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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,

A handwritten signature in cursive script that reads 'Becky'.

Rebecca A. Sielman, FSA
Consulting Actuary

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	<u>21,141,761</u>	<u>17,410,247</u>	<u>7,181,581</u>	<u>57,948,972</u>	<u>37,694,795</u>	<u>141,377,356</u>
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	<u>130,590</u>	<u>84,888</u>	<u>25,752</u>	<u>164,015</u>	<u>138,964</u>	<u>544,209</u>
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
Retirement Plan for Non-Union Employees**

**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

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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.

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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

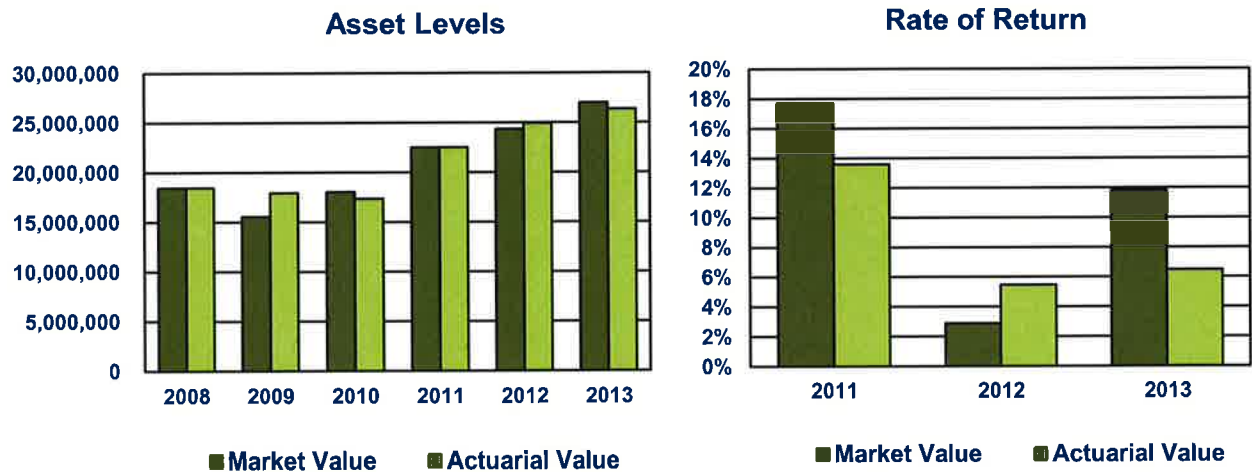
A. Highlights

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	\$24,352,867	\$24,949,815
Contributions	1,469,884	1,469,884
Investment Income	2,867,267	1,612,244
Benefit Payments and Administrative Expenses	(1,684,223)	(1,684,223)
Value as of July 1, 2013	27,005,795	26,347,720

For fiscal year 2012-13, the plan's assets earned 11.826% on a Market Value basis and 6.490% on an Actuarial Value basis. The actuarial assumption for this period was 6.125%; the result is an asset gain of \$1,382,200 on a Market Value basis and a gain of \$90,700 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 \$658,100. This figure represents investment gains that will be gradually recognized over the next five years. This process will exert downward pressure on the Town's contribution, unless there are offsetting market losses.

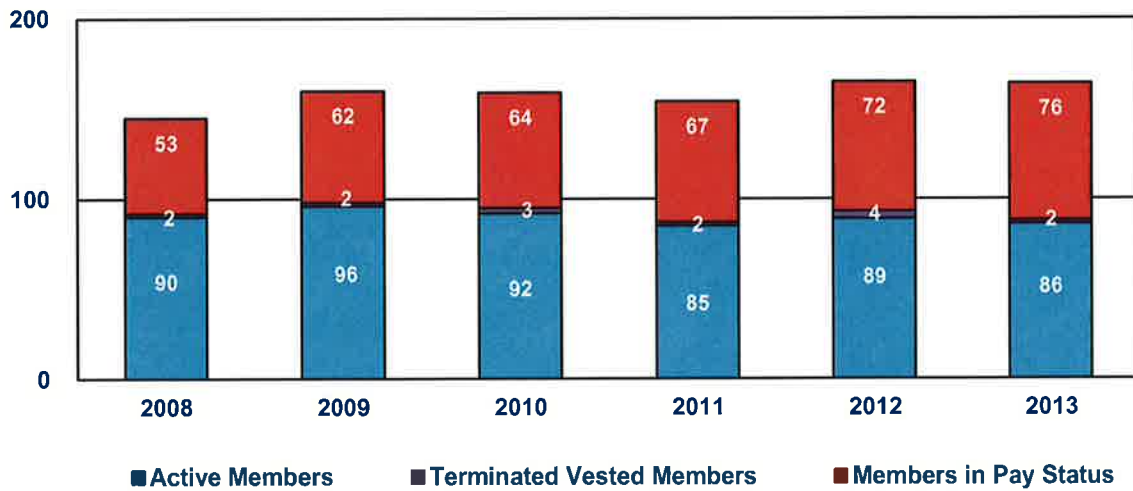
Section I - Executive Summary

A. Highlights

Membership

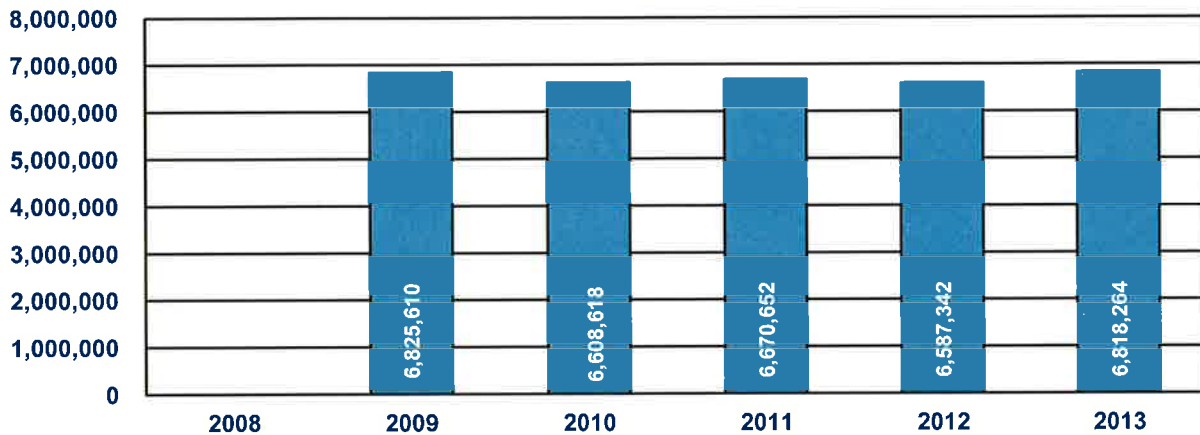
There are three basic categories of plan members included in the actuarial valuation: (1) active employees who have met the eligibility requirements for membership, (2) former employees who have a vested right to benefits but have not yet started collecting, and (3) members who are receiving monthly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

Number of Members



From July 1, 2012 to July 1, 2013, the overall membership decreased from 165 to 164. During this period, there were 2 active and 2 terminated members who took lump sum distributions while 3 additional retired members were added to the population.

Payroll



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 gains, as discussed in more detail on page 3.

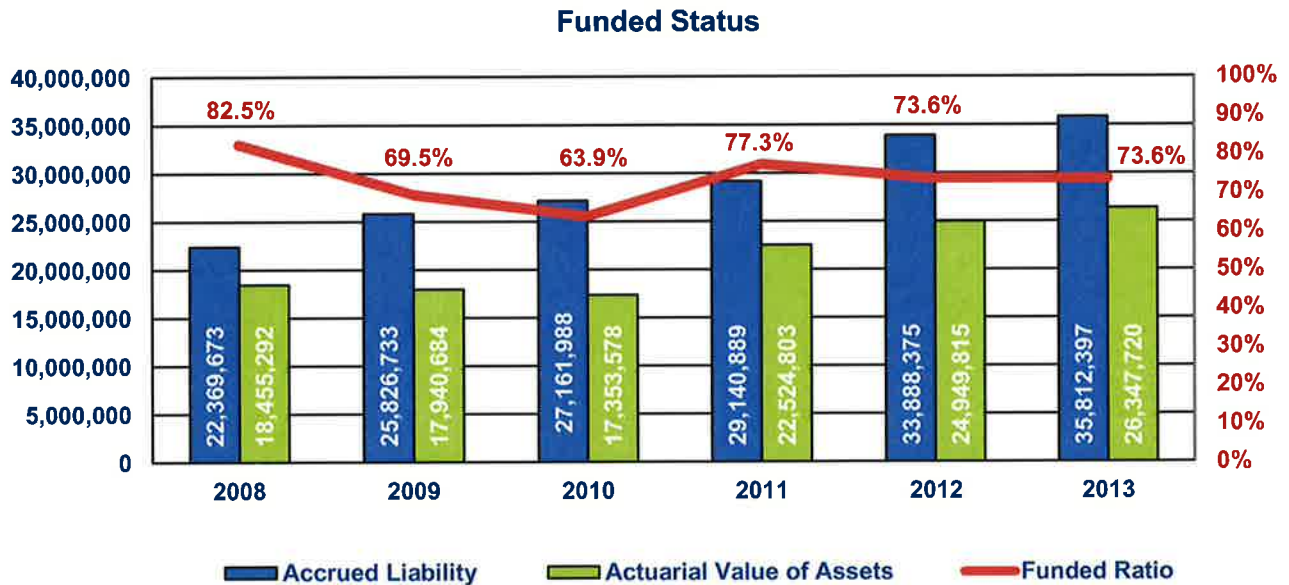
The plan's liabilities grew a little more than expected, primarily due to pay increases that were higher than expected.

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.



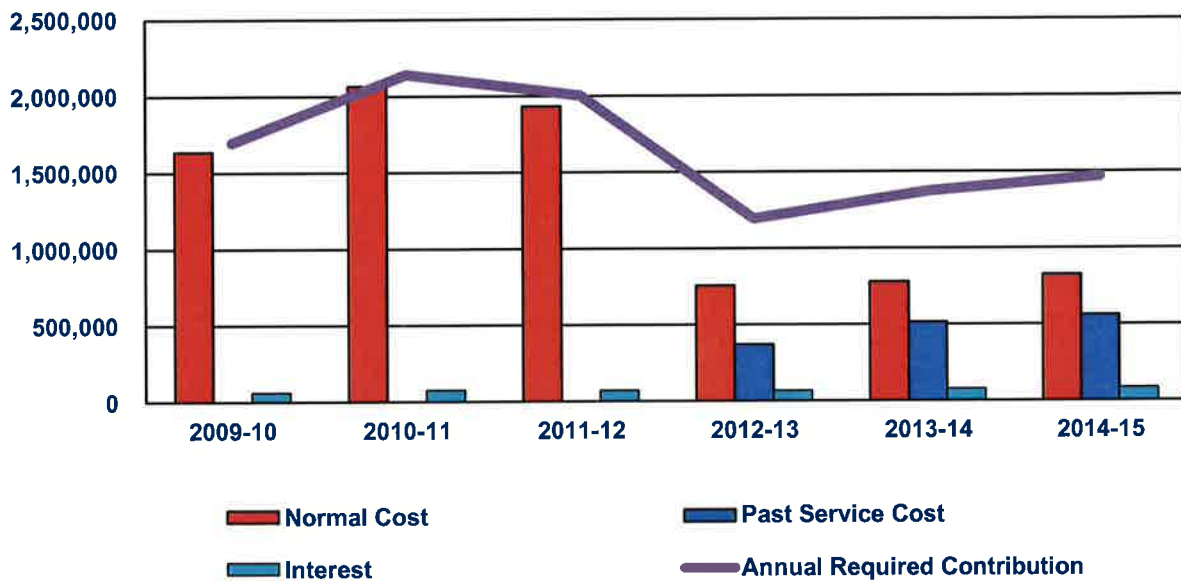
Section I - Executive Summary

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.



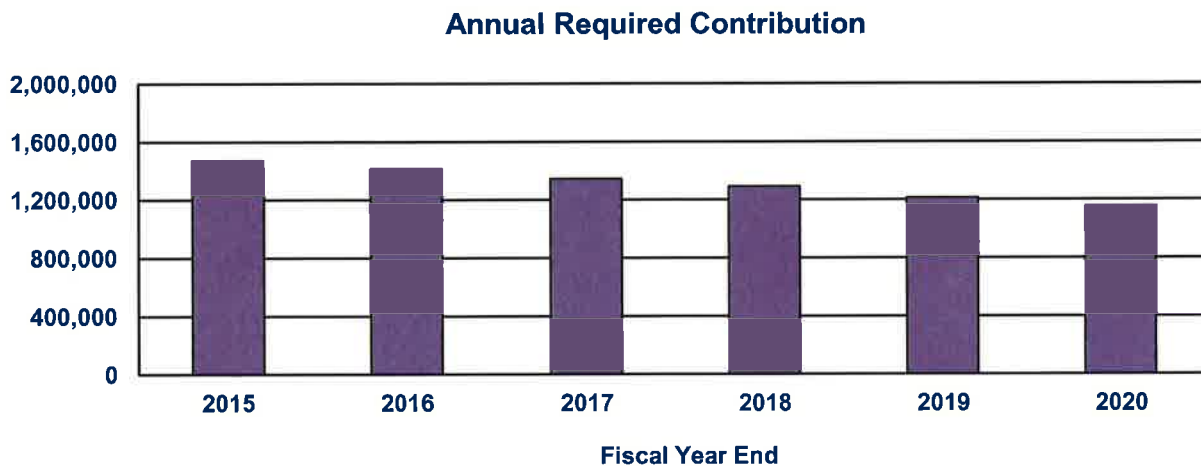
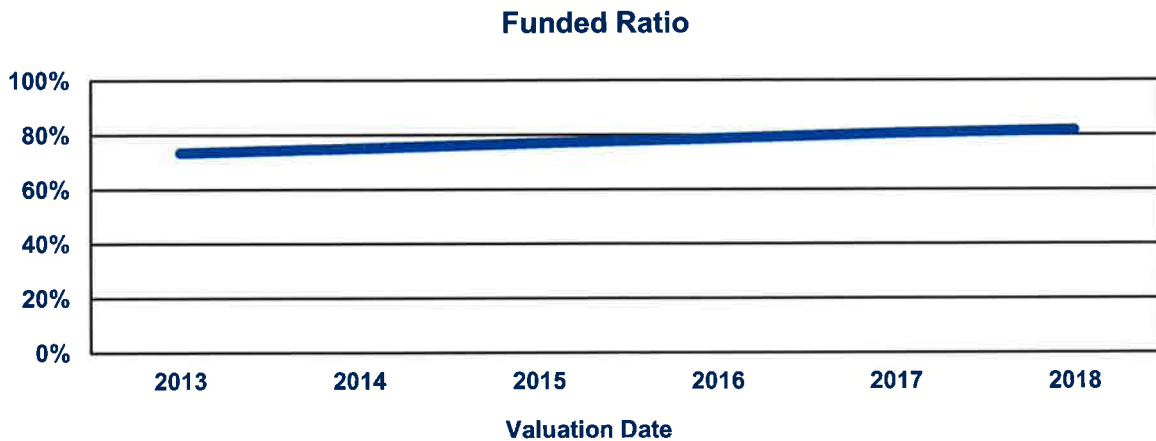
The upward trend in the Annual Required Contribution during this period is due primarily to the large market losses suffered in 2008.

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	89	86
Terminated Vested Members	4	2
Members in Pay Status	72	76
Payroll	\$6,587,342	\$6,818,264
Assets and Liabilities	July 1, 2012	July 1, 2013
Market Value of Assets	\$24,352,867	\$27,005,795
Actuarial Value of Assets	24,949,815	26,347,720
Accrued Liability for Active Members	\$16,681,480	\$18,143,853
Accrued Liability for Terminated Vested Members	323,772	258,297
Accrued Liability for Members in Pay Status	16,883,123	17,410,247
Total Accrued Liability	33,888,375	35,812,397
Unfunded Accrued Liability	8,938,560	9,464,677
Funded Ratio	73.6%	73.6%
Annual Required Contribution for Fiscal Year	2013-14	2014-15
Normal Cost	\$779,677	\$825,308
Past Service Cost	514,134	560,611
Interest	79,246	84,888
Annual Required Contribution	1,373,057	1,470,807

Section II - Plan Assets

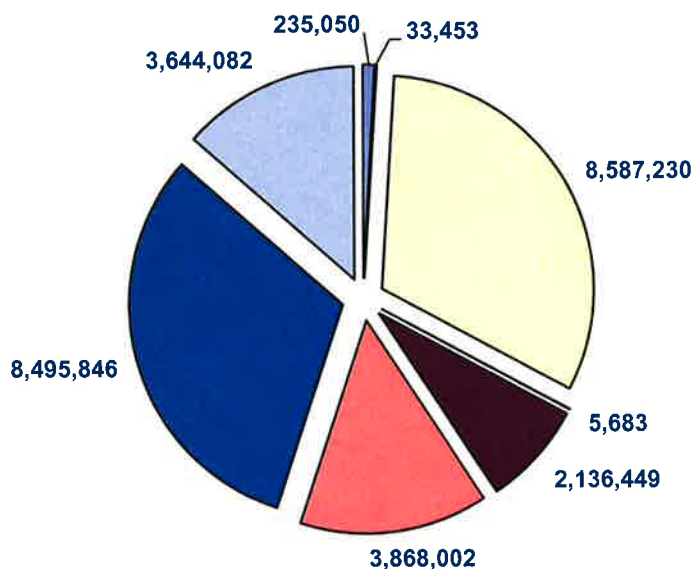
A. Summary of Fund Transactions

Market Value as of July 1, 2012	\$24,352,867
Employer Contributions	1,195,432
Employee Contributions	274,452
Benefit Payments	(1,684,223)
Investment Income	2,913,474
Investment Expenses	(46,207)
 Market Value as of July 1, 2013	 27,005,795
 Approximate Rate of Return	 11.826%

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

Asset Allocation

- Cash Equivalent
- Investment Cash
- Fixed Income
- Preferred Stock
- Common Stock
- Collective Equity Funds
- Mutual Equity Funds
- Other Funds



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	\$24,352,867																				
	b. Employer and Employee Contributions	1,469,884																				
	c. Benefit Payments and Administrative Expenses	(1,684,223)																				
	d. Expected Investment Return Based on 6.125% Interest	<u>1,485,034</u>																				
	e. Expected Market Value of Assets as of July 1, 2013	25,623,562																				
2.	Actual Market Value of Assets as of July 1, 2013	27,005,795																				
3.	Market Value (Gain)/Loss: (1e) - (2)	(1,382,233)																				
4.	Delayed Recognition of Market (Gains)/Losses:																					
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Plan Year End</th> <th style="text-align: center;">(Gain)/Loss</th> <th style="text-align: center;">Percent Not Recognized</th> <th style="text-align: center;">Amount Not Recognized</th> </tr> </thead> <tbody> <tr> <td>06/30/2013</td> <td style="text-align: center;">(\$1,382,233)</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">(\$1,105,786)</td> </tr> <tr> <td>06/30/2012</td> <td style="text-align: center;">746,185</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">447,711</td> </tr> <tr> <td>06/30/2011</td> <td style="text-align: center;">0</td> <td style="text-align: center;">40%</td> <td style="text-align: center;">0</td> </tr> <tr> <td>06/30/2010</td> <td style="text-align: center;">0</td> <td style="text-align: center;">20%</td> <td style="text-align: center;"><u>0</u></td> </tr> </tbody> </table>	Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized	06/30/2013	(\$1,382,233)	80%	(\$1,105,786)	06/30/2012	746,185	60%	447,711	06/30/2011	0	40%	0	06/30/2010	0	20%	<u>0</u>	(658,075)
Plan Year End	(Gain)/Loss	Percent Not Recognized	Amount Not Recognized																			
06/30/2013	(\$1,382,233)	80%	(\$1,105,786)																			
06/30/2012	746,185	60%	447,711																			
06/30/2011	0	40%	0																			
06/30/2010	0	20%	<u>0</u>																			
5.	Actuarial Value as of July 1, 2013: (2) + (4)	26,347,720																				
6.	Approximate Rate of Return on Actuarial Value	6.490%																				
7.	Actuarial Value (Gain)/Loss	(90,673)																				

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	\$16,681,480	\$18,143,853
Terminated Vested Members	323,772	258,297
Retired Members	14,676,717	14,922,668
Disabled Members	0	0
Beneficiaries of Deceased Members	<u>2,206,406</u>	<u>2,487,579</u>
Total	33,888,375	35,812,397
2. Actuarial Value of Assets (see Section II B)	24,949,815	26,347,720
3. Unfunded Accrued Liability: (1) - (2)	8,938,560	9,464,677
4. Funded Ratio: (2) / (1)	73.6%	73.6%
5. Amortization Period	24	23
6. Amortization Growth Rate	3.00%	3.00%
7. Past Service Cost: (3) amortized over (5)	514,134	560,611

Section III - Development of Contribution
B. Annual Required Contribution

	Fiscal Year 2013-14	Fiscal Year 2014-15
1. Total Normal Cost	\$1,036,403	\$1,089,912
2. Expected Employee Contributions	256,726	264,604
3. Expected Expenses	0	0
4. Net Normal Cost: (1) - (2) + (3)	779,677	825,308
5. Past Service Cost (see Section III A)	514,134	560,611
6. Interest on (4) + (5) to start of next fiscal year	79,246	84,888
7. Annual Required Contribution: (4) + (5) + (6)	1,373,057	1,470,807

Milliman Actuarial Valuation

**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
7/1/2014	37,182,000	27,965,000	9,217,000	75.2%	2016	1,416,000	233,000	(2,138,000)	(489,000)	
7/1/2015	38,410,000	29,602,000	8,808,000	77.1%	2017	1,346,000	218,000	(2,251,000)	(687,000)	
7/1/2016	39,455,000	31,063,000	8,392,000	78.7%	2018	1,293,000	202,000	(2,386,000)	(891,000)	
7/1/2017	40,370,000	32,551,000	7,819,000	80.6%	2019	1,215,000	187,000	(2,513,000)	(1,111,000)	
7/1/2018	41,129,000	33,626,000	7,503,000	81.8%	2020	1,156,000	173,000	(2,611,000)	(1,282,000)	
7/1/2019	41,738,000	34,540,000	7,198,000	82.8%	2021	1,107,000	159,000	(2,729,000)	(1,463,000)	
7/1/2020	42,221,000	35,335,000	6,886,000	83.7%	2022	1,060,000	145,000	(2,849,000)	(1,644,000)	
7/1/2021	42,558,000	35,992,000	6,566,000	84.6%	2023	1,013,000	132,000	(2,964,000)	(1,819,000)	
7/1/2022	42,714,000	36,502,000	6,212,000	85.5%	2024	967,000	119,000	(3,077,000)	(1,991,000)	
7/1/2023	42,711,000	36,863,000	5,848,000	86.3%	2025	919,000	108,000	(3,165,000)	(2,138,000)	
7/1/2024	42,538,000	37,068,000	5,470,000	87.1%	2026	880,000	98,000	(3,230,000)	(2,252,000)	
7/1/2025	42,219,000	37,135,000	5,084,000	88.0%	2027	845,000	88,000	(3,299,000)	(2,366,000)	
7/1/2026	41,779,000	37,088,000	4,691,000	88.8%	2028	816,000	79,000	(3,384,000)	(2,489,000)	
7/1/2027	41,195,000	36,922,000	4,273,000	89.6%	2029	784,000	70,000	(3,427,000)	(2,573,000)	
7/1/2028	40,449,000	36,618,000	3,831,000	90.5%	2030	753,000	63,000	(3,454,000)	(2,638,000)	
7/1/2029	39,584,000	36,209,000	3,375,000	91.5%	2031	724,000	56,000	(3,459,000)	(2,679,000)	
7/1/2030	38,606,000	35,708,000	2,898,000	92.5%	2032	696,000	50,000	(3,467,000)	(2,721,000)	
7/1/2031	37,541,000	35,135,000	2,406,000	93.6%	2033	668,000	44,000	(3,448,000)	(2,736,000)	
7/1/2032	36,384,000	34,482,000	1,902,000	94.8%	2034	638,000	39,000	(3,429,000)	(2,752,000)	

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	Age based scale
Amortization Growth Rate	3.000%
Inflation	2.500%
Cost-of-Living Adjustments	None.

Milliman Actuarial Valuation

**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	\$17,940,684	\$25,826,733	\$7,886,049	69.5%	\$6,825,610	115.5%
07/01/2010	2010-11	17,353,578	27,161,988	9,808,410	63.9%	6,608,618	148.4%
07/01/2011	2011-12	18,710,081	28,202,238	9,492,157	66.3%	6,561,689	144.7%
07/01/2011	2012-13	22,524,803	29,140,889	6,616,086	77.3%	6,670,562	99.2%
07/01/2012	2013-14	24,949,815	33,888,375	8,938,560	73.6%	6,587,342	135.7%
07/01/2013	2014-15	26,347,720	35,812,397	9,464,677	73.6%	6,818,264	138.8%

Section IV - Accounting Information
C. Schedule of Employer Contributions

Fiscal Year Ending June 30	Annual Required Contribution	Actual Contribution	Percent Funded
2007	\$472,006	\$319,748	67.7%
2008	1,316,929	496,850	37.7%
2009	1,376,191	472,006	34.3%
2010	1,698,683	1,340,937	78.9%
2011	2,143,607	2,250,000	105.0%
2012	2,005,359	2,442,123	121.8%
2013	1,195,432	1,195,432	100.0%
2014	1,373,057	TBD	TBD
2015	1,470,807	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	\$11,922,189	\$13,157,278
Terminated Vested Members	323,772	258,297
Retired Members	14,676,717	14,922,668
Disabled Members	0	0
Beneficiaries of Deceased Members	<u>2,206,406</u>	<u>2,487,579</u>
Total Value of Vested Benefits	29,129,084	30,825,822
2. Value of Non-Vested Benefits	1,238,827	1,316,805
3. Total Value of Accrued Benefits: (1) + (2)	30,367,911	32,142,627
4. Market Value of Assets	24,352,867	27,005,795
5. Vested Funded Ratio: (4) / (1)	83.6%	87.6%
6. Accrued Funded Ratio: (4) / (3)	80.2%	84.0%

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	\$1,809,222
Benefits Accumulated/(Forfeited)	1,649,717
Benefit Payments	(1,684,223)
Plan Amendments	0
Changes in Actuarial Assumptions	0
Net Increase/(Decrease)	1,774,716

Value of Accrued Plan Benefits:

July 1, 2013	\$32,142,627
July 1, 2012	30,367,911
Net Increase/(Decrease)	1,774,716

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	89	4	64	0	8	165
Terminated, due refund	-	-	-	-	-	0
Terminated, benefits due	-	-	-	-	-	0
Retired	(1)	-	1	-	-	0
Disabled	-	-	-	-	-	0
Died, with beneficiary	-	-	-	-	-	0
Died, no beneficiary	-	-	-	-	-	0
Paid refund	(2)	(2)	-	-	-	(4)
Net transfers	-	-	-	-	-	0
New member	-	-	-	-	-	0
New beneficiary	-	-	-	-	-	0
Correction	-	-	1	-	2	3
Count as of July 1, 2013	86	2	66	0	10	164

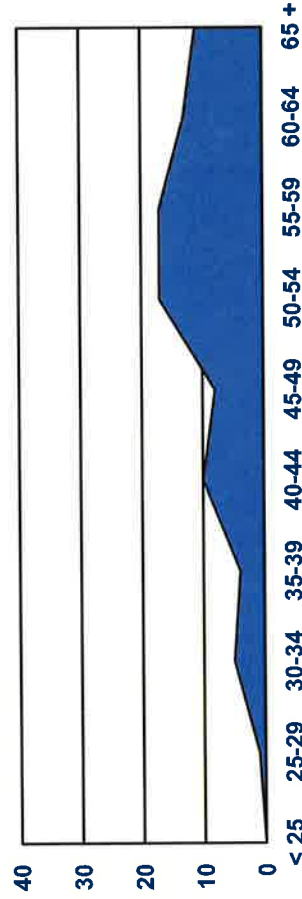
Section V - Membership Data
B. Statistics of Membership

	As of July 1, 2012	As of July 1, 2013
Number of Active Members		
Number	89	86
Average Age	51.6	52.8
Average Service	11.5	12.6
Total Payroll	\$6,587,342	\$6,818,264
Average Payroll	74,015	79,282
Terminated Vested Members		
Number	4	2
Total Annual Benefit	\$40,641	\$33,852
Average Annual Benefit	10,160	16,926
Average Age	50.0	49.0
Retired Members		
Number	64	66
Total Annual Benefit	\$1,409,569	\$1,454,424
Average Annual Benefit	22,025	22,037
Average Age	73.3	73.8
Disabled Members		
Number	0	0
Total Annual Benefit	\$0	\$0
Average Annual Benefit	0	0
Average Age	0.0	0.0
Beneficiaries of Deceased Members		
Number	8	10
Total Annual Benefit	\$220,102	\$246,280
Average Annual Benefit	27,513	24,628
Average Age	74.0	71.4

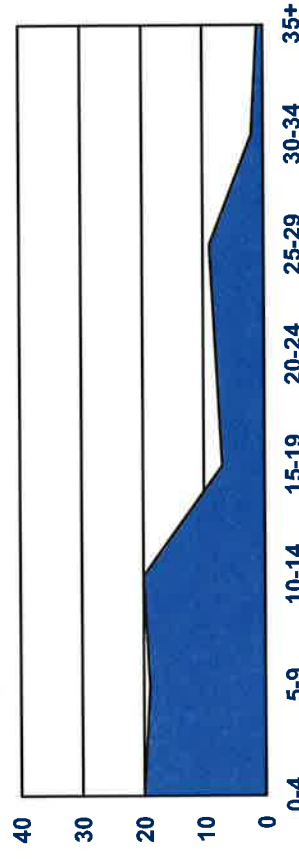
**Section V - Membership Data
C. Distribution of Active Members as of July 1, 2013 - Count**

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	Total	
< 25	0	0	0	0	0	0	0	0	0	0	0
25-29	1	0	0	0	0	0	0	0	0	0	1
30-34	2	3	0	0	0	0	0	0	0	0	5
35-39	2	1	1	0	0	0	0	0	0	0	4
40-44	2	2	5	1	0	0	0	0	0	0	10
45-49	2	1	3	0	2	0	0	0	0	0	8
50-54	4	4	0	3	2	4	0	0	0	0	17
55-59	4	4	5	1	3	0	0	0	0	0	17
60-64	2	3	3	1	0	3	0	0	0	1	13
65 +	1	1	3	1	1	2	2	0	0	0	11
Total	20	19	20	7	8	9	2	2	2	1	86

Distribution By Age



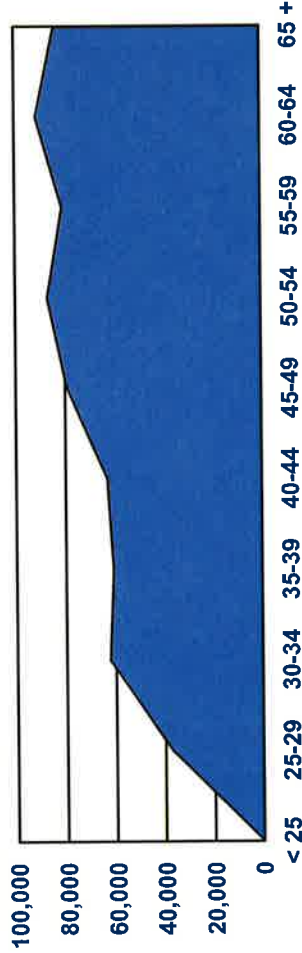
Distribution by Years of Service



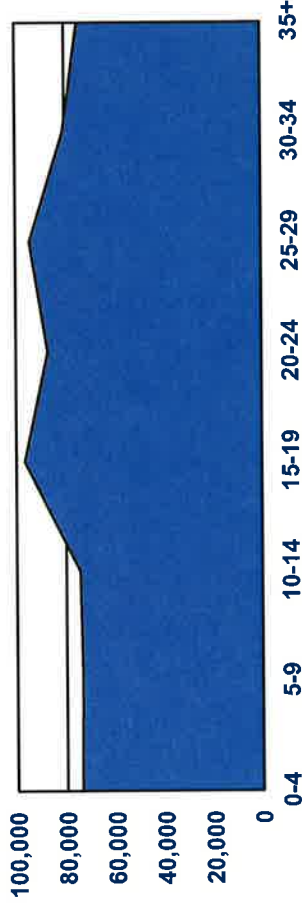
**Section V - Membership Data
D. Distribution of Active Members as of July 1, 2013 - Average Pay**

Age	Years of Service										Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	35+	Total	
< 25	0	0	0	0	0	0	0	0	0	0	0
25-29	37,090	0	0	0	0	0	0	0	0	0	37,090
30-34	36,278	79,825	0	0	0	0	0	0	0	0	62,406
35-39	70,952	53,000	48,435	0	0	0	0	0	0	0	60,835
40-44	54,968	50,651	74,728	46,181	0	0	0	0	0	0	63,106
45-49	58,569	119,378	70,736	0	92,244	0	0	0	0	0	79,151
50-54	82,901	83,778	0	91,666	87,354	90,501	0	0	0	0	86,966
55-59	105,522	59,182	73,446	112,655	78,494	0	0	0	0	0	80,834
60-64	79,320	86,619	86,342	167,038	0	89,417	0	74,766	0	0	91,352
65 +	85,658	51,140	75,153	75,299	102,477	109,928	80,732	0	0	0	83,759
Total	73,831	73,473	74,300	96,596	87,144	94,457	80,732	74,766	0	0	79,282

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 /	< 30	0	\$0
Members Due Refunds	30 - 39	0	0
	40 - 49	1	15,588
	50 - 59	1	18,264
	60 - 64	0	0
	65 +	0	0
	Total	2	33,852
Retired Members	< 50	0	\$0
	50 - 59	6	245,498
	60 - 69	20	558,639
	70 - 79	18	359,536
	80 - 89	19	245,540
	90 +	3	45,210
	Total	66	1,454,423
Disabled Retirees	< 50	0	\$0
	50 - 59	0	0
	60 - 69	0	0
	70 - 79	0	0
	80 - 89	0	0
	90 +	0	0
	Total	0	0
Beneficiaries	< 50	0	\$0
	50 - 59	2	26,178
	60 - 69	4	183,885
	70 - 79	2	23,177
	80 - 89	1	9,110
	90 +	1	3,931
	Total	10	246,281

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:

Age	Rate
<25	4.00%
25-29	3.75%
30-34	3.50%
35-39	3.25%
40-44	3.00%
45-49	2.75%
50+	2.50%

Expenses None.

Mortality RP-2000 Mortality Tables for employees, 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 75% of Vaughn Select and Ultimate table:

Age	Service			
	1	2	3	4+
20	22.35%	18.75%	15.75%	13.95%
25	20.85%	16.88%	13.88%	10.20%
30	19.35%	15.00%	12.00%	7.58%
35	17.85%	13.35%	10.35%	5.93%
40	16.35%	11.85%	8.85%	4.87%
45	14.85%	10.58%	7.58%	4.13%
50	13.35%	9.45%	6.45%	3.38%
55	10.13%	7.12%	4.63%	2.31%
60	0.00%	0.00%	0.00%	0.00%

Appendix B - Actuarial Assumptions

Retirement

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

Age	First Eligible to Retire	Thereafter
<55	1%	1%
55	12%	1%
56-59	5%	5%
60-63	15%	15%
64	5%	5%
65-79	20%	20%
80	100%	100%

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

Disability

1985 Pension Class 1 table:

Age	Male	Female
25	0.04%	0.05%
35	0.07%	0.14%
45	0.20%	0.32%
55	0.72%	0.95%
65	1.75%	1.36%

Marriage Assumption

80% of members are assumed to be married and husbands are assumed to be 3 years older than their wives.

Load for Unused Sick Days

The Accrued Liability and Total Normal Cost for active members are loaded by 2.50% 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 non-union employee is eligible to participate as of the date the employee completes the Probationary Period provided the employee works 20 or more hours per week and 9 months or more per year. If hired at age 60, employee can opt out of plan. Non-union employees hired on or after January 1, 2012 are not covered by this plan.
Employee Contributions	4% of Compensation. Contributions are credited with 5% interest.
Credited Service	Years of Service during which the Employee is eligible for the plan and makes required contributions. May include Credited Service from another qualifying Town. A twelve month period shall constitute a year of service for Supervisory employees who regularly work 9 months or more but less than 12 months per year. May be allowed to buy back all or part of prior service that is Governmental & Other Related Service subject to some provisions. Credited Service includes unused sick time of 60-120 days.
Compensation	Base Salary, excluding overtime or any other income, but including "pick-up" contributions.
Final Average Earnings	The greater of the highest calendar year of Compensation and Compensation earned during the last 12 months.
Normal Retirement Date	<p>For Supervisory employees, the first day of the month coincident with or next following the earliest of age 55 with 10 years of Credited Service, or 25 years of Credited Service without regard to age, or age 60 with 5 years of Credited Service.</p> <p>For Non-Supervisory employees, the first day of the month coincident with next following the earliest of age 55 with 10 years of continuous Credited Service, or 25 years of Credited Service without regard to age.</p>
Normal Retirement Benefit (Supervisory)	2.25% of Final Average Compensation times years and completed months of Credited Service. Benefit may be offset if member accrued benefits under another Town plan.
Normal Retirement Benefit (Non-Supervisory)	2.00% of Final Average Compensation times years and completed months of Credited Service not greater than 20 years; plus 2.25% of Final Average Compensation times years and completed months of Credited Service in excess of 20 years.

Appendix C - Summary of Plan Provisions

Early Retirement Date	None provided.
Maximum Benefit	The sum of the pension from this Plan and any other plan if Credited Service is granted under this plan shall not be greater than 100% of Final Average Compensation.
Minimum Benefit	If vested, \$1,000 per year.
Disability Retirement	The greater of 50% of Compensation immediately prior to disability, or the Normal Retirement Benefit calculated as if the member terminated at date of disability reduced by other disability benefits, retirement benefits, wages or salary, and Social Security benefits. Benefits will commence 6 months after disability and are payable until the latest of age 65, Normal Retirement Date of the fifth anniversary of the commencement of disability payments.
Pre-retirement Death	<p>If the member is vested at time of death, 50% of Final Average Compensation reduced by 1.5% for each year of Credited Service less than 25 years. If the spouse is more than 5 years younger than the deceased member, such benefit shall be reduced by $\frac{1}{6}\%$ for each month the beneficiary is more than 5 years younger. The death benefit shall not be less than the Normal Retirement Benefit calculated as if the member terminated at date of death. Death benefits may be payable to surviving dependent children.</p> <p>If the member is not vested at date of death or is vested but has no surviving spouse or dependent children, a refund of accumulated contributions with interest will be paid to the member's estate.</p>
Normal Form of Payment	Single Life Annuity
Vesting	<p>For Supervisory employees, 100% after 5 years of service.</p> <p>For Non-Supervisory employees, 100% after 10 years of service.</p>
Termination Benefit	If not vested at termination, a refund of the member's accumulated employee contributions with interest will be paid.