

City of Stamford

Board of Finance / Board of Representatives Pension and OPEB Discussion – April 1, 2025

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Agenda

- **High-level review of the results of the July 1, 2024 valuations**
- **Historical funded ratios and contribution levels**
- **Review of historical investment returns by plan**

Changes reflected in the July 1, 2024 valuations

- Modest asset gains for all plans
- No pension plan changes
- City OPEB valuation reflects continued shift of post-65 coverage to CT State Partnership Plan (SPP) for Police and Fire members
 - Post 65 SPP premiums increased by 90% from 1/1/2024 to 1/1/2025
 - The adverse impact of this premium increase was more than offset by the savings generated by the shift of plan members from higher cost legacy health plans to the lower cost SPP
 - All members are now on the SPP

Results of July 1, 2024 pension valuations

	CERF							All Four Plans
	City	BOE	WPCA	Total	Custodians	Fire	Police	
Member Counts								
- Active	413	90	20	523	417	247	275	1,462
- Inactive	129	17	5	151	220	3	3	377
- Retired	616	86	31	733	228	249	366	1,576
Market return, FY 2023-24				9.39%	12.18%	10.56%	14.76%	
Accrued liability	\$250,539,820	\$31,781,529	\$15,297,009	\$297,618,358	\$97,790,769	\$265,515,265	\$351,251,805	\$1,012,176,197
Actuarial value of assets	236,302,788	29,975,530	14,570,158	280,848,476	104,145,104	209,444,642	263,430,300	857,868,522
Unfunded accrued liability	14,237,032	1,805,999	726,851	16,769,882	(6,354,335)	56,070,623	87,821,505	154,307,675
Funded ratio	94.3%	94.3%	95.2%	94.4%	106.5%	78.9%	75.0%	84.8%
Past service cost	1,551,886	196,067	73,660	1,821,613	0	8,654,235	9,583,713	20,059,561
Total normal cost	3,318,723	615,071	190,224	4,124,018	1,959,330	5,607,749	6,416,942	18,108,039
Expected employee contributions	1,723,917	315,970	108,109	2,147,996	1,109,075	1,589,888	1,736,412	6,583,371
Administrative expenses	201,954	37,429	11,576	250,959	94,000	206,000	310,000	860,959
Net normal cost	1,796,760	336,530	93,691	2,226,981	944,255	4,223,861	4,990,530	12,385,627
Timing Adjustment	224,359	35,684	11,213	271,256	63,265	862,832	976,474	2,173,827
Actuarially Determined Contribution (ADC) for FYE 2026	3,573,005	568,281	178,564	4,319,850	1,007,520	13,740,928	15,550,717	34,619,015



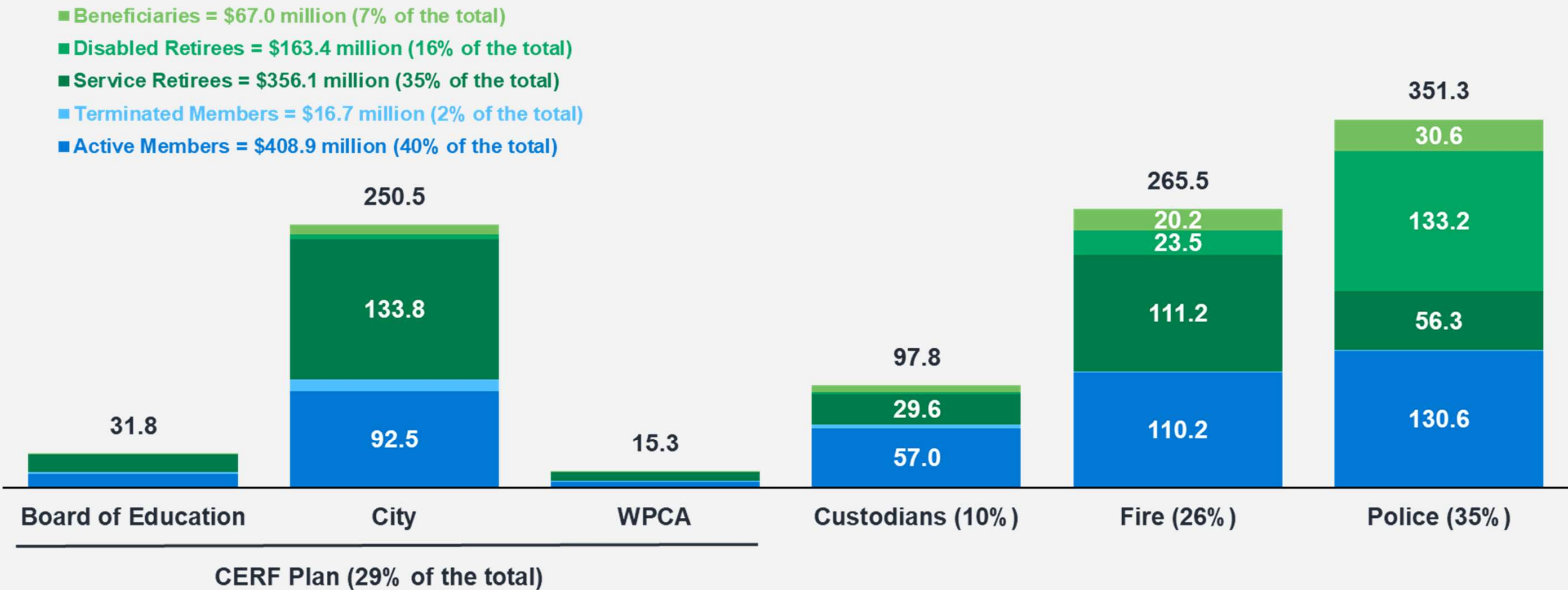
Results of July 1, 2024 OPEB valuations

	City OPEB Plan							BOE OPEB Plan				Total Both Plans
	CERF City	CERF BOE	CERF WPCA	Custodians	Fire	Police	Total	Teachers	Admin	Ed Assts	Total	
Member Counts												
- Active	469	88	20	85	265	270	1,197	1,467	90	374	1,931	3,128
- Inactive	0	0	0	0	0	0	0	0	0	0	0	0
- Retired	438	60	25	97	340	382	1,342	46	3	0	49	1,391
Market return, FY 2023-24												11.26%
Accrued liability	\$46,777,861	\$7,383,689	\$2,581,596	\$6,830,696	\$67,429,779	\$83,892,197	\$214,895,818	\$23,727,660	\$2,021,951	\$746,145	\$26,495,756	\$241,391,574
Actuarial value of assets	56,382,336	8,899,715	3,930,140	8,233,181	81,274,526	101,117,024	259,836,922	22,936,448	1,954,528	721,264	25,612,240	285,449,162
Unfunded accrued liability	(9,604,475)	(1,516,026)	(1,348,544)	(1,402,485)	(13,844,747)	(17,224,827)	(44,941,104)	791,212	67,423	24,881	883,516	(44,057,588)
Funded ratio	120.5%	120.5%	152.2%	120.5%	120.5%	120.5%	120.9%	96.7%	96.7%	96.7%	96.7%	118.3%
Past service cost	(712,443)	(112,456)	(100,033)	(104,034)	(1,026,978)	(1,277,706)	(3,333,650)	58,691	5,001	1,846	65,538	(3,268,112)
Total normal cost	1,210,668	249,282	57,287	132,086	2,090,173	2,996,751	6,736,247	875,325	59,455	32,733	967,513	7,703,760
Expected employee contributions	0	0	0	0	0	242,103	242,103	0	0	0	0	242,103
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0
Net normal cost	1,210,668	249,282	57,287	132,086	2,090,173	2,754,649	6,494,145	875,325	59,455	32,733	967,513	7,461,658
Timing Adjustment	33,381	9,167	(2,864)	1,879	71,234	98,955	211,752	62,579	4,319	2,317	69,215	280,967
Actuarially Determined Contribution (ADC) for FYE 2026	531,606	145,993	0	29,931	1,134,429	1,575,898	3,417,857	996,595	68,775	36,896	1,102,266	4,520,123

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.

Liability for pension benefits

Accrued Liability as of July 1, 2024: \$1,012.2 million in total



Liability for OPEB benefits

Accrued Liability as of July 1, 2024: \$241.4 million in total

- Employee Pre-65 = \$47m (20% of total)

▤ Spouse of Employee Pre-65 = \$31m (13% of total)

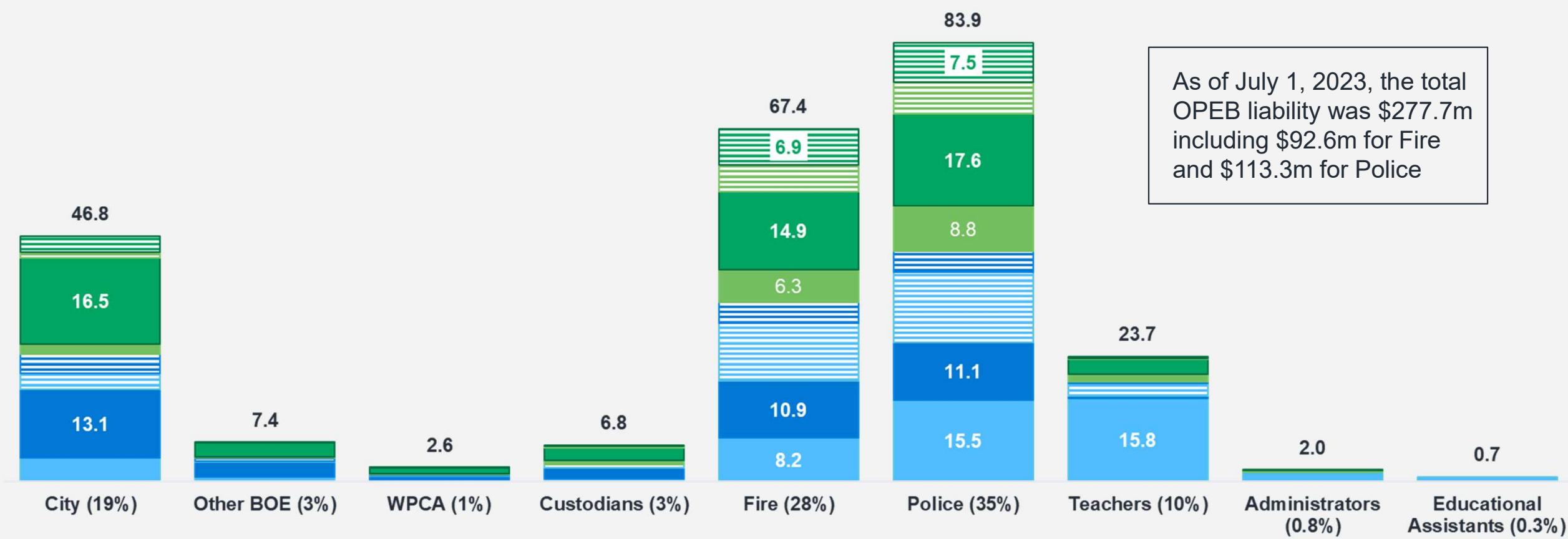
■ Retiree Pre-65 = \$20m (8% of total)

▤ Spouse of Retiree Pre-65 = \$13m (5% of total)
- Employee Post-65 = \$41m (17% of total)

▤ Spouse of Employee Post-65 = \$13m (5% of total)

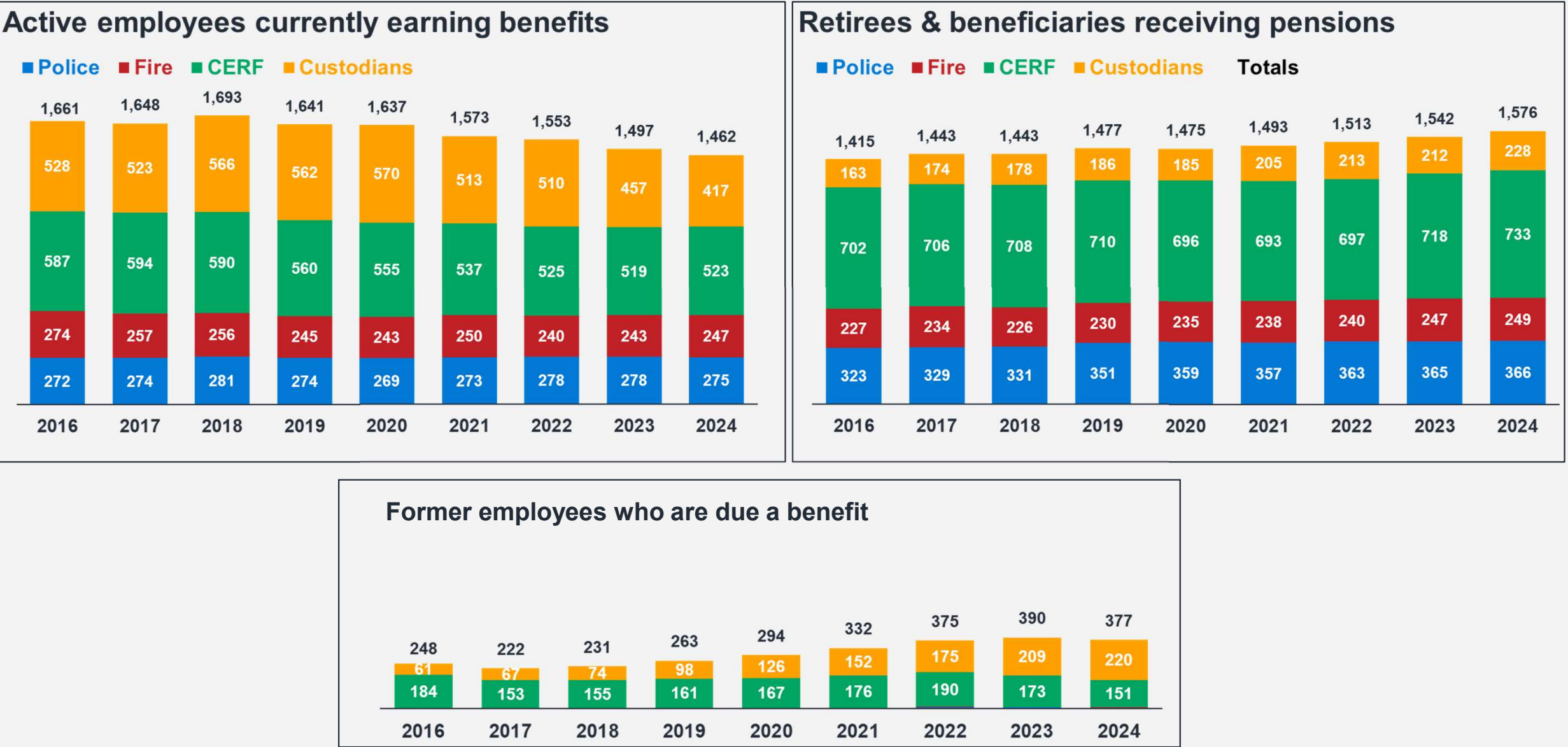
■ Retiree Post-65 = \$58m (24% of total)

▤ Spouse of Retiree Post-65 = \$18m (8% of total)

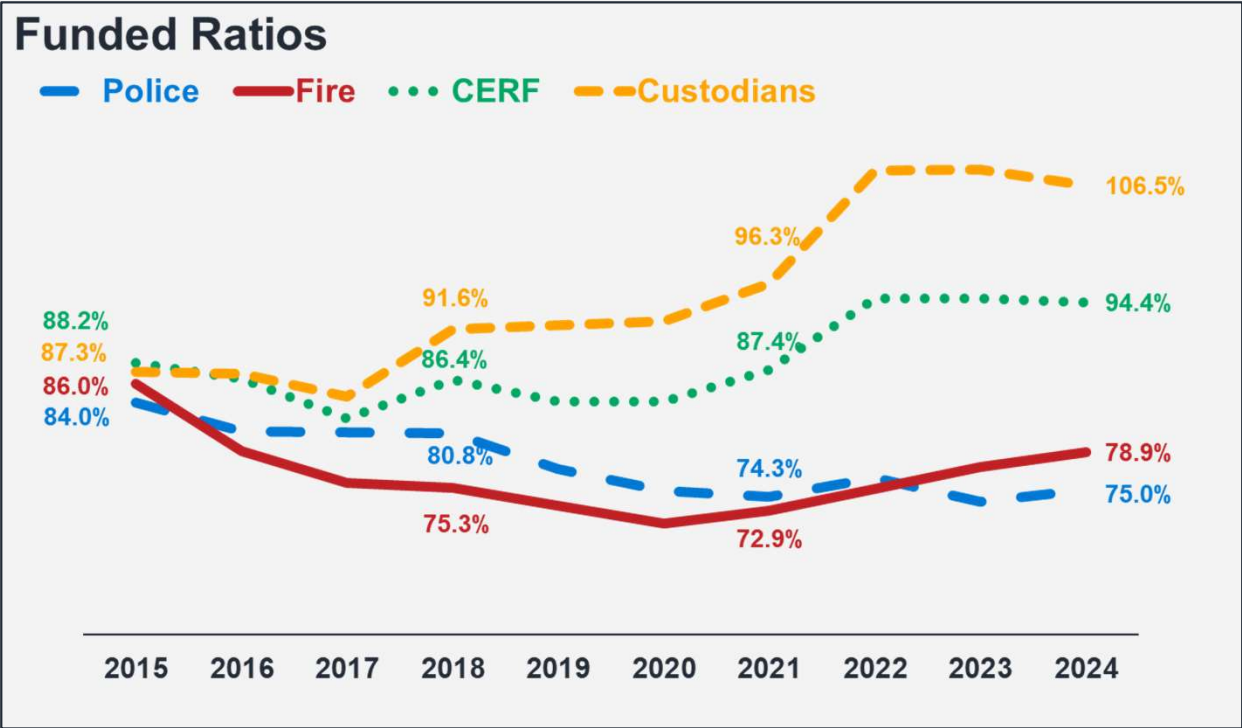
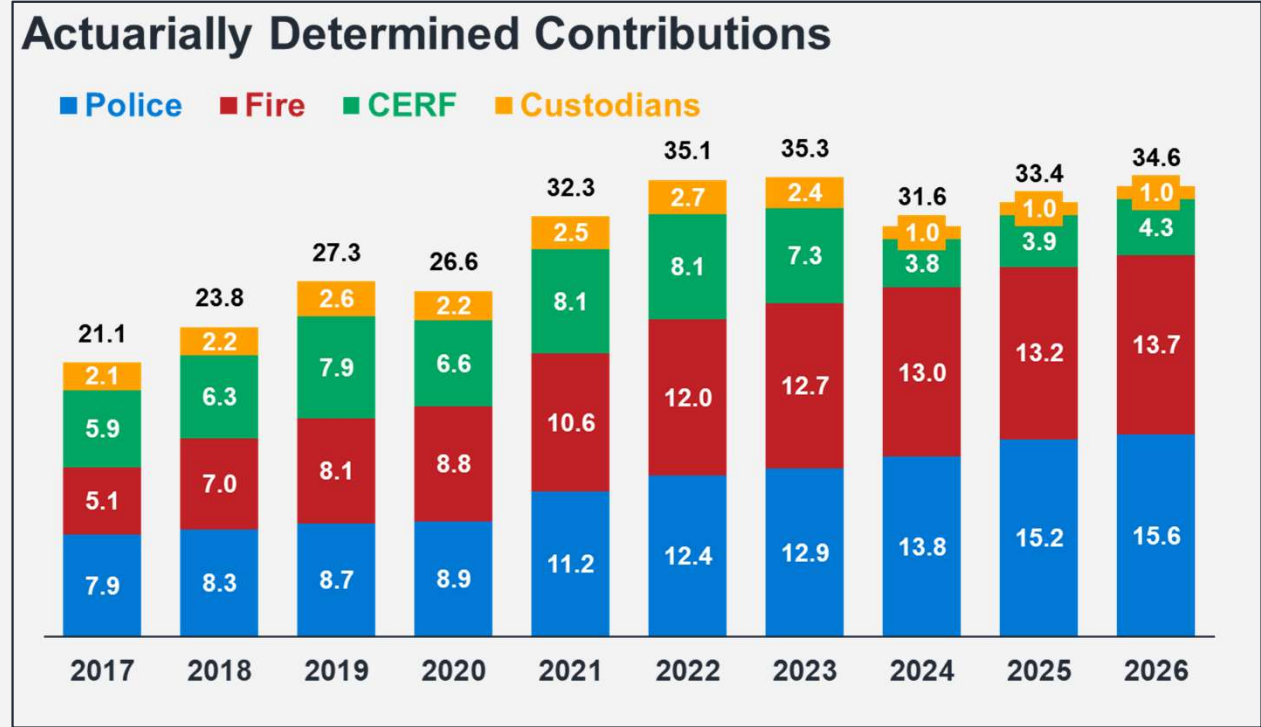


As of July 1, 2023, the total OPEB liability was \$277.7m including \$92.6m for Fire and \$113.3m for Police

Historical pension member counts

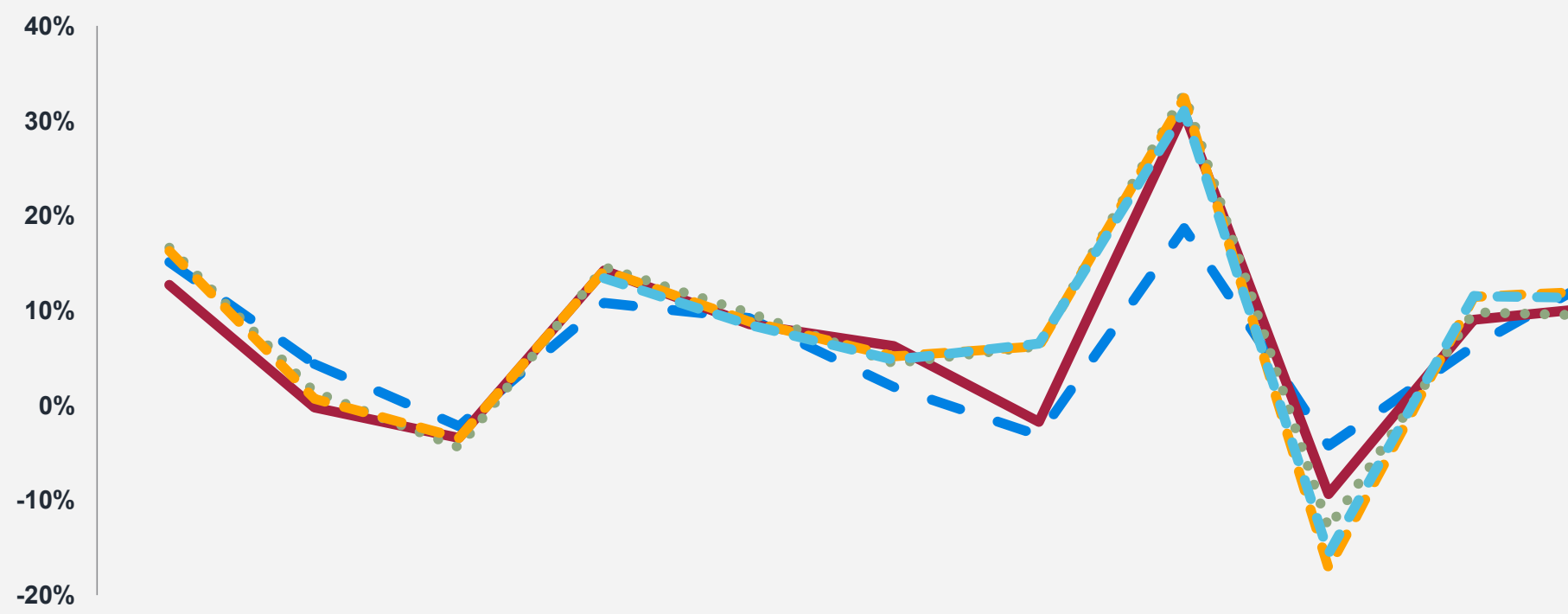


Historical pension metrics

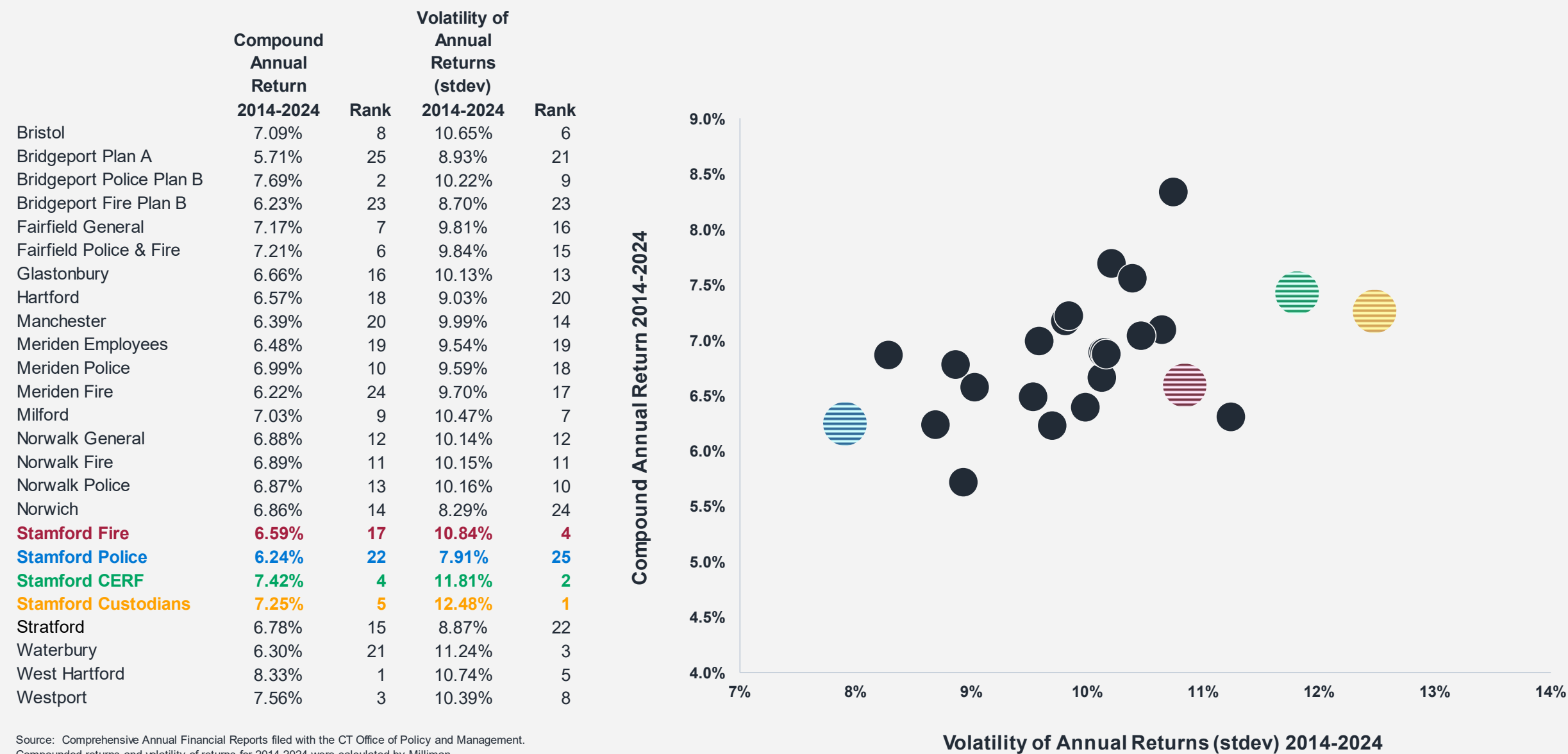


Historical investment performance

Fiscal Year Ending												Compound Annual Return	Standard Deviation of Annual Returns
June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
Police	15.13%	4.38%	-2.15%	10.81%	9.18%	1.92%	-3.18%	18.70%	-4.22%	6.26%	14.76%	6.24%	7.91%
Fire	12.67%	-0.15%	-3.38%	14.22%	8.60%	6.28%	-1.68%	30.91%	-9.31%	9.06%	10.56%	6.59%	10.84%
CERF	16.65%	1.44%	-4.38%	14.62%	9.77%	4.50%	6.29%	32.89%	-12.92%	9.83%	9.39%	7.42%	11.81%
Custodians	16.34%	0.73%	-3.37%	14.27%	8.89%	5.18%	6.25%	32.39%	-17.12%	11.47%	12.18%	7.25%	12.48%
OPEB				13.43%	8.51%	4.84%	6.55%	31.05%	-15.63%	11.59%	11.26%	8.26%	12.81%



Selected CT municipalities – historical pension returns



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
6/30/2015	\$8,404,119	\$14,664,202	\$6,260,083	6/30/2015	\$3,015,465	\$16,004,777	\$12,989,312
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)
All 10 Years	116,229,249	147,796,460	31,567,211	All 10 Years	152,989,831	164,196,024	11,206,193
Market Value June 30, 2024			258,162,490	Market Value June 30, 2024			282,053,194
All 10 Years ÷ Market Value			12%	All 10 Years ÷ Market Value			4%

Fire				Custodians			
FYE	Actual Investment Return	Expected Return	Market (Gain) / Loss	FYE	Actual Investment Return	Expected Return	Market (Gain) / Loss
6/30/2015	(\$191,595)	\$9,878,553	\$10,070,148	6/30/2015	\$415,987	\$4,383,627	\$3,967,640
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)
All 10 Years	92,694,340	103,541,393	10,847,054	All 10 Years	49,496,245	52,668,876	3,172,631
Market Value June 30, 2024			206,561,456	Market Value June 30, 2024			105,076,234
All 10 Years ÷ Market Value			5%	All 10 Years ÷ Market Value			3%



Thank you

Becky Sielman