



February 7, 2025 E-Mail

Ms. Mya Bernskoetter  
Employer Reporting Analyst  
Missouri Local Government  
Employees Retirement System  
P.O. Box 1665  
Jefferson City, Missouri 65102

**Re: Clearwater Ambulance District Public Safety Department Split (#9107)**

Dear Mya:

As you requested, we have performed actuarial valuations as of February 29, 2024 for the active and deferred members reported as Public Safety members and the remaining active and deferred members of the General department of the Clearwater Ambulance District.

**Section A – Summary of Employer Contribution Rates as a Percent of Payroll**

	<u>Present Plan</u>	<u>Alternate Plan</u>	
	<u>Current General</u>	<u>Remaining General Subdepartments</u>	<u>New Public Safety Subdepartment</u>
Normal Cost Rate	4.20%	4.20%	5.70%
Casualty Rate	0.30	0.30	0.30
Prior Service Cost Rate <sup>1</sup>	<u>3.50</u>	<u>0.00</u>	<u>4.80</u>
Total Employer Contribution Rate	8.00%	4.50%	10.80%
<b>Change in Employer Contribution Rate as a percent of payroll</b>		<b>(3.50)%</b>	<b>2.80%</b>
<b>Increase in Actuarial Accrued Liability <sup>1</sup></b>		<b>\$0</b>	<b>\$116,794</b>

<sup>1</sup> The increase in the actuarial accrued liability due to adoption of the alternate plan was amortized over a 20 year period to compute the increase in the Prior Service Cost Rate.

The Current General and Remaining General Subdepartments results shown above are based upon General benefit provisions (age 60 and 5 years unreduced retirement eligibility; age 55 and 5 years reduced retirement eligibility; deferred age equal to 60). The New Public Safety Subdepartment results shown above are based upon Public Safety benefit provisions (age 55 and 5 years unreduced retirement eligibility; age 50 and 5 years reduced retirement eligibility; deferred age equal to 55).

**Section B – Additional Details**

	Present Plan	Alternate Plan		Alternate Plan
	General	General		Public Safety
	Benefit Provisions	Benefit Provisions		Benefit Provisions
	Current General	Remaining General Subdepartments	New Public Safety Subdepartment	New Public Safety Subdepartment
<u>Member Statistics</u>				
Number Active	10	-	10	10
Payroll	\$618,146	\$0	\$618,146	\$618,146
Average Pay	61,815	-	61,815	61,815
Accumulated Contributions (Actives)	98,741	-	98,741	98,741
Number Deferred	2	2	0	0
<u>Actuarial Accrued Liabilities (AAL)</u>				
Active AAL	\$605,108	\$0	\$605,108	\$721,902
Deferred AAL	32,925	32,925	0	0
Total AAL	\$638,033	\$32,925	\$605,108	\$721,902
Increase AAL - Public Safety Provisions and Assumptions				\$116,794
<u>Actuarial Value of Assets</u>				
Members Deposit Fund (MDF)	\$114,940	\$16,199	\$98,741	\$98,741
Employer Accumulation Fund (EAF) <sup>1</sup>	233,470	16,726	216,744	216,744
Total Assets	\$348,410	\$32,925	\$315,485	\$315,485
Funded Ratio	54.6%	100.0%	52.1%	43.7%
Unfunded Actuarial Accrued Liability (UAAL)	\$289,623	\$0	\$289,623	\$406,417
<u>Computed Employer Contribution Rate</u>				
Normal Cost Rate	4.20%	4.20%	4.20%	5.70%
Casualty Rate	0.30	0.30	0.30	0.30
Prior Service Cost Rate	3.50	0.00	3.50	4.80
Total Employer Contribution Rate	8.00%	4.50%	8.00%	10.80%
Estimated First Year Employer Contribution Dollars	\$49,452	\$0	\$49,452	\$66,760

1 Assets allocated to each division are estimated.

The Present Plan results (Current General) shown above are based upon General benefit provisions (age 60 and 5 years unreduced retirement eligibility; age 55 and 5 years reduced retirement eligibility; deferred age equal to 60) and General assumptions.

Please note that the results for the current General department are the same as those reported for the General department in the February 29, 2024 annual actuarial valuation report for the Clearwater Ambulance District. The Alternate Plan results shown in the middle two columns are based upon General benefit provisions and assumptions but with the General department separated into the requested subdepartments. Adding the results for the requested subdepartments using General benefit provisions and assumptions may not match the current General results due to rounding.

The Alternate Plan results shown in the right most column for the New Public Safety Subdepartment are based upon Public Safety benefit provisions (age 55 and 5 years unreduced retirement eligibility; age 50 and 5 years reduced retirement eligibility; deferred age equal to 55) and Public Safety assumptions.

For members proposed to be covered in the New Public Safety subdepartment, the actuarial accrued liability increased by \$116,794 and is amortized over 20 years based on the funding policy for benefit changes.



Per LAGERS staff, employer assets were split between the remaining General and new Public Safety subdepartments so that the remaining General subdepartment’s funded percent would be 100% based upon the General benefit provisions and assumptions as of February 29, 2024 with the remainder of the assets going to the Public Safety subdepartment. This would require an accounting transfer based on market value, as of February 29, 2024, of \$15,302 of employer assets staying in the General department with the remainder being transferred to the Public Safety department.

**Section C – Projections**

Below are projections needed to comply with Missouri state disclosure requirements (Section 105.665 of the RSMo) regarding the adoption of LAGERS benefits by a political subdivision.

**Remaining General Subdepartments**

Under the Present and Alternate Plans, members are valued using General benefit provisions and assumptions.

Valuation Date	Estimated Projected Payroll	Present Plan			Alternate Plan			Change due to Proposed Provisions		
		Estimated Employer Contribution		Estimated Difference Between AAL and AVA	Estimated Employer Contribution		Estimated Difference Between AAL and AVA	Estimated Employer Contribution		Estimated Difference Between AAL and AVA
		As a % of Payroll	Annual Dollars		As a % of Payroll	Annual Dollars		As a % of Payroll	Annual Dollars	
2024	\$ 0	8.00%	\$ 0	\$ 0	4.50%	\$ 0	\$ 0	-3.50%	\$ 0	\$ 0
2025	-	8.00%	-	-	4.50%	-	-	-3.50%	-	-
2026	-	8.00%	-	-	4.50%	-	-	-3.50%	-	-
2027	-	8.00%	-	-	4.50%	-	-	-3.50%	-	-
2028	-	8.00%	-	-	4.50%	-	-	-3.50%	-	-
2029	-	8.00%	-	-	4.50%	-	-	-3.50%	-	-
2030	-	8.00%	-	-	4.50%	-	-	-3.50%	-	-
2031	-	8.00%	-	-	4.50%	-	-	-3.50%	-	-
2032	-	8.00%	-	-	4.50%	-	-	-3.50%	-	-
2033	-	8.20%	-	-	4.70%	-	-	-3.50%	-	-

**New Public Safety Subdepartment**

Under the Present Plan, members eligible to be considered Public Safety members are valued using General plan provisions and assumptions. Under the Alternate Plan, these members are valued using Public Safety plan provisions and assumptions. The projections below only include members eligible for the Public Safety subdepartment.

Valuation Date	Estimated Projected Payroll	Present Plan			Alternate Plan			Change due to Proposed Provisions		
		Estimated Employer Contribution		Estimated Difference Between AAL and AVA	Estimated Employer Contribution		Estimated Difference Between AAL and AVA	Estimated Employer Contribution		Estimated Difference Between AAL and AVA
		As a % of Payroll	Annual Dollars		As a % of Payroll	Annual Dollars		As a % of Payroll	Annual Dollars	
2024	\$ 618,146	8.00%	\$ 49,452	\$ 289,623	10.80%	\$ 66,760	\$ 406,417	2.80%	\$ 17,308	\$ 116,794
2025	635,145	8.00%	50,812	287,727	10.80%	68,596	403,759	2.80%	17,784	116,032
2026	652,611	8.00%	52,209	285,087	10.80%	70,482	400,058	2.80%	18,273	114,971
2027	670,558	8.00%	53,645	281,634	10.80%	72,420	395,218	2.80%	18,775	113,584
2028	688,998	8.00%	55,120	277,297	10.80%	74,412	389,137	2.80%	19,292	111,840
2029	707,945	8.00%	56,636	271,996	10.80%	76,458	381,703	2.80%	19,822	109,707
2030	727,413	8.00%	58,193	265,643	10.80%	78,561	372,794	2.80%	20,368	107,151
2031	747,417	8.00%	59,793	258,149	10.80%	80,721	362,284	2.80%	20,928	104,135
2032	767,971	8.00%	61,438	249,413	10.80%	82,941	350,031	2.80%	21,503	100,618
2033	789,090	8.20%	64,705	239,328	11.00%	86,800	335,886	2.80%	22,095	96,558



## Section D – Assumptions and Benefit Provisions

The results shown for each employer only include members reported to LAGERS as of the valuation date, February 29, 2024. The methods and assumptions used in the actuarial valuations were the same as those used in the annual actuarial valuations as of February 29, 2024. In particular, the assumed rate of investment return was 7.00% and the assumed rate of payroll growth was 2.75%.

The actuarial valuation results presented on the previous pages are based upon the employer’s benefit provisions as of February 29, 2024. A summary follows:

Provisions	ER #9107
Benefit Program	L-3
Final Average Salary	3 Years
Member Contribution Rate	4%
Retirement Eligibility	Regular

The long-term cost (C) of providing retirement benefits depends only on the benefits (B) that are paid to participants, the expenses (E) of administering the plan, and the investment return (I) generated on invested assets:  $C = B + E - I$ . For a given level of benefits, the cost of providing those benefits is lowered if administrative expenses are lowered or investment income is increased.

The long-term costs are financed by a series of employer and member contributions. The series of contributions is flexible. If more is contributed in early years, less has to be contributed in later years, and vice-versa. Over time the series of contributions has to have the same value as benefits and expenses. The actuary determines each year’s contribution based on a funding method and a set of actuarial assumptions. The chosen funding method and assumptions do not affect the long term cost of providing retirement benefits, but have a strong impact on the series of contributions made to fund the benefits.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

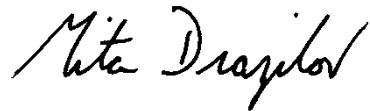


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Mita Drazilov is a Member of the American Academy of Actuaries, and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Please call if you have any questions.

Sincerely,  
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Mita Drazilov". The signature is written in a cursive, flowing style.

Mita D. Drazilov, ASA, FCA, MAAA

MDD:dj

cc: Judith Kermans (GRS)  
Michael Gano (GRS)

