



***RETIREMENT PLAN FOR EMPLOYEES
OF THE TOWN OF STRATFORD***

ACTUARIAL VALUATION

***AS OF JULY 1, 2011
FOR FISCAL YEAR 2012-13***



80 Lambertson Road
Windsor, CT 06095
USA

Main +1 860 687 2110
Fax +1 860 687 2111

milliman.com

June 27, 2012

PERSONAL & CONFIDENTIAL

Pension Board
Town of Stratford

Re: Retirement Plan for Employees of the Town of Stratford

Dear Members of the Board:

We are pleased to present this July 1, 2011 actuarial valuation for the Retirement Plan for Employees of the Town of Stratford. This valuation forms the basis of contributions for the fiscal year 2012-13.

Section I contains an Executive Summary in which we present the principal results of this valuation. Details regarding plan liabilities and costs are found in Sections II. Section III shows the plan assets. Section IV contains information to be included in the Town's financial statements per GASB Statement No. 25. Sections V, VI, and VII contain information regarding plan membership, a description of the actuarial method and assumptions employed in this valuation, and an outline of the benefit provisions.

The Annual Required Contribution for fiscal year 2012-13 is 43.6% of covered payroll.

Respectfully submitted,

MILLIMAN, INC.

Rebecca A. Sielman, FSA
Consulting Actuary

Stephen Chykirda, ASA
Actuary

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RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF STRATFORD

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

A. Purpose of the Valuation

In accordance with the applicable provisions of the Internal Revenue Code and the Employee Retirement Income Security Act of 1974, we have performed an actuarial valuation of the Plan as of July 1, 2011 for the fiscal year beginning on July 1, 2012. This report presents the results of our valuation.

Purpose

The ultimate cost of a pension plan is the total amount needed to provide benefits for plan members and beneficiaries and to pay the expenses of administering the plan. Pension costs are met by contributions and by investment return on plan assets. The principal purpose of this report is to set forth an actuarial recommendation of the contribution, or range of contributions, which will properly fund the Plan, in accordance with applicable government regulations. In addition, this report provides:

- A valuation of plan assets and liabilities to review the year-to-year progress of funding.
- Information needed to meet disclosure requirements.
- Documentation of the current status of plan investments.
- Review of plan experience for the previous year to ascertain whether the assumptions and methods employed for valuation purposes are reflective of actual events and remain appropriate for prospective application.
- Assessment of the relative funded position of the Plan, i.e., through a comparison of plan assets and projected plan liabilities.
- Comments on any other matters which may be of assistance in the funding and operation of the plan.

This report may not be used for purposes other than those listed above without Milliman's prior written consent. If this report is distributed to other parties, we request that it be copied in its entirety, including this certification section.

Milliman's work is prepared solely for the internal business use of the Town. 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. 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 exception(s): (a) the Town may provide a copy of Milliman's work, in its entirety, to the Town's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Town; and (b) the Town 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. 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.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

Reliance

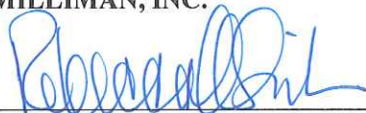
In preparing this report, we relied on employee census data and financial information as of the valuation date, furnished by the Town of Stratford and Wells Fargo. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. 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. 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.

Certification

The calculations reported herein have been made on a basis consistent with our understanding of ERISA and the related sections of the tax code. Additional determinations may be needed for purposes other than meeting funding requirements, such as judging benefit security at plan termination or meeting employer accounting requirements. On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate and all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices based on the actuarial methods and assumptions adopted by the Pension Board. We further certify that, in our opinion, each actuarial assumption, method and technique used is reasonable taking into account the experience of the Plan and reasonable expectations or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption, method or technique were reasonable. 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 the actuarial assignment, we did not perform an analysis of the potential range of such future measurement.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MILLIMAN, INC.



Rebecca A. Sielman, FSA
Consulting Actuary



Stephen Chykirda, ASA
Actuary

June 27, 2012

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Membership

The Town provides us with information concerning the Plan's population as of each July 1. Some of the characteristics of the participant group are summarized below:

	<i>July 1, 2010</i>	<i>July 1, 2011</i>
<i>Active Members</i>		
Number	341	330
Average Age	45.9	46.2
Average Service	14.9	15.3
Total Payroll	\$23,991,550	\$23,551,913
Average Payroll	\$70,360	\$71,370
<i>Suspended Members*</i>	21	17
<i>Retired and Disabled Members and Beneficiaries of Deceased Members</i>		
Number	599	613
Average Annual Benefits	\$29,531	\$30,049
Average Age	68.5	68.9
<i>Terminated Vested and Inactive Members</i>		
Number	18	19
Average Annual Benefits	\$12,287	\$17,120
Average Age	47.6	48.0
<i>Total Size of Membership</i>	958	979

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan.

The active population decreased from 341 members on July 1, 2010 to 330 members on July 1, 2011. The number of members in pay status grew, from 599 to 613. The total payroll decreased from \$23,991,550 to \$23,551,913.

Pay increases for Town and Board of Education employees were well below our assumed 4% assumption, leading to significant gains. However, these gains were offset by losses from large pay increases for Fire and Police Plan A members.

More information on the plan membership can be found in Section V.

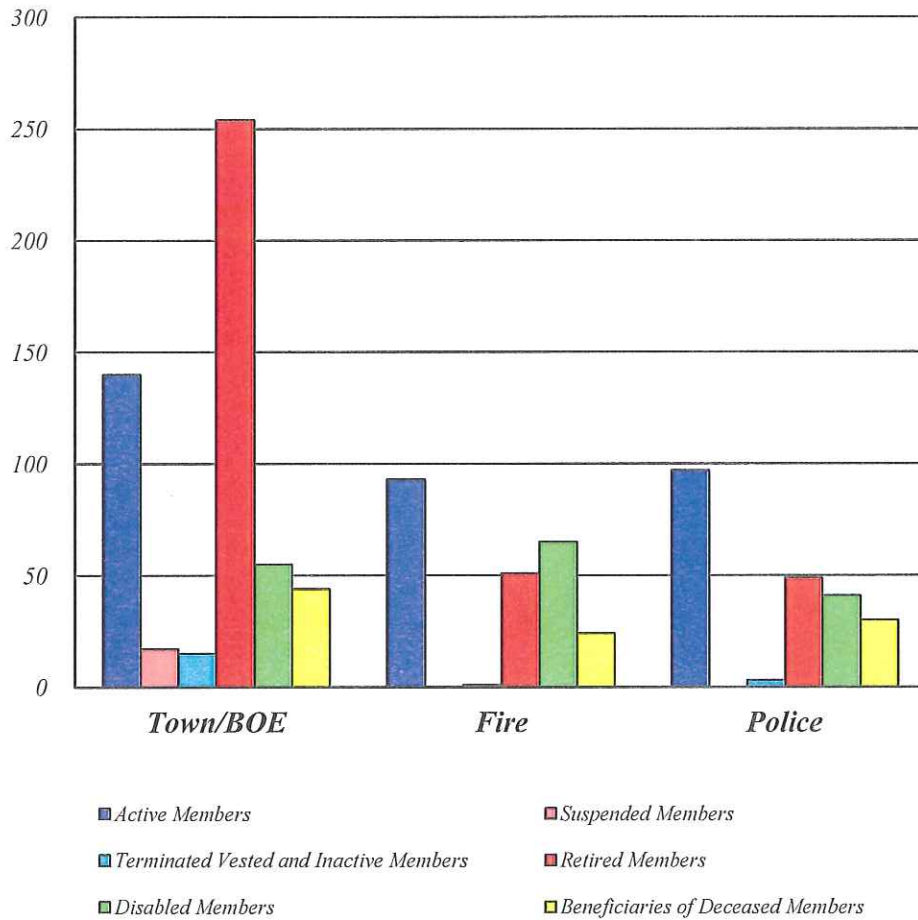
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Membership

Number of Plan Members



**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Assets

The Market Value of Assets as of July 1, 2011 was \$96,656,279, compared to \$83,823,350 as of July 1, 2010.

<i>Market Value, July 1, 2010</i>	\$83,823,350
Town Contributions	8,526,398
Employee Contributions	1,861,111
Investment Earnings, net of Investment Expenses	20,535,954
Benefit Payments, Employee Refunds, and Administrative Expenses	(18,090,534)
<i>Market Value, July 1, 2011</i>	96,656,279

The estimated return, net of investment fees, for 2010-2011 was 25.68%. The estimated return was developed assuming cash flow occurs on average midway through the year. Yearly fluctuations in the earnings rate are to be expected.

For valuation purposes we calculate an Actuarial Value of Assets that smoothes out market fluctuations over a five year period. The Actuarial Value of Assets as of July 1, 2011 was \$114,143,029. On this basis, the estimated return was 4.39%, reflecting the delayed recognition of market losses in earlier years. Since this result is less than the Board's 8.25% investment return assumption, the result is an actuarial loss of approximately \$4.4 million.

Please note that the Actuarial Value currently exceeds the Market Value by \$17.5 million. This figure represents investment losses that will be gradually recognized over the next five years. This process will exert upward pressure on the Town's contribution, unless there are offsetting market gains.

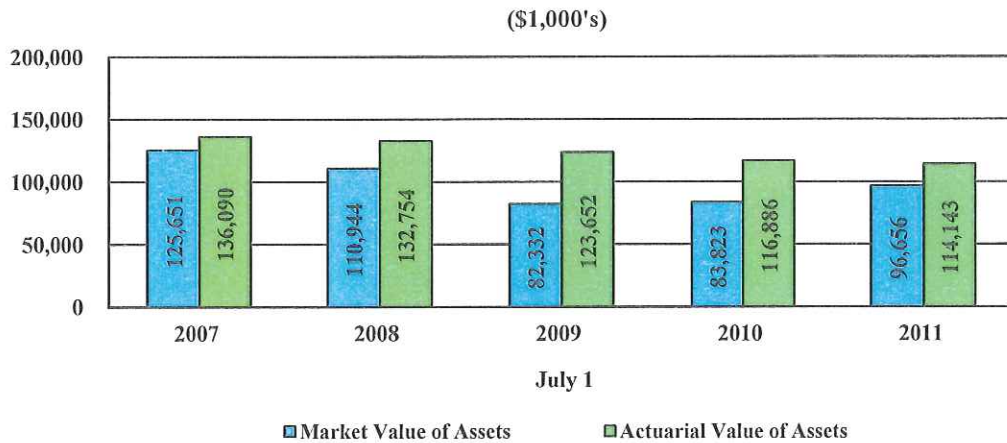
More information on the plan assets can be found in Section III.

**RETIREMENT PLAN FOR EMPLOYEES OF
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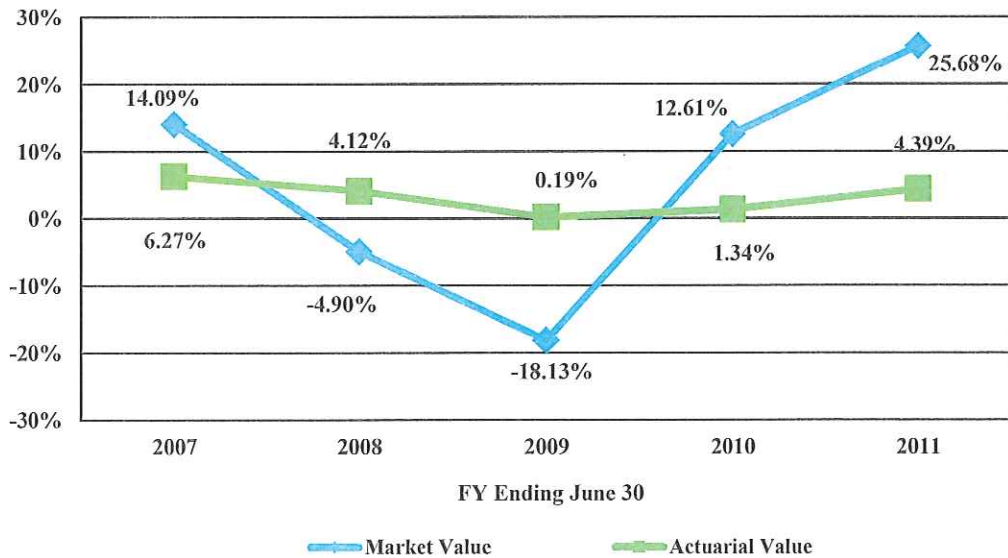
**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Asset Levels



Rates of Return



**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

Plan Changes

There have been no plan changes since the last valuation.

Method Changes

There have been no plan changes since the last valuation.

Assumption Changes

In order to better anticipate future plan experience, this valuation reflects several assumption changes.

- The interest rate was lowered from 8.25% to 7.75%.
- The salary growth rate for Town and Board of Education participants was changed from a flat 4.0% to a table of rates that vary by the member's age.
- The rate of disability incidence was modified for all Town and Board of Education participants except for Public Works.

The combined impact of these changes was to increase the Unfunded Actuarial Liability by \$14.4 million, lower the Funded Ratio from 46.5% to 44.0%, and increase the Annual Required Contribution by \$881,000. Please see Appendix B for details of the new assumptions.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

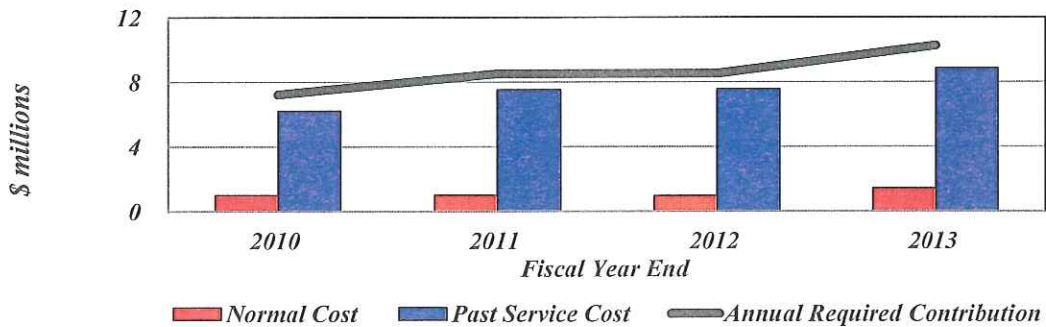
Contribution Summary

Valuation Date	<i>July 1, 2010</i>	<i>July 1, 2011</i>
Fiscal Year	<i>2011-2012</i>	<i>2012-2013</i>
1. Normal Cost	\$926,567	\$1,302,247
2. Administrative Expenses	45,000	115,000
3. Past Service Cost	7,549,561	8,847,429
4. Annual Required Contribution: (1) + (2) + (3)	8,521,128	10,264,676
5. Total Covered Payroll	23,991,550	23,551,913
6. Contribution as a percent of payroll: (4) / (5)	35.5%	43.6%

The Annual Required Contribution for FY 2012-2013 is broken down by employee groups as follows:

Board of Education	\$1,714,663
Town	2,268,814
Fire	3,305,807
Police	<u>2,975,392</u>
Total	10,264,676

The Annual Required Contribution level for the past several fiscal years is shown below.



**RETIREMENT PLAN FOR EMPLOYEES OF
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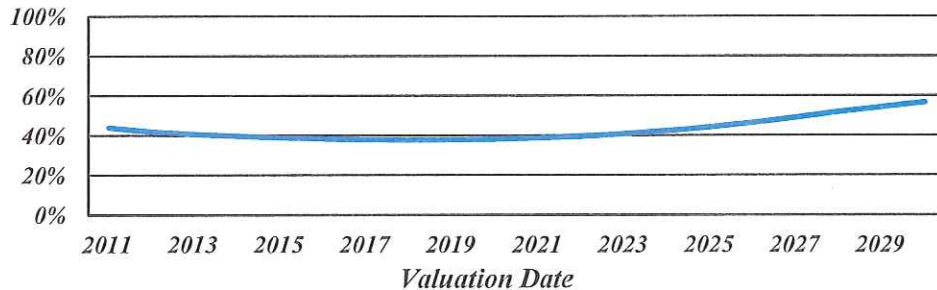
**SECTION I
EXECUTIVE SUMMARY**

B. Discussion of Valuation Results

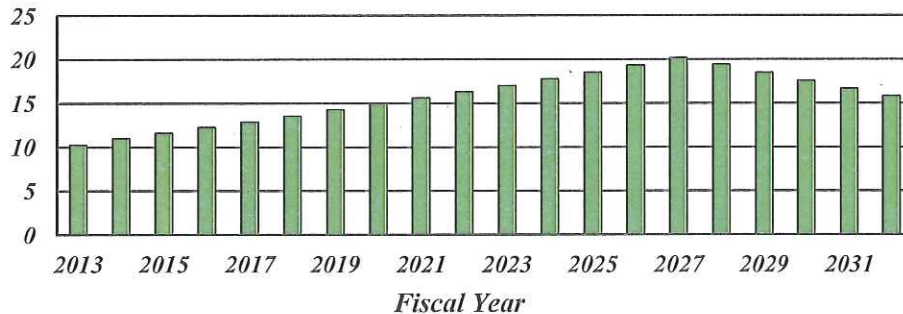
Long Range Forecast

As of July 1, 2011, the Market Value of Assets and Actuarial Value of Assets are quite close to one another. However, the Actuarial Value reflects two consecutive years of large market losses (2007-08 and 2008-09), followed by two consecutive years of large market gains (2009-10 and 2010-11). As the two years of market losses continue to be recognized in future valuations, the funded ratio is expected to continue to drift slightly lower for a number of years before it gradually starts increasing. In the longer term, the Annual Required Contribution will gradually start declining as fewer and fewer Town employees remain in the Plan.

Funded Ratio



Annual Required Contribution (\$ millions)



To the extent that there are future investment or liability gains or losses, changes in the actuarial assumptions or methods, or plan changes, the actual valuation results will differ from these forecasts. Please see Section II C for more details of the long range forecast.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION I
EXECUTIVE SUMMARY**

C. Summary of Principal Results

	<i>July 1, 2010</i>	<i>July 1, 2011</i>
Membership		
Active Membership		
Number of Members	341	330
Covered Payroll	\$23,991,550	\$23,551,913
Inactive Membership		
Suspended Employees*	21	17
Former Employees Due Benefits	18	19
Members in Pay Status	599	613
Average Annual Benefit in pay status	\$29,531	\$30,049
Assets and Liabilities		
Assets		
Market Value	\$83,823,350	\$96,656,279
Actuarial Value	116,886,092	114,143,029
Accrued Liability		
Active and Suspended Members	\$74,381,702	\$81,784,070
Former Employees Due Benefits	1,630,019	2,980,286
Members in Pay Status	162,518,682	174,955,110
Total Accrued Liability	238,530,403	259,719,466
Unfunded Accrued Liability	121,644,311	145,576,437
Funded Ratio	49.00%	43.95%
Annual Required Contribution		
	<i>FY 2011-2012</i>	<i>FY 2012-2013</i>
Contribution as a Percent of Payroll		
Normal Cost	3.8%	5.5%
Administrative Expenses	0.2%	0.5%
Past Service Cost	<u>31.5%</u>	<u>37.6%</u>
Total Town Contribution Percentage	35.5%	43.6%
Contribution Dollars		
Normal Cost	\$926,567	\$1,302,247
Administrative Expenses	45,000	115,000
Past Service Cost	<u>7,549,561</u>	<u>8,847,429</u>
Town Contribution	8,521,128	10,264,676

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION II
SUMMARY OF VALUATION RESULTS**

A. Assets and Liabilities

This section sets forth the actuarial balance sheet developed from the asset and census information provided by the Retirement Plan for Employees of the Town of Stratford. A discussion of the various items and of the actuarial method and assumptions upon which the calculations are based appears in Section VI.

For determining the past service cost, the Unfunded Accrued Liability is amortized with payments calculated to increase annually so as to remain approximately level as a percent of payroll. Effective July 1, 2010 the amortization period was lengthened to 25 years.

	As of July 1, 2010			As of July 1, 2011				
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
Actuarial Value of Assets (see Section III C)	\$51,014,535	\$34,942,855	\$30,928,702	\$116,886,092	\$49,181,112	\$34,005,339	\$30,956,578	\$114,143,029
Entry Age Normal Accrued Liability								
Active and Suspended Members	29,929,224	20,955,828	23,496,650	74,381,702	32,625,476	24,061,056	25,097,538	81,784,070
Retired Members	58,260,956	26,725,459	28,094,663	113,081,078	62,047,989	29,489,358	32,497,568	124,034,915
Disabled Members	10,862,750	20,905,335	8,865,676	40,633,761	11,648,350	20,433,139	8,940,672	41,022,161
Beneficiaries of Deceased Members	3,681,946	2,620,752	2,501,165	8,803,843	3,948,709	3,276,702	2,672,623	9,898,034
Terminated Vested and Inactive Members	1,370,903	100,816	158,300	1,630,019	1,635,496	115,023	1,229,767	2,980,286
Total Accrued Liability	104,105,779	71,308,170	63,116,454	238,530,403	111,906,020	77,375,278	70,438,168	259,719,466
Unfunded Accrued Liability	53,091,244	36,365,315	32,187,752	121,644,311	62,724,908	43,369,939	39,481,590	145,576,437
Funded Ratio	49.00%	49.00%	49.00%	49.00%	43.95%	43.95%	43.95%	43.95%
Amortization Period (years)	25	25	25	25	24	24	24	24
Past Service Cost	3,294,980	2,256,926	1,997,655	7,549,561	3,812,116	2,635,814	2,399,499	8,847,429

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION II
SUMMARY OF VALUATION RESULTS**

B. Annual Required Contribution

	FY 2011-2012				FY 2012-2013			
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
1. Total Normal Cost	\$745,848	\$1,122,052	\$995,266	\$2,863,166	\$802,508	\$1,311,734	\$1,084,067	\$3,198,309
2. Expected Employee Contributions	702,531	664,527	569,541	1,936,599	645,052	696,106	554,904	1,896,062
3. Net Normal Cost: (1) - (2)	43,317	457,525	425,725	926,567	157,456	615,628	529,163	1,302,247
4. Administrative Expenses	2,104	22,220	20,676	45,000	13,905	54,365	46,730	115,000
5. Past Service Cost (see Section II A)	3,294,980	2,256,926	1,997,655	7,549,561	3,812,116	2,635,814	2,399,499	8,847,429
6. Annual Required Contribution: (3) + (4) + (5), but not less than \$0	3,340,401	2,736,671	2,444,056	8,521,128	3,983,477	3,305,807	2,975,392	10,264,676
7. Covered Payroll	8,104,870	8,305,549	7,581,131	23,991,550	7,469,470	8,688,944	7,393,499	23,551,913
8. Contribution as a percentage of payroll: (6) / (7)	41.2%	32.9%	32.2%	35.5%	53.3%	38.0%	40.2%	43.6%

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION II
SUMMARY OF VALUATION RESULTS**

C. Long Range Forecast

This forecast is based on the results of the July 1, 2011 actuarial valuation and assumes that the Town will pay the Annual Required Contribution each year, the assets will return 7.75% on a market value basis each year, payroll will grow by 4.0% each year, and 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.

Valuation Year	Values as of the Valuation Date				Funded Ratio	Fiscal Year Ending	Cash Flows Projected to the Following Fiscal Year		
	Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio			Town Contributions	Employee Contributions	Benefit Payments
2011	\$259,719,466	\$114,143,029	\$145,576,437	43.9%	2013	\$10,264,676	\$1,896,062	\$18,662,413	(\$8,360,223)
2012	263,491,000	110,537,000	152,954,000	42.0%	2014	10,981,000	1,853,000	19,009,000	(7,009,000)
2013	266,939,000	108,574,000	158,364,000	40.7%	2015	11,616,000	1,819,000	19,464,000	(6,787,000)
2014	270,104,000	107,139,000	162,965,000	39.7%	2016	12,244,000	1,788,000	19,943,000	(6,665,000)
2015	272,933,000	106,105,000	166,847,000	38.9%	2017	12,884,000	1,749,000	20,341,000	(6,478,000)
2016	275,534,000	105,519,000	170,015,000	38.3%	2018	13,572,000	1,691,000	20,759,000	(6,318,000)
2017	277,802,000	105,340,000	172,462,000	37.9%	2019	14,281,000	1,613,000	21,096,000	(6,049,000)
2018	279,965,000	105,675,000	174,290,000	37.7%	2020	14,952,000	1,595,000	21,458,000	(5,724,000)
2019	281,808,000	106,586,000	175,222,000	37.8%	2021	15,622,000	1,587,000	21,784,000	(5,391,000)
2020	283,352,000	108,098,000	175,253,000	38.1%	2022	16,310,000	1,589,000	22,064,000	(5,003,000)
2021	284,696,000	110,289,000	174,407,000	38.7%	2023	17,017,000	1,580,000	22,360,000	(4,624,000)
2022	285,835,000	113,180,000	172,655,000	39.6%	2024	17,768,000	1,578,000	22,628,000	(4,193,000)
2023	286,737,000	116,859,000	169,878,000	40.8%	2025	18,528,000	1,576,000	22,924,000	(3,746,000)
2024	287,319,000	121,391,000	165,928,000	42.2%	2026	19,325,000	1,586,000	23,168,000	(3,224,000)
2025	287,805,000	126,904,000	160,901,000	44.1%	2027	20,185,000	1,595,000	23,363,000	(2,618,000)
2026	288,103,000	133,548,000	154,555,000	46.4%	2028	19,423,000	1,608,000	23,590,000	(1,977,000)
2027	288,061,000	141,438,000	146,623,000	49.1%	2029	18,509,000	1,617,000	23,737,000	(2,881,000)
2028	287,931,000	149,057,000	138,875,000	51.8%	2030	17,568,000	1,630,000	23,969,000	(4,021,000)
2029	287,533,000	156,130,000	131,403,000	54.3%	2031	16,689,000	1,661,000	24,020,000	(4,988,000)
2030	287,085,000	162,789,000	124,296,000	56.7%	2032	15,812,000	1,653,000	24,331,000	(6,193,000)

This work product was prepared solely for the Town of Stratford 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.

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION II
SUMMARY OF VALUATION RESULTS**

D. Changes in Unfunded Accrued Liability / (Surplus)

1. Unfunded Accrued Liability / (Surplus) as of July 1, 2010	\$121,644,311
2. Total Normal Cost as of July 1, 2010	2,863,166
3. Interest on (1) + (2)	10,271,867
4. Town and Employee Contributions for the 2010-11 Fiscal Year	10,387,509
5. Interest on (4) assuming mid-year payment	419,994
6. Expected Unfunded Accrued Liability / (Surplus) as of June 30, 2011: (1) + (2) + (3) - (4) - (5)	123,971,841
7. Actuarial Basis Asset (Gain)/Loss (see Section III D)	4,371,687
8. Liability (Gain)/Loss	2,799,789
9. Actual Unfunded Accrued Liability / (Surplus) as of July 1, 2011 before any changes: (6) + (7) + (8)	131,143,317
10. Change in Unfunded Accrued Liability / (Surplus) as of July 1, 2011 due to assumption changes	14,433,120
11. Change in Unfunded Accrued Liability / (Surplus) as of July 1, 2011 due to plan changes	0
12. Final Unfunded Accrued Liability / (Surplus) as of July 1, 2011 after changes: (9) + (10) + (11)	145,576,437

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION III
PLAN ASSETS**

A. Summary of Fund Transactions - Market Value

<i>Value as of July 1, 2010</i>	\$83,823,350
<i>Income Items</i>	
Town Contributions	8,526,398
Employee Contributions	1,861,111
Adjustment to Beginning Year Balance	0
Dividends	846,237
Interest	3,101
Change in Accrued Income	587
Other Income	49,473
Realized Gains/(Losses)	6,036,992
Unrealized Gains/(Losses)	<u>14,016,300</u>
	31,340,199
<i>Deduction Items</i>	
Benefit Payments	17,979,058
Refunds of Employee Contributions	0
Trustee Expenses	62,264
Administrative Expenses	111,476
Investment Expenses	<u>354,472</u>
	18,507,270
<i>Value as of July 1, 2011</i>	96,656,279

Approximate Net Rate of Return: 25.68%

The rate shown here is not the dollar or time weighted investment yield rate which measures investment performance. It is an approximate net return assuming all activity occurred on average midway through the fiscal year.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION III
PLAN ASSETS**

B. Allocation of Plan Assets

	<i>July 1, 2010</i>	<i>July 1, 2011</i>
<i>Assets</i>		
Cash	\$128,263	\$578,780
Common Stocks	20,093,310	29,950,937
Advisory Research	14,110,223	0
RMK Timberland	6,487,984	6,365,468
SSGA S+P 500 Flagship	14,382,435	25,300,643
SSGA International Alpha Select	8,225,619	10,897,299
Northern Trust - Aggregate Bond	20,395,516	0
Pimco Investment	<u>0</u>	<u>23,563,152</u>
Total Market Value*	83,823,350	96,656,279

* Numbers may not add due to rounding.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION III
PLAN ASSETS**

C. Determination of Actuarial Value of Assets

The Actuarial Value of Assets as of July 1, 2011 is derived as follows:

1. Actuarial Value of Assets as of July 1, 2010	\$116,886,092
2. Employer Contributions	8,526,398
3. Employee Contributions	1,861,111
4. Benefit Payments and Administrative Expenses	(18,090,534)
5. Expected Investment Income at 8.25% on (1) through (4)	9,331,649
6. Expected Actuarial Value of Assets, June 30, 2011 (1)+(2)+(3)+(4)+(5)	118,514,716
7. Actual Market Value of Assets, June 30, 2011	96,656,279
8. Final Actuarial Value of Assets: 80% of (6) + 20% of (7)	114,143,029

Approximate Net Rate of Return: 4.39%

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION III
PLAN ASSETS**

D. Asset Gain/(Loss)

	<i>Market Value</i>	<i>Actuarial Value</i>
1. Value on July 1, 2010	\$83,823,350	\$116,886,092
2. Contributions	10,387,509	10,387,509
3. Benefit Payments and Administrative Expenses	(18,090,534)	(18,090,534)
4. Expected Investment Income at 8.25% on (1) through (3)	6,603,973	9,331,649
5. Expected Value on June 30, 2011: (1)+(2)+(3)+(4)	82,724,298	118,514,716
6. Actual Value of Assets on June 30, 2011	96,656,279	114,143,029
7. Asset Gain/(Loss): (6) - (5)	13,931,981	(4,371,687)
8. Approximate Net Rate of Return	25.68%	4.39%

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

A. Notes to Required Supplementary Information

Government Accounting Standards Board Statement No. 25 requires that The Town of Stratford disclose certain information on an annual basis regarding the funding of the Retirement Plan for Employees of The Town of Stratford.

The Retirement Plan for The Town of Stratford was created by The Town of Stratford to provide defined benefit pensions to its employees.

The Town's funding policy has been to contribute each year an amount equal to the normal cost plus a past service payment representing amortization of the Unfunded Accrued Liability. The actuarial assumptions used to calculate the figures reported herein are the same as those used to calculate the contribution level.

The Town's funding policy provides for periodic employer contributions at actuarially determined rates that are sufficient to accumulate the assets needed to pay benefits when due.

The information presented in Section IV has been determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2011
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Amortization Period	25 years from July 1, 2010
Asset Valuation Method	5 Year Smoothed Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases	6.00% to 3.00% based on age
Payroll Growth Rate	4.00%
Inflation	2.50%
Cost-of-Living Adjustments	None

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

B. Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
July 1, 2003	\$23,497,893	\$181,840,206	\$158,342,313	12.92%	\$24,931,181	635.12%
July 1, 2004	20,648,514	191,850,844	171,202,330	10.76%	24,129,679	709.51%
July 1, 2005	15,501,793	195,580,813	180,079,020	7.93%	26,481,954	680.01%
July 1, 2006	11,052,753	204,336,960	193,284,207	5.41%	24,881,992	776.80%
July 1, 2007	136,089,974	208,934,552	72,844,578	65.14%	24,494,790	297.39%
July 1, 2008	132,753,542	225,549,354	92,795,812	58.86%	24,002,108	386.62%
July 1, 2009	123,651,853	232,658,513	109,006,660	53.15%	24,238,011	449.73%
July 1, 2010	116,886,092	238,530,403	121,644,311	49.00%	23,991,550	507.03%
July 1, 2011	114,143,029	259,719,466	145,576,437	43.95%	23,551,913	618.11%

Note: Through July 1, 2006, the Actuarial Value of Assets shown above is based on the Market Value of Assets excluding the proceeds of the general obligation pension bond issue of August 1998. Starting with July 1, 2007, the pension based bond proceeds are included in the Actuarial Value of Assets.

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

C. Schedule of Employer Contributions.

<i>Fiscal Year Ending June 30</i>	<i>Actuarially Determined Contribution Reflecting Pension Obligation Bond Proceeds</i>	<i>GASB 25 Annual Required Contribution Excluding Pension Obligation Bond Proceeds</i>	<i>Actual Contribution Paid by Town</i>	<i>Percent of Actuarially Determined Contribution Funded</i>
2005	\$4,222,892	\$10,535,184	\$4,223,497	100%
2006	4,840,940	11,651,536	4,840,940	100%
2007	5,086,832	12,435,843	111,651,079 *	100%
2008	5,646,579	N/A	5,669,932	100%
2009	5,622,712	N/A	5,622,712	100%
2010	7,233,412	N/A	7,233,452	100%
2011	8,526,398	N/A	8,526,398	100%
2012	8,521,128	N/A	N/A	-
2013	10,264,676	N/A	N/A	-

* Includes \$5,086,900 Town contribution plus the deposit of the proceeds of the general obligation pension bond issue of August 1998 into the pension trust.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

D. Summary of Membership

	<i>July 1, 2010</i>	<i>July 1, 2011</i>
<i>Active Members</i>		
Number vested	246	239
Number not yet vested	<u>95</u>	<u>91</u>
Total	341	330
<i>Suspended Members *</i>	21	17
<i>Retired Members</i>	342	354
<i>Disabled Members</i>	162	161
<i>Beneficiaries of Deceased Members</i>	95	98
<i>Terminated Vested and Inactive Members</i>	18	19
<i>Nonvested Members Due Refunds</i>	<u>0</u>	<u>0</u>
<i>Total Members</i>	979	979

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

E. Solvency Test

The Solvency Test measures the extent to which plan assets (on an Actuarial Value basis) are sufficient to cover the Accrued Liability for different classes of plan

<i>Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Accrued Liability</i>			<i>Percentage Funded</i>		
		<i>Members in Pay Status</i>	<i>Terminated Vested Members</i>	<i>Active Members</i>	<i>Members in Pay Status</i>	<i>Terminated Vested Members</i>	<i>Active Members</i>
July 1, 2003	\$137,110,345	\$109,596,595	\$3,152,372	\$69,091,239	100.0%	100.0%	35.3%
July 1, 2004	135,917,574	121,584,129	3,045,978	67,220,737	100.0%	100.0%	16.8%
July 1, 2005	136,032,189	122,887,473	3,245,586	69,447,754	100.0%	100.0%	14.3%
July 1, 2006	135,792,055	133,180,209	5,622,200	65,534,551	100.0%	46.5%	0.0%
July 1, 2007	136,089,974	139,217,062	6,291,571	63,425,919	97.8%	0.0%	0.0%
July 1, 2008	132,753,542	153,798,733	7,193,802	64,556,819	86.3%	0.0%	0.0%
July 1, 2009	123,651,853	157,468,738	8,341,573	66,848,202	78.5%	0.0%	0.0%
July 1, 2010	116,886,092	162,518,682	1,630,019	74,381,702	71.9%	0.0%	0.0%
July 1, 2011	114,143,029	174,955,110	2,980,286	81,784,070	65.2%	0.0%	0.0%

Note: The Actuarial Value of Assets shown above includes the proceeds of the general obligation pension bond issue.

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

F. Accrued and Vested Benefits

The actuarially computed Value of Accrued Benefits represents the present value of (a) the benefits based on earnings and service to date expected to become payable at future dates to present employees, (b) the benefits expected to become payable to former employees who have terminated service with vested rights or who have become inactive, and (c) the benefits currently payable to retired participants and beneficiaries.

	<i>As of July 1, 2010</i>	<i>As of July 1, 2011</i>
1. Value of Vested Benefits		
Active and Suspended Members	\$44,999,359	\$51,538,086
Retired Members	113,081,078	124,034,915
Disabled Members	40,633,761	41,022,161
Beneficiaries of Deceased Members	8,803,843	9,898,034
Terminated Vested and Inactive Members	1,630,019	2,980,286
Total Value of Vested Benefits	209,148,060	229,473,482
2. Value of Non-Vested Benefits	10,755,055	10,498,803
3. Total Value of Accrued Benefits: (1) + (2)	219,903,115	239,972,285
4. Market Value of Assets	83,823,350	96,656,279
5. Vested Funded Ratio: (4) / (1)	40.1%	42.1%
6. Accrued Funded Ratio: (4) / (3)	38.1%	40.3%

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION IV
GASB #25 INFORMATION**

G. Statement of Changes in Accrued Plan Benefits

Increase/(Decrease) during the 2010-2011 plan year attributable to:

Increase for interest due to the decrease in the discount period	\$17,400,371
Benefits Accumulated/(Forfeited)	8,266,611
Benefit Payments	(17,979,058)
Plan Amendments	0
Changes in Actuarial Assumptions	<u>12,381,246</u>
Net Increase/(Decrease)	20,069,170

Value of Accrued Plan Benefits:

July 1, 2011	\$239,972,285
July 1, 2010	<u>219,903,115</u>
Net Increase/(Decrease)	20,069,170

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

A. Reconciliation of Membership to Prior Valuation

	<i>Active</i>	<i>Suspended</i>	<i>Due Refund</i>	<i>Term. Vested</i>	<i>Retired</i>	<i>Disabled</i>	<i>Beneficiary</i>	<i>Total</i>
Count as of July 1, 2010	341	21	0	18	342	162	95	979
Terminated, not vested	(2)	-	-	-	-	-	-	(2)
Terminated, vested	(3)	-	-	3	-	-	-	-
Paid lump sum	-	-	-	-	-	-	-	-
Retired	(12)	(2)	-	(2)	16	-	-	-
Disabled	(3)	-	-	-	(1)	4	-	-
Died, due refund	-	-	-	-	-	-	-	-
Died, beneficiary due benefits	-	-	-	-	(1)	(4)	5	-
Died, no further benefits due	-	-	-	-	(2)	(1)	(3)	(6)
Certain period ended	-	-	-	-	-	-	-	-
New participant	7	-	-	-	-	-	1	8
Rehired	(1)	1	-	-	-	-	-	-
Suspended	3	(3)	-	-	-	-	-	-
Count as of July 1, 2011	330	17	0	19	354	161	98	979

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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

B. Summary of Active Membership

	<i>July 1, 2010</i>	<i>July 1, 2011</i>	<i>Change</i>	<i>Percent Change</i>
<i>Number of Members</i>				
BOE/Town	151	140	(11)	(7.28)
Fire	88	93	5	5.68
Police	102	97	(5)	(4.90)
Total	341	330	(11)	(3.23)
<i>Total Annual Compensation</i>				
BOE/Town	\$8,104,870	\$7,469,470	(\$635,400)	(7.84)
Fire	8,305,549	8,688,944	383,395	4.62
Police	7,581,131	7,393,499	(187,632)	(2.47)
Total	23,991,550	23,551,913	(439,637)	(1.83)
<i>Average Compensation</i>				
BOE/Town	\$53,670	\$53,350	(\$320)	(0.60)
Fire	94,380	93,430	(950)	(1.01)
Police	74,320	76,220	1,900	2.56
Total	70,360	71,370	1,010	1.44
<i>Average Age</i>				
BOE/Town	52.2	53.0	0.7	1.39
Fire	40.6	40.8	0.2	0.49
Police	41.2	41.8	0.6	0.00
Total	45.9	46.2	0.3	0.69
<i>Average Service</i>				
BOE/Town	18.2	19.0	0.8	4.54
Fire	12.0	11.9	(0.1)	(0.83)
Police	12.7	13.1	0.5	3.74
Total	14.9	15.3	0.3	2.30

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

C. Summary of Inactive Membership

	July 1, 2010				July 1, 2011			
	Town/BOE	Fire	Police	Total	Town/BOE	Fire	Police	Total
Retired Members								
Number	248	49	45	342	254	51	49	354
Total Annual Benefit	\$6,144,790	\$2,730,329	\$2,689,212	\$11,564,331	\$6,368,903	\$2,904,157	\$2,995,084	\$12,268,144
Average Annual Benefit	24,777	55,721	59,760	33,814	25,074	56,944	61,124	34,656
Average Age	68.7	65.9	63.4	67.6	69.2	66.2	63.7	68.0
Disabled Members								
Number	53	68	41	162	55	65	41	161
Total Annual Benefit	\$1,361,442	\$2,461,283	\$1,168,709	\$4,991,434	\$1,434,003	\$2,342,821	\$1,143,958	\$4,920,782
Average Annual Benefit	25,688	36,195	28,505	30,811	26,073	36,043	27,901	30,564
Average Age	64.5	65.8	68.3	66.0	65.0	66.4	68.4	66.4
Beneficiaries of Deceased Members								
Number	43	21	31	95	44	24	30	98
Total Annual Benefit	\$465,670	\$340,052	\$327,511	\$1,133,233	\$488,361	\$399,926	\$342,788	\$1,231,075
Average Annual Benefit	10,830	16,193	10,565	11,929	11,099	16,664	11,426	12,562
Average Age	75.2	76.0	77.3	76.0	75.9	73.8	78.4	76.1
Members								
Number	15	1	2	18	15	1	3	19
Total Annual Benefit	\$181,931	\$10,379	\$28,848	\$221,158	\$202,201	\$10,379	\$112,693	\$325,273
Average Annual Benefit	12,129	10,379	14,424	12,287	13,480	10,379	37,564	17,120
Average Age	48.6	48.0	40.5	47.6	49.1	49.0	42.3	48.0
Suspended Members *								
Number	18	1	2	21	17	0	0	17

* Employees who have frozen their DB plan benefits and transferred to the Town's 401(a) plan

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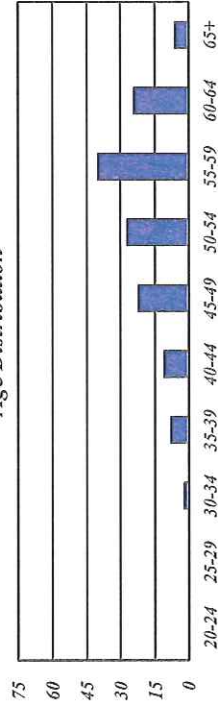
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

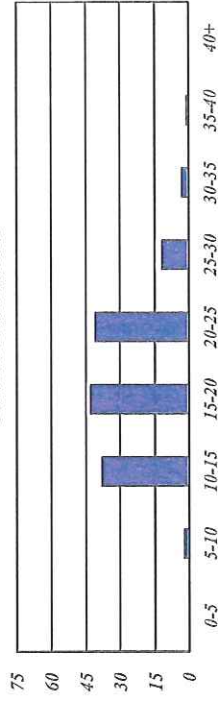
D. Distribution of Active Members - Count - Town/BOE

Age	Years of Service											All Years
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+	40+	All Years	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	1	1	0	0	0	0	0	0	0	2
35-39	0	0	2	5	1	0	0	0	0	0	0	8
40-44	0	0	4	4	2	1	0	0	0	0	0	11
45-49	0	1	3	5	9	4	0	0	0	0	0	22
50-54	0	1	8	11	5	1	1	0	0	0	0	27
55-59	0	0	13	10	11	3	2	1	0	0	0	40
60-64	0	0	4	6	11	3	0	0	0	0	0	24
65+	0	0	3	1	2	0	0	0	0	0	0	6
All Ages	0	2	38	43	41	12	3	1	0	0	0	140

Age Distribution



Service Distribution



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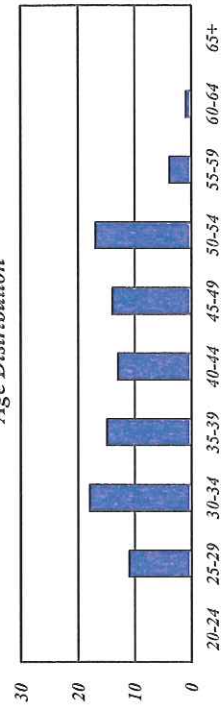
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

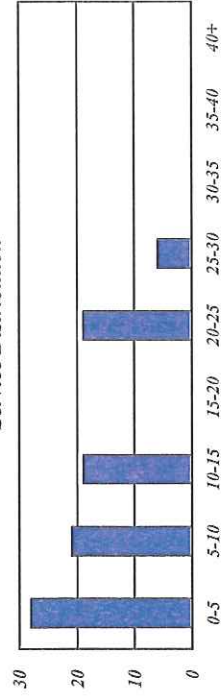
D. Distribution of Active Members - Count - Fire

Age	Years of Service											All Years
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+	40+	All Years	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	10	1	0	0	0	0	0	0	0	0	0	11
30-34	8	7	3	0	0	0	0	0	0	0	0	18
35-39	4	6	5	0	0	0	0	0	0	0	0	15
40-44	3	1	6	0	3	0	0	0	0	0	0	13
45-49	3	2	3	0	4	2	0	0	0	0	0	14
50-54	0	3	1	0	9	4	0	0	0	0	0	17
55-59	0	1	0	0	3	0	0	0	0	0	0	4
60-64	0	0	1	0	0	0	0	0	0	0	0	1
65+	0	0	0	0	0	0	0	0	0	0	0	0
All Ages	28	21	19	0	19	6	0	0	0	0	0	93

Age Distribution



Service Distribution



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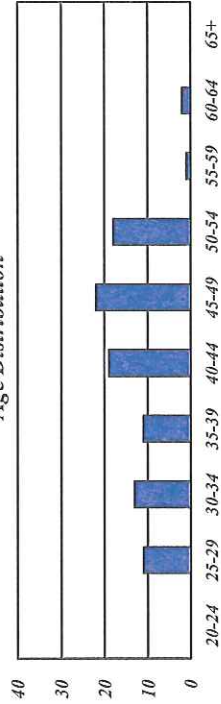
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

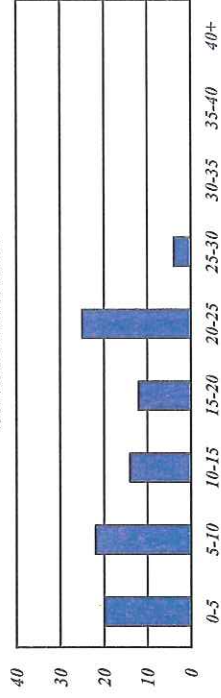
D. Distribution of Active Members - Count - Police

Age	Years of Service											All Years
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+	40+	All Years	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0
25-29	10	1	0	0	0	0	0	0	0	0	0	11
30-34	5	6	2	0	0	0	0	0	0	0	0	13
35-39	2	9	0	0	0	0	0	0	0	0	0	11
40-44	2	2	8	5	2	0	0	0	0	0	0	19
45-49	1	2	2	3	12	2	0	0	0	0	0	22
50-54	0	2	1	4	9	2	0	0	0	0	0	18
55-59	0	0	1	0	0	0	0	0	0	0	0	1
60-64	0	0	0	0	2	0	0	0	0	0	0	2
65+	0	0	0	0	0	0	0	0	0	0	0	0
All Ages	20	22	14	12	25	4	0	0	0	0	0	97

Age Distribution



Service Distribution



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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

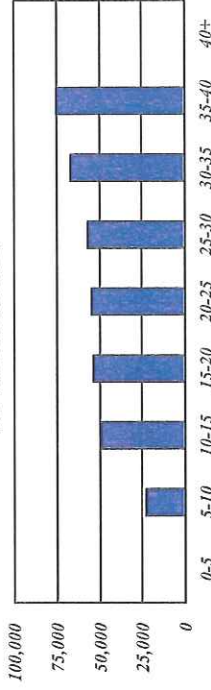
E. Distribution of Active Members - Average Salaries - Town/BOE

Age	Years of Service											All Years			
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+	\$0	\$0				
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	58,528	66,041	0	0	0	0	0	0	0	0	0	0	62,285
35-39	0	0	59,548	44,804	42,728	0	0	0	0	0	0	0	0	0	48,231
40-44	0	0	52,486	70,212	75,569	53,724	0	0	0	0	0	0	0	0	63,241
45-49	0	23,067	57,257	64,437	69,333	57,770	0	0	0	0	0	0	0	0	62,368
50-54	0	22,662	38,860	50,357	76,081	62,236	55,317	0	0	0	0	0	0	0	51,312
55-59	0	0	50,167	54,107	52,877	48,497	73,077	75,278	0	0	0	0	0	0	53,545
60-64	0	0	59,029	48,160	36,198	64,734	0	0	0	0	0	0	0	0	46,560
65+	0	0	44,916	40,065	35,901	0	0	0	0	0	0	0	0	0	41,103
All Ages	0	22,865	49,822	53,887	54,875	57,228	67,157	75,278	0	0	0	0	0	0	53,353

Age Distribution



Service Distribution



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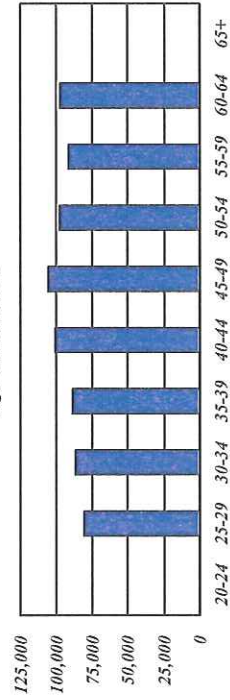
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

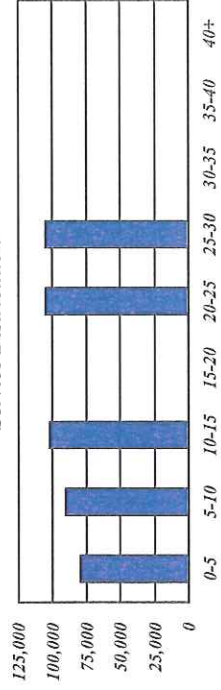
E. Distribution of Active Members - Average Salaries - Fire

Age	Years of Service											All Years			
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+						
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	79,438	93,934	0	0	0	0	0	0	0	0	0	0	0	0	80,756
30-34	77,522	90,401	101,733	0	0	0	0	0	0	0	0	0	0	0	86,566
35-39	83,081	87,540	94,718	0	0	0	0	0	0	0	0	0	0	0	88,744
40-44	79,751	95,148	112,933	0	99,200	0	0	0	0	0	0	0	0	0	100,738
45-49	80,335	91,886	98,776	0	133,893	111,398	0	0	0	0	0	0	0	0	105,676
50-54	0	94,013	89,108	0	97,908	101,721	0	0	0	0	0	0	0	0	97,600
55-59	0	82,225	0	0	94,538	0	0	0	0	0	0	0	0	0	91,460
60-64	0	0	97,182	0	0	0	0	0	0	0	0	0	0	0	97,182
65+	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
All Ages	79,540	90,246	102,053	0	105,156	104,947	0	0	0	0	0	0	0	0	93,430

Age Distribution



Service Distribution



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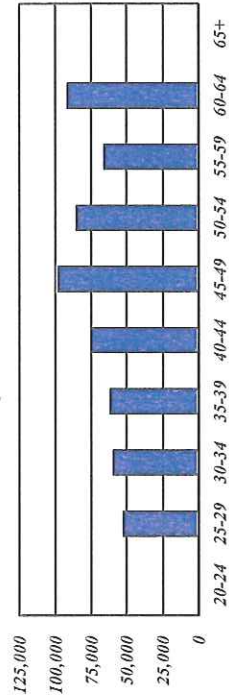
**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

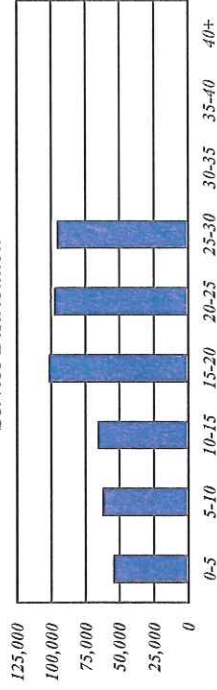
E. Distribution of Active Members - Average Salaries - Police

Age	Years of Service													All Years		
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+	40+	40+	40+	40+			
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	51,349	61,218	0	0	0	0	0	0	0	0	0	0	0	0	0	52,247
30-34	54,745	61,783	63,507	0	0	0	0	0	0	0	0	0	0	0	0	59,341
35-39	57,362	62,443	0	0	0	0	0	0	0	0	0	0	0	0	0	61,519
40-44	57,957	61,218	65,213	91,104	106,693	0	0	0	0	0	0	0	0	0	0	75,208
45-49	60,028	63,507	70,737	138,693	100,019	105,472	0	0	0	0	0	0	0	0	0	97,989
50-54	0	61,218	61,218	86,187	93,070	85,420	0	0	0	0	0	0	0	0	0	85,382
55-59	0	0	65,795	0	0	0	0	0	0	0	0	0	0	0	0	65,795
60-64	0	0	0	0	91,633	0	0	0	0	0	0	0	0	0	0	91,633
65+	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
All Ages	53,894	62,081	65,514	101,363	97,380	95,446	0	0	0	0	0	0	0	0	0	76,222

Age Distribution



Service Distribution



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**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

F. Distribution of Inactive Members as of July 1, 2011 - Town/BOE

		<i>Age</i>	<i>Number</i>	<i>Annual Benefits</i>
Terminated Vested Members / Members Due Refunds				
		< 30	0	\$0
		30 - 39	2	34,268
Count	15	40 - 49	5	74,929
Average Age	49.1	50 - 59	8	93,004
Total Annual Benefit	\$202,201	60 - 64	0	0
Ave. Annual Benefit	13,480	65 +	0	0
		Total	15	202,201
Retired Members				
		< 50	1	\$43,027
		50 - 59	8	226,572
Count	254	60 - 69	68	1,519,211
Average Age	69.2	70 - 79	35	964,730
Total Annual Benefit	\$6,368,903	80 - 89	18	686,055
Ave. Annual Benefit	25,074	90 +	124	2,929,310
		Total	254	6,368,903
Disabled Retirees				
		< 50	7	\$177,614
		50 - 59	9	182,388
Count	55	60 - 69	19	423,660
Average Age	65.0	70 - 79	17	554,755
Total Annual Benefit	\$1,434,003	80 - 89	3	95,587
Ave. Annual Benefit	26,073	90 +	0	0
		Total	55	1,434,003
Beneficiaries				
		< 50	0	\$0
		50 - 59	4	63,146
Count	44	60 - 69	13	179,669
Average Age	75.9	70 - 79	7	84,620
Total Annual Benefit	\$488,361	80 - 89	16	136,867
Ave. Annual Benefit	11,099	90 +	4	24,059
		Total	44	488,361

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

F. Distribution of Inactive Members as of July 1, 2011 - Fire

		<i>Age</i>	<i>Number</i>	<i>Annual Benefits</i>
Terminated Vested Members / Members Due Refunds				
		< 30	0	\$0
		30 - 39	0	0
Count	1	40 - 49	1	10,379
Average Age	49.0	50 - 59	0	0
Total Annual Benefit	\$10,379	60 - 64	0	0
Ave. Annual Benefit	10,379	65 +	0	0
		Total	1	10,379
Retired Members				
		< 50	3	218,653
		50 - 59	8	559,988
Count	51	60 - 69	22	1,340,491
Average Age	66.2	70 - 79	14	650,394
Total Annual Benefit	\$2,904,157	80 - 89	4	134,630
Ave. Annual Benefit	56,944	90 +	0	0
		Total	51	2,904,157
Disabled Retirees				
		< 50	11	533,621
		50 - 59	8	422,757
Count	65	60 - 69	17	665,496
Average Age	66.4	70 - 79	16	415,483
Total Annual Benefit	\$2,342,821	80 - 89	13	305,461
Ave. Annual Benefit	36,043	90 +	0	0
		Total	65	2,342,821
Beneficiaries				
		< 50	0	0
		50 - 59	4	92,909
Count	24	60 - 69	3	52,107
Average Age	73.8	70 - 79	8	137,231
Total Annual Benefit	\$399,926	80 - 89	8	100,392
Ave. Annual Benefit	16,664	90 +	1	17,288
		Total	24	399,926

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

**SECTION V
MEMBERSHIP DATA**

F. Distribution of Inactive Members as of July 1, 2011 - Police

		<i>Age</i>	<i>Number</i>	<i>Annual Benefits</i>
<i>Terminated Vested Members / Members Due Refunds</i>				
		< 30	0	\$0
		30 - 39	0	0
Count	3	40 - 49	3	112,693
Average Age	42.3	50 - 59	0	0
Total Annual Benefit	\$112,693	60 - 64	0	0
Ave. Annual Benefit	37,564	65 +	0	0
		Total	3	112,693
<i>Retired Members</i>				
		< 50	0	\$0
		50 - 59	17	1,395,647
Count	49	60 - 69	23	1,314,083
Average Age	63.7	70 - 79	7	240,717
Total Annual Benefit	\$2,995,084	80 - 89	2	44,639
Ave. Annual Benefit	61,124	90 +	0	0
		Total	49	2,995,084
<i>Disabled Retirees</i>				
		< 50	4	\$108,915
		50 - 59	7	175,378
Count	41	60 - 69	10	301,212
Average Age	68.4	70 - 79	10	290,758
Total Annual Benefit	\$1,143,958	80 - 89	10	267,697
Ave. Annual Benefit	27,901	90 +	0	0
		Total	41	1,143,958
<i>Beneficiaries</i>				
		< 50	0	\$0
		50 - 59	1	14,747
Count	30	60 - 69	8	152,925
Average Age	78.4	70 - 79	7	57,506
Total Annual Benefit	\$342,788	80 - 89	11	97,878
Ave. Annual Benefit	11,426	90 +	3	19,731
		Total	30	342,788

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VI

ACTUARIAL METHOD AND ASSUMPTIONS

A. Actuarial Cost Method

Effective with the July 1, 2007 valuation, the actuarial cost method used to develop the actuarially funded results in this valuation report is the *Entry Age Normal Actuarial Cost Method*. Recommended annual contributions until the accrued liability is completely funded will consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The Normal Cost is determined by calculating the present value of future benefits for present active Members that will become payable as the result of death, disability, retirement or termination. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member.

If Normal Costs had been paid at this level for all prior years, a fund would have been accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The Unfunded Accrued Liability equals the Accrued Liability less the Actuarial Value of Assets. The Unfunded Accrued Liability is amortized as a level percent of payroll over a decreasing number of years, starting with 25 years as of July 1, 2010.

Actuarial Value of Assets

The difference between the expected Actuarial Value and the actual Market Value of Assets is smoothed over a five year period with the result constrained to be within +/- 20% of the actual Market Value. Beginning July 1, 2009, the 20% constraint has been removed.

Prior to July 1, 2007, for GASB25 purposes, the assets attributable to the general obligation pension bond issue of August 1998 are not used.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VI

ACTUARIAL METHOD AND ASSUMPTIONS

B. Actuarial Assumptions

<i>Pre-Retirement Mortality</i>	1994 Group Annuity Mortality. 80% of deaths among active Firefighters and Police are assumed to occur in the line of duty. 5% of deaths among all others are assumed to occur in the line of duty.																						
<i>Post-Retirement Healthy Mortality</i>	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA. These tables take into account future mortality improvements.																						
<i>Post-Retirement Disabled Mortality</i>	1983 Railroad Retirement Board Disabled Mortality Table.																						
<i>Investment Return</i>	Current: 7.75% per annum (net of investment expenses). Prior: 8.25% per annum (net of investment expenses).																						
<i>Payroll Growth Rate</i>	4.00%.																						
<i>Salary Increases</i>																							
<i>Police and Firefighters</i>	4.00%																						
<i>Town/Board of Education</i>	Current - based on table below:																						
	<table border="0"> <thead> <tr> <th style="text-align: center;"><i>Age</i></th> <th style="text-align: center;"><i>Rate</i></th> </tr> </thead> <tbody> <tr><td style="text-align: center;"><25</td><td style="text-align: center;">6.00%</td></tr> <tr><td style="text-align: center;">25-29</td><td style="text-align: center;">5.50%</td></tr> <tr><td style="text-align: center;">30-34</td><td style="text-align: center;">5.25%</td></tr> <tr><td style="text-align: center;">35-39</td><td style="text-align: center;">5.00%</td></tr> <tr><td style="text-align: center;">40-44</td><td style="text-align: center;">4.75%</td></tr> <tr><td style="text-align: center;">45-49</td><td style="text-align: center;">4.50%</td></tr> <tr><td style="text-align: center;">50-54</td><td style="text-align: center;">4.00%</td></tr> <tr><td style="text-align: center;">55-59</td><td style="text-align: center;">3.75%</td></tr> <tr><td style="text-align: center;">60-64</td><td style="text-align: center;">3.50%</td></tr> <tr><td style="text-align: center;">65+</td><td style="text-align: center;">3.00%</td></tr> </tbody> </table>	<i>Age</i>	<i>Rate</i>	<25	6.00%	25-29	5.50%	30-34	5.25%	35-39	5.00%	40-44	4.75%	45-49	4.50%	50-54	4.00%	55-59	3.75%	60-64	3.50%	65+	3.00%
<i>Age</i>	<i>Rate</i>																						
<25	6.00%																						
25-29	5.50%																						
30-34	5.25%																						
35-39	5.00%																						
40-44	4.75%																						
45-49	4.50%																						
50-54	4.00%																						
55-59	3.75%																						
60-64	3.50%																						
65+	3.00%																						
	Prior: 4.00%																						
<i>Inflation</i>	The Consumer Price Index will increase 2.5% annually.																						

RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF STRATFORD

SECTION VI

ACTUARIAL METHOD AND ASSUMPTIONS

B. Actuarial Assumptions

Retirement

<i>Police and Firefighters</i>	<i>Years of Service</i>	<i>Current Rate</i>	<i>Prior Rate</i>
	25	20%	40%
	26	20%	5%
	27-29	10%	5%
	30	20%	40%
	31	10%	10%
	32	35%	10%
	33+	30%	10%
	Age 65	100%	100%

<i>Town/Board of Education</i>	<i>Age</i>	<i>Current Rate</i>	<i>Prior Rate</i>
	<55	2%	1%
	55	15%	5%
	56-57	2%	5%
	58-59	10%	5%
	60	10%	20%
	61	10%	10%
	62-64	35%	15%
	65	35%	40%
	66-69	35%	25%
	70	100%	100%

“Suspended” employees whose DB plan benefits have been frozen and who are currently covered by the Town’s 401(a) plan are assumed to retire per the rates shown above.

Employee Turnover

Police and Firefighters 10% for the first five years of service; none thereafter.

Town/Board of Education Per the Crocker-Sarason T7 Table:

<i>Age</i>	<i>Rate</i>
25	9.68
30	9.31
35	8.72
40	7.77
45	6.38
50	4.25

<p>RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF STRATFORD</p>
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SECTION VI

ACTUARIAL METHOD AND ASSUMPTIONS

B. Actuarial Assumptions (continued)

Plan Expenses Actual administrative expenses paid in the prior year increased by 3%, and rounded to the nearest \$1,000.

Pre-Retirement Disability Rates Police, Firefighters and Public Works

<i>Age</i>	<i>Male</i>	<i>Female</i>
25	0.149	0.182
30	0.170	0.238
35	0.212	0.350
40	0.296	0.473
45	0.490	0.677
50	0.901	1.068
55	1.696	1.645
60	2.594	2.097

50% of disabilities are assumed to occur in the line of duty.

<i>Age</i>	<i>Rate</i>
25	0.075
30	0.084
35	0.096
40	0.115
45	0.162
50	0.240
55	0.400
60	0.843

5% of disabilities are assumed to occur in the line of duty.

Prior Year: rates per Police table above.

Percent Married 80%.

Age of Spouse Females are assumed to be three years younger than their male spouses.

Load factor to anticipate cashout payments at termination that are included in Average Annual Compensation 14% for Police hired prior to 10/17/1996. 9% for Firefighters, Supervisors hired prior to 4/1/1985, Public Works and Town employees hired prior to 7/1/1985, Custodians and Secretaries hired prior to 7/1/2000, Nurses hired prior to 11/1/2000, and Paraprofessionals hired prior to 7/1/2002.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VII

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. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself. This exhibit is based on our understanding of benefits as described by the plan document, Summary Plan Description, and applicable collective bargaining agreements. To the extent that this exhibit does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

<i>Effective Date</i>	April 1, 1948
<i>Eligibility</i>	Full-time employees excluding: <ul style="list-style-type: none">• Employees working less than 20 hours per week,• Officers elected by popular vote,• Employees accruing benefits under State Teachers Retirement Plan,• Members of the Supervisors, Town Hall and Public Works units hired after September 13, 1999 are not eligible. Board of Education Secretaries and Custodians hired after July 1, 2000, Nurses hired after November 11, 2000 and Para-Professionals hired after July 1, 2002 are not eligible. All Police and Firefighters are eligible.
<i>Town/Board of Education</i>	All eligible employees including Public Works, Town Hall, Supervising, and Board of Education, but excluding Police and Firefighters.
<i>Compensation</i>	Includes, but is not limited to, basic salary, longevity pay, overtime / callback pay, cashout of certain unused days, and pay for acting in a higher classification. Police Plan B is limited to basic salary.
<i>Average Annual Compensation</i>	
<i>Town, Board of Education, Para-Professionals and Nurses</i>	Average of Compensation over last 24 months if less than 30 years of service. Average of Compensation over last 12 months if 30 or more years of service.
<i>Police and Firefighters</i>	Average of Compensation over last 24 months.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VII

SUMMARY OF PLAN PROVISIONS

<i>Continuous Service</i>	Number of years and completed months of uninterrupted service.
<i>Superannuation</i>	
<i>Board of Education and Supervisors</i>	23 years of Continuous Service and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
<i>Para-Professionals</i>	23 years of Continuous Service and, if hired after 4/1/85, age 50, or 5 years of service and age 55.
<i>Public Works</i>	23 years of Continuous Service and, if hired after 7/1/85 age 50, or 5 years of service and age 55.
<i>Town Hall and Nurses</i>	23 years of Continuous Service and, if hired after 7/1/77 age 50, or 5 years of service and age 55.
<i>Police and Firefighters</i>	25 years of Continuous Service.
<i>Pension Benefit</i>	
<i>Town, Board of Education, Para-Professionals and Nurses</i>	2.4% of Average Annual Compensation for each of the first 25 years of Continuous Service, plus 2% of Average Annual Compensation for years 26-30 and 0.5% of Average Annual Compensation for years 31-35.
<i>Firefighters</i>	2.4% of Average Annual Compensation for each year of Continuous Service.
<i>Police</i>	2.4% of Average Annual Compensation for each of the first 25 years of Continuous Service, plus 2% of Average Annual Compensation for each year of Continuous Service over 25 years.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VII

SUMMARY OF PLAN PROVISIONS

Maximum Benefit

Town/Board of Education 72.5% of Average Annual Compensation.

Police and Firefighters 70% of Average Annual Compensation.

Optional Forms of Benefit 100% or 50% Contingent Annuitant; if the Contingent Annuitant dies before the Primary Annuitant, the election is revoked.

Disability Retirement Members (except Police and Firefighters) hired after July 1, 1985 (Town Hall, Para-Professionals and Nurses hired after July 1, 1962; Supervisors hired after April 1, 1985) who are eligible for Superannuation are not eligible for Disability Benefits.

Disability Incurred in Line of Duty 50% of Average Annual Compensation.

Disability Not Incurred in Line of Duty

Police and Firefighters 2.4% of Average Annual Compensation (AAC) for each year of Continuous Service. Maximum Benefit is 50% of AAC; Minimum Benefit is 25% of AAC.

**Town, Board of Education,
Para-Professionals, Nurses** 2.4% of Average Annual Compensation (AAC) for each year of Continuous Service, if Member has 5 years of Continuous Service. Maximum Benefit is 50% of AAC; Minimum Benefit is 30% of AAC.

Death Benefits

**Pre-Retirement Death,
Incurred In Line of Duty** 50% of last 12 months of Compensation, or \$1,500 if greater, to spouse until death or remarriage.

**RETIREMENT PLAN FOR EMPLOYEES OF
THE TOWN OF STRATFORD**

SECTION VII

SUMMARY OF PLAN PROVISIONS

Pre-Retirement Death, Not Incurred in Line of Duty 25% of Compensation, if member had 10 years of Continuous Service, to spouse until death or remarriage.

Post-Retirement Death Greater of 25% of Compensation or 50% of the Pension Benefit payable to spouse until death or remarriage.

If death is due to an accident in the line of duty within one year of retirement, benefit is equal to 50% of Compensation or \$1,500 if greater.

Death Benefits (pre- and post- retirement) are payable to dependent children under age 21 if no surviving spouse and to dependent parents if no surviving spouse or children. If no survivors, Accumulated Contributions in excess of benefits paid will be paid to estate.

Member Contributions

Town, Board of Education, Para-Professionals and Nurses 8% of Compensation; not payable in excess of 35 years.

Firefighters 8% of Compensation; not payable in excess of 30 years.

Police 8% of Compensation. 7% if hired after 10/17/1996.

Vesting Upon termination after 5 years of service (10 years for Police and Firefighters), Member has accrued the following benefits:

Firefighters: 2.4% of Average Annual Compensation (over 24 months) times years of service.

Police, Town/Board of Education, Para-Professionals, and Nurses: 2.4% of Average Annual Compensation (over 24 months) times years of service.

Post-Retirement Death: 50% of vested pension benefit payable to spouse until death or remarriage. Continuation of death benefits available to dependent children and parents.

Upon termination prior to vesting, Member contributions are returned with interest.