GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

WEBSTER COUNTY E-911 SERVICES

SUPPLEMENTAL ACTUARIAL VALUATION OF ALTERNATE LAGERS BENEFITS

FEBRUARY 28, 2014

GRS Gabriel Roeder Smith & Company
Consultants & Actuaries
One Towne Square
Suite 800
Southfield, MI 48076-3723
248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

September 2, 2014

Webster County E-911 Services
Marshfield, Missouri

Ladies and Gentlemen:

Submitted in this report are the results of an actuarial valuation prepared to determine the employer contribution rates required to support, for your employees, certain benefits provided by the Missouri Local Government Employees Retirement System (LAGERS). This report contains the information needed to comply with Missouri state disclosure requirements regarding changes in LAGERS benefits by a political subdivision (Sections 105.660 - 105.685 RSMo).

The contribution requirement for benefits likely to accrue as a result of the future service of your employees is described in this report as the current cost plus the disability cost. This contribution rate, expressed as a percent of active employee payroll, will depend on the benefit plan adopted.

The contribution requirement to pay for benefits likely to result from service rendered by your employees prior to the valuation date, the liability for which is not covered by present employer account balances, is described in this report as the prior service cost. The prior service cost is the rate of contribution designed to pay for any unfunded actuarial accrued liability.

Section 70.730 of the Revised Statutes of Missouri requires participating employers to contribute the current cost, disability cost, and prior service cost for the benefit plan in effect. These contributions are mandatory.

The actuarial assumptions and methods used to determine the stated costs are described in Appendix I of this report. In our opinion, they do produce results which, in the aggregate, are reasonable. Additional miscellaneous and technical assumptions as well as disclosures required by the actuarial standards of practice may be found in the LAGERS Compiled Annual Actuarial Valuation report as of February 28, 2014. Annual actuarial valuation results for the political subdivision and information pertaining to those results may be found in the political subdivision's annual actuarial valuation report as of February 28, 2014.

The computed contribution rates will permit the System to continue to operate in sound condition in accordance with the actuarial principles of level cost financing and the state law which governs LAGERS. Summary provisions of the law as well as benefit illustrations can be found in Appendices II and III.

In accordance with 105.675 RSMo, note that this entire report must be available as public information for at least 45 calendar days prior to the date final official action is taken by your governing body to adopt an alternate benefit plan. You may wish to make notice of this report in the official minutes of the next meeting of your governing body. This action would not be binding on your subdivision, yet would establish the beginning date of the 45 day waiting period. The statement of cost must also be provided to the Joint Committee on Public Employee Retirement, State Capitol, Room 219-A, Jefferson City, MO 65101.

The valuation was based on the same data as was used in your February 28, 2014 annual actuarial valuation. If you have any questions concerning this report or LAGERS in general, please contact the LAGERS office in Jefferson City.

Mita D. 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.

Respectfully submitted,

Mita Drazilov

Mita D. Drazilov, ASA, MAAA

Alternate Plan Provisions Affecting Employer Contribution Rates

The law governing LAGERS provides for either a contributory plan or a non-contributory plan, with benefits based on either a 5 year or 3 year Final Average Salary (FAS).

Contributory Plan. Under the contributory plan, each covered member contributes 4% of compensation to LAGERS. If an employee terminates before being eligible for an immediate benefit, the member's contributions, plus any interest credited to the member's individual account, are refunded upon request.

Non-Contributory Plan. Under the non-contributory plan, there is no individual employee contribution to the plan, no individual account maintained for each employee, and no refund paid to employees who terminate before being eligible for a benefit.

The law further provides for nine different benefit programs (benefit formula factors) and allows an employer to elect "rule of 80" eligibility for benefits. Under the rule of 80, employees are eligible for unreduced benefits at the earlier of (i) attainment of their minimum service retirement age or (ii) such time as their years of age plus years of LAGERS credited service equals 80.

In total this allows for 72 different combinations of benefit plans, giving employers considerable latitude in designing the retirement program that best suits their particular situation.

The applicable combinations of these items may be changed from time to time, however, there are limitations on the frequency of changes. A more detailed description of plan provisions may be found in Appendix II of this report.

Webster County E-911 Services
Computed Employer Contribution Rates - General Employees
As of February 28, 2014

Benefit Plans	Present	Alternate
Benefit Program:	LT-8(65)	LT-8(65)
Final Average Salary:	5 year	5 year
# Member Contributions:	Contributory	Non-Contributory
Retirement Eligibility:	Regular	Regular

Present Plan	Rates
Current Service Cost	4.9%
Disability Cost	0.2
Prior Service Cost	(1.0)
Total	4.1%

Alternate Plan	
Current Service Cost	8.5%
Disability Cost	0.2
Prior Service Cost*	(0.7)
Total	8.0%

INCREASE IN CONTRIBUTION RATE FOR ALTERNATE PLAN	3.9%

Employer contribution rates shown above are for the fiscal year beginning in 2015. If the alternate plan is adopted prior to the fiscal year beginning in 2015, 3.9% would be added to the employer contribution rate currently in effect.

Change in provisions from present plan.

* Adoption of the alternate plan would increase the actuarial accrued liability by $12,966 which was amortized over a 20 year period to compute the increase in the Prior Service Cost.

Webster County E-911 Services

Projected Estimated Employer Contribution Rates - General Employees

As of February 28, 2014

		Present Plan			Alternate Plan			Change Due to Proposed Provisions		
		Estimated Employer Contribution		Estimated Difference	Estimated Employer Contribution		Estimated Difference	Estimated Employer Contribution		Estimated Difference
Valuation Date Feb. 28	Estimated Projected Payroll	As a % of Payroll	Annual Dollars	Between AAL and AVA	As a % of Payroll	Annual Dollars	Between AAL and AVA	As a % of Payroll	Annual Dollars	Between AAL and AVA
2014	$295,275	4.1%	$12,106	$(43,348)	8.0%	$23,622	$(30,382)	3.9%	$11,516	$12,966
2015	305,610	4.1	12,530	(43,497)	8.0	24,449	(30,546)	3.9	11,919	12,951
2016	316,306	4.1	12,969	(43,552)	8.0	25,304	(30,650)	3.9	12,335	12,902
2017	327,377	4.1	13,422	(43,502)	8.0	26,190	(30,687)	3.9	12,768	12,815
2018	338,835	4.1	13,892	(43,337)	8.0	27,107	(30,652)	3.9	13,215	12,685
2019	350,694	4.1	14,378	(43,043)	8.0	28,056	(30,534)	3.9	13,678	12,509
2020	362,968	4.1	14,882	(42,608)	8.0	29,037	(30,326)	3.9	14,155	12,282
2021	375,672	4.1	15,403	(42,017)	8.0	30,054	(30,018)	3.9	14,651	11,999
2022	388,821	4.1	15,942	(41,254)	8.0	31,106	(29,600)	3.9	15,164	11,654
2023	402,430	4.1	16,500	(40,303)	8.0	32,194	(29,061)	3.9	15,694	11,242

AAL = Actuarial Accrued Liability
AVA = Actuarial Value of Assets

Notes regarding the above projections:

1) The purpose of the above projections is to comply with the requirements of Section 105.665 of the Revised Statutes of Missouri (RSMo). The projection results may not be applicable for other purposes.
2) For purposes of the above projections, it was assumed that all actuarial assumptions would be realized. In particular, it was assumed that the actuarial value of assets would earn 7.25% in each year.
3) Estimated projected payroll is based upon the valuation payroll, increased each future year by 3.50%.
4) Due to the estimated nature of the above projections, certain but not all aspects of the Missouri LAGERS funding policy have been incorporated in the above projections.
5) Differences between fiscal end dates of the employer and the actuarial valuation date of February 28th have not been incorporated in the above results.
6) The actual employer contribution rates for future valuation dates will be based upon actual data as of the future valuation date.

Other disclosures required by Section 105.665 of the Revised Statutes of Missouri (RSMo):

1) As of February 28, 2014, the actuarial value of assets is $415,730; the estimated market value of assets is $461,922; the actuarial accrued liability is $372,382; and the funded ratio is 111.6%. These results are based on the assets and liabilities associated with the Employer Accumulation Fund and the Member Deposit Fund for this division.
2) Under Section 70.730 of the Revised Statutes of Missouri, the computed employer contribution rate shall not exceed the contribution rate for the immediately preceding fiscal year by more than one percent (not including the effects of any benefit changes). As of February 28, 2014, there is no difference between the capped and uncapped employer contribution rate.