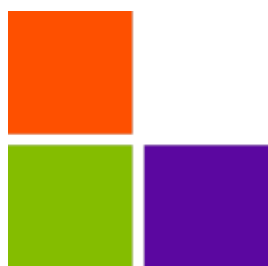




TOWN OF COLCHESTER POLICE PENSION PLAN

ACTUARIAL VALUATION REPORT

JULY 1, 2018



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Executive Summary

| | July 1, 2018 | July 1, 2016 |
|--|--------------|--------------|
| Number of members | | |
| Active employees | 9 | 9 |
| Terminated vested members | 0 | 0 |
| Retired, disabled and beneficiaries | 0 | 0 |
| Total | 9 | 9 |
| Covered employee payroll | 705,453 | 695,499 |
| Average plan salary | 78,384 | 77,278 |
| Actuarial present value of future benefits | 4,540,847 | 4,161,332 |
| Actuarial accrued liability | 2,822,621 | 2,190,206 |
| Plan assets | | |
| Market value of assets | 2,373,914 | 1,655,492 |
| Actuarial value of assets | 2,441,838 | 1,799,632 |
| Unfunded accrued liability | 380,783 | 390,574 |
| Funded ratio | 86.5% | 82.2% |
| Actuarially determined employer contribution (ADEC) | | |
| Fiscal year ending | 2020 | 2018 |
| ADEC | 147,856 | 145,300 |
| Fiscal year ending | 2021 | 2019 |
| ADEC | 150,425 | 149,560 |



Valuation Results and Highlights

Purpose of the Valuation

The purpose of the valuation is to develop the Actuarially Determined Employer Contribution (ADEC).

The ultimate cost of a pension plan is based primarily on the level of benefits promised by the plan. The pension fund's investment earnings serve to reduce the cost of plan benefits and expenses. Thus,

$$\text{Ultimate cost} = \text{Benefits Paid} + \text{Expenses Incurred} - \text{Investment Return} - \text{Employee Contributions}$$

The actuarial cost method distributes this ultimate cost over the working lifetime of current plan participants. By means of this budgeting process, costs are allocated to both past and future years, and a cost is assigned to the current year. The current year's allocated cost, or normal cost, is the building block upon which the actuarially determined employer contribution is developed. The July 1, 2018 valuation produces the contributions for the fiscal years ending 2020 and 2021.

Information Available in the Valuation Report

The Executive Summary is intended to emphasize the notable results of the valuation from the perspective of the Plan Sponsor. Supporting technical detail is documented in Results of the Valuation, Supporting Exhibits and Description of Actuarial Methods and Assumptions. A concise summary of the principal provisions of the Plan is outlined in Summary of Plan Provisions.

Changes Reflected in the Valuation

This valuation reflects updates to the inflation and salary scale assumptions, as well as an update to the mortality improvement assumption. The impact of these changes is to reduce the Fiscal 2020 Actuarially Determined Employer Contribution (ADEC) by approximately \$10,000.

Cash Contribution for Fiscal Years Ending 2020 and 2021

| | | |
|-------------------|------------------|------------------|
| The Town cost is: | 2020 Fiscal Year | 2021 Fiscal Year |
| | \$147,856 | \$150,425 |

Liability Experience During Period Under Review

The plan experienced a net actuarial gain on liabilities of \$47,826 since the prior valuation.

Asset Experience During Period Under Review

| | | |
|-----------------------|------------------|------------------|
| | 2017 Fiscal Year | 2018 Fiscal Year |
| Market Value Basis | 9.5% | 5.3% |
| Actuarial Value Basis | 4.8% | 5.0% |

The Actuarial Value of assets, rather than the Market Value, is used to determine plan contributions. The Actuarial Value spreads the asset volatility over 5 years, thereby smoothing out fluctuations that are inherent in the Market Value.



Certification

This report presents the results of the July 1, 2018 Actuarial Valuation for Town of Colchester Police Pension Plan (the Plan) for the purpose of estimating the funded status of the Plan and determining the Actuarially Determined Employer Contribution (ADEC) for the fiscal years ending June 30, 2020 and June 30, 2021. This report is intended to satisfy the requirements of Connecticut General Statute 7-450a. This report may not be appropriate for any other purpose.

The valuation has been performed in accordance with generally accepted actuarial principles and practices. It is intended to comply with all applicable Actuarial Standards of Practice.

I certify that the actuarial assumptions and methods that were selected by me and represent my best estimate of anticipated actuarial experience under the Plan.

In preparing this valuation, I have relied on employee data provided by the Plan Sponsor, and on asset and contribution information provided by the Trustee. I have audited neither the employee data nor the financial information, although I have reviewed them for reasonableness.

The results in this valuation report are based on the Plan as summarized in the *Summary of Plan Provisions* section of this report and the actuarial assumptions and methods detailed in the *Description of Actuarial Methods and Assumptions* section of this report.

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 this report, an analysis of the potential range of such future measurements has not been performed.

I have no relationship with the employer or the Plan that would impair, or appear to impair, my objectivity in performing the work presented in this report. I am a member of the American Academy of Actuaries and meet its Qualification Standards to render the actuarial opinion contained herein.

Steve A. Lemanski, FSA, FCA, MAAA
Enrolled Actuary 17-05506

November 1, 2018

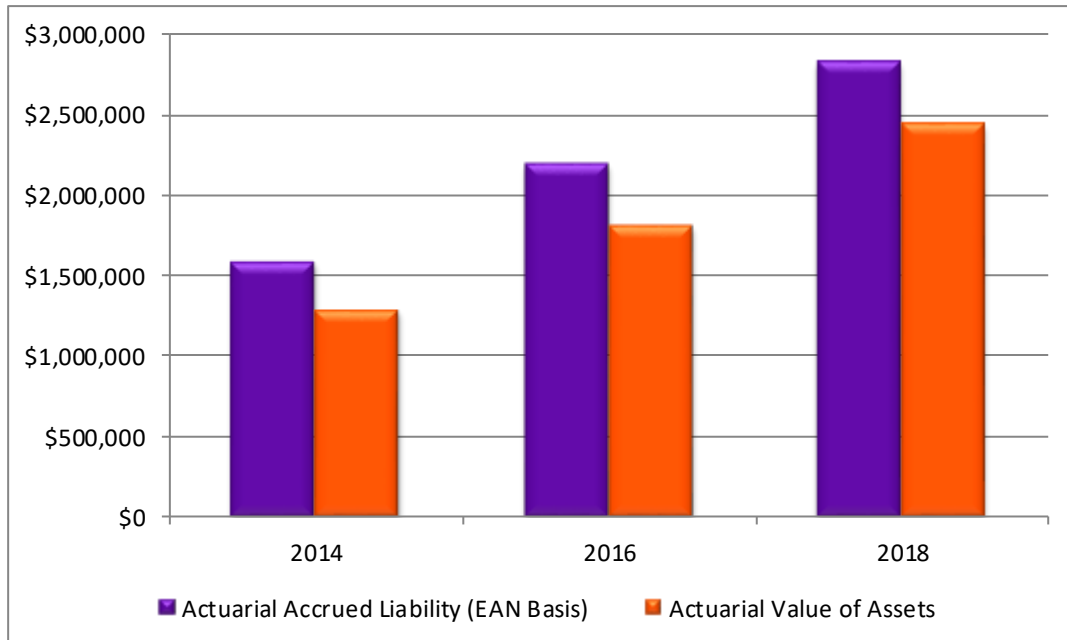


Development of Unfunded Accrued Liability and Funded Ratio

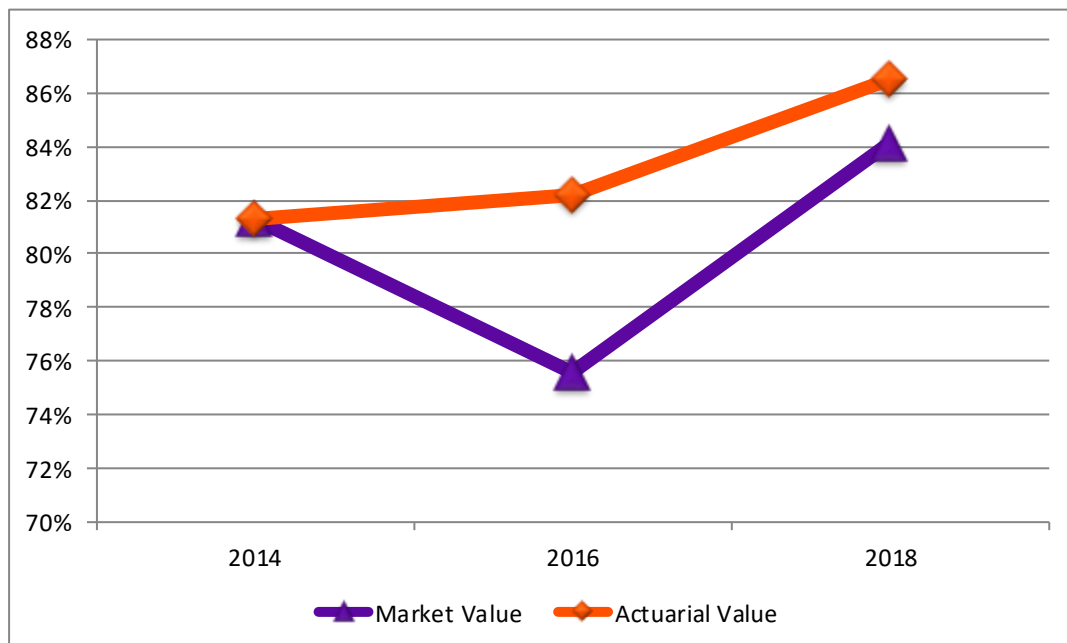
| | July 1, 2018 | July 1, 2016 |
|--|--------------|--------------|
| Actuarial accrued liability for inactive members | | |
| Retired, disabled and beneficiaries | \$0 | \$0 |
| Terminated vested members | 0 | 0 |
| Total | 0 | 0 |
| Actuarial accrued liability for active employees | 2,822,621 | 2,190,206 |
| Total actuarial accrued liability | 2,822,621 | 2,190,206 |
| Actuarial value of assets | 2,441,838 | 1,799,632 |
| Unfunded accrued liability | 380,783 | 390,574 |
| Funded ratio | 86.5% | 82.2% |



Actuarial Accrued Liability vs. Actuarial Value of Assets



Funded Ratio





Determination of Normal Cost and Actuarially Determined Employer Contribution

| | July 1, 2018 | | July 1, 2016 | |
|---|--------------|--------------------|--------------|--------------------|
| | Cost | Percent of payroll | Cost | Percent of payroll |
| Gross normal cost | \$184,670 | 25.2% | \$179,785 | 27.0% |
| Estimated employee contributions | (91,609) | -12.5% | (86,937) | -13.1% |
| Town's normal cost | 93,061 | 12.7% | 92,848 | 14.0% |
| Amortization of unfunded accrued liability | 47,458 | 6.5% | 43,675 | 6.5% |
| Contribution before adjustment as of the valuation date | 140,519 | 19.2% | 136,523 | 20.5% |
| Estimated valuation year payroll for actives not yet at 100% assumed retirement age | 732,871 | | 665,300 | |
| Fiscal year ending | 2020 | | 2018 | |
| Adjustment for interest and inflation | 7,337 | | 8,777 | |
| Actuarially determined employer contribution | 147,856 | | 145,300 | |
| Fiscal year ending | 2021 | | 2019 | |
| Adjustment for interest and inflation | 2,569 | | 4,260 | |
| Actuarially determined employer contribution | 150,425 | | 149,560 | |



Determination of Actuarial Gain/Loss

The Actuarial Gain/Loss is the difference between the expected unfunded accrued liability and the actual unfunded accrued liability, without regard to any changes in actuarial methods, actuarial assumptions or plan provisions. This can also be referred to an Experience Gain/Loss, since it reflects the difference between what was expected and what was actually experienced.

| Actuarial Gain / Loss | | |
|---|---------------|-----------------|
| Expected unfunded accrued liability July 1, 2018 | | |
| Expected unfunded accrued liability July 1, 2017 | | |
| Unfunded accrued liability July 1, 2016 | \$390,574 | |
| Gross normal cost July 1, 2016 | 179,785 | |
| Town and employee contributions for 2016-2017 | (206,956) | |
| Interest at 7.00% to July 1, 2017 | 32,315 | |
| Expected unfunded accrued liability July 1, 2017 | 395,718 | |
| Expected unfunded accrued liability July 1, 2018 | | |
| Expected unfunded accrued liability July 1, 2017 | 395,718 | |
| Expected gross normal cost July 1, 2017 | 187,426 | |
| Town and employee contributions for 2017-2018 | (230,685) | |
| Interest at 7.00% to July 1, 2018 | 32,171 | |
| Expected unfunded accrued liability July 1, 2018 | 384,630 | |
| Actuarial (gain) / loss July 1, 2018 | 36,769 | |
| Actual unfunded accrued liability July 1, 2018, prior to plan provision, assumption and method changes | | |
| | | 421,399 |
| Sources of (gain) / loss | | |
| Assets | 84,595 | |
| Liabilities | (47,826) | |
| Total (gain) / loss | 36,769 | |
| Assumption and method changes since prior valuation | | (40,616) |
| Actual unfunded accrued liability July 1, 2018, after plan provision, assumption and method changes | | |
| | | 380,783 |



| Summary of Fund Activity | | |
|--|--------------|-----------------|
| | Market Value | Actuarial Value |
| 1. Beginning value of assets July 1, 2017 | | |
| Trust assets | \$2,029,506 | \$2,098,959 |
| 2. Contributions | | |
| Town contributions during year | 142,578 | 142,578 |
| Employee contributions during year | 88,107 | 88,107 |
| Total for plan year | 230,685 | 230,685 |
| 3. Disbursements | | |
| Benefit payments during year | 0 | 0 |
| Administrative expenses during year | 0 | 0 |
| Total for plan year | 0 | 0 |
| 4. Net investment return | | |
| Interest and dividends | 113,723 | N/A |
| Realized and unrealized gain / (loss) | 0 | N/A |
| Expected return | N/A | 150,715 |
| Recognized gain / (loss) | N/A | (38,521) |
| Required adjustment due to corridor | N/A | 0 |
| Reversal of prior year required adjustment | N/A | 0 |
| Investment-related expenses | 0 | N/A |
| Total for plan year | 113,723 | 112,194 |
| 5. Ending value of assets July 1, 2018 | | |
| Trust assets: (1) + (2) - (3) + (4) | 2,373,914 | 2,441,838 |
| 6. Approximate rate of return | 5.3% | 5.0% |



| Relationship of Actuarial Value to Market Value | |
|---|-------------|
| 1. Market value 7/1/2018 | \$2,373,914 |
| 2. Gain / (loss) not recognized in actuarial value 7/1/2018 | (67,924) |
| 3. Preliminary actuarial value 7/1/2018: (1) - (2) | 2,441,838 |
| 4. Preliminary actuarial value as a percentage of market value: (3) ÷ (1) | 102.9% |
| 5. Gain / (loss) recognized for corridor minimum / maximum | N/A |
| 6. Actuarial value 7/1/2018 after corridor minimum / maximum: (3) + (5) | 2,441,838 |
| 7. Actuarial value as a percentage of market value: (6) ÷ (1) | 102.9% |

| Development of Market Value Gain / Loss for 2017-2018 Plan Year | |
|--|-------------|
| 1. Market value 7/1/2017 | \$2,029,506 |
| 2. Town contributions | 142,578 |
| 3. Employee contributions | 88,107 |
| 4. Benefit payments | 0 |
| 5. Administrative expenses | 0 |
| 6. Expected return at 7.00% | 150,715 |
| 7. Expected value 7/1/2018: (1) + (2) + (3) - (4) - (5) + (6) | 2,410,906 |
| 8. Market value 7/1/2018 | 2,373,914 |
| 9. Market value gain / (loss) for 2017-2018 plan year: (8) - (7) | (36,992) |

| Recognition of Gain / Loss in Actuarial Value | | | | | |
|---|----------------------|--|---|---|---|
| Year | (a) Gain / (loss) | (b) Total recognized as of 7/1/2017 | (c) Recognized in current year: 20% of (a) | (d) Total recognized as of 7/1/2018: (b) + (c) | (e) Not recognized as of 7/1/2018: (a) - (d) |
| 2013-2014 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2014-2015 | (76,004) | (45,603) | (15,201) | (60,804) | (15,200) |
| 2015-2016 | (123,173) | (49,270) | (24,635) | (73,905) | (49,268) |
| 2016-2017 | 43,564 | 8,713 | 8,713 | 17,426 | 26,138 |
| 2017-2018 | (36,992) | 0 | (7,398) | (7,398) | (29,594) |
| Total | | | (38,521) | | (67,924) |



| Summary of Fund Activity | | |
|--|--------------|-----------------|
| | Market Value | Actuarial Value |
| 1. Beginning value of assets July 1, 2016 | | |
| Trust assets | \$1,655,492 | \$1,799,632 |
| 2. Contributions | | |
| Town contributions during year | 121,754 | 121,754 |
| Employee contributions during year | 85,202 | 85,202 |
| Total for plan year | 206,956 | 206,956 |
| 3. Disbursements | | |
| Benefit payments during year | 0 | 0 |
| Administrative expenses during year | 0 | 0 |
| Total for plan year | 0 | 0 |
| 4. Net investment return | | |
| Interest and dividends | 167,058 | N/A |
| Realized and unrealized gain / (loss) | 0 | N/A |
| Expected return | N/A | 123,494 |
| Recognized gain / (loss) | N/A | (31,123) |
| Required adjustment due to corridor | N/A | 0 |
| Reversal of prior year required adjustment | N/A | 0 |
| Investment-related expenses | 0 | N/A |
| Total for plan year | 167,058 | 92,371 |
| 5. Ending value of assets July 1, 2017 | | |
| Trust assets: (1) + (2) - (3) + (4) | 2,029,506 | 2,098,959 |
| 6. Approximate rate of return | 9.5% | 4.8% |



| Relationship of Actuarial Value to Market Value | |
|---|-------------|
| 1. Market value 7/1/2017 | \$2,029,506 |
| 2. Gain / (loss) not recognized in actuarial value 7/1/2017 | (69,453) |
| 3. Preliminary actuarial value 7/1/2017: (1) - (2) | 2,098,959 |
| 4. Preliminary actuarial value as a percentage of market value: (3) ÷ (1) | 103.4% |
| 5. Gain / (loss) recognized for corridor minimum / maximum | N/A |
| 6. Actuarial value 7/1/2017 after corridor minimum / maximum: (3) + (5) | 2,098,959 |
| 7. Actuarial value as a percentage of market value: (6) ÷ (1) | 103.4% |

| Development of Market Value Gain / Loss for 2016-2017 Plan Year | |
|--|-------------|
| 1. Market value 7/1/2016 | \$1,655,492 |
| 2. Town contributions | 121,754 |
| 3. Employee contributions | 85,202 |
| 4. Benefit payments | 0 |
| 5. Administrative expenses | 0 |
| 6. Expected return at 7.00% | 123,494 |
| 7. Expected value 7/1/2017: (1) + (2) + (3) - (4) - (5) + (6) | 1,985,942 |
| 8. Market value 7/1/2017 | 2,029,506 |
| 9. Market value gain / (loss) for 2016-2017 plan year: (8) - (7) | 43,564 |

| Recognition of Gain / Loss in Actuarial Value | | | | | |
|---|----------------------|--|---|---|---|
| Year | (a) Gain / (loss) | (b) Total recognized as of 7/1/2016 | (c) Recognized in current year: 20% of (a) | (d) Total recognized as of 7/1/2017: (b) + (c) | (e) Not recognized as of 7/1/2017: (a) - (d) |
| 2012-2013 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2013-2014 | 0 | 0 | 0 | 0 | 0 |
| 2014-2015 | (76,004) | (30,402) | (15,201) | (45,603) | (30,401) |
| 2015-2016 | (123,173) | (24,635) | (24,635) | (49,270) | (73,903) |
| 2016-2017 | 43,564 | 0 | 8,713 | 8,713 | 34,851 |
| Total | | | (31,123) | | (69,453) |

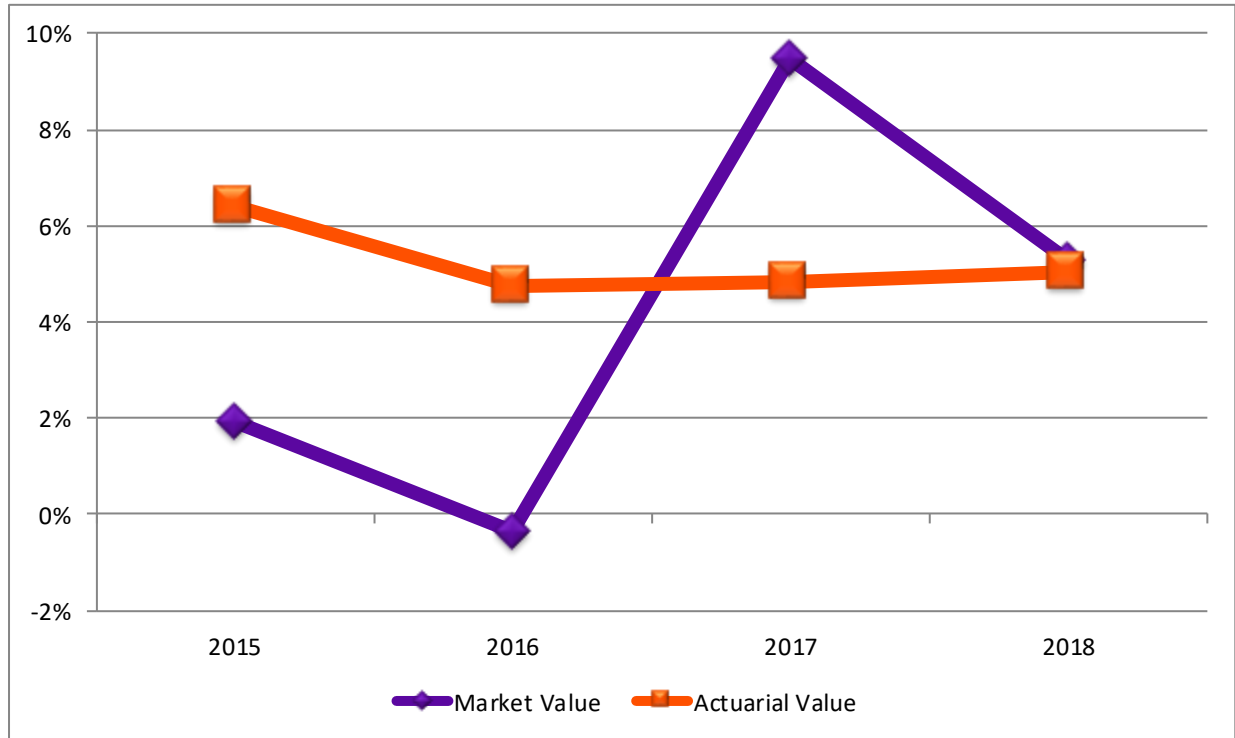


| Rate of Return on Market Value of Assets | | | | |
|--|---|---------|---------|----------|
| Period Ending June 30 | Average Annual Effective Rate of Return | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years |
| 2009 | N/A | N/A | N/A | N/A |
| 2010 | N/A | N/A | N/A | N/A |
| 2011 | N/A | N/A | N/A | N/A |
| 2012 | N/A | N/A | N/A | N/A |
| 2013 | N/A | N/A | N/A | N/A |
| 2014 | N/A | N/A | N/A | N/A |
| 2015 | 1.9% | N/A | N/A | N/A |
| 2016 | -0.4% | N/A | N/A | N/A |
| 2017 | 9.5% | 3.6% | N/A | N/A |
| 2018 | 5.3% | 4.7% | N/A | N/A |

| Rate of Return on Actuarial Value of Assets | | | | |
|---|---|---------|---------|----------|
| Period Ending June 30 | Average Annual Effective Rate of Return | | | |
| | 1 Year | 3 Years | 5 Years | 10 Years |
| 2009 | N/A | N/A | N/A | N/A |
| 2010 | N/A | N/A | N/A | N/A |
| 2011 | N/A | N/A | N/A | N/A |
| 2012 | N/A | N/A | N/A | N/A |
| 2013 | N/A | N/A | N/A | N/A |
| 2014 | N/A | N/A | N/A | N/A |
| 2015 | 6.4% | N/A | N/A | N/A |
| 2016 | 4.8% | N/A | N/A | N/A |
| 2017 | 4.8% | 5.3% | N/A | N/A |
| 2018 | 5.0% | 4.9% | N/A | N/A |



Actual Rate of Return on Assets





Target Allocation and Expected Rate of Return July 1, 2018

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* | Weighting |
|-----------------------------------|-------------------|---|-----------|
| Cash | 4.00% | 0.00% | 0.00% |
| Equities | 64.00% | 5.25% | 3.36% |
| Fixed Income | 32.00% | 2.00% | 0.64% |
| | 100.00% | | 4.00% |
| Long-Term Inflation Expectation | | | 2.60% |
| Long-Term Expected Nominal Return | | | 6.60% |

**Long-Term Returns are provided by HHIA. The returns are geometric means.*

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.50% and 7.00%. An expected rate of return of 7.00% was used.



Amortization of Unfunded Liability

| Schedule of Amortization Bases | | | | |
|--------------------------------|---------------------|-----------------------------|--------------------|---|
| | Date established | Amortization installment | Years remaining | Present value of remaining installments as of July 1, 2018 |
| 2018 base | July 1, 2018 | 47,458 | 11 | 380,783 |



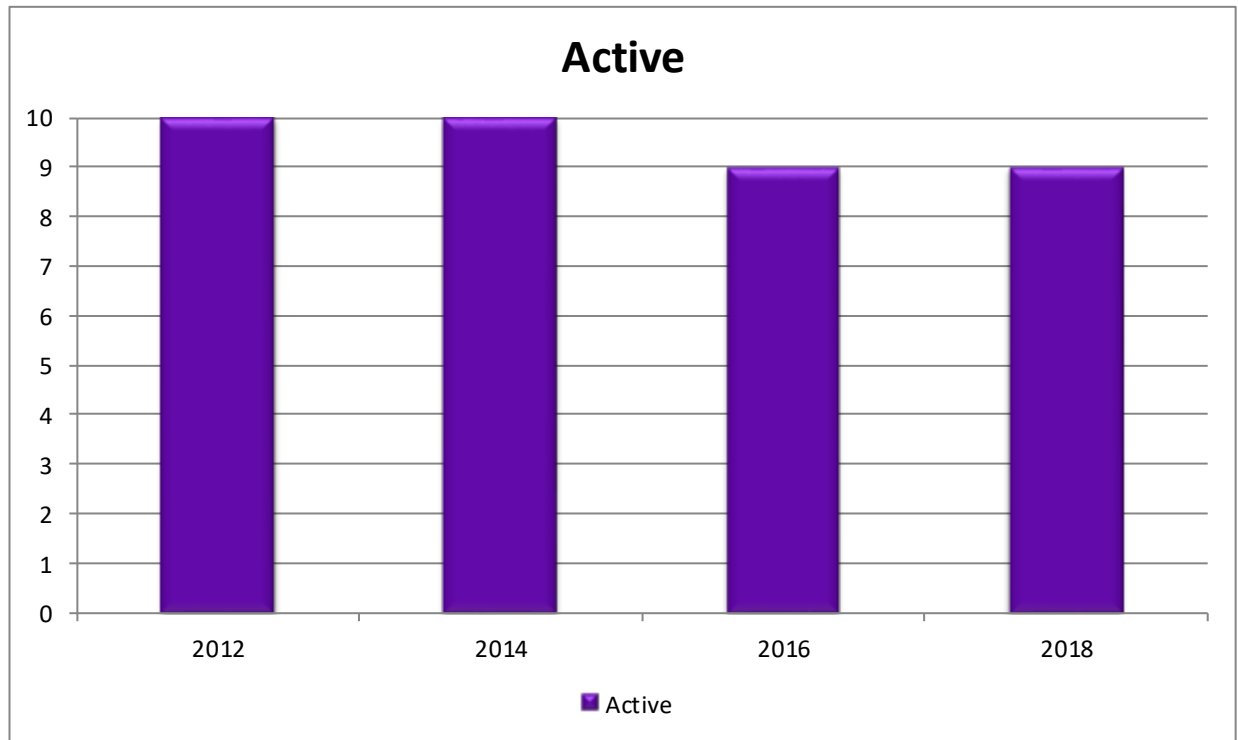
Member Data

The data reported by the Plan Sponsor for this valuation includes 9 active employees who met the Plan's minimum age and service requirements as of July 1, 2018.

| Member Data | | | | |
|-----------------------------------|--------|----------------------|--------------------------|-------|
| | Active | Terminated vested | Members in pay status | Total |
| Total members July 1, 2016 | 9 | 0 | 0 | 9 |
| Adjustments | 0 | 0 | 0 | 0 |
| Retirements | 0 | 0 | 0 | 0 |
| Disabilities | 0 | N/A | 0 | 0 |
| Terminations | | | | |
| Vested | 0 | 0 | N/A | 0 |
| Lump sum payments | 0 | 0 | N/A | 0 |
| Due contributions only | 0 | N/A | N/A | 0 |
| Deaths | | | | |
| With death benefit | 0 | 0 | 0 | 0 |
| Without death benefit | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | N/A | 0 |
| Rehires | 0 | 0 | N/A | 0 |
| New beneficiaries | N/A | N/A | 0 | 0 |
| New entrants | 0 | N/A | N/A | 0 |
| Total members July 1, 2018 | 9 | 0 | 0 | 9 |



Member Counts by Status





| Member Data | | | |
|---------------------------------|-----------|----------------------|--------------------------|
| | Active | Terminated vested | Members in pay status |
| Average age | | | |
| July 1, 2016 | 37.5 | N/A | N/A |
| July 1, 2018 | 39.5 | N/A | N/A |
| Average service | | | |
| July 1, 2016 | 12.0 | N/A | N/A |
| July 1, 2018 | 14.0 | N/A | N/A |
| Covered employee payroll | | | |
| July 1, 2016 | \$695,499 | N/A | N/A |
| July 1, 2018 | 705,453 | N/A | N/A |
| Total annual benefits | | | |
| July 1, 2016 | N/A | N/A | N/A |
| July 1, 2018 | N/A | N/A | N/A |



Description of Actuarial Methods

Asset Valuation Method

The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year. The Actuarial Value is adjusted, if necessary, to be within the range of 80% and 120% of the Market Value of assets.

Actuarial Cost Method

Changes in Actuarial Cost Method: None.

Description of Current Actuarial Cost Method: Entry Age Normal (level percentage of salary)

Normal Cost: Under this method, the total normal cost is the sum of amounts necessary to fund each active member's normal retirement benefit if paid annually from entry age to assumed retirement age. Entry age is the age at which the employee would have been first eligible for the plan, if it had always been in effect. The normal cost for each participant is expected to remain a level percentage of the employee's salary. The normal cost for the plan is the difference between the total normal cost for the year and the anticipated member contributions for that year.

Past Service Liability: The present value of future benefits that relates to service before the valuation date is the total past service liability. The unfunded past service liability is the difference between the total past service liability and any assets (including accumulated member contributions).

This amount is amortized over 11 years on a closed basis.

Experience Gains and Losses: All experience gains and losses (the financial effect of the difference between the actual experience during the prior period and the result expected by the actuarial assumptions for that prior period) appear directly in the past service liability and are amortized at the same rate the plan is amortizing the remaining unfunded past service liability.



Description of Actuarial Assumptions

Changes in Actuarial Assumptions

The valuation reflects changes in the actuarial assumptions listed below. (The assumptions used before and after these changes are more fully described in the next section.)

- Rate of Compensation increase (including inflation)
- Mortality
- Inflation

The assumptions indicated were changed to represent the Enrolled Actuary's current best estimate of anticipated experience of the plan.

Investment rate of return (net of investment-related and administrative expenses)

7.0%.

Rate of compensation increase

2.60% inflation plus Service Merit Scale.

| Service | Rate |
|---------|------|
| 0 | 7.0% |
| 1 | 6.0% |
| 2 | 5.0% |
| 3 | 4.5% |
| 4 | 4.0% |
| 5 | 3.5% |
| 6 | 3.0% |
| 7 | 2.5% |
| 8 | 2.0% |
| 9 | 1.5% |
| 10-14 | 1.0% |
| ≥ 15 | 0.5% |

(Prior: 2.75% inflation plus Service Merit Scale.)

The plan does not have statistically credible data on which to form a rate of compensation increase assumption. The assumption is based on input from the plan sponsor regarding future expectations, as well as knowledge that younger employees generally earn higher annual percentage increases than older employees.

Inflation

2.60%. (Prior: 2.75%)

This assumption is consistent with the Social Security Administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2017 OASDI Trustees Report.



Mortality

RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018.

(Prior: RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2016.

Mortality Improvement

Projected to date of decrement using Scale MP-2018 (generational).

(Prior: Projected to date of decrement using Scale MP-2016 (generational).

We have selected this mortality assumption because it is based on the latest published pension mortality study released by the Society of Actuaries. The group composition of the Plan is consistent with the collar adjustment selected. At least 70 percent of the plan participants are either hourly or union.

The mortality assumption was updated to better reflect actual experience. The change in assumption decreased liabilities by about 1.4%.

Retirement age

Service based table

| Service | Rate |
|---------|------|
| 20 | 10% |
| 21-23 | 5% |
| 24 | 60% |
| 25 | 30% |
| 26 | 40% |
| 27 | 70% |
| ≥28 | 100% |

Retirement rates were based on rates used for plans with similar demographics and plan provisions. The plan does not have any experience upon which to base retirement rates.

Termination prior to retirement

None.

Administrative expenses

Plan expenses are assumed to be paid by the Town outside of the pension plan.



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. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Effective Date of Plan

July 1, 2005.

Eligibility for Retirement

20 years of service.

Vesting

10 years of service.

Service

For eligibility, vesting and benefit accrual, no service is granted before 7/1/1999.

Average Salary

Average of the 3 highest years of base salary.

Pension Benefit

2.5% times average salary times years of service with a maximum pension of 60% of average salary.

Employee Contributions

Employee will contribute 12.5% of pay.

Post-retirement COLA

2.5%.

Normal Form of Pension

Life annuity.