Milliman

80 Lamberton Road
Windsor, CT 06095
USA

Main +1 860 687 2110
Fax +1 860 687 2111

milliman.com

February 27, 2014

PERSONAL & CONFIDENTIAL

Mr. Gary Conrad
Finance Director
Westport Town Hall
110 Myrtle Avenue
Westport, CT 06880

Re: Town of Westport Pension Plans
July 1, 2013 Valuation Reports

Dear Gary:

We have enclosed 10 copies for each plan of our July 1, 2013 valuation report. We have also enclosed a single page summary showing the key figures for the five plans side by side. Please let me know if you have any questions or have any trouble finding information you need.

Sincerely,

Becky

Rebecca A. Sielman, FSA
Consulting Actuary

RAS:dlc 10 WST022714PensionValuationReports.docx

TOWN OF WESTPORT RETIREMENT PLANS

JULY 1, 2013 VALUATIONS

Summary of Principal Results

	Municipal	Non-Union	Public Works	Police	Fire	Total
Membership as of July 1, 2013						
Active Members	356	86	30	64	67	603
Terminated Vested Members	20	2	0	0	1	23
Members in Pay Status	213	76	29	76	56	450
Total Payroll	$16,035,031	$6,818,264	$1,770,145	$5,367,727	$5,184,152	$35,175,319
Assets and Liabilities as of July 1, 2013						
Market Value of Assets	$54,463,402	$27,005,795	$15,059,971	$70,739,726	$56,818,882	$224,087,776
Actuarial Value of Assets	53,169,919	26,347,720	14,696,976	69,005,609	55,451,720	218,671,944
Accrued Liability for Active Members	$34,533,225	$18,143,853	$10,614,929	$32,737,658	$32,407,289	$128,436,954
Accrued Liability for Terminated Vested Members	970,497	258,297	0	0	8,472	1,237,266
Accrued Liability for Members in Pay Status	21,141,761	17,410,247	7,181,581	57,948,972	37,694,795	141,377,356
Total Accrued Liability	56,645,483	35,812,397	17,796,510	90,686,630	70,110,556	271,051,576
Unfunded Accrued Liability	3,475,564	9,464,677	3,099,534	21,681,021	14,658,836	52,379,632
Funded Ratio	93.9%	73.6%	82.6%	76.1%	79.1%	80.7%
Annual Required Contribution for FY 2015						
Net Normal Cost	$1,926,210	$825,308	$236,857	$1,393,588	$1,400,534	$5,782,497
Past Service Cost	205,864	560,611	183,591	1,284,208	868,270	3,102,544
Interest	130,590	84,888	25,752	164,015	138,964	544,209
Annual Required Contribution	2,262,664	1,470,807	446,200	2,841,811	2,407,768	9,429,250

This work product was prepared solely for the Town of Westport for the purposes described herein and may not be appropriate to use for other purposes.

Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Milliman

Town of Westport
Police Pension Fund

Actuarial Valuation as of July 1, 2013
For Fiscal Year 2014-15

Prepared by

Rebecca A. Sielman, FSA
Consulting Actuary

Steve A. Lemanski, FSA, FCA
Consulting Actuary

80 Lamberton Road
Windsor, CT 06095 USA
Tel +1 860.687.2410
Fax +1 860.687.2111
milliman.com

February 27, 2014

Table of Contents

Certification

We have performed an actuarial valuation of the Plan as of July 1, 2013 for fiscal year 2014-15. This report presents the results of our valuation.

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, it must be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s): (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices.

We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method, or technique were reasonable. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Rebecca A. Sielman, FSA
Consulting Actuary

Steve A. Lemanski, FSA, FCA
Consulting Actuary

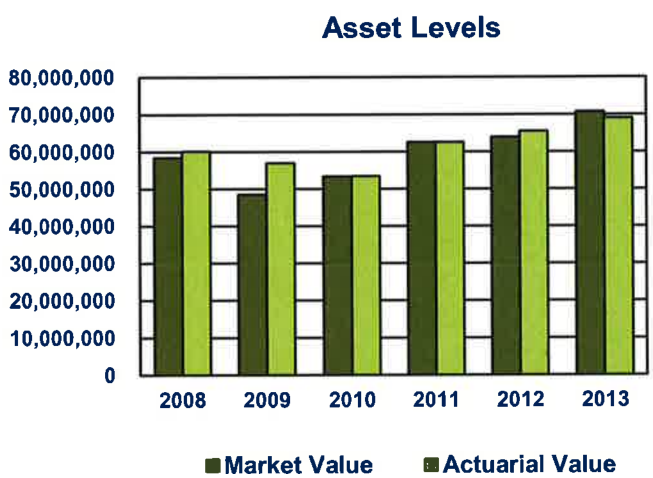
Section I - Executive Summary
A. Highlights

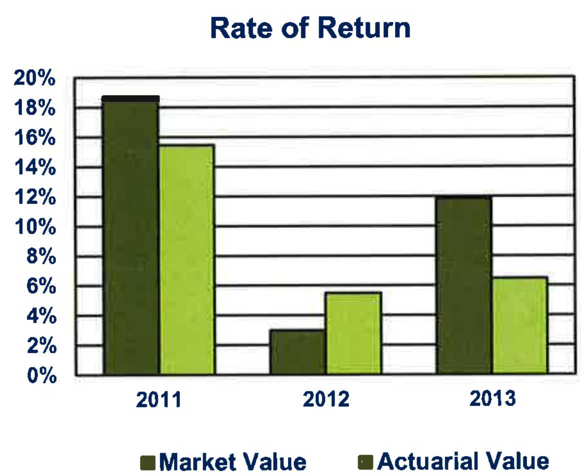
Assets

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

	Market	Actuarial
Value as of July 1, 2012	$63,945,901	$65,505,405
Contributions	2,821,946	2,821,946
Investment Income	7,523,847	4,230,226
Benefit Payments and Administrative Expenses	(3,551,968)	(3,551,968)
Value as of July 1, 2013	70,739,726	69,005,609

For fiscal year 2012-13, the plan's assets earned 11.83% on a Market Value basis and 6.49% on an Actuarial Value basis. The actuarial assumption for this period was 6.125%; the result is an asset gain of $3.6 million on a Market Value basis and a gain of $0.2 million on an Actuarial Value basis. Historical asset values are shown in the graph below to the left; historical returns are shown in the graph below to the right.



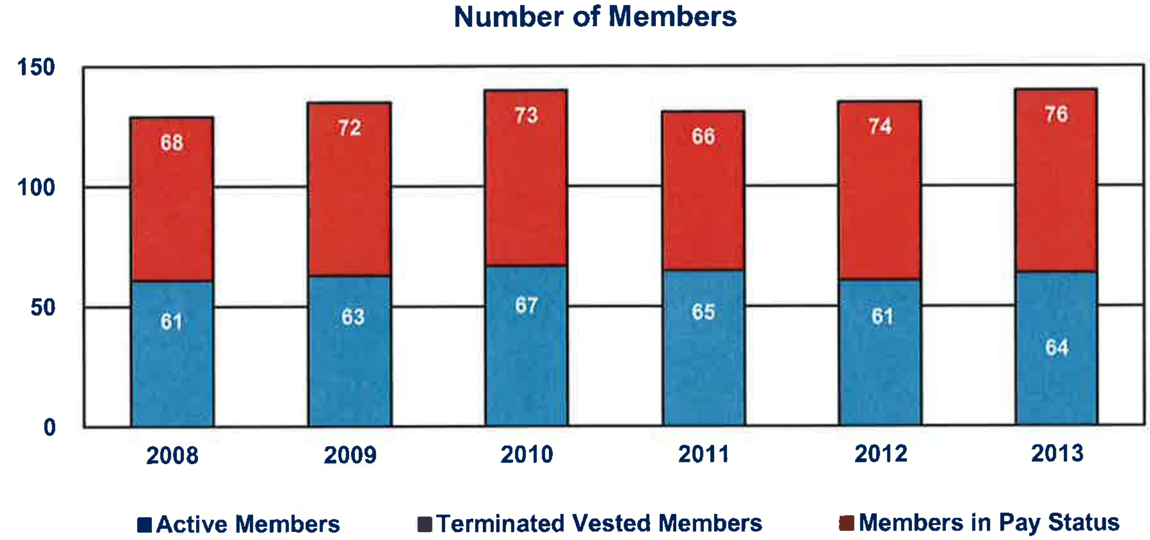


Please note that the Actuarial Value currently is less than the Market Value by $1.7 million. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

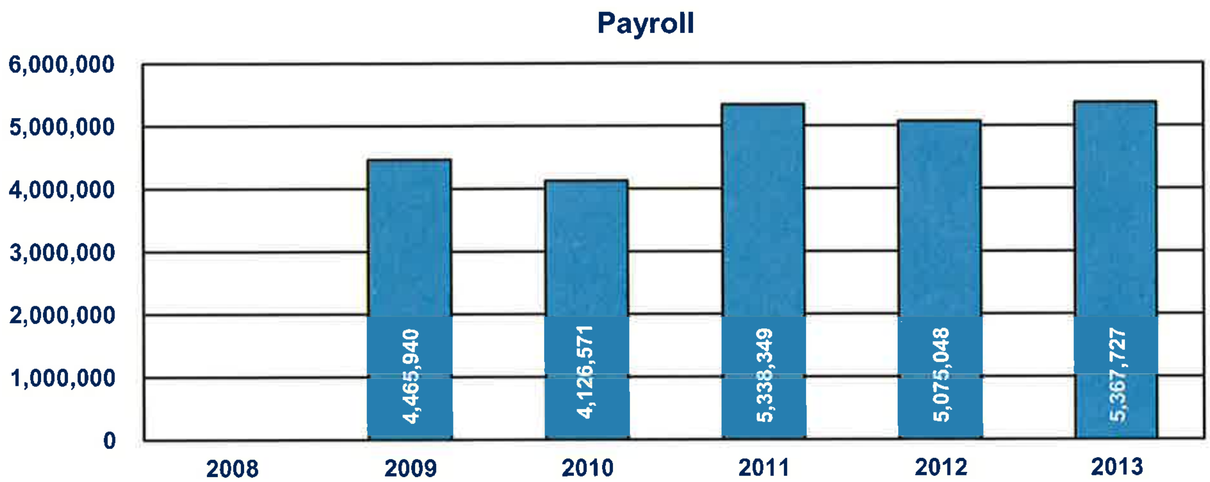
Section I - Executive Summary
A. Highlights

Membership

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



From July 1, 2012 to July 1, 2013, the overall membership increased from 135 to 140. Active membership increased by 3, with 1 retirement more than offset by 4 new members. Two retired members died; their beneficiaries are continuing to receive benefits.



Section I - Executive Summary
A. Highlights

Plan Changes

None.

Changes in Actuarial Methods or Assumptions

None.

Experience Since 2012 Valuation

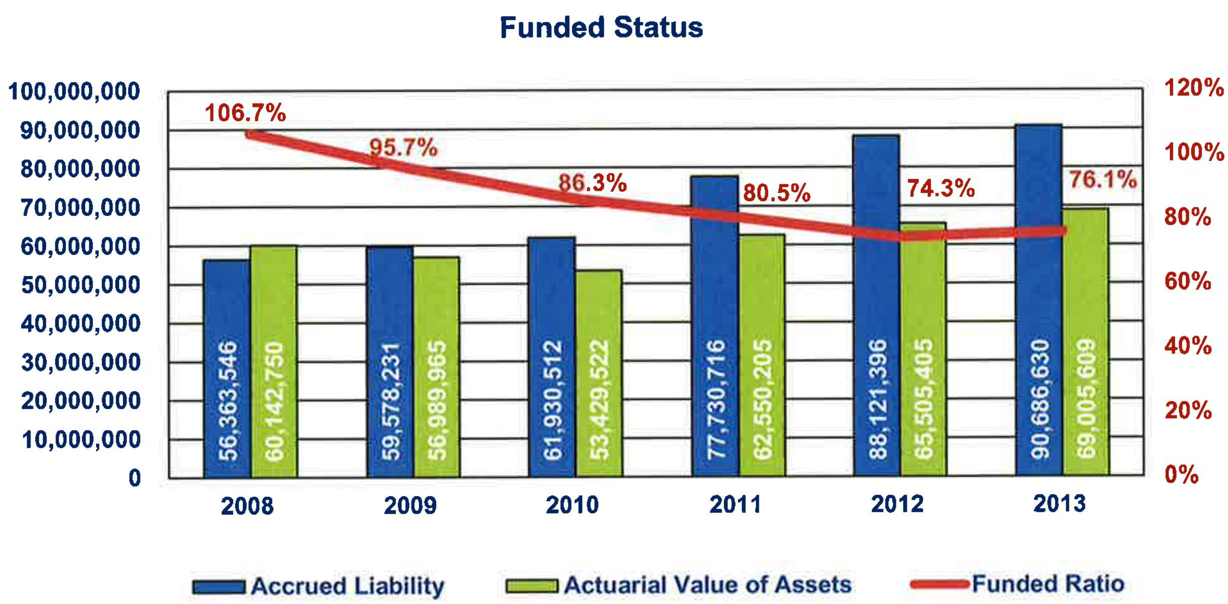
The plan's investments experienced modest gains, as discussed in more detail on page 3.

The plan had experience gains because pay levels for members who were active in both the 2012 and 2013 valuations increased less than expected, as well as experience gains because there were fewer retirements than expected.

Section I - Executive Summary
A. Highlights

Funded Status

The chart below shows the plan's Accrued Liability and Actuarial Value of Assets for the past few years.

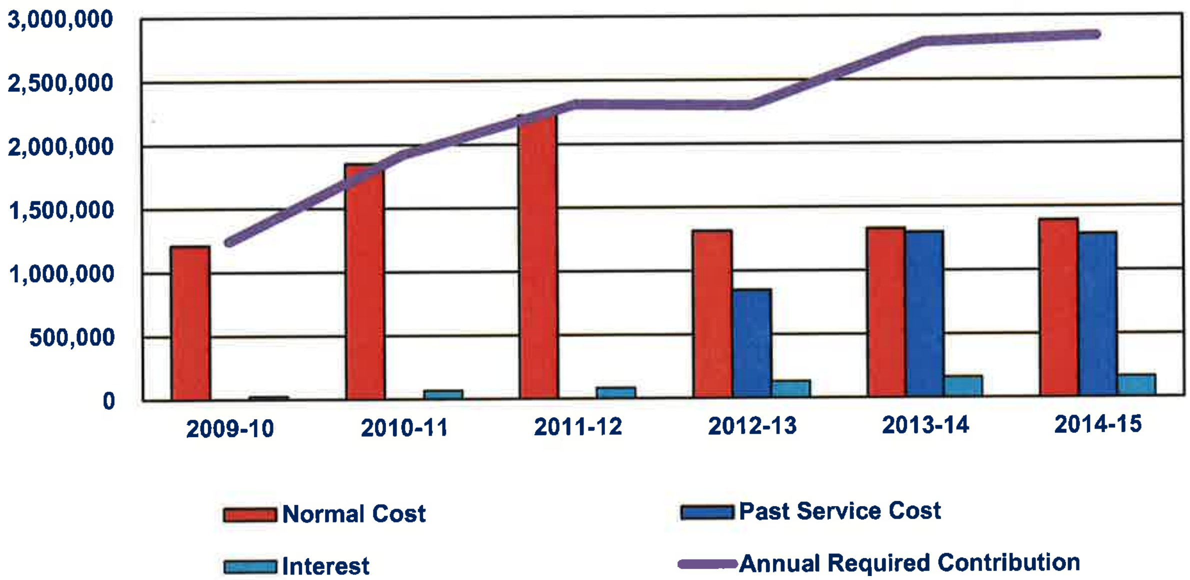


Section I - Executive Summary
A. Highlights

Annual Required Contribution

The Annual Required Contribution consists of three pieces: a **Normal Cost** payment to fund the benefits earned each year, a **Past Service Cost** to gradually reduce any unfunded or surplus liability, and **Interest** to the end of the year. If the plan has a sufficiently large surplus, the Past Service Cost may be large enough to cover the Normal Cost, in which case no contribution is required.

Contribution levels for the current year and the past few fiscal years are shown below.

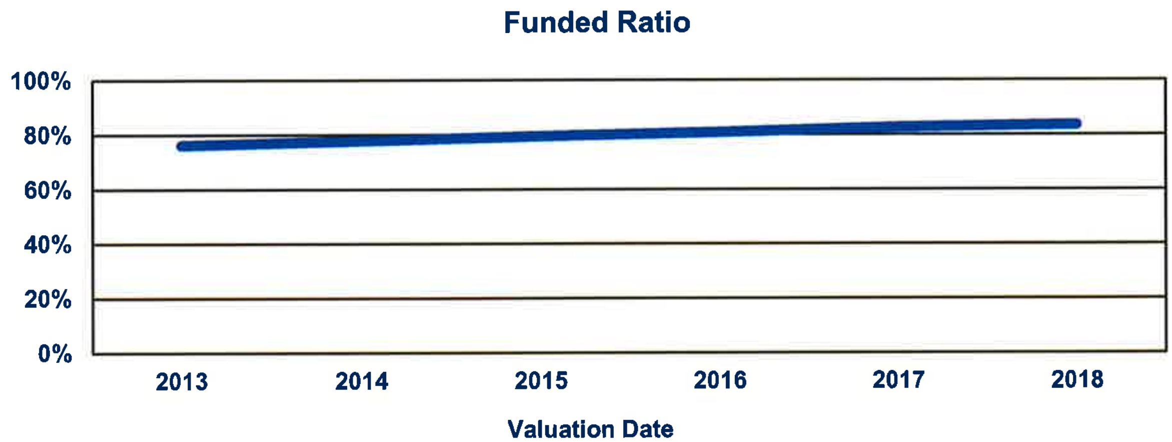


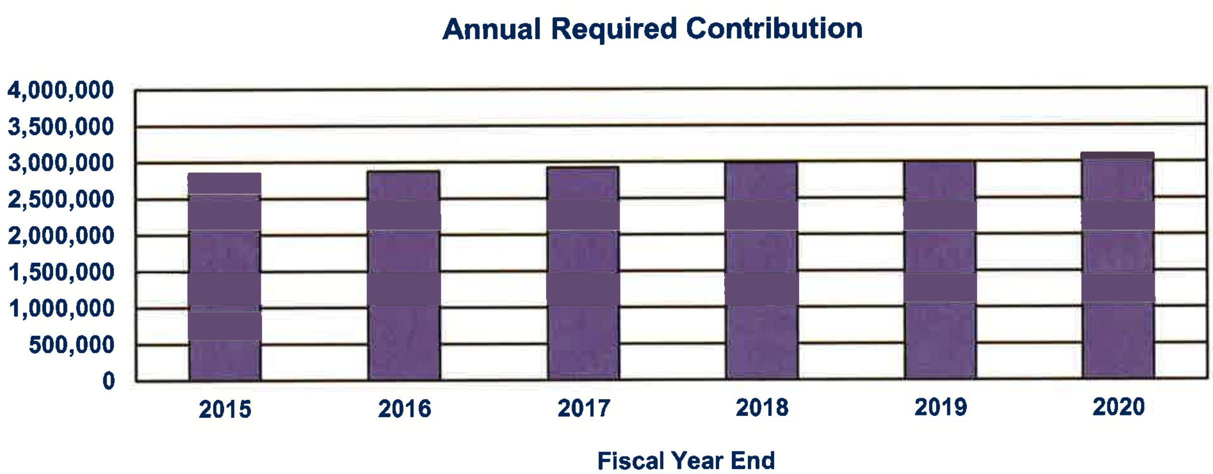
The upward trend in the Annual Required Contribution during this period is due primarily to the large market losses suffered in 2008.

Section I - Executive Summary
A. Highlights

Long Range Forecast

We expect the valuation results for the next several years to follow the patterns illustrated below:





To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section III C for more details of the long range forecast.

Section I - Executive Summary
B. Summary of Principal Results

Membership	July 1, 2012	July 1, 2013
Active Members	61	64
Terminated Vested Members	0	0
Members in Pay Status	74	76
Payroll	$5,075,048	$5,367,727

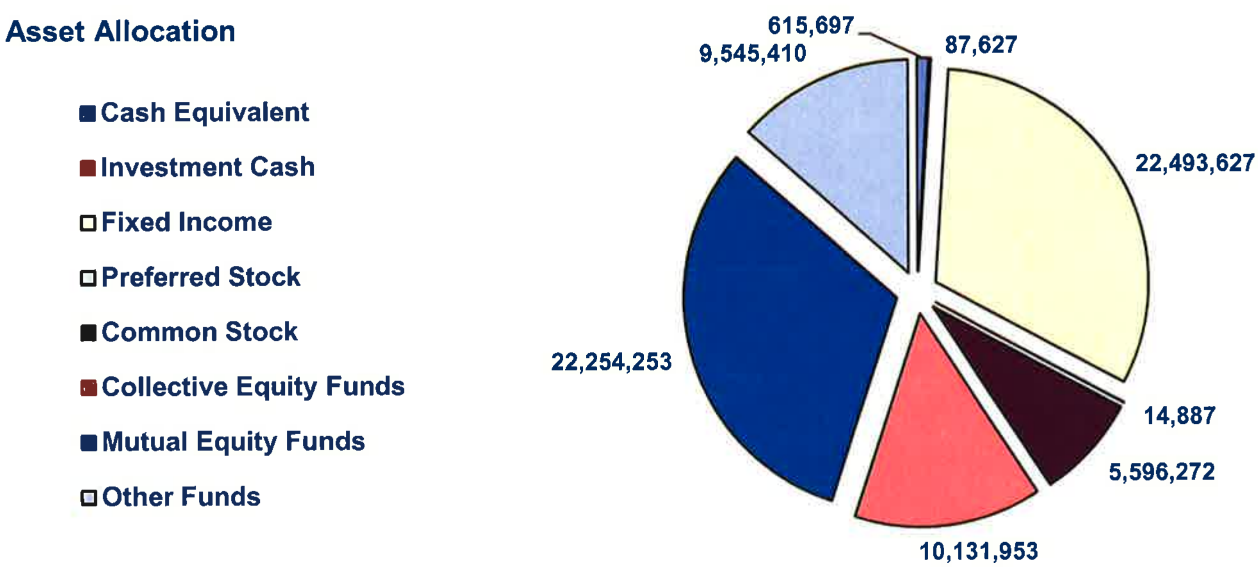
Assets and Liabilities	July 1, 2012	July 1, 2013
Market Value of Assets	$63,945,901	$70,739,726
Actuarial Value of Assets	65,505,405	69,005,609
Accrued Liability for Active Members	$31,025,592	$32,737,658
Accrued Liability for Terminated Vested Members	0	0
Accrued Liability for Members in Pay Status	57,095,804	57,948,972
Total Accrued Liability	88,121,396	90,686,630
Unfunded Accrued Liability	22,615,991	21,681,021
Funded Ratio	74.3%	76.1%

Annual Required Contribution for Fiscal Year	2013-14	2014-15
Normal Cost	$1,331,102	$1,393,588
Past Service Cost	1,300,842	1,284,208
Interest	161,207	164,015
Annual Required Contribution	2,793,151	2,841,811

Section II - Plan Assets
A. Summary of Fund Transactions

Market Value as of July 1, 2012	$63,945,901
Employer Contributions	2,297,852
Employee Contributions	524,094
Benefit Payments	(3,551,968)
Investment Income	7,645,177
Investment Expenses	(121,330)
Market Value as of July 1, 2013	70,739,726
Approximate Rate of Return	11.83%

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



Section II - Plan Assets
B. Development of Actuarial Value of Assets

In order to minimize the impact of market fluctuations on the contribution level, we use an Actuarial Value of Assets that recognizes gains and losses over a five year period starting on July 1, 2011. The Actuarial Value of Assets as of July 1, 2013 is determined below.

1.	Expected Market Value of Assets:	
	a. Market Value of Assets as of July 1, 2012	$63,945,901
	b. Employer and Employee Contributions	2,821,946
	c. Benefit Payments and Administrative Expenses	(3,551,968)
	d. Expected Investment Return Based on 6.125% Interest	3,894,166
	e. Expected Market Value of Assets as of July 1, 2013	67,110,045
2.	Actual Market Value of Assets as of July 1, 2013	70,739,726
3.	Market Value (Gain)/Loss: (1e) - (2)	(3,629,681)
4.	Delayed Recognition of Market (Gains)/Losses:	

Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized	
06/30/2013	($3,629,681)	80%	($2,903,745)	
06/30/2012	1,949,380	60%	1,169,628	
06/30/2011	0	40%	0	
06/30/2010	0	20%	0	
				(1,734,117)

5.	Actuarial Value as of July 1, 2013: (2) + (4)	69,005,609
6.	Approximate Rate of Return on Actuarial Value	6.49%
7.	Actuarial Value (Gain)/Loss	(240,369)

Section III - Development of Contribution
A. Past Service Cost

For determining the Past Service Cost, the Unfunded Accrued Liability is amortized as a level percent over a period of 25 years starting on July 1, 2011.

	July 1, 2012	July 1, 2013
1. Accrued Liability		
Active Members	$31,025,592	$32,737,658
Terminated Vested Members	0	0
Retired Members	40,666,001	39,751,697
Disabled Members	13,750,826	13,474,991
Beneficiaries of Deceased Members	2,678,977	4,722,284
Total	88,121,396	90,686,630
2. Actuarial Value of Assets (see Section II B)	65,505,405	69,005,609
3. Unfunded Accrued Liability: (1) - (2)	22,615,991	21,681,021
4. Funded Ratio: (2) / (1)	74.3%	76.1%
5. Amortization Period	24	23
6. Amortization Growth Rate	3.00%	3.00%
7. Past Service Cost: (3) amortized over (5)	1,300,842	1,284,208

Section III - Development of Contribution
B. Annual Required Contribution

	Fiscal Year 2013-14	Fiscal Year 2014-15
1. Total Normal Cost	$1,835,304	$1,917,243
2. Expected Employee Contributions	504,202	523,655
3. Expected Expenses	0	0
4. Net Normal Cost: (1) - (2) + (3)	1,331,102	1,393,588
5. Past Service Cost (see Section III A)	1,300,842	1,284,208
6. Interest on (4) + (5) to start of next fiscal year	161,207	164,015
7. Annual Required Contribution: (4) + (5) + (6)	2,793,151	2,841,811

Section III - Development of Contribution
C. Long Range Forecast

This forecast is based on the results of the July 1, 2013 actuarial valuation and assumes that the Town will pay the Annual Required Contribution each year, the assets will return 6.125% on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

	Values as of the Valuation Date					Cash Flows Projected to the Following Fiscal Year			
Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio	Fiscal Year Ending	Town Contributions	Employee Contributions	Benefit Payments	Net Cash Flows
7/1/2013	$90,686,630	$69,005,609	$21,681,021	76.1%	2015	$2,841,811	$539,424	($4,109,761)	($728,526)
7/1/2014	93,953,000	73,112,000	20,841,000	77.8%	2016	2,876,000	556,000	(4,324,000)	(892,000)
7/1/2015	97,325,000	77,261,000	20,064,000	79.4%	2017	2,924,000	576,000	(4,524,000)	(1,024,000)
7/1/2016	100,830,000	81,475,000	19,355,000	80.8%	2018	2,990,000	591,000	(4,754,000)	(1,173,000)
7/1/2017	104,376,000	86,180,000	18,196,000	82.6%	2019	3,003,000	613,000	(4,947,000)	(1,331,000)
7/1/2018	107,951,000	90,249,000	17,702,000	83.6%	2020	3,094,000	630,000	(5,152,000)	(1,428,000)
7/1/2019	111,651,000	94,404,000	17,247,000	84.6%	2021	3,181,000	649,000	(5,346,000)	(1,516,000)
7/1/2020	115,458,000	98,715,000	16,743,000	85.5%	2022	3,276,000	664,000	(5,568,000)	(1,628,000)
7/1/2021	119,390,000	103,199,000	16,191,000	86.4%	2023	3,365,000	679,000	(5,801,000)	(1,757,000)
7/1/2022	123,397,000	107,842,000	15,555,000	87.4%	2024	3,437,000	692,000	(6,045,000)	(1,916,000)
7/1/2023	127,485,000	112,637,000	14,848,000	88.4%	2025	3,511,000	706,000	(6,294,000)	(2,077,000)
7/1/2024	131,601,000	117,562,000	14,039,000	89.3%	2026	3,577,000	719,000	(6,544,000)	(2,248,000)
7/1/2025	135,778,000	122,622,000	13,156,000	90.3%	2027	3,640,000	729,000	(6,825,000)	(2,456,000)
7/1/2026	139,988,000	127,816,000	12,172,000	91.3%	2028	3,693,000	737,000	(7,125,000)	(2,695,000)
7/1/2027	144,200,000	133,114,000	11,086,000	92.3%	2029	3,716,000	742,000	(7,438,000)	(2,980,000)
7/1/2028	148,349,000	138,489,000	9,860,000	93.4%	2030	3,713,000	745,000	(7,773,000)	(3,315,000)
7/1/2029	152,454,000	143,901,000	8,553,000	94.4%	2031	3,696,000	762,000	(8,030,000)	(3,572,000)
7/1/2030	156,480,000	149,298,000	7,182,000	95.4%	2032	3,720,000	770,000	(8,324,000)	(3,834,000)
7/1/2031	160,535,000	154,761,000	5,774,000	96.4%	2033	3,689,000	773,000	(8,646,000)	(4,184,000)
7/1/2032	164,582,000	160,288,000	4,294,000	97.4%	2034	3,602,000	773,000	(8,991,000)	(4,616,000)

For purposes of this forecast the amortization period declines to 1 year to illustrate the progress of the plan towards becoming fully funded; in actual practice the amortization period will not be less than 10 years in order to shield the Town from contribution volatility.

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

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

Valuation Date	July 1, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Amortization Period	Closed 25 years from July 1, 2011
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	6.125%
Projected Salary Increases	Service based scale
Amortization Growth Rate	3.000%
Inflation	2.500%
Cost-of-Living Adjustments	Pre-2005 retirees with 75% Joint & Survivor annuities - 1.25%. Pre-2005 retirees with 100% Joint & Survivor annuities - 0.625%.

Section IV - Accounting Information
B. Schedule of Funding Progress

Actuarial Valuation Date	For Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
07/01/2009	2009-10	$56,989,965	$59,578,231	$2,588,266	95.7%	$4,465,940	58.0%
07/01/2010	2010-11	53,429,522	61,930,512	8,500,990	86.3%	4,126,571	206.0%
07/01/2011	2011-12	54,799,778	66,958,711	12,158,933	81.8%	5,294,796	229.6%
07/01/2011	2012-13	62,550,205	77,730,716	15,180,511	80.5%	5,338,349	284.4%
07/01/2012	2013-14	65,505,405	88,121,396	22,615,991	74.3%	5,075,048	445.6%
07/01/2013	2014-15	69,005,609	90,686,630	21,681,021	76.1%	5,367,727	403.9%

Section IV - Accounting Information
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	Annual Required Contribution	Actual Contribution	Percent Funded
2007	$0	$30,600	-
2008	792,258	34,500	4.4%
2009	815,940	36,052	4.4%
2010	1,239,465	913,000	73.7%
2011	1,922,372	2,100,000	109.2%
2012	2,312,683	2,336,000	101.0%
2013	2,297,852	2,297,852	100.0%
2014	2,793,151	TBD	TBD
2015	2,841,811	TBD	TBD

Section IV - Accounting Information
D. Accrued and Vested Benefits

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

	As of July 1, 2012	As of July 1, 2013
1. Value of Vested Benefits		
Active Members	$21,221,448	$22,374,697
Terminated Vested Members	0	0
Retired Members	40,666,001	39,751,697
Disabled Members	13,750,826	13,474,991
Beneficiaries of Deceased Members	2,678,977	4,722,284
Total Value of Vested Benefits	78,317,252	80,323,669
2. Value of Non-Vested Benefits	4,614,287	4,881,009
3. Total Value of Accrued Benefits: (1) + (2)	82,931,539	85,204,678
4. Market Value of Assets	63,945,901	70,739,726
5. Vested Funded Ratio: (4) / (1)	81.6%	88.1%
6. Accrued Funded Ratio: (4) / (3)	77.1%	83.0%

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

Increase/(Decrease) during the 2012-2013 plan year attributable to:

Increase for interest due to the decrease in the discount period	$4,972,394
Benefits Accumulated/(Forfeited)	852,713
Benefit Payments	(3,551,968)
Plan Amendments	0
Changes in Actuarial Assumptions	0
Net Increase/(Decrease)	2,273,139

Value of Accrued Plan Benefits:

July 1, 2013	$85,204,678
July 1, 2012	82,931,539
Net Increase/(Decrease)	2,273,139

Section V - Membership Data
A. Reconciliation of Membership from Prior Valuation

Details of the changes in the Plan membership since the last valuation are shown below. Additional details on the Plan membership are provided in the remainder of Section V.

	Active	Term. Vested	Retirees	Disabled	Bene-ficiaries	Total
Count as of July 1, 2012	61	0	39	21	14	135
Terminated, due refund	-	-	-	-	-	0
Terminated, benefits due	-	-	-	-	-	0
Retired	(1)	-	1	-	-	0
Disabled	-	-	-	-	-	0
Died, with beneficiary	-	-	(2)	-	-	(2)
Died, no beneficiary	-	-	-	-	-	0
Paid refund	-	-	-	-	-	0
Net transfers	-	-	-	-	-	0
New member	4	-	-	-	1	5
New beneficiary	-	-	-	-	2	2
Correction	-	-	-	-	-	0
Count as of July 1, 2013	64	0	38	21	17	140

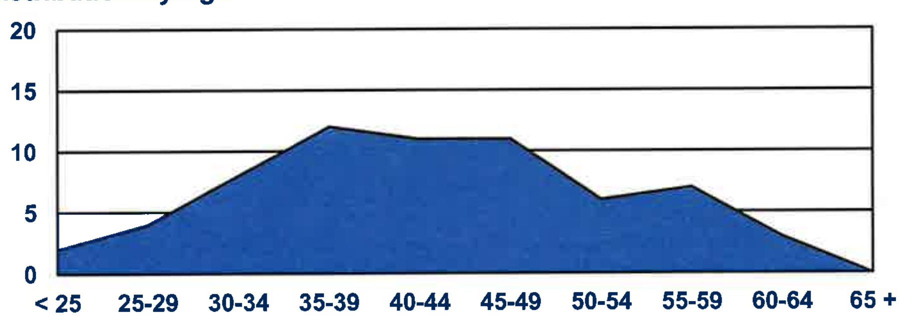
Section V - Membership Data
B. Statistics of Membership

	As of July 1, 2012	As of July 1, 2013
Number of Active Members		
Number	61	64
Average Age	42.5	42.8
Average Service	14.6	14.4
Total Payroll	$5,075,048	$5,367,727
Average Payroll	83,198	83,871
Terminated Vested Members		
Number	0	0
Total Annual Benefit	$0	$0
Average Annual Benefit	0	0
Average Age	0.0	0.0
Retired Members		
Number	39	38
Total Annual Benefit	$2,382,542	$2,353,103
Average Annual Benefit	61,091	61,924
Average Age	67.6	68.4
Disabled Members		
Number	21	21
Total Annual Benefit	$943,502	$936,152
Average Annual Benefit	44,929	44,579
Average Age	64.3	65.3
Beneficiaries of Deceased Members		
Number	14	17
Total Annual Benefit	$274,553	$405,503
Average Annual Benefit	19,611	23,853
Average Age	74.7	72.5

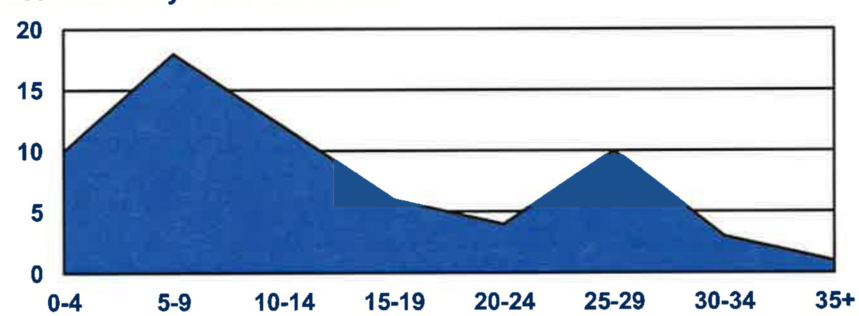
Section V - Membership Data
C. Distribution of Active Members as of July 1, 2013 - Count

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

Distribution By Age



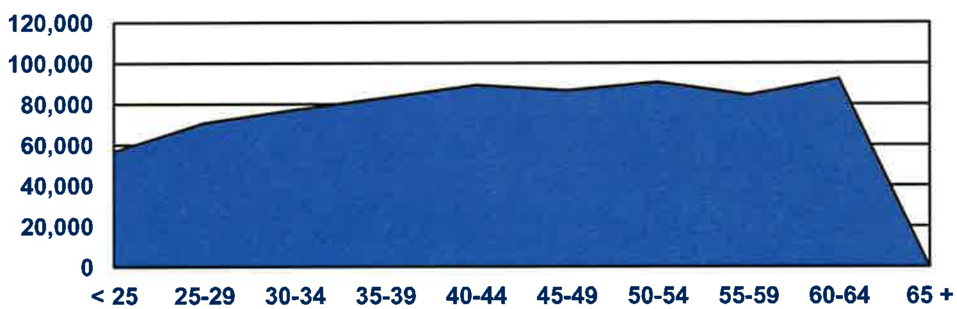
Distribution by Years of Service



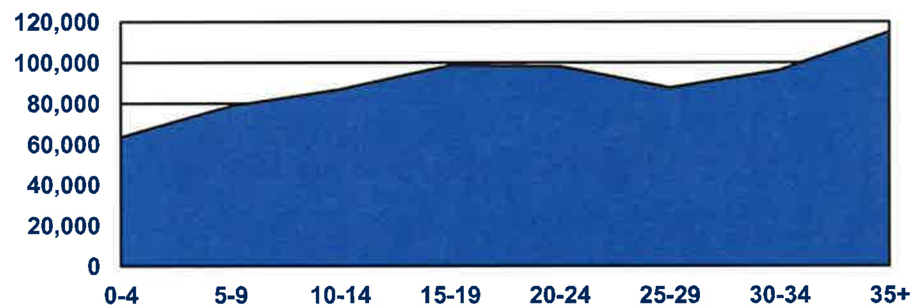
Section V - Membership Data
D. Distribution of Active Members as of July 1, 2013 - Average Pay

	Years of Service								
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
< 25	56,971	0	0	0	0	0	0	0	56,971
25-29	65,257	87,399	0	0	0	0	0	0	70,793
30-34	66,863	78,896	0	0	0	0	0	0	77,392
35-39	58,354	77,765	94,933	0	0	0	0	0	83,301
40-44	66,863	77,913	82,588	106,517	0	0	0	0	89,435
45-49	70,812	80,346	78,269	83,078	105,097	83,989	0	0	86,680
50-54	0	74,128	0	0	0	94,112	0	0	90,782
55-59	63,645	0	0	0	0	80,951	102,348	0	84,592
60-64	0	0	0	0	77,913	0	84,701	115,154	92,589
65 +	0	0	0	0	0	0	0	0	0
Total	63,625	78,833	87,012	98,704	98,301	87,836	96,466	115,154	83,871

Distribution By Age



Distribution by Years of Service



Section V - Membership Data
E. Distribution of Inactive Members as of July 1, 2013

	Age	Number	Annual Benefits
Terminated Vested Members / Members Due Refunds	< 30	0	$0
	30 - 39	0	0
	40 - 49	0	0
	50 - 59	0	0
	60 - 64	0	0
	65 +	0	0
	Total	0	0
Retired Members	< 50	0	$0
	50 - 59	5	440,850
	60 - 69	18	1,301,499
	70 - 79	12	564,408
	80 - 89	2	36,866
	90 +	1	9,480
	Total	38	2,353,103
Disabled Retirees	< 50	1	$48,609
	50 - 59	2	94,154
	60 - 69	11	567,890
	70 - 79	7	225,500
	80 - 89	0	0
	90 +	0	0
	Total	21	936,153
Beneficiaries	< 50	0	$0
	50 - 59	2	64,426
	60 - 69	6	190,433
	70 - 79	2	43,990
	80 - 89	7	106,654
	90 +	0	0
	Total	17	405,503

Appendix A - Actuarial Funding Method

The actuarial funding method used in the valuation of this Plan is known as the **Entry Age Normal Cost Method**. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Normal Cost** is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the **Accrued Liability**. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The unfunded liability for the plan is the excess of the Accrued Liability over the assets which have been accumulated for the plan. This Unfunded Accrued Liability is amortized as a level percent. Beginning on July 1, 2011, the amortization period is 25 years; the amortization period will decrease each year until it reaches 10 years, after which point it will remain at 10 years.

Effective July 1, 2011, the **Actuarial Value of Assets** was reset to equal the market value. In future years, the **Actuarial Value** is determined by recognizing asset gains and losses over **five** years.

Appendix B - Actuarial Assumptions

Interest 6.125%

Amortization Growth Rate 3.000%

Salary Scale According to the following table:

Service	Rate
0-1	9.00%
2-5	11.50%
6+	3.50%

Expenses None.

Mortality RP-2000 Mortality Tables for employees (assumed 20% in-service and 80% non-service), healthy annuitants, and disabled annuitants, with generational projection of future mortality improvements per Scale AA. This assumption includes a margin for improvements in longevity beyond the valuation date.

Turnover None.

Retirement Active members are assumed to retire according to the following table:

Age	Rate
<54	5%
54-56	20%
57	15%
58	20%
59-61	30%
62	100%

Terminated vested members are assumed to retire at their Normal Retirement Date.

Disability 1985 Pension Class 4 Table (assumed 80% in-service, 20% non-service):

	In-Service		Non-Service	
Age	Male	Female	Male	Female
25	0.20%	0.14%	0.05%	0.04%
35	0.41%	0.37%	0.10%	0.09%
45	0.75%	0.71%	0.19%	0.18%
55	1.83%	1.70%	0.46%	0.43%
65	3.70%	2.30%	0.94%	0.58%

Appendix B - Actuarial Assumptions

Cost of Living Adjustments	Pre-2005 retirees with 75% Joint & Survivor annuities - 1.25%. Pre-2005 retirees with 100% Joint & Survivor annuities - 0.625%.
Marriage Assumption	80% of members are assumed to be married and husbands are assumed to be 3 years older than their wives.
Form of Benefit	100% Joint & Survivor for members hired before January 1, 1985. 75% Joint & Survivor for members hired on or after January 1, 1985.
Load for Unused Sick Days	The Accrued Liability and Total Normal Cost for active members are loaded by 2.00% to anticipate the trade of unused sick days for additional pension service.

Appendix C - Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility	Each regular full-time Police Officer is eligible to participate as of date of employment.
Employee Contributions	10% of Compensation, with no contributions required after 34.5 years of service. Contributions are credited with 5% interest.
Credited Service	Service from date of hire rounded to nearest 0.25 of a year up to a maximum of 32.5 years of continuous service. Credited Service includes unused sick time up to 120 days.
Compensation	Base Salary plus any additional increments and allowances for college credit, weapons qualification and "pick-up" contributions. Compensation excludes overtime or any other income.
Final Average Earnings	Compensation earned during the last 12 months of service, or Compensation earned prior to the member's 34.5th year of service, if earlier.
Normal Retirement Date	If hired before January 1, 1985, the first day of the month coincident with or next following completion of 20 years of Credited Service. If hired on or after January 1, 1985, the later of July 1 following attainment of age 49 or the first day of the month following completion of 20 years of Credited Service. Mandatory retirement upon completion of 34.5 years of Credited Service.
Normal Retirement Benefit	2.5% of Final Average Compensation times Credited Service (maximum of 32.5 years).
Early Retirement Date	None provided.
Disability Retirement (On Duty)	For a disability governed by State of Connecticut Statute Section 7-433c (Heart and Hypertension Act): 66⅔% of base salary or, if greater, the Normal Retirement Benefit calculated as if the member terminated employment at date of disability. For a disability not governed by State of Connecticut Statute Section 7-433c (Heart and Hypertension Act): 66⅔% of base salary or, if greater, the Normal Retirement Benefit calculated as if the member terminated employment at date of disability. If the disability is deemed to be at a level of severity of less than 30%, then commencing with the 6th year of disability, the benefit will be reduced to 50% of base salary or, if greater, accrued benefit. Payable as a 100% Joint & Survivor annuity.

Appendix C - Summary of Plan Provisions

Disability Retirement (On Duty)	For members hired after January 1, 1985, 75% of the amount described above is payable. The benefit will be adjusted by a Pension Adjustment beginning on the July 1 after the member attains age 49.
Disability Retirement (Non Duty)	Refund of accumulated employee contributions with interest. The Pension Board may award an annual pension equal to 50% of base salary or, if greater, the Normal Retirement Benefit calculated as if the member terminated employment at date of disability. The benefit is subject to the appropriate Pension Adjustment upon approval of the Pension Board. Payable as a 100% Joint & Survivor annuity.
Death Benefits (On Duty)	For members hired prior to January 1, 1985, 66⅔% of base salary or, if greater, the Normal Retirement Benefit calculated assuming the member terminated employment at date of death. For members hired on or after January 1, 1985, 75% of the amount described above is payable to the beneficiary. The benefit will be adjusted by a Pension Adjustment beginning on the July 1 following the date the member would have attained age 49.
Death Benefits (Non Duty)	Refund of accumulated employee contributions with interest. The Pension Board may award an Annual pension equal to 50% of base salary or, if greater, the Normal Retirement Benefit calculated assuming the member terminated employment at date of death. The monthly benefit is subject to the appropriate Pension Adjustment upon approval of the Pension Board.
Normal Form of Payment	100% Joint & Survivor for members hired before January 1, 1985. 75% Joint & Survivor for members hired on or after January 1, 1985. Upon the death of the member and any beneficiaries, the excess of employee contributions with interest over the sum of benefits previously paid is payable to the member's estate.
Vesting	100% vested after completion of 10 years of service from date of hire.
Vested Retirement	If vested, Normal Retirement Benefit payable at the July 1 coincident with or next following the earlier of age 65 or when the member would have completed 34 years of service. The monthly benefit is not subject to Pension Adjustments. Can opt to receive a refund of employee contributions with interest in lieu of monthly benefits.
Termination Benefit	If not vested at termination, a refund of accumulated employee contributions with interest will be paid.

Appendix C - Summary of Plan Provisions

Pension Adjustment

Retirements prior to July 1, 2001:

- elected 75% Joint & Survivor annuity - COLA is ⅓ of active member pay increases but not more than 2%.
- elected 100% Joint & Survivor annuity - COLA is ⅙ of active member pay increases but not more than 1%.

Retirements on or after November 1, 2005:

- elected 75% Joint & Survivor annuity - COLA is 1.5% until member's 60th birthday, then 2.0% until member's or surviving spouse's 65th birthday, then 4.0% thereafter.
- elected 100% Joint & Survivor annuity - COLA is 0.75% until member's 60th birthday, then 1.25% until member's or surviving spouse's 65th birthday, then 3.25% thereafter.

Retirements between July 1, 2001 and November 1, 2005 - member could elect either COLA structure.

Pre-1985 retirees and certain surviving spouses may not be eligible for COLAs.