Assumption Changes	57,796	4,452	30 years
	Total	\$ 1,377,162	\$ 78,407	

* Combined per Internal Revenue Code Regulation 1.412(b)-1

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise provided for in the valuation. All known events or trends which may require material increase in plan costs or required contribution rates have been taken into account in the valuation.

Enrollment Number: 17-02802
Date: June 30, 2017



Lawrence F. Wilson, A.S.A.

