



February 18, 2025 E-Mail

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

**Re: East Central Dispatch Center Public Safety Department Split (#9050)**

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 East Central Dispatch Center.

**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	7.40%	7.00%	10.00%
Casualty Rate	0.50	0.50	0.50
Prior Service Cost Rate <sup>1</sup>	<u>4.90</u>	<u>7.20</u>	<u>6.20</u>
Total Employer Contribution Rate	12.80%	14.70%	16.70%
<b>Change in Employer Contribution Rate as a percent of payroll</b>		<b>1.90%</b>	<b>3.90%</b>
<b>Increase in Actuarial Accrued Liability <sup>1</sup></b>		<b>\$0</b>	<b>\$292,447</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 Benefit Provisions	General Benefit Provisions		Public Safety Benefit Provisions
	Current General	Remaining General Subdepartments	New Public Safety Subdepartment	New Public Safety Subdepartment
<u>Member Statistics</u>				
Number Active	21	3	18	18
Payroll	\$1,468,004	\$194,670	\$1,273,334	\$1,273,334
Average Pay	69,905	64,890	70,741	70,741
Accumulated Contributions (Actives)	392,670	33,057	359,613	359,613
Number Deferred	10	10	0	0
<u>Actuarial Accrued Liabilities (AAL)</u>				
Active AAL	\$2,819,475	\$211,035	\$2,608,440	\$2,900,887
Deferred AAL	427,885	427,885	0	0
Total AAL	\$3,247,360	\$638,920	\$2,608,440	\$2,900,887
Increase AAL - Public Safety Provisions and Assumptions				\$292,447
<u>Actuarial Value of Assets</u>				
Members Deposit Fund (MDF)	\$485,321	\$125,708	\$359,613	\$359,613
Employer Accumulation Fund (EAF) <sup>1</sup>	1,995,901	362,474	1,633,427	1,633,427
Total Assets	\$2,481,222	\$488,182	\$1,993,040	\$1,993,040
Funded Ratio	76.4%	76.4%	76.4%	68.7%
Unfunded Actuarial Accrued Liability (UAAL)	\$766,138	\$150,738	\$615,400	\$907,847
<u>Computed Employer Contribution Rate</u>				
Normal Cost Rate	7.40%	7.00%	7.40%	10.00%
Casualty Rate	0.50	0.50	0.50	0.50
Prior Service Cost Rate	4.90	7.20	4.50	6.20
Total Employer Contribution Rate	12.80%	14.70%	12.40%	16.70%
Estimated First Year Employer Contribution Dollars	\$187,905	\$28,616	\$157,893	\$212,647

<sup>1</sup> 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 East Central Dispatch Center. 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 \$292,447 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 each subdepartment’s funded percent would be the same as the current General department based upon the General benefit provisions and assumptions as of February 29, 2024. This would require an accounting transfer based on market value, as of February 29, 2024, of \$341,362 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	\$ 194,670	12.80%	\$ 24,918	\$ 150,738	14.70%	\$ 28,616	\$ 150,738	1.90%	\$ 3,698	\$ 0
2025	200,023	12.80%	25,603	146,703	14.70%	29,403	146,703	1.90%	3,800	-
2026	205,524	12.80%	26,307	141,985	14.70%	30,212	141,985	1.90%	3,905	-
2027	211,176	12.80%	27,031	136,524	14.70%	31,043	136,524	1.90%	4,012	-
2028	216,983	12.80%	27,774	130,258	14.70%	31,897	130,258	1.90%	4,123	-
2029	222,950	12.80%	28,538	123,118	14.70%	32,774	123,118	1.90%	4,236	-
2030	229,081	13.00%	29,781	115,031	14.90%	34,133	115,031	1.90%	4,352	-
2031	235,381	11.60%	27,304	105,292	13.50%	31,776	105,292	1.90%	4,472	-
2032	241,854	11.60%	28,055	99,357	13.50%	32,650	99,357	1.90%	4,595	-
2033	248,505	11.60%	28,827	92,612	13.50%	33,548	92,612	1.90%	4,721	-

**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	\$ 1,273,334	12.80%	\$ 162,987	\$ 615,400	16.70%	\$ 212,647	\$ 907,847	3.90%	\$ 49,660	\$ 292,447
2025	1,308,351	12.80%	167,469	598,928	16.70%	218,495	889,468	3.90%	51,026	290,540
2026	1,344,331	12.80%	172,074	579,667	16.70%	224,503	867,551	3.90%	52,429	287,884
2027	1,381,300	12.80%	176,806	557,372	16.70%	230,677	841,782	3.90%	53,871	284,410
2028	1,419,286	12.80%	181,669	531,788	16.70%	237,021	811,831	3.90%	55,352	280,043
2029	1,458,316	12.80%	186,664	502,639	16.70%	243,539	777,342	3.90%	56,875	274,703
2030	1,498,420	13.00%	194,795	469,622	16.90%	253,233	737,925	3.90%	58,438	268,303
2031	1,539,627	11.60%	178,597	429,861	15.50%	238,642	690,611	3.90%	60,045	260,750
2032	1,581,967	11.60%	183,508	405,631	15.50%	245,205	657,576	3.90%	61,697	251,945
2033	1,625,471	11.60%	188,555	378,096	15.50%	251,948	619,875	3.90%	63,393	241,779



## 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 #9050
Benefit Program	L-6
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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Page 5

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)

