



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

M-NCPPC RESOLUTION NO. 25-20

**RECOMMENDATION TO APPROVE AN EMPLOYER RETIREMENT CONTRIBUTION IN THE AMOUNT OF
\$41,130,838 FOR FISCAL YEAR 2027**

WHEREAS, the Maryland-National Capital Park and Planning Commission (the “Commission”) as Plan Sponsor entered into a Pension Trust Agreement as of July 26, 1972 and amended on June 13, 1979 (“the Agreement”) with the Employees’ Retirement System of the Maryland-National Capital Park and Planning Commission (“ERS” or the “Plan”); and

WHEREAS, the “FIRST” section of the Agreement states that the Board of Trustees shall be responsible for the collection of contributions to the Plan; and

WHEREAS, Section 2.3(g) of the ERS Plan Document states that the Board of Trustees shall recommend to the Commission the contributions to be made by the Commission under the provisions of the Retirement System; and

WHEREAS, the Board of Trustees engaged Cheiron (“the Actuary”) to prepare an ERS Actuarial Valuation as of June 30, 2025; and

WHEREAS, the ERS Actuarial Valuation as of June 30, 2025 projected a Fiscal Year 2027 Plan Sponsor contribution in the amount of \$41,130,838.

NOW THEREFORE, BE IT RESOLVED, that the Commission as Plan Sponsor approves a \$41,130,838 payment to the ERS Trust Fund; and

BE IT FURTHER RESOLVED that the Maryland-National Capital Park and Planning Commission does hereby authorize the Executive Director, and other officers, to take action as may be necessary to implement this resolution.

APPROVED FOR LEGAL SUFFICIENCY:

/s/ Michael W. Anitón

Deputy General Counsel
Office of the General Counsel
M-NCPPC
November 7, 2025

This is to certify that the foregoing is a true and correct copy of Resolution #25-20, taken by The Maryland-National Capital Park and Planning Commission on the motion of Commissioner Geraldo, seconded by Vice Chair Harris with Commissioners Barnes, Bartley, Geraldo, Harris, Hedrick, Linden, Okoye and Pedoeem voting in favor of the motion during its regular meeting on Wednesday, November 19, 2025, held virtually and in person at the Wheaton Headquarters Auditorium in Wheaton, Maryland.


William Spencer, Acting Executive Director, M-NCPPC



Classic Values, Innovative Advice

Maryland-National Capital Park and Planning Commission Employees' Retirement System

Pension Actuarial Valuation
as of June 30, 2025

Presented by:

Patrick Nelson, FSA, CERA, EA, MAAA

Janet Cranna, FSA, FCA, EA, MAAA

Jana Bowers, FSA, EA, MAAA

November 19, 2025



Discussion Guide



- Historical Review and Material Risks
- June 30, 2025 Actuarial Valuation Results
- Projections
- Appendix

1. Collect information

- Member data
- Plan provisions
- Asset information

2. Apply assumptions

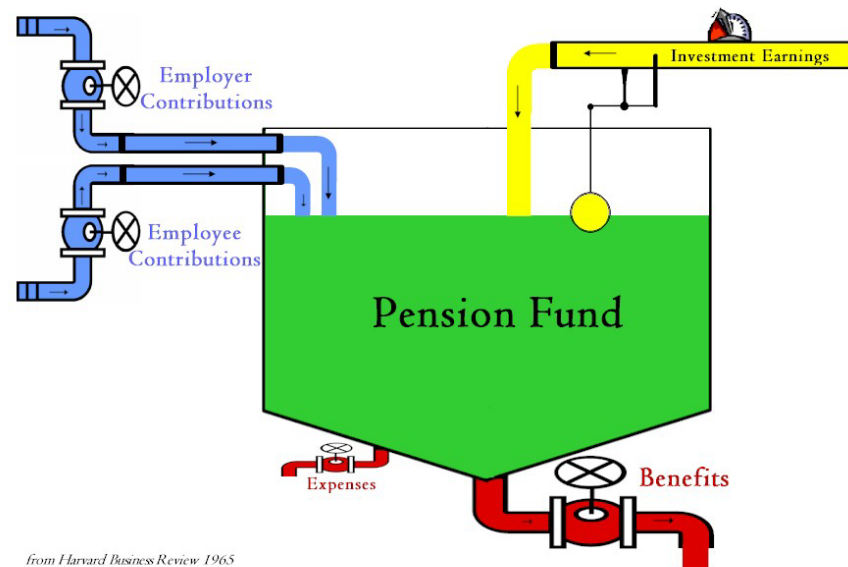
- Demographic
- Economic

3. Project all future benefit payments

4. Determine a present value of the benefits

5. Compare to assets

6. Calculate employer and employee contributions



from Harvard Business Review 1965

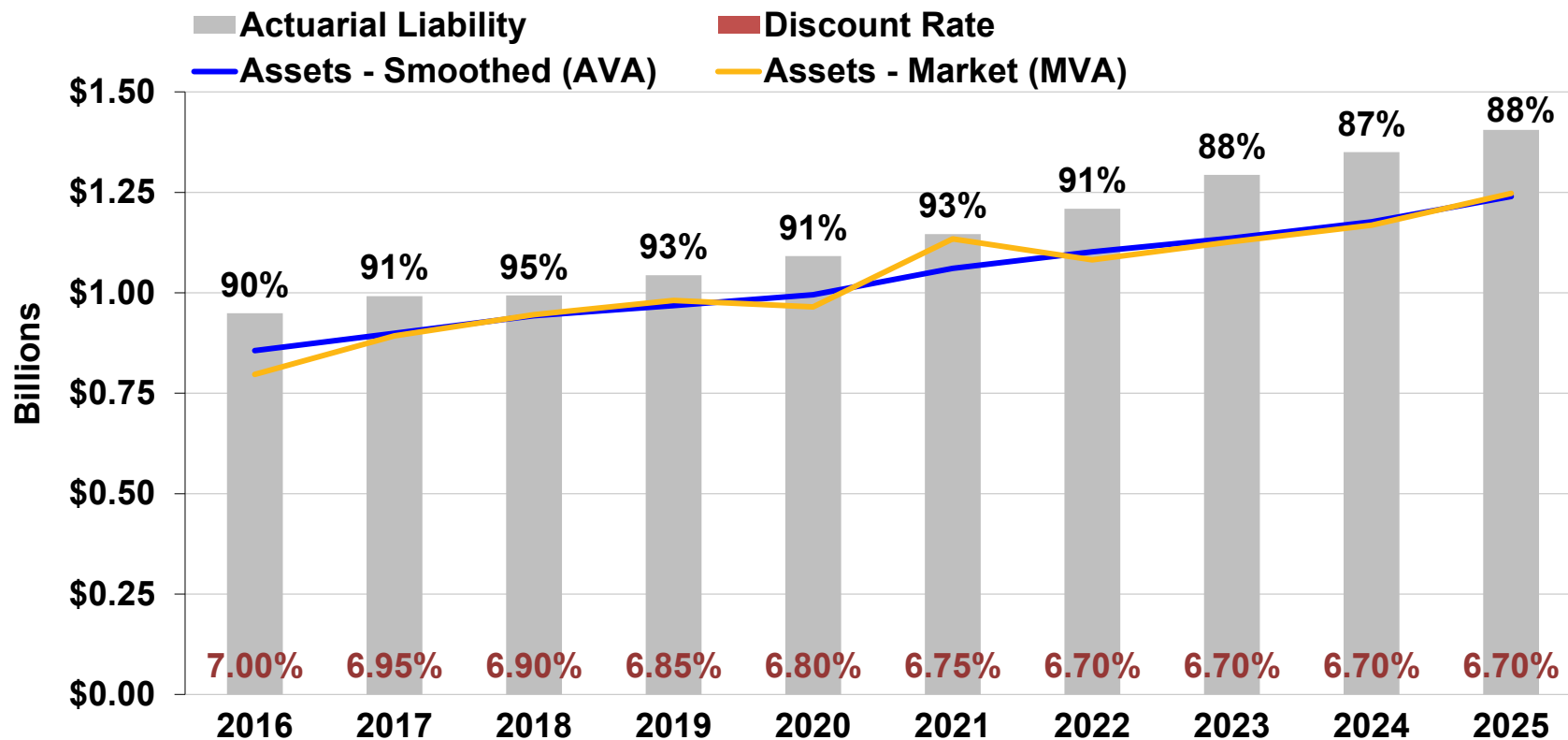
- Assessment and Disclosure of Risk (ASOP 51)
- Material risks identified:
 - **Investment Risk** – the potential for investment returns to be different than expected
 - **Inflation Risk** – the potential that inflation remains higher than expected
 - **Contribution Risk** – the potential that actual contributions will not adequately fund the Plan
 - **Longevity and other Demographic Risk** – the potential for mortality and other demographic experience to be different than expected
 - **Plan Change Risk** – the potential for provisions of the plan to change and impact measurements
 - **Assumption Change Risk** – the potential for the environment to change such that future valuation assumptions are different than the current assumptions



Historical Review

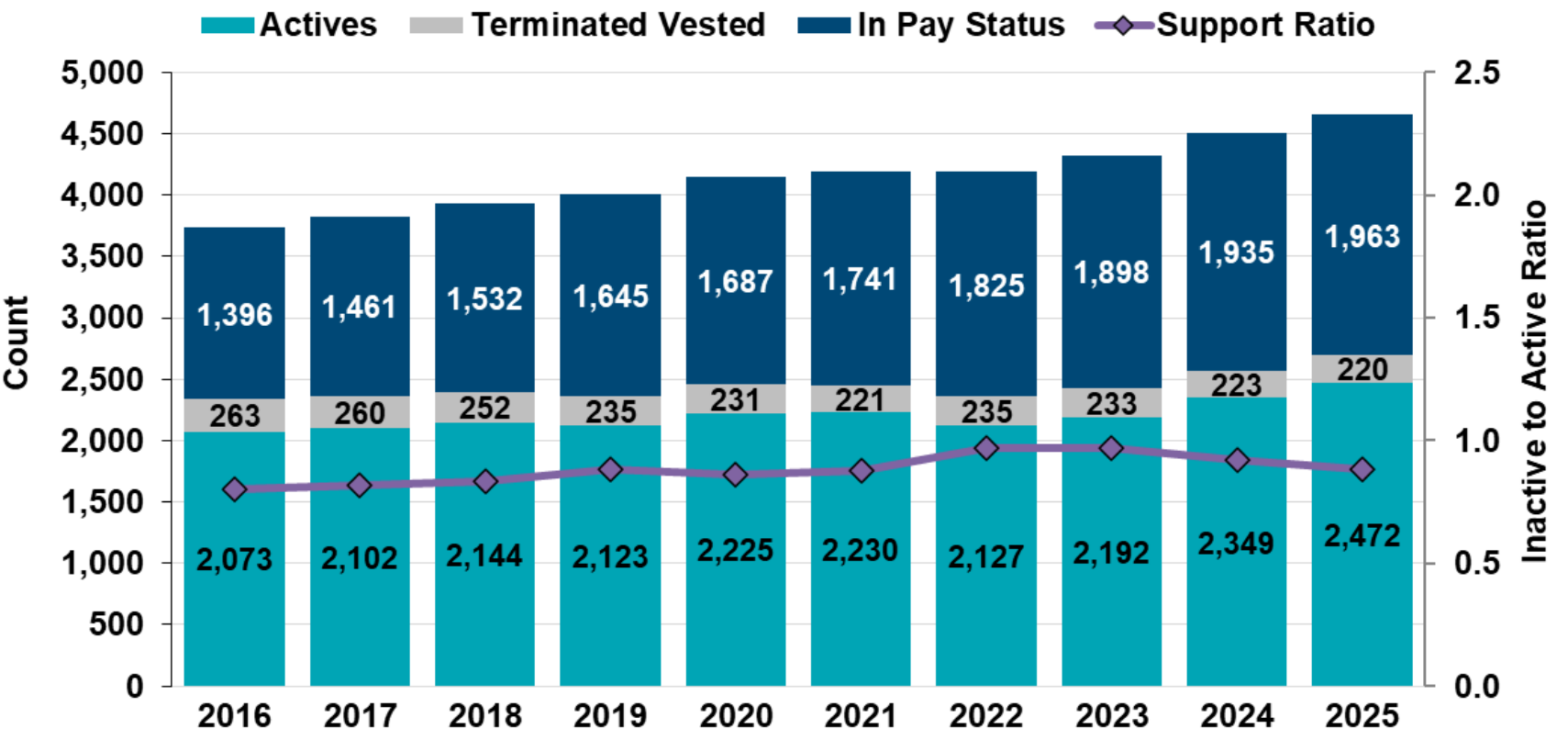
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Assets and Liabilities



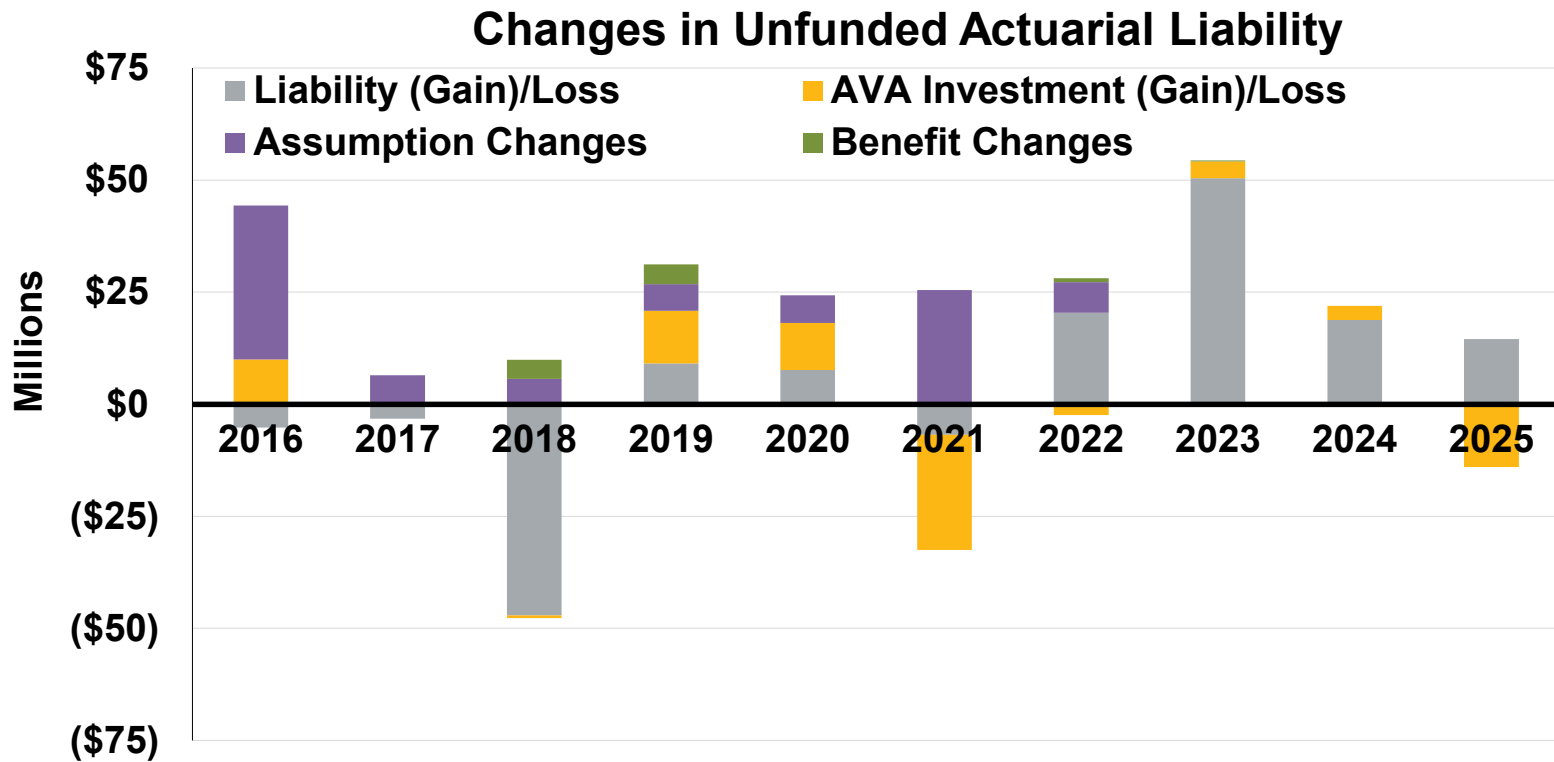
Funded status shown above bars is Actuarial Value of Assets divided by Actuarial Liability

Membership Trends



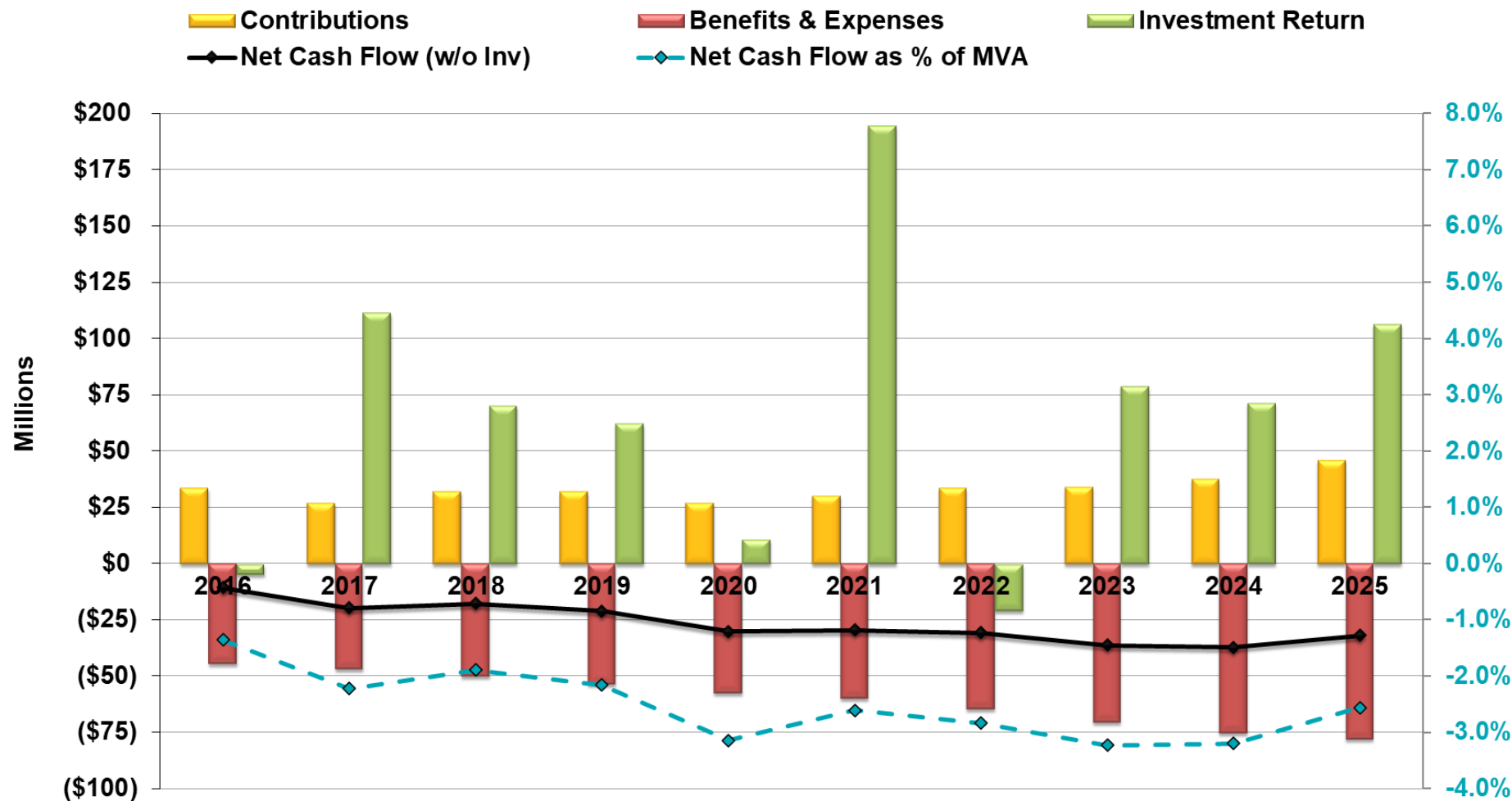
Support Ratio is the ratio of the number of inactive members (Retirees and Deferred Vesteds) per active member

Unfunded Actuarial Liability



Assumption Changes and Benefit Changes combined for years prior to 2018
2018 Liability (G)/L includes a programming change resulting in a \$49 million gain
2020 Liability (G)/L includes a programming change resulting in a \$4.8 million loss
2024 Liability (G)/L includes a programming change resulting in a \$4.5 million loss

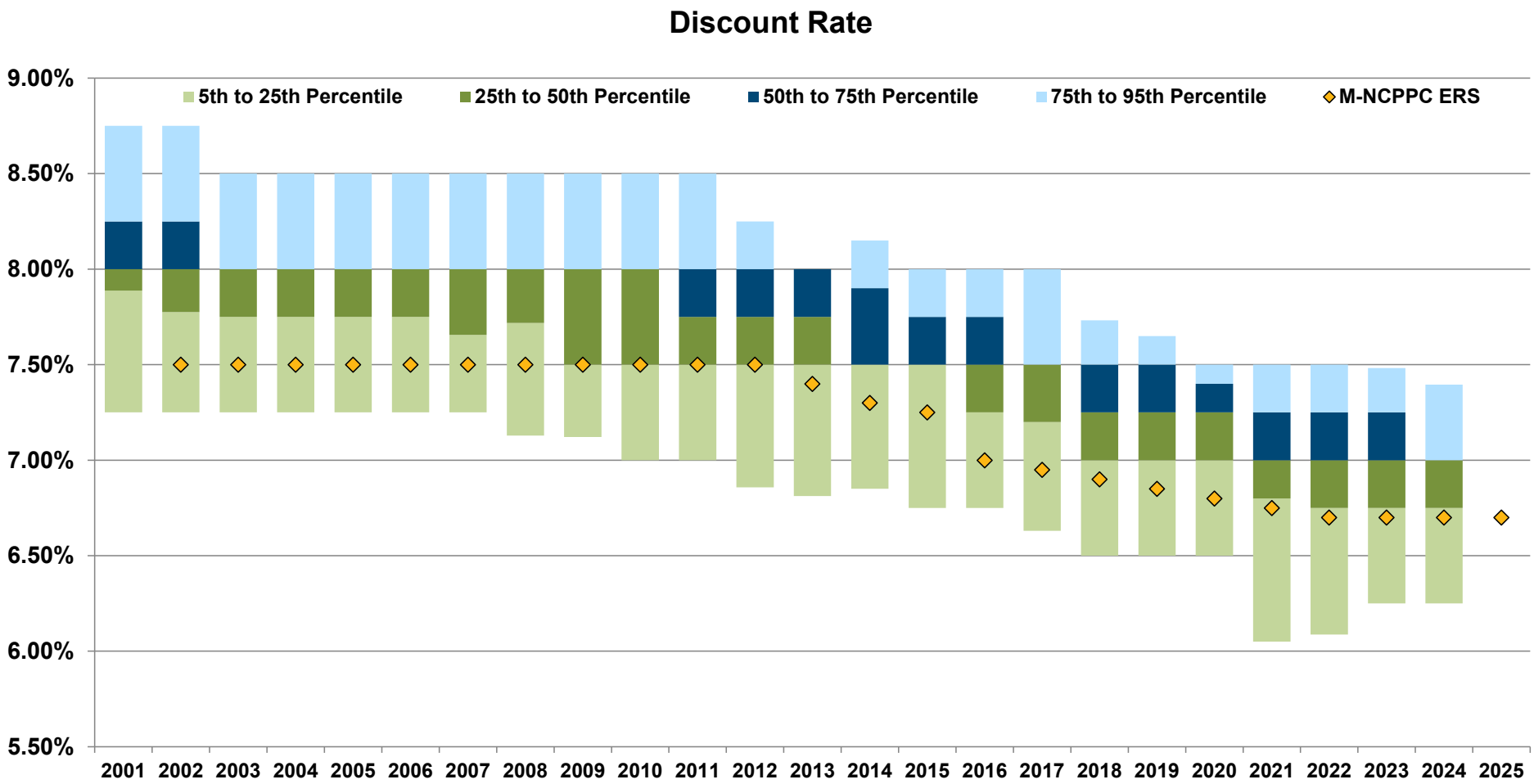
Cash Flows



Net Cash Flow as a % of Market Value of Assets as of the end of the year

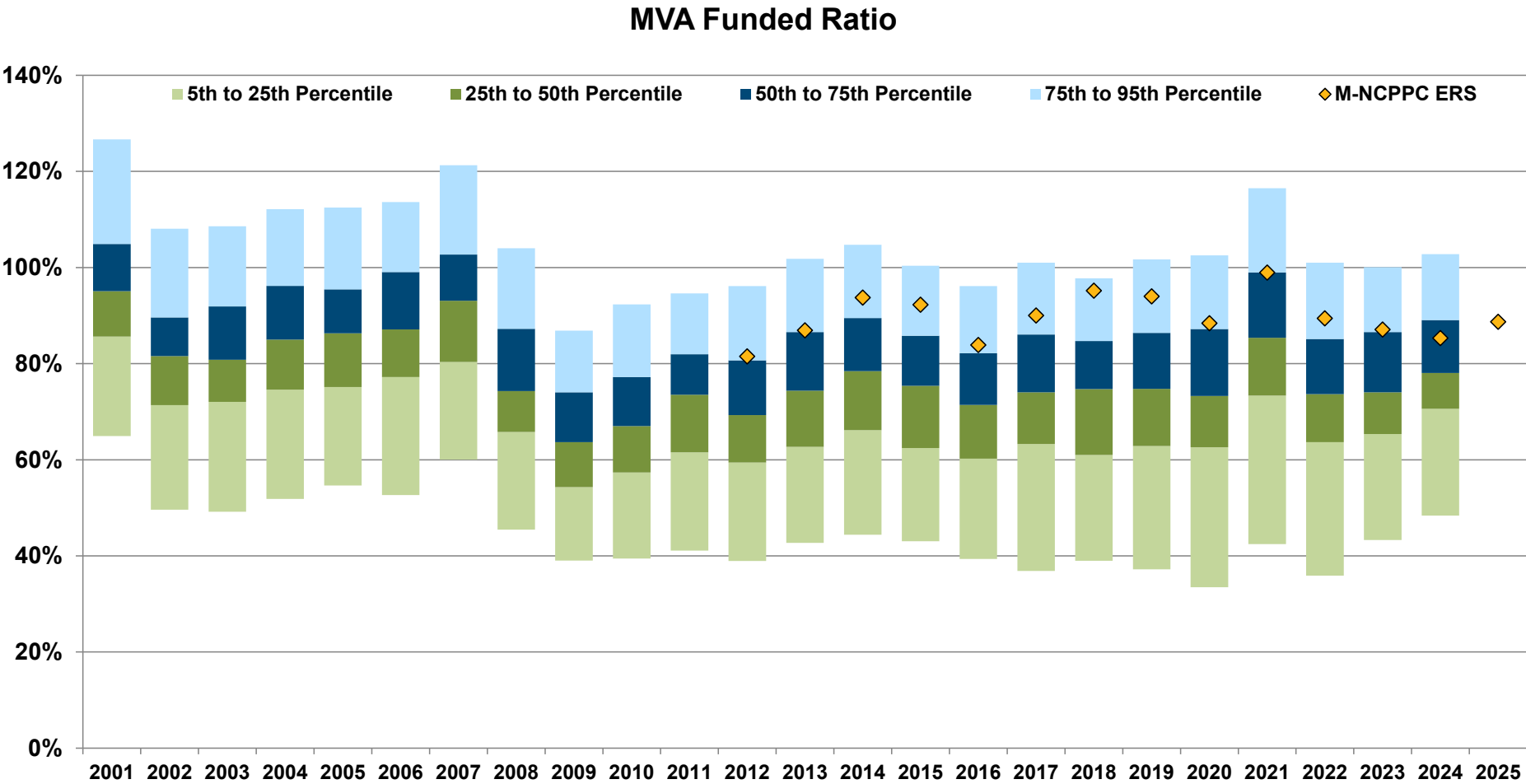
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More conservative than most Systems



Survey Data from Public Plans Data as of 7/8/2025

Better funded than most Systems



Survey Data from Public Plans Data as of 7/8/2025



June 30, 2025 Valuation Results

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- Market Value of Assets (MVA) returned 9.41% and the Actuarial Value of Assets (AVA) returned 7.93% from June 30, 2024 to June 30, 2025 compared to the assumed rate of 6.70%
 - Actuarial gain on investments was \$14.0 million
- Actuarial liability loss of \$14.6 million

Assets and Liabilities	As of June 30, 2024	As of June 30, 2025	% Change
Actuarial Liability (AL)	\$ 1,349,938,109	\$ 1,405,789,832	4.14%
Actuarial Value of Assets (AVA)	<u>\$ 1,176,830,678</u>	<u>\$ 1,239,510,702</u>	5.33%
Unfunded Actuarial Liability (UAL)	\$ 173,107,431	\$ 166,279,130	-3.94%
Funded Ratio (AVA / AL)	87.18%	88.17%	0.99%
Market Value of Assets (MVA)	\$ 1,168,470,689	\$ 1,247,257,798	6.74%
Funded Ratio (MVA / AL)	86.56%	88.72%	2.16%
Actuarially Determined Contribution at End of Year	\$ 39,551,467	\$ 41,130,838	3.99%

Contribution Reconciliation

	Exp Liability		Exp Liability		Baseline Liability		Salary Adjustments			
	Exp Assets		Actual Assets		Actual Assets		Actual Assets			
	FYE 2026				FYE 2027					
AL	\$	1,349.9	\$	1,391.2	\$	1,391.2	\$	1,399.4	\$	1,405.8
AVA		<u>1,176.8</u>		<u>1,225.5</u>		<u>1,239.5</u>		<u>1,239.5</u>		<u>1,239.5</u>
UAL	\$	173.1	\$	165.7	\$	151.7	\$	159.9	\$	166.3
Payroll	\$	213.3	\$	218.6	\$	218.6	\$	236.8	\$	236.8
Gross NC	\$	26.4	\$	27.2	\$	27.2	\$	29.4	\$	29.5
Est Exp		2.7		2.8		2.8		2.8		2.8
EE Cont		<u>9.5</u>		<u>9.9</u>		<u>9.9</u>		<u>10.6</u>		<u>10.6</u>
Net NC	\$	19.6	\$	20.1	\$	20.1	\$	21.6	\$	21.7
UAL Amort	\$	17.5	\$	16.7	\$	15.3	\$	16.1	\$	16.8
ADC BOY	\$	37.1	\$	36.8	\$	35.4	\$	37.7	\$	38.5
ADC EOY	\$	39.6	\$	39.3	\$	37.7	\$	40.3	\$	41.1
% of Pay		18.54%		17.96%		17.27%		17.00%		17.37%

Dollars in millions

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Employer Contribution by Plan

	Non-Police Plan A	Police Plan A	Plan B	Plan C	Plan D	Plan E	Total
Active Member Payroll	\$ 0	\$ 0	\$ 71,993,579	\$ 22,799,000	\$ 0	\$ 141,962,114	\$ 236,754,693
Normal Costs							
Gross Normal Cost	\$ 0	\$ 0	\$ 7,177,357	\$ 5,636,095	\$ 0	\$ 16,712,428	\$ 29,525,880
Estimated Expenses	226,381	3,568	1,784,958	430,888	148,507	217,278	2,811,580
Reduction due to Expected Employee Contributions	<u>0</u>	<u>0</u>	<u>2,744,542</u>	<u>2,138,383</u>	<u>0</u>	<u>5,693,812</u>	<u>10,576,737</u>
Net Employer Normal Cost	\$ 226,381	\$ 3,568	\$ 6,217,773	\$ 3,928,600	\$ 148,507	\$ 11,235,894	\$ 21,760,723
--As a % of Payroll	0.00%	0.00%	8.64%	17.23%	0.00%	7.91%	9.19%
Amortization Payment							
	\$ 0	\$ 0	\$ 9,820,144	\$ 3,411,468	\$ 0	\$ 3,555,779	\$ 16,787,391
--As a % of Payroll	0.00%	0.00%	13.64%	14.96%	0.00%	2.50%	7.09%
Actuarially Determined Employer Contribution payable at Beginning of Year							
	\$ 226,381	\$ 3,568	\$ 16,037,917	\$ 7,340,068	\$ 148,507	\$ 14,791,673	\$ 38,548,114
--As a % of Payroll	0.00%	0.00%	22.28%	32.19%	0.00%	10.42%	16.28%
Actuarially Determined Employer Contribution payable at End of Year							
	\$ 241,549	\$ 3,807	\$ 17,112,457	\$ 7,831,853	\$ 158,457	\$ 15,782,715	\$ 41,130,838
--As a % of Payroll	0.00%	0.00%	23.77%	34.35%	0.00%	11.12%	17.37%

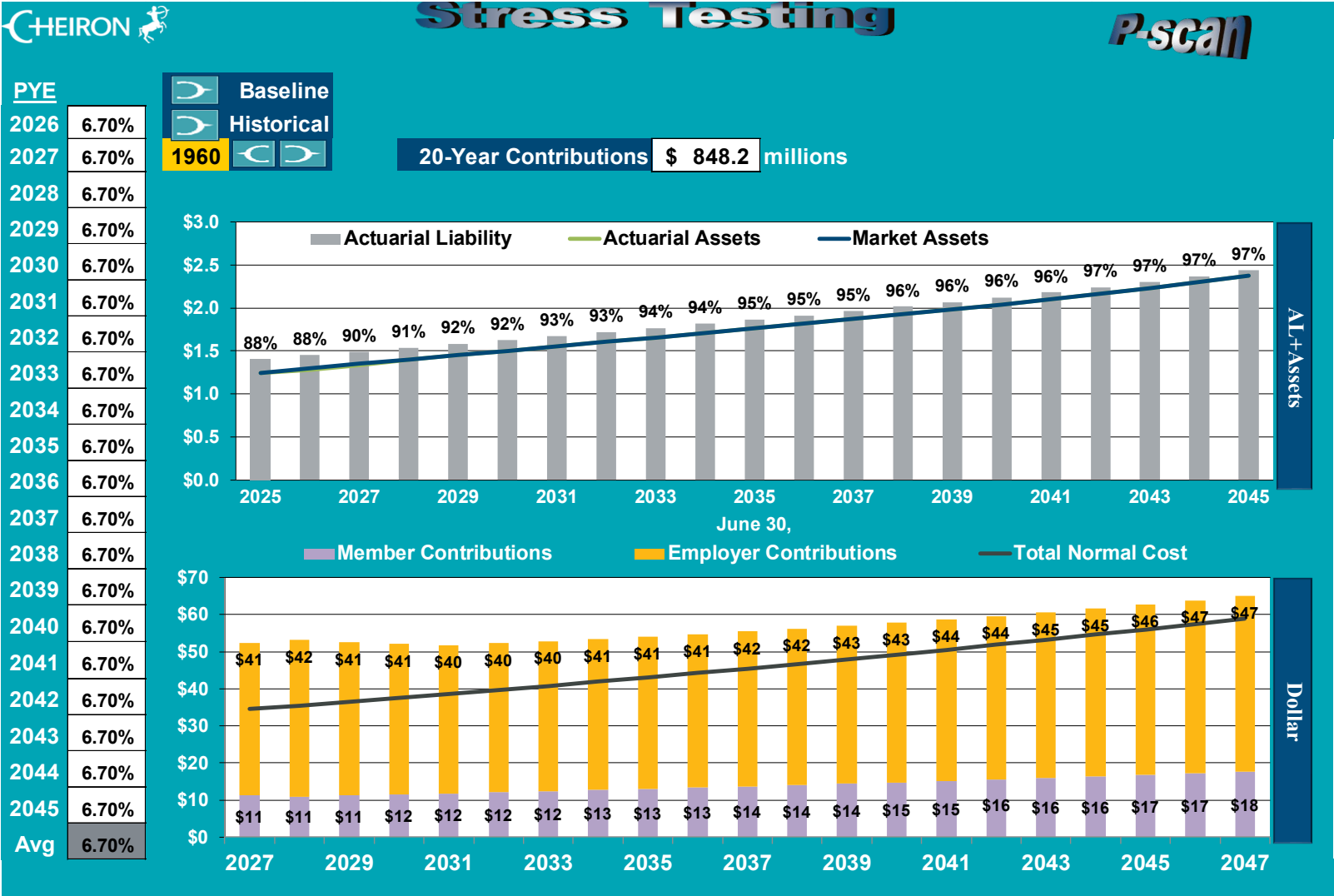
	Contribution for FYE June 30, 2027	2025 Payroll	Contribution as % of Payroll
Non-Police	\$ 33,136,721	\$ 213,955,693	15.49%
Park Police	<u>7,994,117</u>	<u>22,799,000</u>	35.06%
Total	\$ 41,130,838	\$ 236,754,693	17.37%

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Projections

6.70% Annual Return (Baseline)



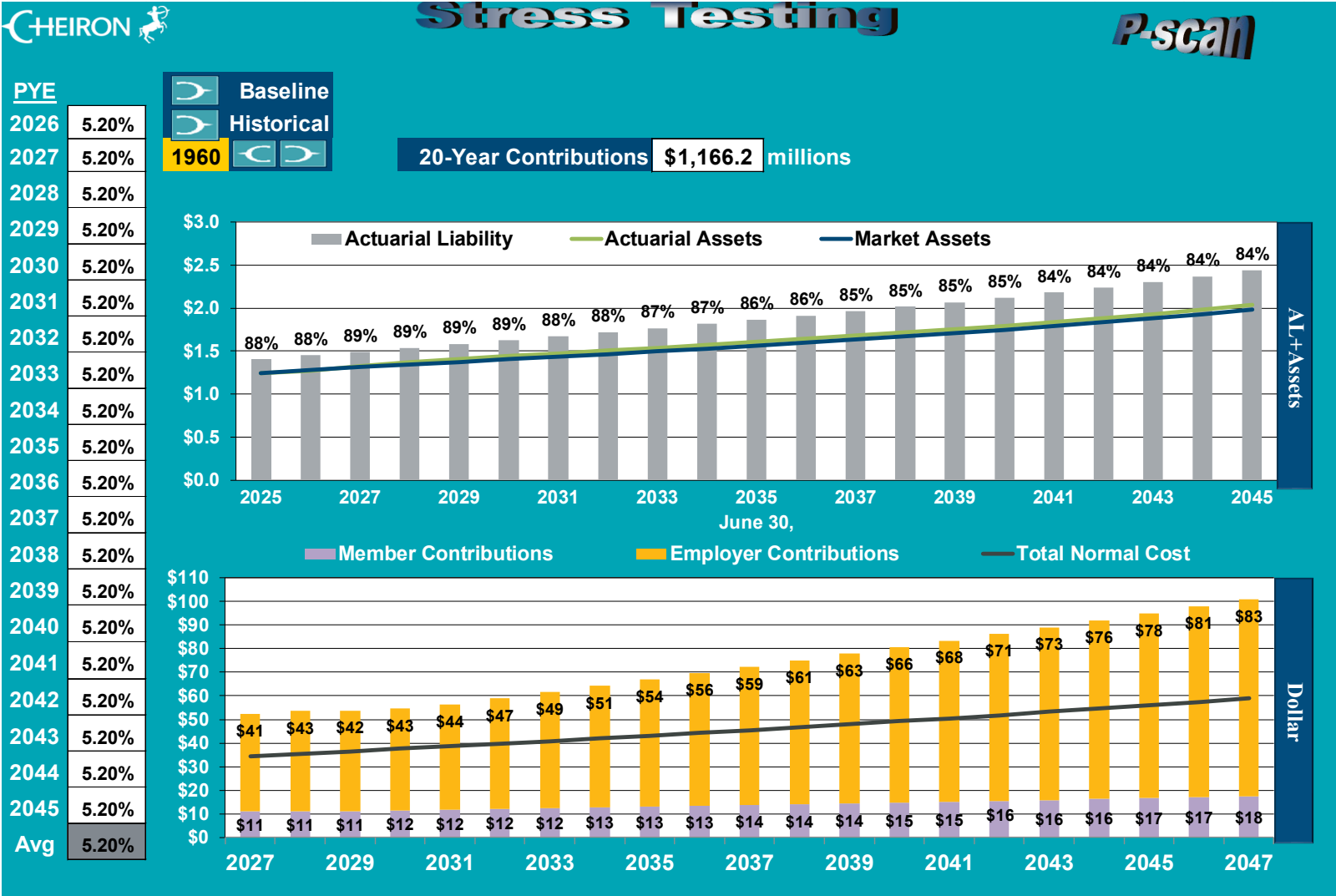
Projected Total Employer Contributions

10-Year Projection of Employer Costs (dollars in millions)									
Fiscal Year Ending June 30,	Normal Cost	Amortization of UAL	Estimated Expenses	Interest to End of Year	Total Employer Contribution	Prior Year Payroll	Employer Contribution as % of Payroll		
2027	\$ 18.95	\$ 16.79	\$ 2.81	\$ 2.58	\$ 41.13	\$ 236.75	17.37%		
2028	19.40	17.22	2.90	2.65	42.17	242.67	17.38%		
2029	19.99	15.64	2.99	2.59	41.19	248.74	16.56%		
2030	20.59	14.34	3.07	2.55	40.54	254.96	15.90%		
2031	21.20	13.09	3.16	2.51	39.97	261.33	15.29%		
2032	21.83	12.56	3.25	2.52	40.16	267.87	14.99%		
2033	22.46	12.05	3.35	2.54	40.40	274.56	14.71%		
2034	23.11	11.56	3.44	2.55	40.66	281.43	14.45%		
2035	23.78	11.09	3.53	2.57	40.97	288.46	14.20%		
2036	24.46	10.64	3.63	2.59	41.32	295.67	13.98%		
2037	25.15	10.20	3.73	2.62	41.70	303.07	13.76%		

Assumptions

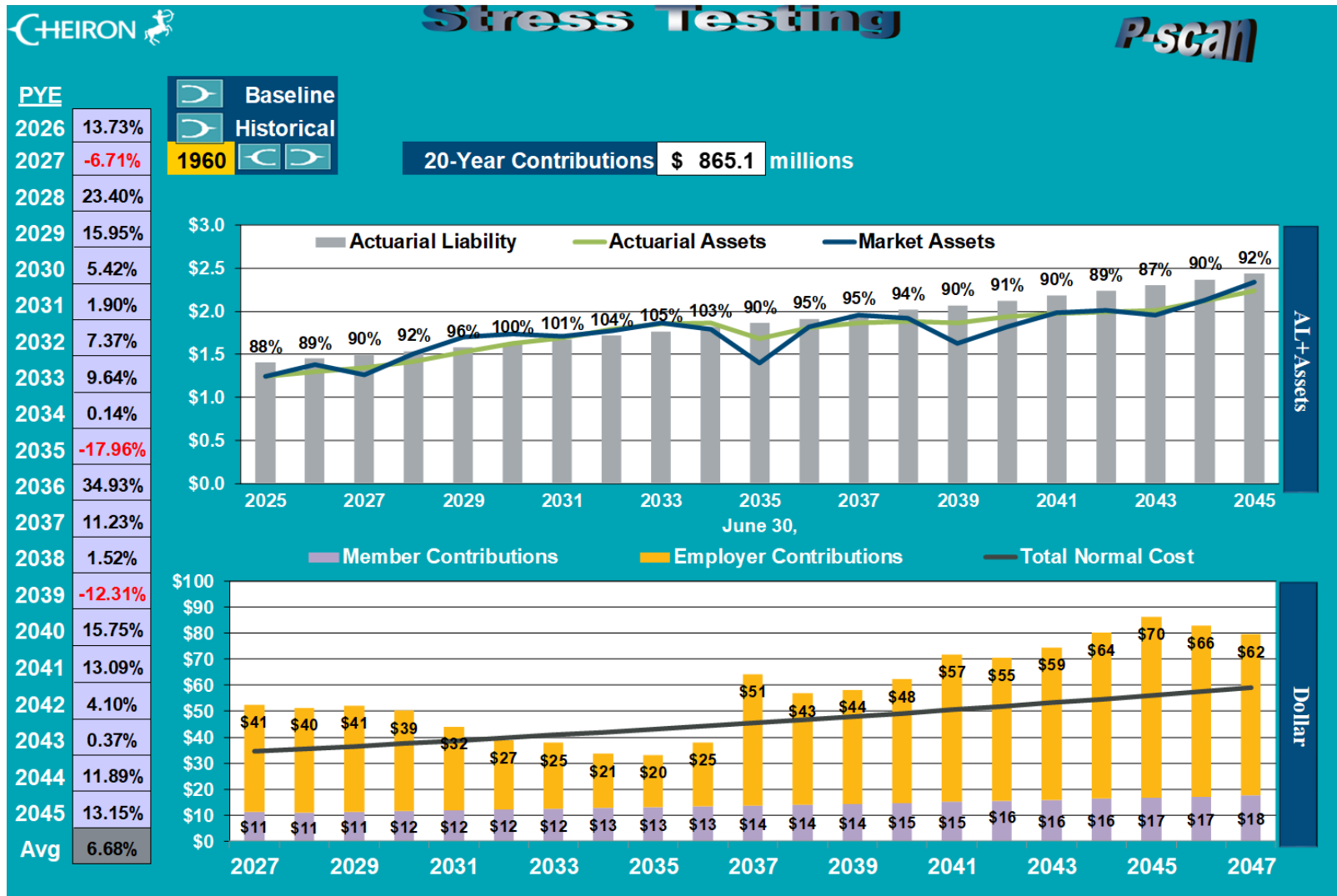
- Future investment returns of 6.70%
- Total payroll increases 2.50%
- No liability gains or losses

5.20% Annual Return



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Historical Returns



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Appendix

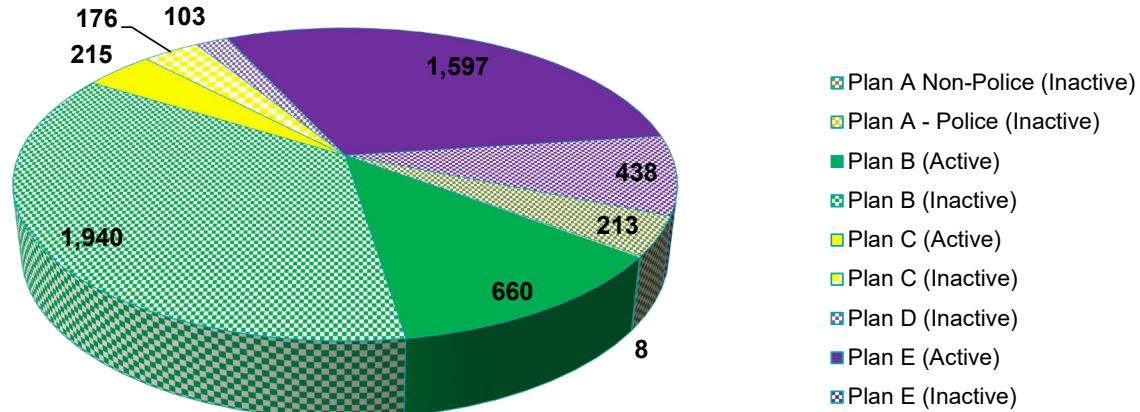
Total System Membership Counts

Member Status	As of June 30, 2024	As of June 30, 2025	% Change
Active	2,349	2,472	5.24%
Terminated Vested	223	220	-1.35%
Terminated Non-Vested ¹	656	695	5.95%
	<u>1,935</u>	<u>1,963</u>	1.45%
Retired, Beneficiaries, and Disabled			
Total	5,163	5,350	3.62%

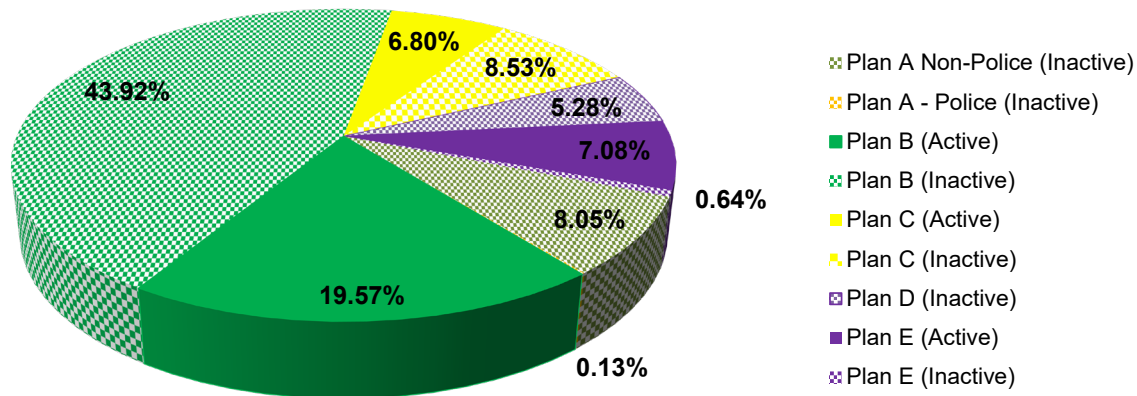
¹ Members still due a refund of employee contributions

Membership and Liability by Plan

Number of Members by Plan



Actuarial Liability by Plan



Change in Liabilities

Source	(Gain) / Loss
Liabilities as of June 30, 2024	\$ 1,349,938,109
Change due to:	
Plan Amendments	0
Assumption Changes	0
Actuarial (Gain) / Loss	14,564,979
Benefits Accumulated and Other Sources	<u>41,286,744</u>
Total Liability Increase / (Decrease)	<u>55,851,723</u>
Liabilities as of June 30, 2025	\$ 1,405,789,832

Sources of Actuarial Liability (Gain)/Loss

Source	(Gain) / Loss	% of Liability
New members entering System	\$ 757,529	0.1%
Salary increases for prior year different than expected	1,911,701	0.1%
Salary adjustments for upcoming year	6,439,582	0.5%
Data corrections	1,875,193	0.1%
Active member decrements	351,056	0.0%
Service Transfers/Purchase	77,954	0.0%
Inactive mortality	(2,940,623)	-0.2%
Retiree COLA more than expected	5,172,149	0.4%
Benefit payments different than expected	(897,133)	-0.1%
Other	<u>1,817,571</u>	<u>0.1%</u>
Total Actuarial Liability (Gain) / Loss	\$ 14,564,979	1.0%



The purpose of this presentation is to present the actuarial valuation results for the Maryland-National Capital Park and Planning Commission (Commission) Employees' Retirement System (System). This presentation is for the use of the Board, the Commission, and System staff.

In preparing our presentation, we relied on information, some oral and some written, supplied by the System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

The actuarial assumptions and methods are outlined in the draft Actuarial Valuation Report as of June 30, 2025. The census data provided to us by the System was as of June 30, 2025.

The assumptions reflect our understanding of the likely future experience of the System, and the assumptions as a whole represent our best estimate for the future experience of the System. The results of this presentation are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the System could vary from our results.

Cheiron utilizes and relies upon ProVal, an actuarial valuation software leased from Winklevoss Technologies for the intended purpose of calculating liabilities and projected benefit payments. Projected expected results of future valuations in this presentation were developed using P-scan, our proprietary tool for the intended purpose of developing projections. As part of the review process for this presentation, we have performed a number of tests to verify that the results are reasonable and appropriate. We are not aware of any material inconsistencies, unreasonable output resulting from the aggregation of assumptions, material limitations or known weaknesses that would affect this presentation.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as other applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This presentation was prepared exclusively for the Maryland-National Capital Park and Planning Commission Employee's Retirement System for the purpose described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

November 19, 2025



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**Contact us if you have
any questions**

Janet Cranna, FSA, FCA, EA, MAAA
tel: 703.893.1456 (ext. 1145)
jcranna@cheiron.us

Patrick Nelson, FSA, CERA, EA, MAAA
tel: 703.893.1456 (ext. 1038)
pnelson@cheiron.us

Jana Bowers, FSA, EA, MAAA
tel: 703.893.1456 (ext. 1065)
jbowers@cheiron.us

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