

**Town of Jamestown, Rhode Island Police
Department Pension Plan**

Actuarial Valuation as of July 1, 2014

For the Period Beginning July 1, 2014

and Ending June 30, 2015

Prepared By:

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September 2014

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I. INTRODUCTION

This report presents the results of the actuarial valuation as of July 1, 2014 of the Town of Jamestown, Rhode Island Police Department Pension Plan. The purpose of the report is to illustrate the current position of the plan and present information which will assist the Town in determining the appropriate contribution for the period beginning July 1, 2014 and ending June 30, 2015.

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

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

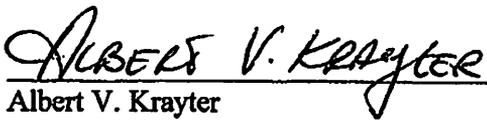
This valuation was prepared on the basis of information submitted to The Angell Pension Group, Inc. in the form of payroll and asset data, as well as ancillary material pertaining to the plan. We have not independently verified, nor do we make any representations as to, the accuracy of such information.



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

9/4/2014

Date



Albert V. Krayter
Director of Defined Benefit Department

II. BREAKDOWN OF PLAN CONTRIBUTIONS

This Section allocates the Total Plan Contribution for the period ending June 30, 2015 between the Police Officers' mandatory employee contributions and the Town's contribution. Refer to Section IX of the valuation for the Development of the Total Plan Contribution.

	15 Year Amortization	10 Year Amortization
1. Total Plan Contribution, if paid on June 30, 2015	\$258,275	\$258,275
2. Expected Police Officer Contributions*	66,688	66,688
3. Expected interest on (2), assuming monthly payments throughout the year	2,489	2,489
4. Town's Contribution, assuming payment June 30, 2015 [(1) - (2) - (3)]	189,098	189,098

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

III. SUMMARY OF PLAN PROVISIONS

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

*Normal Retirement
Benefit:*

A monthly benefit equal to the sum of (a) plus (b), subject to a maximum of (c):

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

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

(c) 75 percent of Average Compensation

Normal Form of Benefit:

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

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

Cost of Living Increases:

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

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

Accrued Benefit:

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

Late Retirement:

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

Death Benefit:

Single Sum Death Benefit

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

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

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

Spouse Death Benefit

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

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

Disability Benefit:

Non-Occupational Disability

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

Occupational Disability

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

Vesting:

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

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 10 years	0%
10 years or more	100%

IV. ACTUARIAL COST METHODS

A. Actuarial Cost Method

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

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

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

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

B. Asset Valuation Method

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

C. Changes In Actuarial Methods

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

V. ACTUARIAL ASSUMPTIONS

A. Assumptions Used For The Current Period

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

Investment Return: 7% per annum

Mortality: IRS 2014 P.V. Optional Combined Table for males and females (1.430(h)(3)-1). This optional table is a combination of annuitant and non-annuitant mortality tables. Mortality improvements for the annuitant table are projected 7 years beyond the valuation date. Mortality improvements for the non-annuitant table are projected 15 years beyond the valuation date.

Withdrawal Rate: None

Salary Scale: 4% per annum

Assumed Retirement Age: The later of (a) the earlier of age 55 and the completion of 25 years of service, or (b) the participant's current age.

Disability: Occupational disability assumed to be three times the rates specified by the 1974 Railroad Retirement Board Valuation.

Marital Status: For purposes of death benefits and post-retirement survivor benefits, 90% of plan participants are assumed to be married. Males are assumed to be 3 years older than females.

B. Changes In Actuarial Assumptions

The change in mortality assumption has occurred since the prior valuation date.

The IRS 2013 P.V. Optional Combined Table has been replaced by IRS 2014 P.V. Optional Combined Table for males and females.

VI. PLAN ASSETS AS OF JULY 1, 2014

A. Market Value of Plan Assets

WASHINGTON TRUST FINANCIAL MANAGEMENT

TOTAL WASHINGTON TRUST **\$9,826,616**

TOTAL MARKET VALUE OF ASSETS **\$9,826,616**

B. Actuarial Value of Plan Assets

Total Market Value of Assets:	\$9,826,616
Plus: Town receivable contributions	0
Employee receivable contributions	0
Less: Benefits Payable	0
Actuarial Value of Plan Assets:	\$9,826,616

**VII. ACTUARIAL PRESENT VALUE OF ESTIMATED
ACCUMULATED PLAN BENEFITS**

A. Present Values as of July 1, 2014

	<u>Number of Lives</u>	<u>Vested Benefits</u>	<u>Non-Vested Benefits</u>	<u>Total Present Value</u>
Active Lives:	12	2,216,065	173,737	2,389,802
Vested Terminations:*	2	194,770	0	194,770
Retired Lives:	12	5,721,535	0	5,721,535
Totals:	26	8,132,370	173,737	8,306,107

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

B. Basis of Determination

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

C. Description of Accumulated Benefits

The estimated accumulated benefits whose present values are shown in A above are the estimated benefits accrued through July 1, 2014, based upon service and compensation through that date.

VIII. DEVELOPMENT OF UNFUNDED ACCRUED LIABILITY AND NORMAL COST

A. Unfunded Actuarial Accrued Liability

1. Actuarial Accrued Liability as of July 1, 2014	8,723,051
2. Actuarial Value of Assets as of July 1, 2014	9,826,616
3. Unfunded Actuarial Accrued Liability as of July 1, 2014 [(1) - (2)]	0

B. Normal Cost

Total Entry Age Normal Cost as of July 1, 2014 (Retirement, Death and Disability Benefits)	241,378
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NOTE: The actuarial accrued liability shown in A.1 above takes into account projected salary increases.

IX. DEVELOPMENT OF TOTAL PLAN CONTRIBUTIONS

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

A. FIFTEEN YEAR AMORTIZATION CONTRIBUTION

1. Normal Cost	\$241,378
2. Fifteen Year Amortization of Unfunded Actuarial Accrued Liability (zero, if unfunded is less than zero)	0
3. Interest on (1) and (2) to June 30, 2015	16,897
4. Total Contribution if paid on June 30, 2015 [(1) + (2) + (3)]	258,275
5. Total Annualized Payroll as of June 30, 2015	740,976
6. Total Contribution as a Percentage of Payroll [(4) / (5)]	34.86%

B. TEN YEAR AMORTIZATION CONTRIBUTION

1. Normal Cost	\$241,378
2. Ten Year Amortization of Unfunded Actuarial Accrued Liability (zero, if unfunded is less than zero)	0
3. Interest on (1) and (2) to June 30, 2015	16,897
4. Total Contribution if paid on June 30, 2015 [(1) + (2) + (3)]	258,275
5. Total Annualized Payroll as of June 30, 2015	740,976
6. Total Contribution as a Percentage of Payroll [(4) / (5)]	34.86%

X. CENSUS DATA USED IN THE VALUATION

A. Active Participants

<u>Name</u>	<u>Date of Birth</u>	<u>Date of Hire</u>	<u>Current Salary*</u>
Carlino			\$ 66,072
Chaves			40,917
Deneault, Angela			73,578
Esposito			58,708
Hebert			58,151
Hopkins			64,253
Jacobson			57,593
Mello			84,255
Moulay (Catlow)			64,556
Pages			38,365
Pinocci, Joel			66,076
Woodbine, Keith			68,453

B. Terminated Vested Participants

<u>Name</u>	<u>Date of Birth</u>	<u>Date of Hire</u>	<u>Monthly Estimated Benefit Amount</u>
Balcom, Thomas			\$ 1,398.02
Areson			1,318.68

*includes longevity

X. CENSUS DATA USED IN THE VALUATION

C. Retired Participants

<u>Name</u>	<u>Date of Birth</u>	<u>Date of Retirement</u>	<u>Monthly Benefit Amount</u>
Balzer, Jr., Paul			\$4,032.58
Donovan , William			4,435.17
Dube, John			3,351.04
Grunder, Robert A.*			1,012.75*
Peckham, Robert L.			1,793.60
Pemantell, James			2,478.48
Pfelzter, Christine**			1,124.84**
Piva Jr., William J.			3,251.22
Rexter, Robert J.			1,684.28
Tighe, Thomas P			5,976.52
Watson, Franklin T			4,838.63
Westall, Kathryn**			2,257.19

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

** Beneficiary

SECTION XI

RECONCILIATION OF PLAN PARTICIPANTS

	Active	Vested Term	Retired	Total
Participants included in the 07-01-2013 valuation	14	1	12*	27
Data corrections	0	0	0	0
Terminated vested	-1	1	0	0
Retired	0	0	0	0
Died with beneficiary	0	0	0	0
Died without beneficiary	0	0	0	0
Alternate Payee (QDRO)	0	0	0	0
Lump sum	-1	0	0	-1
Terminated non-vested	0	0	0	0
Rehired	0	0	0	0
New participants	0	0	0	0
Participants included in the 07-01-2014 valuation	12	2	12*	26

*Includes two beneficiaries.

SECTION XII

EXPECTED BENEFIT PAYMENTS IN FUTURE

<u>For plan year beginning in:</u>	<u>Payments</u>
2014	\$424,155
2015	\$468,572
2016	\$474,644
2017	\$480,747
2018	\$486,867
2019	\$541,279
2020	\$548,402
2021	\$555,401
2022	\$626,472
2023	\$662,878
2024	\$669,729
2025	\$705,631
2026	\$711,505
2027	\$788,223
2028	\$854,688

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

Town of Jamestown, Rhode Island Police Department Pension Plan
Exhibit 1 - Required Supplemental Information - GASB 25
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
03/01/2001	5,682,645	4,639,132	(1,043,513)	122.5%	549,357	(190.0%)
03/01/2002	5,729,513	4,901,494	(828,019)	116.9%	615,124	(134.6%)
03/01/2004	6,745,427	5,442,622	(1,302,805)	123.9%	625,768	(208.2%)
07/01/2006	7,319,943	6,063,500	(1,256,443)	120.7%	708,586	(177.3%)
01/01/2008	8,181,752	6,261,768	(1,919,984)	130.7%	704,314	(272.6%)
07/01/2009	7,162,384	7,137,088	(25,296)	100.4%	764,942	(3.3%)
07/01/2010	7,917,927	7,975,138	57,211	99.3%	607,806	9.4%
07/01/2011	8,822,350	8,051,512	(770,838)	109.6%	648,605	(118.8%)
07/01/2012	8,678,157	8,037,077	(641,080)	108.0%	677,630	(94.6%)
07/01/2013	9,074,082	8,737,518	(336,564)	103.9%	828,404	(40.6%)
07/01/2014	9,826,616	8,723,051	(1,103,565)	112.7%	740,976	(148.9%)

Notes: AAL is based on the Entry Age Normal Actuarial Cost Method
Allocation is based on earnings
No aggregation is used
Entry age based on date of hire
The most recent valuation was completed as of July 1, 2014.

Town of Jamestown, Rhode Island Police Department Pension Plan
Exhibit 2 - Development of NPO - GASB 27
March 1, 2003 - June 30, 2014

	FYE 02/29/2004	FYE 6/30/2005*	FYE 06/30/2006	FYE 06/30/2007	FYE 06/30/2008	FYE 6/30/2009**	FYE 6/30/2010**	FYE 6/30/2011**	FYE 6/30/2012**	FYE 6/30/2013**	FYE 6/30/2014**
Annual Required Contribution (ARC)	\$ 101,449	\$ 98,313	\$ 98,313	\$ 122,028	\$ 130,774	\$ 139,929	\$ 233,257	\$ 225,498	\$ 173,873	\$ 182,023	\$ 240,048
Interest on NPO	(53,651)	(80,137)	(72,120)	(79,063)	(80,611)	(83,731)	(82,639)	(80,672)	(75,018)	(68,547)	(57,399)
Adjustment to ARC	66,107	78,611	93,163	108,114	113,928	131,330	134,998	137,886	134,922	130,583	116,740
Annual Pension Cost	113,905	96,787	119,356	151,079	164,091	187,528	285,616	282,712	233,777	244,059	299,389
Contributions made	(197,536)	(276,995)	(218,535)	(173,196)	(208,664)	(171,928)	(257,510)	(201,949)	(141,330)	(84,798)	(141,330)
Increase in NPO	(83,631)	(180,209)	(99,179)	(22,117)	(44,573)	15,600	28,106	80,763	92,447	159,261	158,059
NPO beginning year	(766,447)	(860,078)	(1,030,287)	(1,129,466)	(1,151,583)	(1,196,156)	(1,180,556)	(1,152,450)	(1,071,687)	(979,240)	(819,979)
NPO end of year	\$ (850,078)	\$ (1,030,287)	\$ (1,129,466)	\$ (1,151,583)	\$ (1,196,156)	\$ (1,180,556)	\$ (1,152,450)	\$ (1,071,687)	\$ (979,240)	\$ (819,979)	\$ (681,920)
Interest Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Amortization Years	21	19	19	17	16	15	14	13	12	11	10
Amortization Factor	11.594	11.059	11.059	10.447	10.108	9.108	8.745	8.358	7.943	7.499	7.024

*Adjusted 1/3 of a year due to change in fiscal year end from 2/29 to 6/30

** Amortization factor has been calculated at year end.

Effective fiscal year ending 06/30/2012, the Annual Required Contribution (ARC) does not include Employee contributions

Notes: AAL is based on the Entry Age Normal Actuarial Cost Method
Allocation is based on earnings
No aggregation is used
Entry age based on date of hire
The most recent valuation was completed as of July 1, 2014.
The amortization period is closed, and will decrease each year.

**Town of Jamestown, Rhode Island Police Department Pension Plan
Exhibit 3 - Schedule of Employer Contribution - GASB 25
March 1, 2001 - June 30, 2015**

Fiscal Year Ended	Annual Required Contribution	Employer Contribution	Percentage Contributed
06/30/2015	\$ 189,098	TBD	TBD
06/30/2014	240,048	141,330	58.88%
06/30/2013	182,023	84,798	46.59%
06/30/2012	173,873	141,330	81.28%
06/30/2011	225,498	201,949	89.56%
06/30/2010	233,257	257,510	110.40%
06/30/2009	139,929	171,928	122.87%
06/30/2008	130,774	208,664	159.56%
06/30/2007	122,028	173,196	141.93%
06/30/2006	98,313	218,535	222.29%
06/30/2005	98,313	276,995	281.75%
02/29/2004	101,449	197,536	194.71%
02/28/2003	101,449	189,498	186.79%
02/28/2002	88,714	190,338	214.55%

Notes: AAL is based on the Entry Age Normal Actuarial Cost Method
Allocation is based on earnings
No aggregation is used
Entry age based on date of hire
The most recent valuation was completed as of July 1, 2014.