

# City of Stamford

## Board of Finance / Board of Representatives Pension and OPEB Discussion – March 24, 2026

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# Agenda

- **High-level review of the results of the July 1, 2025 valuations**
- **Historical funded ratios and contribution levels**
- **Review of historical investment returns by plan**
- **Projected City Contributions**

# Changes reflected in the July 1, 2025 valuations

- Asset gains for all plans (investment returns ranged from 7.06% - 12.43%)
- Updated to the latest version of the Public Plan mortality table for all plans
- Pension plan changes:
  - Police: removal of the post-retirement lump sum death benefit for members who retired prior to July 1, 2008 who, effective October 1, 2025, are covered under the Town's life insurance policy with The Standard
- City OPEB valuation reflects CT State Partnership Plan (SPP) cost increases
  - All members are now on the SPP
  - Post 65 SPP premiums increased 35% from 1/1/2025 and 1/1/2026
  - Our updated medical trend assumption reflects expected higher increases in the future as well
  - We lowered the election rate assumption for some groups based on new data - lowered liability

# Results of July 1, 2025 pension valuations

	CERF				Custodians	Fire	Police	All Four Plans
	City	BOE	WPCA	Total				
Market return, FY 2024-25				11.94%	12.43%	11.61%	7.06%	
Accrued liability	\$255,308,961	\$31,866,295	\$15,506,182	\$302,681,438	\$102,858,396	\$274,394,458	\$361,106,415	\$1,041,040,707
Actuarial value of assets	243,505,317	30,393,027	14,938,542	288,836,886	110,114,872	226,131,614	276,973,394	902,056,766
Unfunded accrued liability	11,803,644	1,473,268	567,640	13,844,552	(7,256,476)	48,262,844	84,133,021	138,983,941
<b>Funded ratio</b>	<b>95.4%</b>	<b>95.4%</b>	<b>96.3%</b>	<b>95.4%</b>	<b>107.1%</b>	<b>82.4%</b>	<b>76.7%</b>	<b>86.6%</b>
Past service cost	1,377,085	171,379	60,605	1,609,069	0	8,418,955	9,649,668	19,677,692
Total normal cost	3,346,169	607,704	194,810	4,148,683	1,838,300	6,098,150	6,526,274	18,611,407
Expected employee contributions	1,757,912	315,769	110,533	2,184,214	1,046,153	1,757,004	1,744,076	6,731,447
Administrative expenses	134,080	24,351	7,806	166,237	68,000	145,000	340,000	719,237
Net normal cost	1,722,337	316,286	92,083	2,130,706	860,147	4,486,146	5,122,198	12,599,197
Timing Adjustment	207,661	32,674	10,230	250,565	57,630	864,642	989,715	2,162,552
<b>Actuarially Determined Contribution(ADC) for FYE 2027</b>	<b>3,307,083</b>	<b>520,339</b>	<b>162,918</b>	<b>3,990,340</b>	<b>917,777</b>	<b>13,769,743</b>	<b>15,761,581</b>	<b>34,439,441</b>
ADC Increase/(Decrease) from Prior Year	(265,922)	(47,942)	(15,646)	(329,510)	(89,743)	28,815	210,864	(179,574)



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# Results of July 1, 2025 OPEB valuations

	City OPEB Plan						BOE OPEB Plan				Total Both Plans	
	CERF City	CERF BOE	CERF WPCA	Custodians	Fire	Police	Total	Teachers	Admin	Ed Assts		Total
Market return, FY 2024-25												12.38%
Accrued liability	\$48,916,062	\$7,967,467	\$2,747,683	\$6,473,312	\$95,344,827	\$110,177,290	\$271,626,641	\$23,693,206	\$1,897,671	\$346,872	\$25,937,749	\$297,564,390
Actuarial value of assets	49,487,797	8,060,591	4,009,272	6,548,972	96,459,224	111,465,049	276,030,905	24,859,005	1,991,044	363,939	27,213,988	303,244,893
Unfunded accrued liability	(571,735)	(93,124)	(1,261,589)	(75,660)	(1,114,397)	(1,287,759)	(4,404,264)	(1,165,799)	(93,373)	(17,067)	(1,276,239)	(5,680,503)
<b>Funded ratio</b>	<b>101.2%</b>	<b>101.2%</b>	<b>145.9%</b>	<b>101.2%</b>	<b>101.2%</b>	<b>101.2%</b>	<b>101.6%</b>	<b>104.9%</b>	<b>104.9%</b>	<b>104.9%</b>	<b>104.9%</b>	<b>101.9%</b>
Past service cost	(42,410)	(6,908)	(93,582)	(5,612)	(82,664)	(95,524)	(326,700)	(86,477)	(6,926)	(1,266)	(94,669)	(421,369)
Total normal cost	1,143,768	225,109	53,933	105,168	2,569,469	3,566,218	7,663,665	850,653	61,018	15,154	926,825	8,590,490
Expected employee contributions	0	0	0	0	0	244,491	244,491	0	0	0	0	244,491
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0
Net normal cost	1,143,768	225,109	53,933	105,168	2,569,469	3,321,727	7,419,174	850,653	61,018	15,154	926,825	8,345,999
Timing Adjustment	73,791	14,619	(2,656)	6,670	166,616	216,156	475,196	51,200	3,624	930	55,754	530,950
<b>Actuarially Determined Contribution (ADC) for FYE 2027</b>	<b>1,175,149</b>	<b>232,820</b>	<b>0</b>	<b>106,226</b>	<b>2,653,421</b>	<b>3,442,359</b>	<b>7,609,975</b>	<b>815,376</b>	<b>57,716</b>	<b>14,818</b>	<b>887,910</b>	<b>8,497,885</b>
ADC Increase/(Decrease) from Prior Year	643,543	86,827	0	76,295	1,518,992	1,866,461	4,192,118	(181,219)	(11,059)	(22,078)	(214,356)	3,977,762

Note: the ADC for each individual group is equal to the sum of the Past Service Cost, Net Normal Cost, and Timing Adjustment for that group, but cannot be less than \$0 (e.g., CERF WPCA). The total ADC for the plan is equal to the sum of the ADCs of the individual groups.



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# Liability for pension benefits

## Accrued Liability as of July 1, 2025: \$1,041.0 million in total

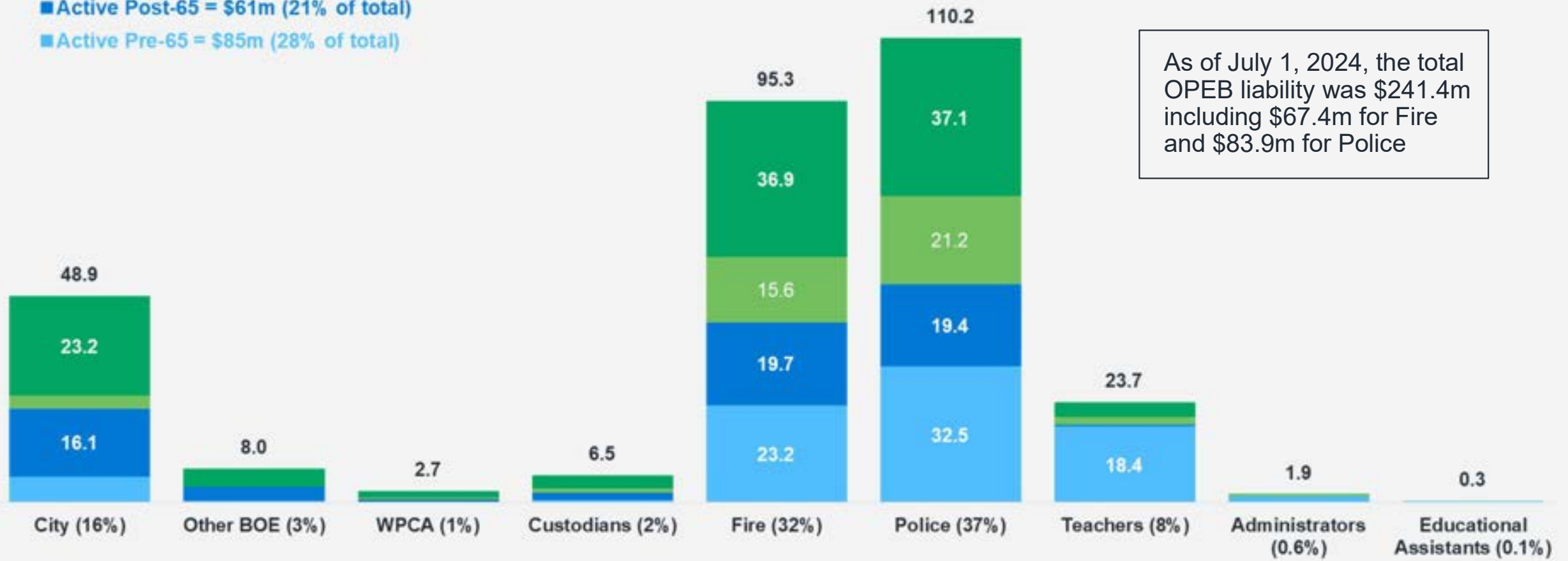
- Beneficiaries = \$68.1 million (7% of the total)
- Disabled Retirees = \$177.4 million (17% of the total)
- Service Retirees = \$360.2 million (35% of the total)
- Terminated Members = \$17.5 million (2% of the total)
- Active Members = \$417.9 million (40% of the total)



# Liability for OPEB benefits

Accrued Liability as of July 1, 2025: \$297.6 million in total

- Retiree Post-65 = \$108m (36% of total)
- Retiree Pre-65 = \$43m (15% of total)
- Active Post-65 = \$61m (21% of total)
- Active Pre-65 = \$85m (28% of total)

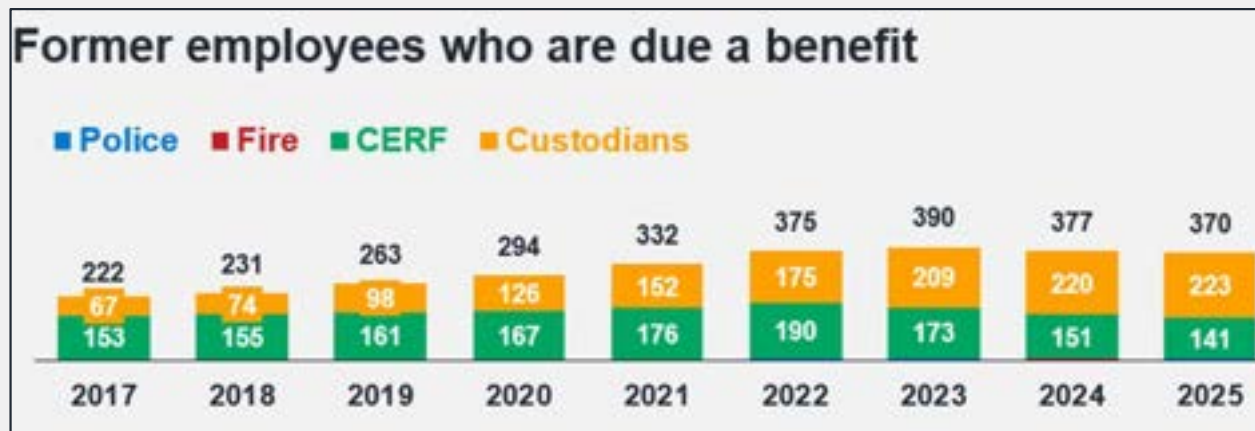
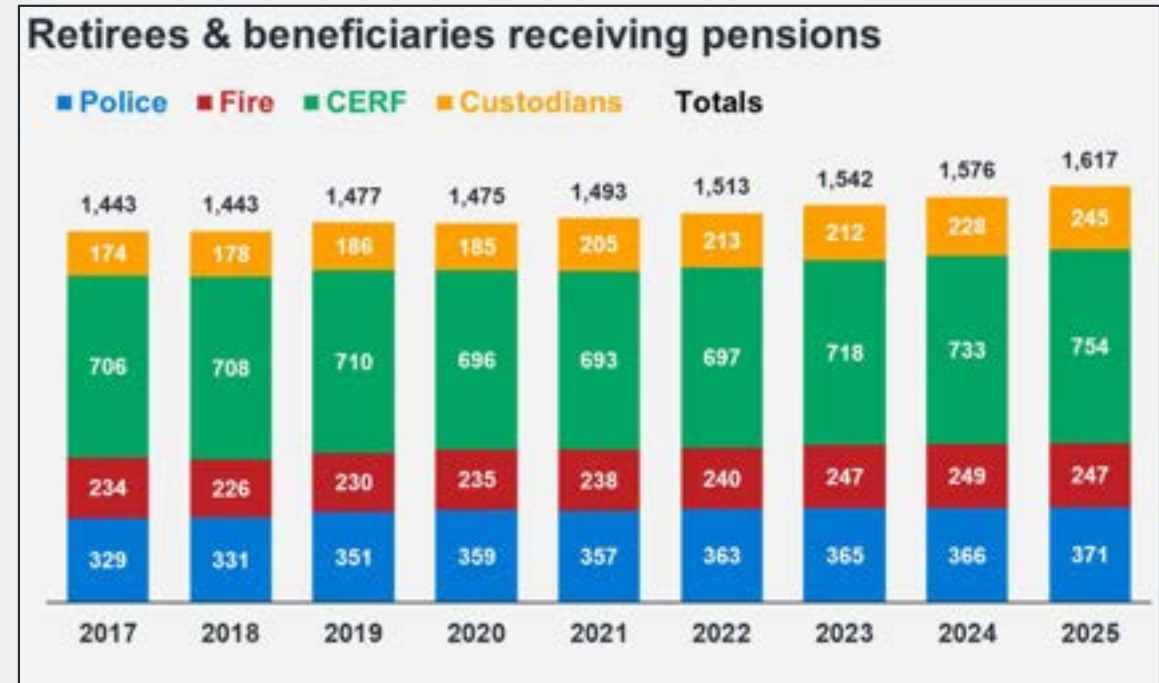
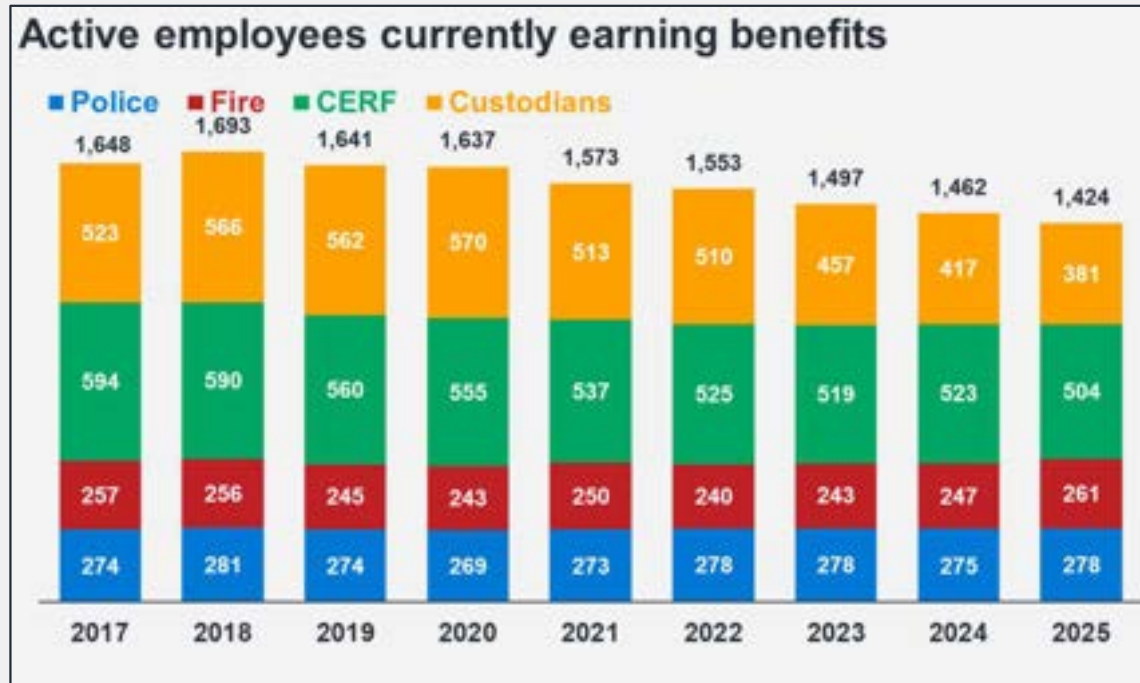


As of July 1, 2024, the total OPEB liability was \$241.4m including \$67.4m for Fire and \$83.9m for Police



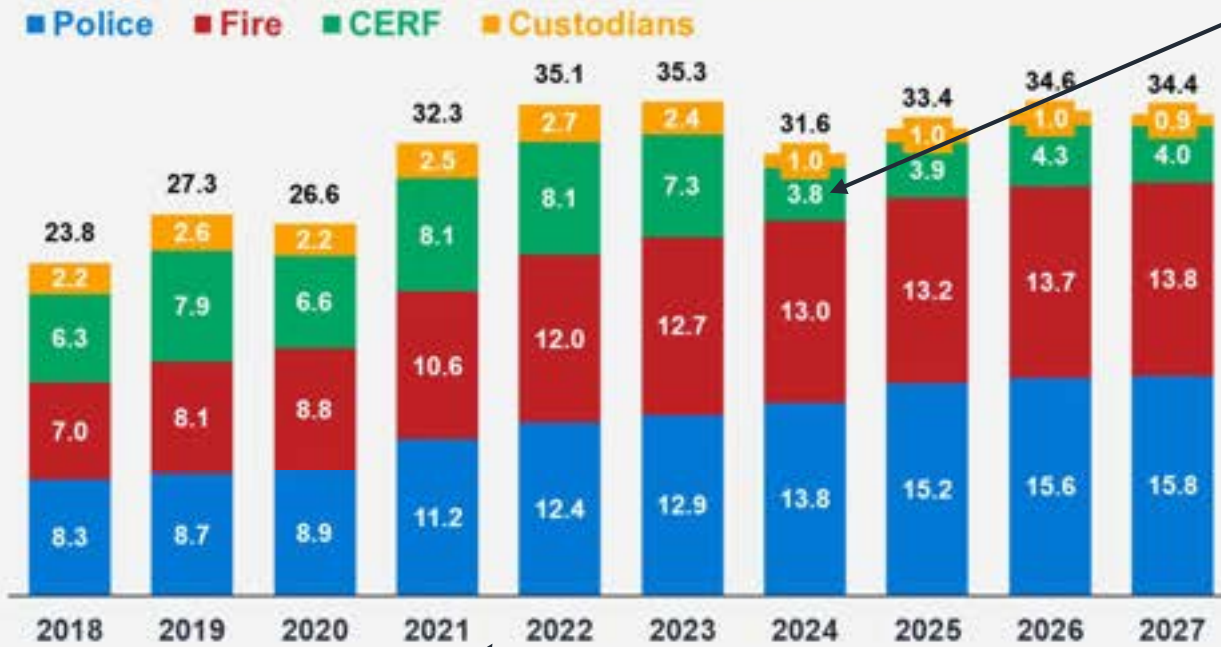
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# Historical pension member counts



# Historical pension metrics

## Actuarially Determined Contributions



A number of assumptions were revised as a result of an experience study for the CERF plan

## Funded Ratios



The interest rate decreased several times during this period (FYE 2021- 2023) and the mortality table was updated (FYE 2021)

# Historical investment performance

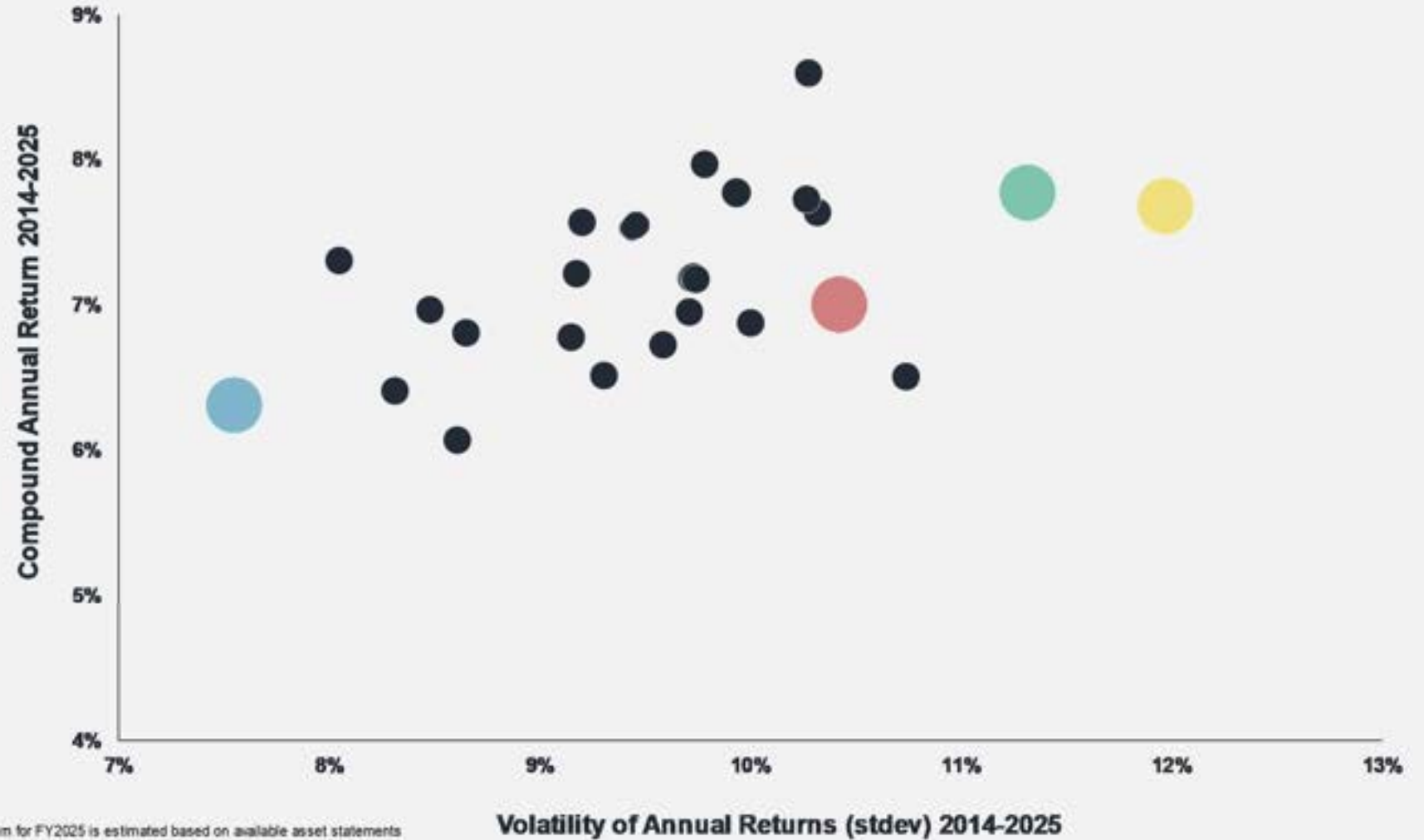
Fiscal Year Ending June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Compound Annual Return	Standard Deviation of Annual Returns
Police	15.13%	4.38%	-2.15%	10.81%	9.18%	1.92%	-3.18%	18.70%	-4.22%	6.26%	14.76%	7.06%	6.31%	7.55%
Fire	12.67%	-0.15%	-3.38%	14.22%	8.60%	6.28%	-1.68%	30.91%	-9.31%	9.06%	10.56%	11.61%	7.00%	10.42%
CERF	16.65%	1.44%	-4.38%	14.62%	9.77%	4.50%	6.29%	32.89%	-12.92%	9.83%	9.39%	11.94%	7.79%	11.32%
Custodians	16.34%	0.73%	-3.37%	14.27%	8.89%	5.18%	6.25%	32.39%	-17.12%	11.47%	12.18%	12.43%	7.68%	11.97%
OPEB				13.43%	8.51%	4.84%	6.55%	31.05%	-15.63%	11.59%	11.26%	12.38%	8.71%	12.03%



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# Selected CT municipalities – pension returns FYE 2014-25

	Compound		Volatility of	
	Annual Return	12-Year Rank	Annual Returns	12-Year Rank
Bristol	7.64%	7	10.31%	5
Bridgeport Plan A	6.08%	27	8.60%	23
Bridgeport Police Plan B	7.97%	2	9.78%	10
Bridgeport Fire Plan B	6.41%	25	8.31%	25
Fairfield General	7.53%	10	9.43%	17
Fairfield Police & Fire	7.55%	9	9.45%	16
Glastonbury	6.96%	18	9.71%	14
Greenwich	7.57%	8	9.20%	19
Hartford	6.81%	20	8.64%	22
Manchester	6.72%	22	9.58%	15
Meriden Employees*	6.78%	21	9.14%	21
Meriden Police*	7.22%	12	9.17%	20
Meriden Fire*	6.52%	23	9.30%	18
Middletown	6.88%	19	10.00%	8
Milford	7.73%	5	10.26%	7
Norwalk General	7.19%	14	9.71%	13
Norwalk Fire	7.19%	13	9.73%	12
Norwalk Police	7.18%	15	9.74%	11
Norwich	7.31%	11	8.04%	26
<b>Stamford Fire</b>	<b>7.00%</b>	<b>16</b>	<b>10.42%</b>	<b>4</b>
<b>Stamford Police</b>	<b>6.31%</b>	<b>26</b>	<b>7.55%</b>	<b>27</b>
<b>Stamford CERF</b>	<b>7.77%</b>	<b>4</b>	<b>11.31%</b>	<b>2</b>
<b>Stamford Custodians</b>	<b>7.88%</b>	<b>8</b>	<b>11.97%</b>	<b>1</b>
Stratford	6.97%	17	8.47%	24
Waterbury	6.51%	24	10.74%	3
West Hartford	8.60%	1	10.27%	6
Westport	7.77%	3	9.93%	9



Source: Money-Weighted Rates of Return compiled from Annual Comprehensive Financial Reports filed with the CT Office of Policy and Management. Compounded returns and volatility (standard deviation) of returns for 2014-2025 were calculated by Milliman.

\*Return for FY2025 is estimated based on available asset statements



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# Market gains / losses relative to investment assumption

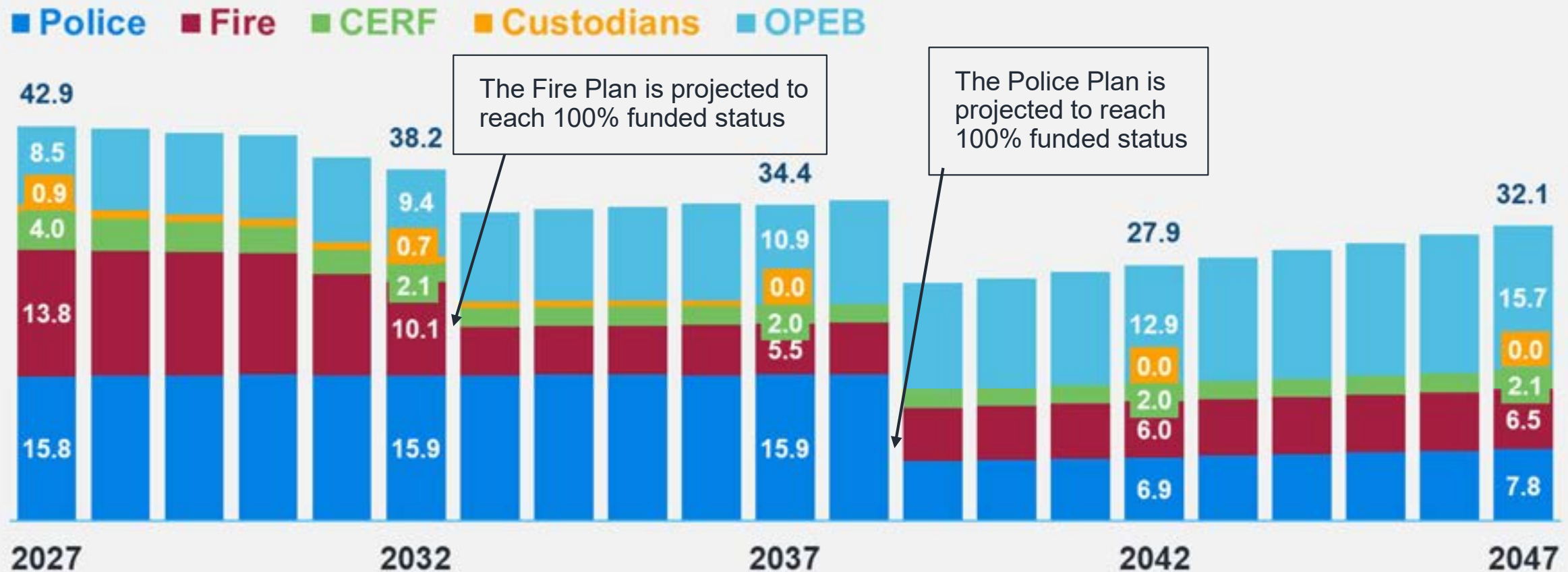
Police				CERF			
FYE	Actual Investment Return	Expected Return	Market Gain / (Loss)	FYE	Actual Investment Return	Expected Return	Market Gain / (Loss)
6/30/2016	(\$4,227,286)	\$14,747,812	(\$18,975,098)	6/30/2016	(\$9,080,116)	\$15,494,931	(\$24,575,047)
6/30/2017	20,375,655	13,843,122	6,532,533	6/30/2017	27,749,374	14,233,817	13,515,557
6/30/2018	18,688,574	14,400,082	4,288,492	6/30/2018	20,438,341	15,492,007	4,946,334
6/30/2019	4,166,104	15,364,266	(11,198,162)	6/30/2019	10,047,409	15,821,574	(5,774,165)
6/30/2020	(6,839,005)	15,003,262	(21,842,267)	6/30/2020	14,144,606	15,794,748	(1,650,142)
6/30/2021	37,414,071	14,000,233	23,413,838	6/30/2021	75,788,253	16,166,257	59,621,996
6/30/2022	(10,002,476)	16,091,946	(26,094,422)	6/30/2022	(38,930,346)	20,701,293	(59,631,639)
6/30/2023	13,945,020	14,530,581	(585,561)	6/30/2023	24,912,660	16,792,236	8,120,424
6/30/2024	34,304,473	15,150,954	19,153,519	6/30/2024	24,904,185	17,694,384	7,209,801
6/30/2025	18,603,872	17,168,863	1,435,009	6/30/2025	32,934,146	18,434,317	14,499,829
<b>All 10 Years</b>	<b>126,429,002</b>	<b>150,301,121</b>	<b>(23,872,119)</b>	<b>All 10 Years</b>	<b>182,908,512</b>	<b>166,625,564</b>	<b>16,282,948</b>
<b>Market Value June 30, 2025</b>			<b>273,202,404</b>	<b>Market Value June 30, 2025</b>			<b>301,348,460</b>
<b>All 10 Years ÷ Market Value</b>			<b>-9%</b>	<b>All 10 Years ÷ Market Value</b>			<b>5%</b>
			<b>Net Loss</b>				<b>Net Gain</b>

Fire				Custodians			
FYE	Actual Investment Return	Expected Return	Market Gain / (Loss)	FYE	Actual Investment Return	Expected Return	Market Gain / (Loss)
6/30/2016	(\$4,243,849)	\$8,919,322	(\$13,163,171)	6/30/2016	(\$1,949,305)	\$4,347,578	(\$6,296,883)
6/30/2017	16,677,565	8,332,156	8,345,409	6/30/2017	8,023,789	4,144,351	3,879,438
6/30/2018	11,320,351	9,319,469	2,000,882	6/30/2018	5,730,009	4,761,698	968,311
6/30/2019	8,901,866	9,932,371	(1,030,506)	6/30/2019	3,665,503	5,009,543	(1,344,040)
6/30/2020	(2,513,388)	10,323,635	(12,837,023)	6/30/2020	4,644,714	5,216,437	(571,723)
6/30/2021	44,438,027	10,019,964	34,418,063	6/30/2021	25,425,969	5,511,523	19,914,446
6/30/2022	(17,902,068)	12,987,408	(30,889,476)	6/30/2022	(17,978,860)	7,214,381	(25,193,241)
6/30/2023	15,902,641	11,359,029	4,543,612	6/30/2023	9,954,451	5,744,601	4,209,850
6/30/2024	20,304,790	12,469,486	7,835,304	6/30/2024	11,563,988	6,335,137	5,228,851
6/30/2025	24,744,602	13,861,943	10,882,659	6/30/2025	12,969,837	6,962,973	6,006,864
<b>All 10 Years</b>	<b>117,630,537</b>	<b>107,524,783</b>	<b>10,105,754</b>	<b>All 10 Years</b>	<b>62,050,095</b>	<b>55,248,222</b>	<b>6,801,873</b>
<b>Market Value June 30, 2025</b>			<b>232,015,651</b>	<b>Market Value June 30, 2025</b>			<b>115,687,626</b>
<b>All 10 Years ÷ Market Value</b>			<b>4%</b>	<b>All 10 Years ÷ Market Value</b>			<b>6%</b>
			<b>Net Gain</b>				<b>Net Gain</b>



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# Projected City Contributions (\$millions)



This forecast is based on the results of the July 1, 2025 actuarial valuations and assumes that the City will pay the Actuarially Determined Contribution each year, the assets will return the assumed interest rate on a market value basis each year, and there are no future changes in the actuarial methods or assumptions or in the plan provisions. In addition, the forecast has been developed by assuming that members will terminate, retire, become disabled, and die according to the actuarial assumptions with respect to these causes of decrement, and that pay increases, cost of living adjustments, and so forth will likewise occur according to the actuarial assumptions. For those unions whose new employees are eligible to participate in the plans, members who are projected to leave active employment are assumed to be replaced by new active members with the same age, service, gender, and pay characteristics as those hired in the past few years. Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.



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# Thank you

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