

EXECUTIVE SUMMARY
CITY OF STAMFORD
AND STAMFORD POLICE ASSOCIATION

October 20, 2023

The City of Stamford and the Stamford Police Association reached a four-year successor agreement to the agreement that expired on June 30, 2022. The parties commenced negotiations in April 2022, and with the assistance of a mediator reached this four-year agreement.

A summary of the terms of the agreement and associated cost are highlighted below. The item that was a main subject of the negotiations was the matter of the defined benefit plan and its disability provision. The current disability provision provides that an officer qualifies for a disability pension once the officer receives a 30% rating from workers' compensation. There are no minimum years of services required to receive this disability benefits based on a 30% workers' compensation rating. The experience under this language has been that there are more disability retirements than ordinary retirements and disability benefits are granted to officers with only a few years of employment. In April of 2023, Milliman made a budget presentation in which they noted that accrued liabilities as of July 1, 2022, for the police pension plan for disability pensions totaled \$125.7 million while accrued liabilities for ordinary service retirements totaled only \$48.5 million. Correcting this inequity and enormous financial impact on the pension fund was a main objective for the city in the negotiations. The City did accomplish correcting this issue by replacing the 30% rating language with language found in most pension plans providing for a disability benefit when the officer is permanently disabled from performing the duties of a police officer. The determination will be made by medical providers and not based on a numerical rating.

In exchange for this change in the disability provision, the City agreed to a modest COLA provision for retirees age 65 or older of one percent (1%) each July 1. The combination of these two changes to the police pension plan will have a near term increase cost but long-term savings to the plan. Milliman's cost analysis of these pension changes is attached to this executive summary.

We believe that this was a fair outcome considering the terms negotiated in this four-year agreement.

- **Term:** July 1, 2022 – June 30, 2026.
- **Wages:** July 1, 2022, 2.85%, July 1, 2023, 3.175%, July 1, 2024, 3.175 % and July 1, 2025, 3.175%.
(see attached cost analysis)
- **Employee Medical Cost Share:** Effective January 1, 2024, an increase of ½ % to 13.5%, effective July 1, 2024, an increase of ½ % to 14% and effective January 1, 2026, an increase of ½ % to 14.5%.
(-\$97,322 over term of contract).
- **Retiree Medical:** Limit a retirees' ability to opt in and opt out of medical occasion to one time; currently there is no limitation.
- **Compensatory time:** Place a maximum on an officer's ability to earn compensation time to 240 hours in a fiscal year. Currently, officers can earn and use well beyond 240 hours.

- **Pension COLA:** Officers who retire effective November 1, 2023, shall be eligible to receive a one percent (1%) increase each July 1. **(see attached Milliman cost analysis)**
- **Pension Disability:** Eliminate the 30% workers' compensation rating to qualify for a disability retirement to the standard of permanently disabled from performing the full duties of a police officer as described in the job description. **(see attached Milliman cost analysis)**
- **Emergency Sick Leave Bank:** Amend the eligibility requirement to apply for sick leave to include employees who are unable to work due to illness or disability resulting from pregnancy.
- **Education Incentive:** Increase the education stipend by \$200 effective July 1, 2022. **(\$170,400 Over 4-year term of contract).**
- **Master Police Officer:** Effective July 1, 2024, create a designation of Master Police Officer for police officers who meet the service and certifications requirements. Master Police Officers shall receive a 2.75% non-pensionable stipend based on the top police officer step. **(\$73,402 annually).**
- **Detective:** Effective July 1, 2024, create a designation of Detective for police officers assigned to one of the designated units. Detectives shall receive a 5.5% non-pensionable stipend based on the top police officer step. **(\$209,720 annually).**
- **Leave Time – 457 Plan:** Provide an officer with the ability to cash out a combination of compensatory, up to 25 vacation days and up to 10 sick days to the officer's 457 plan.

**The Stamford Police Association
and
The City of Stamford
TENTATIVE AGREEMENT, October 20, 2023**

1. Duration:

Four (4) year agreement July 1, 2022 – June 30, 2026.

2. Wages:

7/1/22: 2.85%, retroactive
7/1/23: 3.175%, retroactive
7/1/24: 3.175%
7/1/25: 3.175%

3. The Parties agree to the following proposals, which are housekeeping in nature:

City Proposal 1: Union checkoff
City Proposal 4: gender neutral references
City Proposal 6: deleting effective date to reflect current status
City Proposal 7: deleting effective date to reflect current status
City Proposal 10: deleting effective date to reflect current status

4. Retiree benefits:

Upon retirement, an employee is allowed to opt back into the City's Medical Plan only one-time regardless of whether said employee took or did not take the City's Medical Plan at the time of retirement.

5. Insurance premium:

Cost share shall increase as follows:
7/1/22: remain at 13%
1/1/24: 13.5%
7/1/24: 14%
1/1/26 14.5%

6. Compensatory time – amend agreement as follows:

1. This Agreement shall supersede and replace the parties' March 14, 2005, Agreement in its entirety.
2. The City and Union agree that when an officer would normally be entitled

to overtime at a rate of one and one half (1½) times his/her hourly rate for hours worked, the officer may elect to receive compensatory time in lieu of overtime pay calculated at one and one half (1½) times the number of hours actually worked.

3. **Effective July 1, 2024, no employee can earn and accumulate more than two hundred forty (240) hours of compensatory time in total for any fiscal year. In the sole discretion of the Chief of Police, the maximums set forth above may be waived due to unusual circumstances.**
4. ~~Failure to utilize earned compensatory time within twelve months of its accrual will result in the hours being forfeited without compensation to the officer.~~ **Any amount of unused compensatory time may be carried over into the next fiscal year and be deducted from the two hundred forty (240) hours maximum for the new fiscal year. Ex: if an employee carries over 30 hours of compensatory time, the employee will start the new fiscal year with a bank of thirty hours towards their next year's maximum of 240 hours.**
5. **In addition to above #4, at the end of the fiscal year, an employee may elect to trade in any unused compensatory time for cash payment or cash in unused compensatory time pursuant to paragraph 14 below, or any combination thereof. All request for compensatory time cash payment must be made in writing prior to June 30th and will be paid out during July.**
6. ~~Unused compensatory time will have no "cash out" value and will be forfeited if unused at the time of an officer's separation of employment, for any reason.~~
6. ~~An officer~~ employee ~~must~~ schedule the use of compensatory time in either four (4) or eight (8) hour increments and indicate that he/she is utilizing compensatory time at the time he/she submits his/her requests for time off.
7. All requests for time off using compensatory time must be recorded in a vacant slot in the "Day Off Book" and will be approved in accordance with the existing procedure for granting any other request for paid time off (other than sick).
8. Requests for the use of compensatory time off in hourly increments may be approved provided that it does not cause the number of personnel on duty to fall below minimum manning during the period the officer has requested off.

7. Pension adjustments:

An employee who retires on or after November 1, 2023, with a normal retirement with twenty (20) or more years of service, or with a disability retirement, shall be eligible to receive a cost-of-living increase of one percent (1%) of their retirement benefit every year effective on July 1. The first increase will be effective on July 1, 2024. Retirees who have attained age 65 by July 1 of each year will be eligible for the increase. Upon the death of a retiree who was receiving the cost-of-living adjustment, the named beneficiary shall continue to receive the cost-of-living adjustment of one percent (1%) of the beneficiary's retirement benefit every year on July 1.

8. Disability pension:

Retain current disability language for employees on a list agreed to by the Association and the City of employees who currently have 1) a disability rating of at least 30%, and 2) for employees who currently have a pending workers compensation claim which is pending a rating or has not been rated through the Workers' Compensation process and approved by the Workers' Compensation Commission, or by agreement between the parties. The parties acknowledge that the list of employees consists of approximately 78 employees and will be re-confirmed. Any employee on the employee list under above #2 will be removed from the list if after completion of the rating process, the employee's total cumulative rating is less than 30%. Upon removal from the list, the current disability pension language will apply.

1. Active employees shall be entitled to a Disability Pension equal to seventy five percent (75%) of his/her base pay at the time of the Application pursuant to the following:
 - i. if the active employee suffered a work-related illness or injury or repetitive trauma, including a mental condition/disability, which is accepted by the City through the Workers Compensation process; or by agreement between the Employee and the City, or after a contested hearing at which both the employee and the City appeared, and
 - ii. the Employee has sustained a permanent /partial physical injury/disability or has a permanent /partial mental condition/disability and is permanently unable to fully perform the functions of a police officer for the

Stamford Police Department as described in the job description.

- iii. In the event the criteria in both 1. i. and ii. are met, then the employee shall not be required to submit to any additional medical examination(s) requested or otherwise required by the pension board/charter in order to obtain a disability pension under this section.

B. If the active employee suffered a work related illness or injury or repetitive trauma, including a mental condition/disability, and said employee has not been determined to be permanently unable to perform the functions of a police officer or has not been determined to have a permanent /partial injury or disability in the Workers Compensation process or by agreement between the Employee and the City, then the employee will be entitled to a disability pension equal to seventy five percent (75%) of his/her base pay at the time of the Application under this paragraph if:

- i. at least two out of three independent medical physicians selected by the Pension Board concur that the employee has a permanent /partial physical injury/disability, including a mental condition/disability, and
- ii. at least two out of three of said independent medical physicians concur that the employee is permanently unable to fully perform the functions of a police officer for the Stamford Police Department as described in the job description.

3. The terms of this Article shall supersede any inconsistencies with the terms of the Police Pension Plan Compilation of Plan Benefits.

9. Emergency sick leave bank amend agreement as follows:

~~Commencing upon the execution date of this Agreement, an~~ **An** emergency sick leave bank known as the Stamford Police Association Emergency Sick Leave Bank (SLB) is created and shall be administered by the City of Stamford in accordance with the provisions hereunder to provide emergency sick leave as hereinafter stated.

Employees may transfer any earned paid sick leave days to the SLB. To be eligible for the SLB, one of the following must occur: ~~a) an existing employee must donate a minimum of one (1) day within one (1) month of the implementation of the SLB;~~ **a)** any employee must have contributed one (1) day during August of a succeeding year; or ~~e) b)~~ **b)** in the case of new employees, they must have contributed one (1) day within three (3) months of the date of hire. The Stamford Police Association shall forward a list to the Director of

Human Resources indicating the names of those employees and the number of days contributed no later than September 1 of each year.

The City will deduct the donated sick leave from each donating ~~officer's~~ **employee's** individual sick leave bank.

Any employee who has previously contributed will not be required to contribute any additional days to the SLB to maintain eligibility until such time as the balance in the SLB falls below 120 total days. At such time each participating employee shall contribute a minimum of one (1) additional day to remain eligible for the benefit. However, any eligible employee may contribute additional days as ~~he/she~~ **the employee** desires.

The transfer of paid sick leave, from the SLB to an eligible ~~individual~~ **employee**, is to be used to provide additional paid sick leave for extreme hardship cases due to non-job-related illness and/or injury, **including illness or disability resulting from the employee's pregnancy**, and is not intended for casual sick use. Any sick time transferred under this section is not subject to the conditions of Section 7L of this Agreement.

An eligible employee shall request paid sick leave from the SLB by submitting ~~his/her~~ **a** request to the Association.

The Association, on behalf of said ~~member~~ **employee** will submit the request directly to the Medical Review Officer (MRO), who is appointed as provided hereinafter, with a copy of such request to the Director of Human Resources.

1. Any eligible employee who satisfies the following criteria shall be entitled to receive the transfer of paid sick leave from the SLB:
 - a. **Except as otherwise provided in Paragraph d. below, Said said** employee must first fully exhaust his accumulated sick leave bank, and then exhaust any and all other accrued leave time; **and**
 - b. Said employee has been on leave for a non-job-related illness or injury for a minimum of thirty (30) consecutive calendar days. If an employee has less than thirty (30) days accumulated leave time, then ~~he/she~~ **the employee** must wait thirty (30) consecutive calendar days before ~~he/she~~ **the employee** is eligible to receive transferred sick leave time from the SLB;
 - c. Said employee has submitted medical documentation from his treating physician to the MRO. The MRO shall be a licensed physician, appointed by agreement of both parties, for the duration of the Collective Bargaining Agreement, subject to reappointment by agreement of both parties. The medical documentation submitted

shall detail the seriousness and nature of the illness or injury involved. The MRO shall confirm the seriousness and nature of the illness or injury involved utilizing said medical documentation.

d. An employee who is unable to report to work due to illness or disability resulting from pregnancy, may make application to the SLB notwithstanding the requirements of paragraphs a and b above. ~~Such employee must be on leave for a minimum of five (5) consecutive calendar days due to illness or disability resulting from pregnancy to be eligible to receive transferred sick leave from the SLB.~~

de. If the MRO is unable to confirm the seriousness and nature of the illness or injury from the medical documentation as provided above, said MRO may conduct or send the employee to have an Independent Medical Examination (IME). The IME shall be performed by a licensed physician, with expertise in the field of the illness or injury presented, to confirm the treating physician's report. The decision of the MRO, or the IME, shall be binding and final and not subject to the grievance procedure outlined in this Agreement.

ef. Nothing contained herein shall preclude a resubmission to the MRO based upon additional medical documentation.

fg. ~~Individuals~~ **Employees** are subject to continuing review by the MRO, to confirm the seriousness of the illness or injury. The MRO shall have the discretion to discontinue leave benefits under this provision if he/she determines that the individual is capable of returning to work.

2. In the event that the parties cannot agree upon the selection of said MRO, the City and the Association shall submit the matter to binding arbitration before M. Jackson Webber, Esq., under the rules of the American Arbitration Association (AAA), or another mutually agreed upon arbitrator as an alternate.
3. The costs of the MRO, the IME (if needed) and Arbitrator shall be borne equally by the City and the Association.
4. The transfer of paid sick leave to the SLB shall be in days, regardless of rank. Furthermore, the distribution of leave time from the SLB shall be in days, regardless of rank.
5. The maximum number of sick leave days an ~~individual~~ **employee** can receive, per fiscal year, from the SLB is sixty (60) days. The lifetime maximum number of sick leave days an ~~individual~~ **employee** can receive from the SLB is one-hundred twenty (120) days.

6. The Chief of Police, in his sole discretion, may authorize the use of additional sick leave days from the SLB to any ~~member~~ **employee** who has exhausted the maximum days set forth in paragraph (5) above. The Chief shall notify the Director of Human Resources of his decision to authorize or not authorize sick leave above the caps set forth in this section 5 above. The decision of the Chief of Police shall be final and not subject to the grievance procedure contained in this Agreement.

10. Education incentive:

Increase the incentives by \$200 retroactive to July 1, 2022.

11. Master Patrol Officer:

Effective July 1, 2024, the position of Master Police Officer shall be created in the department. The Master Police Officer position shall be an assignment for which employees who are Patrol Officers may be assigned by the Chief of the Department. Patrol Officers may be appointed as a Master Police Officer as follows:

1. If the Patrol Officer has eight (8) or more years of service and any two of the following certifications, he/she will be appointed as a Master Police Officer:

- Active FTO
- Academy Instructor
- SRT
- K9
- Bomb Squad
- Honor Guard
- CARS
- Motorcycle Squad
- Hostage Negotiation Team

NOTE: the Patrol Officer is required to maintain at least two of the foregoing certifications in order to retain the position of Master Police Officer.

2. If the Patrol Officer has fifteen (15) or more years of service, the Patrol Officer may be appointed as a Master Police Officer upon the recommendation by their supervisor, and approval by the Chief and Assistant Chiefs of the Department.

The assignment and removal from the position of Master Police Officer under this section #2 is at the discretion of the Chief of the Department with input from the Assistant Chiefs of the Department.

Employees assigned as Master Police Officers shall retain the rank of police officer for all purposes of call backs, minimum manpower overtime and extra duty assignments.

Employees assigned to the position of Master Police Officer shall receive an annual non-pensionable stipend equal to two and three quarters percent (2.75%) of the top Patrol step, paid in pro-rated weekly installments with the regular payroll. The effective date of the stipend shall commence with the effective date of the assignment to Master Police Officer and shall terminate with the effective date of removal from the assignment of Master Police Officer. The stipend shall not be included in the hourly rate of pay for any purpose. In addition, Master Police Officers who serve on the Bomb Squad while appointed as a Master Police Officer shall only be eligible for the Master Police Officer stipend and will not receive the Bomb Squad stipend.

12. Detective.

Effective July 1, 2024, the position of detective shall be created in the department. The detective position shall be an assignment for which employees in the rank of police officer may be assigned by the Chief of the department. The Chief of the Department shall determine the qualification for the position and shall prepare a summary of duties for the position of detective and the position shall have its own badge. Employees in the rank of police officer in the following units will be assigned as a detective:

- a. Major Crimes Unit
- b. Property Crimes Unit
- c. SVU/Youth Bureau
- d. Narcotics Unit
- e. Crime Scene Unit
- f. Digital Forensic Unit
- g. Behavioral Health Unit

The assignment and removal from the position of detective is at the discretion of the Chief of the Department with input from the Captain and Lieutenant of the Bureau of Criminal Investigation (BCI).

Employees assigned as detectives shall retain the rank of police officer for the purpose of order backs. Detectives shall be considered, after employees in the rank of police officer, when hiring for minimum manpower overtime. Departmental overtime hiring shall maintain RO and Non-RO principles of hiring as follows: RO Patrol Officers, RO Detectives, Non-RO Patrol Officers, and Non-RO Detectives.

Employees assigned to the position of detective shall receive an annual non-pensionable stipend of five- and one-half percent (5.5%) of top Patrol step, paid in pro-rated weekly installments with the regular payroll. The effective date of the stipend shall commence with the effective date of the assignment to detective and

shall terminate with the effective date of removal from the assignment of detective. The stipend shall not be included in the hourly rate of pay for any purpose.

13. Field Training Officer Stipend

An employee assigned by the Chief of the Department as a Field Training Officer shall receive a daily stipend for each day of work in such assignment. The daily stipend shall equal one hour at the overtime rate of pay of a **Sergeant** applicable to the shift the employee works as a Field Training Officer. The assignment as Field Training Officer is made at the complete discretion of the Chief of the Department. Nothing contained in this Agreement restricts or limits the Chief's discretion with this assignment or confers any right of assignment to employees so assigned. The FTO stipend shall not count toward an employee's monthly overtime hour total in determining eligibility for voluntary overtime opportunities.

14. Sick/Vacation/Compensatory Time:

Employees shall be allowed to cash out up to 25 days of vacation, 10 sick days, or any amount of compensatory time to the employee's 457 account with the City at an amount equal to the rate of said employee's daily rate. The employee's decision to cash out such time shall be made no later than the last pay period of May in each fiscal year. The payment to the employee's 457 account will be made during July of each year.

Accepted and Agreed:

For the Stamford Police Association:

BY:  10/20/23
David O'Meara, SPA President Date

For the City of Stamford:

BY: Alfred Cava 10/20/23
Alfred Cava, Director Date

POL Estimated Wage Cost Summary

Estimated Retro Wages

| | Estimated Wage Basis | % Increase | Fund Balance | | | Contingency | | | Future Obligation | | | | Grand Total |
|-------------------------------|----------------------|------------|-------------------------------|------------------|--------------------|-------------------------------|------------------|--------------------|-------------------------------|-------------------------------|------------------|-------------------------|---------------------|
| | | | Increase 1 (7/1/22 - 6/30/23) | Medicare (1.45%) | Total Fund Balance | Increase 2 (7/1/23 - 6/30/24) | Medicare (1.45%) | Total Contingency | Increase 3 (7/1/24 - 6/30/25) | Increase 4 (7/1/25 - 6/30/26) | Medicare (1.45%) | Total Future Obligation | |
| Increase 1 (7/1/22 - 6/30/23) | 34,304,105 | 2.850% | \$977,667 | \$14,176 | \$991,843 | \$977,667 | \$14,176 | \$991,843 | \$977,667 | \$977,667 | \$28,352 | \$1,983,686 | \$3,967,373 |
| Increase 2 (7/1/23 - 6/30/24) | 35,281,772 | 3.175% | \$0 | \$0 | \$0 | \$1,120,196 | \$16,243 | \$1,136,439 | \$1,120,196 | \$1,120,196 | \$32,486 | \$2,272,878 | \$3,409,317 |
| Increase 3 (7/1/24 - 6/30/25) | 36,401,968 | 3.175% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,155,762 | \$1,155,762 | \$33,517 | \$2,345,042 | \$2,345,042 |
| Increase 4 (7/1/25 - 6/30/26) | 37,557,731 | 3.175% | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,192,458 | \$17,291 | \$1,209,749 | \$1,209,749 |
| Totals | | | \$977,667 | \$14,176 | \$991,843 | \$2,097,863 | \$30,419 | \$2,128,282 | \$3,253,626 | \$4,446,084 | \$111,646 | \$7,811,355 | \$10,931,481 |



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milliman.com

September 15, 2023

PERSONAL & CONFIDENTIAL

Mr. Alfred Cava
Director of Human Resources
City of Stamford
Via email

Re: The Police Pension Trust Fund of the City of Stamford
Proposed Plan Change

Dear Al:

At your request, we have analyzed the long-range financial impact of a proposed retirement plan change. The proposed plan change is as follows:

COLA Change: Provide a COLA for retirees age 65 and older who retire on or after July 1, 2022. The COLA will be effective July 1 of each year and is 1%. Members that retire with less than 20 years of service will not be eligible for the COLA, unless they retire with a disability pension. Beneficiaries will continue to receive any COLA the retiree was receiving.

PLUS

Disability Change: Members that currently have workers compensation cases with the City will be grandfathered in the current disability provisions. The list of these 76 members was provided to us by the City on July 26, 2023.

For those members that are not grandfathered, revise the disability benefit as follows:

- a) Employees that suffer a total and permanent disability as a result of a work related illness or injury will receive a pension equal to 100% of their pay. We refer to this definition of disability as an “any occupation” disability.
- b) Employees that suffer a permanent disability as a result of a work related illness or injury and can no longer work as a police officer, but do not qualify for the “any occupation” disability benefit above, will receive a pension equal to 75% of their pay. We refer to this definition of disability as an “own occupation” disability.

We prepared long-range forecasts of the City's Actuarial Accrued Liability, Net Normal Cost and Actuarially Determined Contributions for these changes. The results of our analysis, as well as an explanation of the projection methodology, can be found on the attached exhibit. If the attached exhibit is distributed, it must be distributed with a copy of this letter in its entirety.

Please note the following regarding our calculations:

- The proposed disability benefits are for work-related injury or illness. We did not assume any disability benefit is payable for a non-work related disability.
- We assumed the sick and vacation exchange option will continue to apply to disability benefits for those currently eligible for the exchange.
- Because the proposal reflects a new definition of disability, we have changed our assumed rates of disability for the non-grandfathered group. We developed separate rates for the "any occupation" and "own occupation" benefits as follows.
 - For the "any occupation" disabilities, we used the rates in the Social Security 2022 Trustees report and adjusted them by 50% to account for the fact that the proposed benefits are payable for work-related disabilities only.
 - For the "own occupation" disabilities, we reviewed the disability rates used by large pension plans that cover public safety employees such as the state pension plans of New Jersey, Ohio and Pennsylvania and developed a set of rates based on their assumptions, with a 50% adjustment for the fact that the proposed benefits are payable for work-related disabilities only.
 - We assumed that any members that were previously assumed to receive a disability benefit but would no longer qualify under the proposed eligibility criteria, would still terminate employment and collect a regular vested or retirement pension. In other words, the total number of members terminating employment has remained the same under the proposed benefits scenario.
 - Our assumed disability rates are shown in the attached exhibit.
- Our valuation uses a different mortality assumption for disabled retirees versus healthy retirees. Healthy retirees are assumed to live longer than disabled retirees. We assume anyone who qualifies for the plan's disability benefit will have the shorter disabled life expectancy. Under the proposals, fewer members are expected to qualify for a disability benefit, and therefore fewer members will have a shorter assumed life expectancy per the disabled table. This change in the assumed mortality offsets some of the decrease in liabilities due to the change in the benefit structure.
- The liability from our valuations is likely understated because the assumption for the number of disabilities is lower than what actually been happening and the disabled mortality assumption is likely understating life expectancies for some of the members that meet the current disability criteria.
- Because our analysis is based on the July 1, 2021 valuation, we have used the Projected Unit Credit cost method. Starting with the July 1, 2022 valuation, we switched to the Entry Age Normal cost method. The proposed plan changes may impact the Actuarial Accrued

Liability, Net Normal Cost and Actuarially Determined Contributions differently under the Entry Age Normal cost method.

Except as noted above, our calculations are based on the actuarial methods and assumptions used for our July 1, 2021 valuation and assume the plan changes were made effective on that date. The actual cost will depend on the final form of the plan changes, the effective date, and the eligible members at that time. The proposed changes do not materially impact the analysis of risk that was presented in the July 1, 2021 valuation report.

It is certain that actual experience will not conform exactly to the assumptions used in this analysis. To the extent future experience deviates from those assumptions, the results of this analysis could vary from the results presented here. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as 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 our assignment, we did not perform an analysis of the potential range of such future measurements.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. 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. 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.

The results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP). The models, including all input, calculations, and output may not be appropriate for any other purpose.

Milliman's work is prepared solely for the internal business use of the City of Stamford. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product, and Milliman may include a legend on its reports so stating. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the City may provide a copy of Milliman's work, in its entirety, to the City's professional service advisors who are subject to a duty of confidentiality and who agree

Mr. Alfred Cava
September 15, 2023
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to not use Milliman's work for any purpose other than to benefit the City; and (b) the City may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law. No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

We have not explored any legal issues with respect to the proposed plan changes. We are not attorneys and cannot give legal advice on such issues. 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.

The signing actuary is independent of the plan sponsor. I am not aware of any relationship that would impair the objectivity of my work.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca".

Rebecca A. Sielman, FSA
Consulting Actuary

The Police Pension Trust Fund of the City of Stamford

Impact of Proposed Pension Plan Changes

Based on July 1, 2021 Valuation

Proposed Change: COLA for future retirees with 20+ years of service or with disability pension - fixed 1%, every year starting at age 65
PLUS Changes to Disability Benefits for non-grandfathered employees only
Grandfathering disability benefit only for those with Workers Comp claims

| Fiscal Year Ending | Baseline - No Changes | | | Proposed Change | | | | | |
|--------------------|-----------------------|-----------------|------------------|-------------------|---------------------|-----------------|---------------------------|--------------|---------------|
| | Accrued Liability | Net Normal Cost | ADC ¹ | Accrued Liability | Impact on Liability | Net Normal Cost | Impact on Net Normal Cost | ADC | Impact on ADC |
| 2022-23 | \$324,071,108 | \$3,720,656 | \$12,949,635 | \$324,071,108 | \$0 | \$3,720,656 | \$0 | \$12,949,635 | \$0 |
| 2023-24 | 333,522,000 | 3,636,000 | 12,815,000 | 332,998,000 | (524,000) | 4,064,000 | 428,000 | 13,213,000 | 398,000 |
| 2024-25 | 341,971,000 | 3,683,000 | 12,655,000 | 341,341,000 | (630,000) | 4,032,000 | 349,000 | 12,950,000 | 295,000 |
| 2025-26 | 350,025,000 | 3,748,000 | 12,503,000 | 349,210,000 | (815,000) | 4,114,000 | 366,000 | 12,739,000 | 236,000 |
| 2026-27 | 357,794,000 | 3,784,000 | 12,296,000 | 356,912,000 | (882,000) | 4,082,000 | 298,000 | 12,402,000 | 106,000 |
| 2027-28 | 365,327,000 | 3,816,000 | 12,090,000 | 364,243,000 | (1,084,000) | 4,137,000 | 321,000 | 12,149,000 | 59,000 |
| 2028-29 | 372,609,000 | 3,764,000 | 11,788,000 | 371,367,000 | (1,242,000) | 4,070,000 | 306,000 | 11,776,000 | (12,000) |
| 2029-30 | 379,394,000 | 3,793,000 | 11,566,000 | 377,979,000 | (1,415,000) | 4,095,000 | 302,000 | 11,492,000 | (74,000) |
| 2030-31 | 385,873,000 | 3,831,000 | 11,350,000 | 384,367,000 | (1,506,000) | 4,137,000 | 306,000 | 11,233,000 | (117,000) |
| 2031-32 | 392,202,000 | 3,904,000 | 11,175,000 | 390,639,000 | (1,563,000) | 4,228,000 | 324,000 | 11,037,000 | (138,000) |
| 2032-33 | 398,456,000 | 3,947,000 | 10,968,000 | 396,918,000 | (1,538,000) | 4,297,000 | 350,000 | 10,827,000 | (141,000) |
| 2033-34 | 404,769,000 | 4,039,000 | 10,819,000 | 403,277,000 | (1,492,000) | 4,419,000 | 380,000 | 10,680,000 | (139,000) |
| 2034-35 | 411,205,000 | 4,104,000 | 10,652,000 | 409,832,000 | (1,373,000) | 4,512,000 | 408,000 | 10,515,000 | (137,000) |
| 2035-36 | 417,860,000 | 4,200,000 | 10,532,000 | 416,576,000 | (1,284,000) | 4,635,000 | 435,000 | 10,394,000 | (138,000) |
| 2036-37 | 424,622,000 | 4,304,000 | 10,427,000 | 423,504,000 | (1,118,000) | 4,760,000 | 456,000 | 10,284,000 | (143,000) |
| 2037-38 | 431,640,000 | 4,400,000 | 10,324,000 | 430,711,000 | (929,000) | 4,878,000 | 478,000 | 10,176,000 | (148,000) |
| 2038-39 | 438,945,000 | 4,523,000 | 10,256,000 | 438,264,000 | (681,000) | 5,016,000 | 493,000 | 10,098,000 | (158,000) |
| 2039-40 | 446,697,000 | 4,608,000 | 10,177,000 | 446,198,000 | (499,000) | 5,122,000 | 514,000 | 10,005,000 | (172,000) |
| 2040-41 | 454,756,000 | 4,715,000 | 10,134,000 | 454,433,000 | (323,000) | 5,245,000 | 530,000 | 9,940,000 | (194,000) |
| 2041-42 | 463,100,000 | 4,890,000 | 10,173,000 | 462,957,000 | (143,000) | 5,436,000 | 546,000 | 9,958,000 | (215,000) |

¹ADC = Actuarially Determined Contribution

This projection is based on the results of the July 1, 2021 actuarial valuation and assumes that 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.

This work product was prepared solely for the City 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.

This exhibit should only be distributed with a copy of the accompanying letter dated 09/15/2023 in its entirety.

09/15/2023

The Police Pension Trust Fund of the City of Stamford

Analysis of Proposed Pension Plan Changes

Actuarial Assumptions

| Turnover | | July 1, 2021 Valuation | Used to Analyze Proposed Disability Benefit* | |
|----------|-----|------------------------|--|--------|
| | | Unisex | Male | Female |
| | 20 | 1.81% | 2.01% | 1.81% |
| | 25 | 1.63% | 1.83% | 1.63% |
| | 30 | 1.23% | 1.43% | 1.23% |
| | 35 | 0.78% | 0.98% | 0.88% |
| | 40 | 0.00% | 0.30% | 0.10% |
| | 45 | 0.00% | 0.70% | 0.40% |
| | 50 | 0.00% | 1.70% | 1.30% |
| | 55 | 0.00% | 3.90% | 3.80% |
| | 60 | 0.00% | 9.10% | 9.10% |
| | 65 | 0.00% | 9.10% | 9.10% |
| | >65 | 0.00% | 0.00% | 0.00% |

*Once the member is eligible for retirement, the turnover decrement becomes an additional retirement decrement

| Disability | Age | July 1, 2021 Valuation | Used to Analyze Proposed Disability Benefit* | | | |
|------------|-----|------------------------|--|----------------|------------------|----------------|
| | | Unisex Rate | Any Occupation | | Own Occupation** | |
| | | | Male Rate | Female Rate | Male Rate | Female Rate |
| | 20 | 0.30% | 0.07% | 0.05% | 0.04% | 0.26% |
| | 25 | 0.30% | 0.08% | 0.07% | 0.02% | 0.24% |
| | 30 | 0.30% | 0.10% | 0.10% | 0.02% | 0.21% |
| | 35 | 0.36% | 0.13% | 0.14% | 0.04% | 0.16% |
| | 40 | 0.54% | 0.18% | 0.21% | 0.09% | 0.23% |
| | 45 | 1.08% | 0.25% | 0.28% | 0.15% | 0.41% |
| | 50 | 2.40% | 0.42% | 0.45% | 0.34% | 0.63% |
| | 55 | 5.10% | 0.72% | 0.69% | 0.45% | 0.64% |
| | 60 | 10.44% | 0.90% | 0.77% | 0.40% | 0.61% |
| | 65 | 10.44% | 0.51% | 0.43% | 0.80% | 0.95% |

**Own occupation disabilities which do not qualify as any occupation disabilities

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