

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT
FOURTH QUARTER MEETING

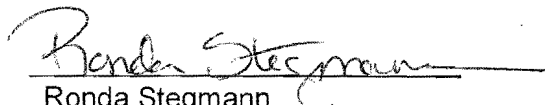
November 17, 2009

The Joint Committee on Public Employee Retirement held its 4th Quarter Meeting at 10:00 am in House Hearing Room 1. With a quorum being established, Chairman Franz called the meeting to order. Joint Committee members in attendance were Representatives Atkins, Franz, Norr, Schlottach, and Yaeger and Senator Scott. Senators Crowell, Rupp and Days attended by conference call. Representative Viebrock and Senator Green were not in attendance.

The Chairman turned the meeting over to the Executive Director, Ronda Stegmann. The 2009 Watch List was presented to the Committee for review. This annual presentation covers plans that are under 70% funded. The 2009 report included 39 plans, up from 19 plans in 2008. The increase in the number of plans was due to volatility in the market and is reflective of nationwide trends. While twenty-three of the plans have appeared on the list previously, most have implemented positive changes and continue to make the full annual required contribution. Of the twenty-three plans reviewed, six are Fire Protection Districts, eleven are Municipalities (Police & Fire), three are Statewide plans, and three are Special District plans. The remaining sixteen plans appeared on the list for the first time due to their market value. The report was unanimously approved by a vote of the committee.

Bill Schwartz, Executive Secretary of the Missouri Local Government Employees Retirement System, presented an overview to the committee of the 35 retirement plans merged into LAGERS, as well as those considering merging into the LAGERS system. He presented the benefits associated with smaller plans entering LAGERS and also addressed the limitations.

No further business being presented, the committee adjourned.


Ronda Stegmann
Executive Director

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

**4th QUARTER MEETING
November 17, 2009
10:00 am**

AGENDA

Roll Call

2009 Watch List Review

LAGERS Presentation

Other Business



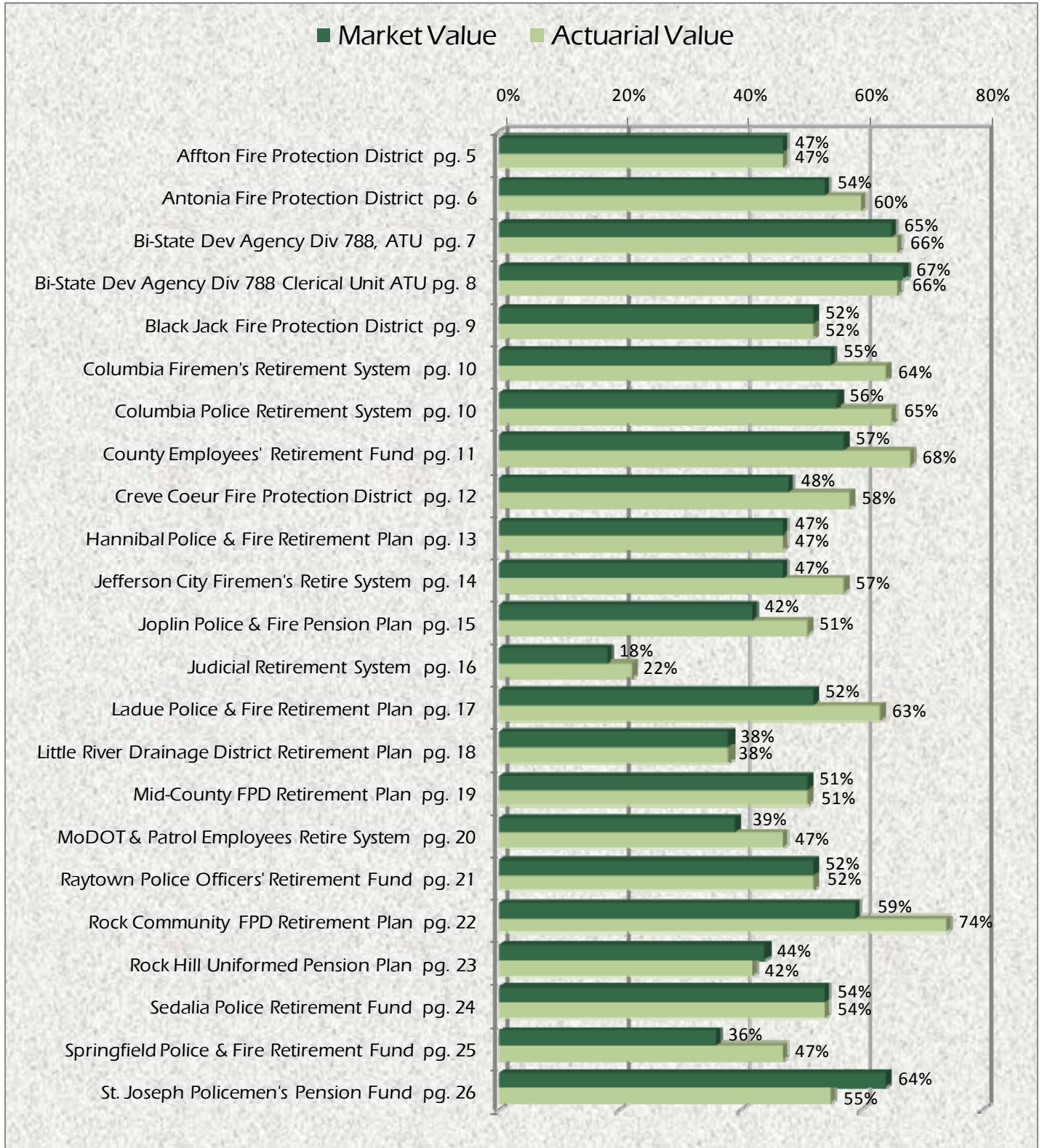
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JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

WATCH LIST

NOVEMBER 17, 2009





AFFTON FIRE PROTECTION DISTRICT

CURRENT MEMBERSHIP

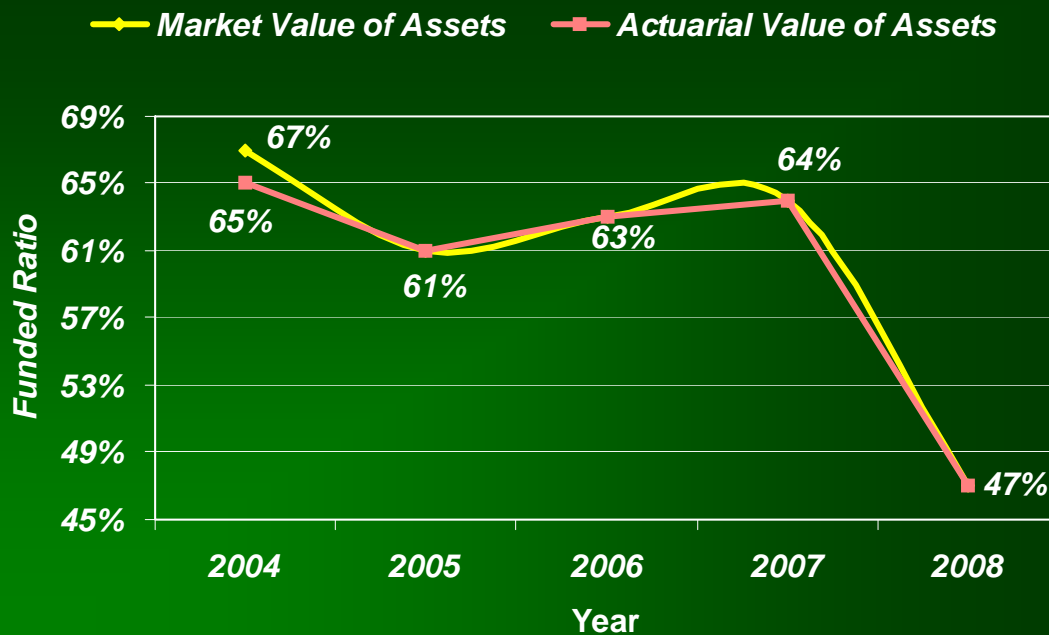
Active
Members: 33

In-Active
Members: 16

TOTAL: 49

- Market Rate of return on investments of -21.04% vs. 7.5% assumed
- Salary increases were less than assumed, 3.4% vs. 4.5% assumed
- The employer revenue stream is tied to a tax levy and therefore the ARC has historically not been met by the District
- The actuary continues to note the contributions are not sufficient and recommends an increase in tax revenue or employee contributions is required
- Since a cost method modification in 2002, the plan has remained around the 60% funded level
- In 2006, the lump sum option was eliminated for those with less than 30 YOS on that date.
- Also in 2006, an increased contribution was adopted with an additional contribution on 3%, 2% & 1% of pay for '05, '06, and '07 respectively, plus an additional \$50,000 annually for those years
- Employees do not make a payroll contribution to this plan

Plan does not smooth investment gains or losses



As of 1/1/09
 Market Value:
 \$3,857,210
 Actuarial Value:
 \$3,845,111
 Actuarial Accrued
 Liability:
 \$8,122,485

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$583,257		
2008	\$476,913	\$341,915	72%
2007	\$484,424	\$432,857	89%
2006	\$441,241	\$322,008	73%
2005	\$451,945	\$383,099	85%



ANTONIA FIRE PROTECTION DISTRICT

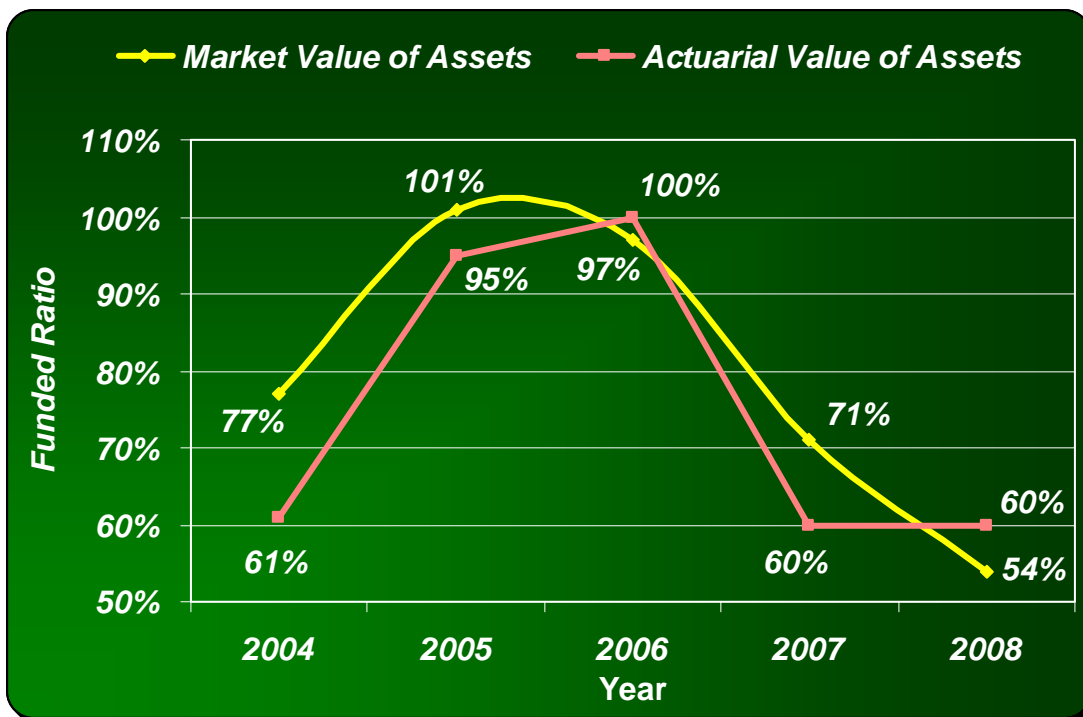
CURRENT MEMBERSHIP

Active
Members: 20

In-Active
Members: 0

TOTAL: 20

- ✦ This plan was frozen effective 01/01/09 and lump sum option was eliminated to assist in capping plan liabilities and costs
- ✦ These measures reduced the ARC from \$200,804 (24.25% of pay) to \$22,999 (2.78%)
- ✦ The District put a ballot pension tax issue before voters in 2006 for pension that failed
- ✦ Employees do not make a payroll contribution to this plan
- ✦ The Employer has not met the ARC in several years
- ✦ The District is considering implementation of a new defined contribution retirement plan for its employees
- ✦ Plan does not smooth investment gains or losses



As of
1/1/09 & 1/1/07

Market Value:
\$935,138

Actuarial Value:
\$1,027,789

Actuarial Accrued
Liability:
\$1,716,770

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$22,999		
2008	\$200,804	\$78,806	39%
2007	\$160,061	\$75,236	47%
2006	\$160,061	\$70,649	44%
2005	\$130,311	\$60,445	46%



BI-STATE DEVELOPMENT AGENCY DIVISION 788, A.T.U.

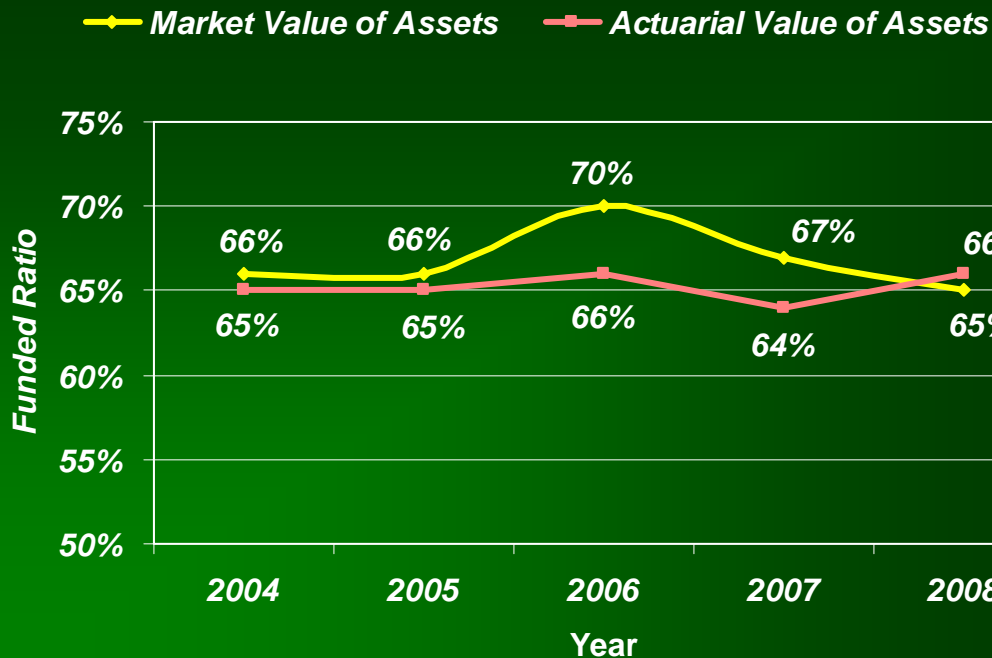
CURRENT MEMBERSHIP

Active
Members: 1,255

In-Active
Members: 968

TOTAL: 2,223

- ✚ Actuarial Funded ratio increased by 2%
- ✚ Actuarial rate of return on investments of 7.61% vs. 8% assumed
- ✚ Weekly contribution decreased from \$101.06 to \$97.47
- ✚ The actuary notes the importance of maintaining the contribution rate level to at least the minimum level recommended.
- ✚ The employer continues to meet 100% of the ARC.
- ✚ Plan utilizes smoothing method of investment gains or losses



As of 4/1/08

Market Value:
\$97,661,124

Actuarial Value:
\$99,123,171

Actuarial Accrued
Liability:
\$149,889,177

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	Not Available		
2008	\$4,671,805	\$4,671,805	100%
2007	\$4,689,803	\$4,689,803	100%
2006	\$4,644,900	\$4,774,988	103%
2005	\$4,345,576	\$5,518,440	127%



BI-STATE DEVELOPMENT AGENCY DIVISION 788 CLERICAL UNIT ATU

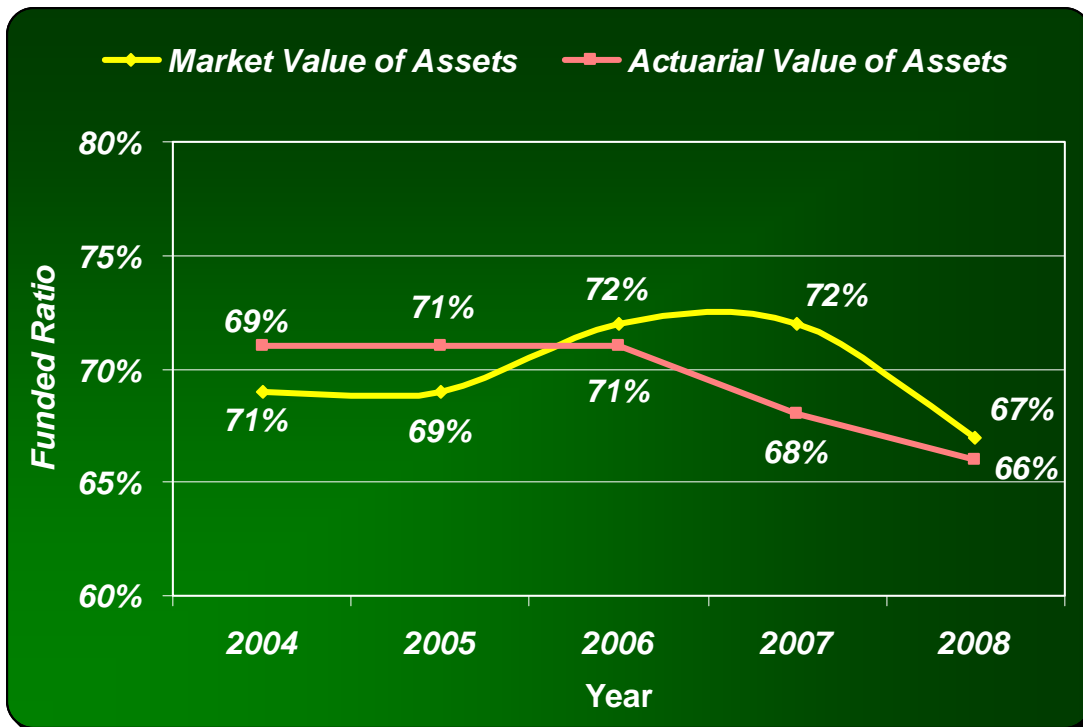
CURRENT MEMBERSHIP

Active
Members: 52

In-Active
Members: 64

TOTAL: 116

- ⌚ Watch list for 2nd year
- ⌚ Funded ratio decreased by 2%
- ⌚ Actuarial rate of return on investments of 7.82% vs. 8% assumed
- ⌚ Unfavorable demographic experience with number of actives decreased to 52 from 54 (leaving fewer participants over whom the weekly contribution is spread).
- ⌚ This decrease in the active membership accounted for \$5.09 of the \$15.15 increase in the weekly contribution rate.
- ⌚ Employees contribute approximately 30% of the ARC.
- ⌚ The actuary notes the importance of maintaining the contribution rate level to at least the minimum level recommended.
- ⌚ The employer continues to meet 100% of the ARC.
- ⌚ Plan utilizes smoothing method of investment gains or losses



As of 4/1/08

Market Value:
\$6,557,413

Actuarial Value:
\$6,603,485

Actuarial Accrued
Liability:
\$9,995,819

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	Not Available		
2008	\$229,977	\$229,977	100%
2007	\$221,053	\$221,053	100%
2006	\$182,942	\$222,215	121%
2005	\$173,657	\$331,883	191%



BLACK JACK FIRE PROTECTION DISTRICT

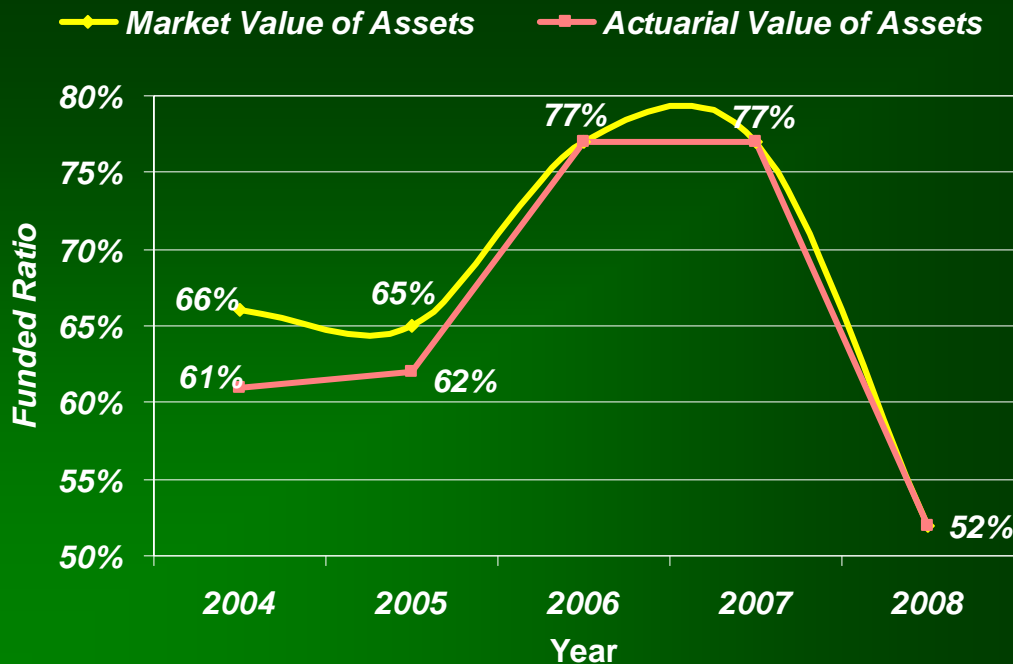
CURRENT MEMBERSHIP

Active
Members: 37

In-Active
Members: 9

TOTAL: 46

- ✦ Market Rate of return on investments of -32.5% vs. 7% assumed
- ✦ ARC increased from \$368,516 to \$702,391 for plan year 2009
- ✦ Plan year 2009 contributions derived from pension tax levy are estimated to be \$534,704
- ✦ The plan's supplemental benefits (estimated Social Security benefit & \$20 times years of service to age 62) account for 38% of the total projected liabilities
- ✦ This plan has historically maintained a funded ratio of 60% or lower—reaching a low of 30% in 1999 and a high of 77% in 2007
- ✦ The Employer has consistently met or exceeded the ARC
- ✦ The Employees do not make a payroll contribution to this plan
- ✦ Plan does not smooth investment gains or losses



As of 1/1/09

Market Value:
\$5,011,952

Actuarial Value:
\$5,011,952

Actuarial Accrued
Liability:
\$9,717,138

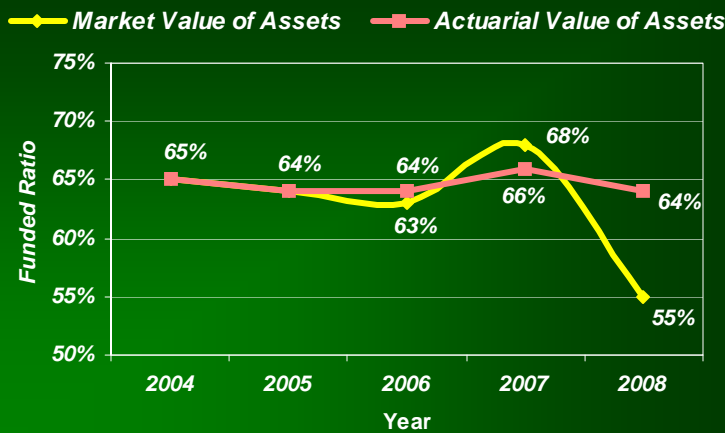
	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$702,391		
2008	\$368,516	\$531,314	144%
2007	\$350,850	\$526,011	150%
2006	\$431,156	\$1,336,917	310%
2005	\$371,197	\$544,144	147%



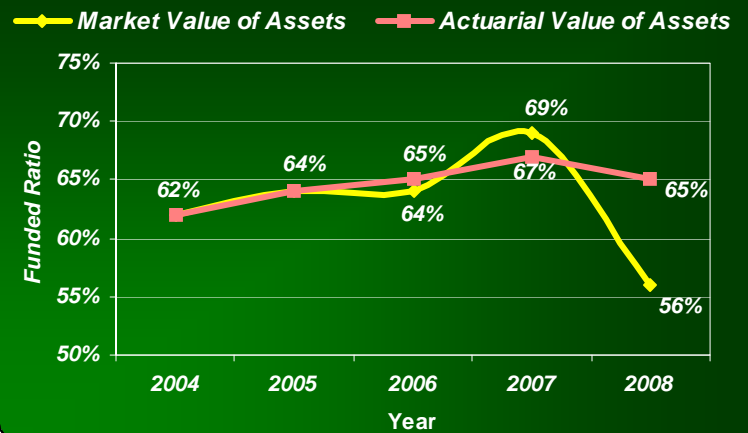
COLUMBIA FIREMEN & POLICE RETIREMENT

- The Fire & Police plans are comingled for investment purposes. The rate of return was -13.8% (Market) and 3.2% (Actuarial) vs. 8% assumed
- Fire employees contribute 16.32% of pay and do not participate in Social Security
- Police employees contribute between 7.45% and 8.35% and participate in Social Security
- The employer continues to meet the ARC for each plan
- The actuary notes *"absent a strong recovery, the September 30, 2009 valuation will likely result in a significant contribution increase for funds."*
- Plans utilize a 4 year smoothing period of investment gains or losses

FIREMEN'S RETIREMENT SYSTEM



POLICE RETIREMENT SYSTEM



FIREMEN'S RETIREMENT SYSTEM

	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2009	\$3,127,298		
2008	\$2,853,109	\$2,853,109	100%
2007	\$2,759,165	\$2,759,165	100%
2006	\$2,213,653	\$2,213,653	100%
2005	\$1,934,722	\$1,934,722	100%

POLICE RETIREMENT SYSTEM

	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
2009	\$2,603,169		
2008	\$2,520,373	\$2,520,373	100%
2007	\$2,401,908	\$2,401,908	100%
2006	\$2,232,864	\$2,232,864	100%
2005	\$2,113,978	\$2,113,978	100%

FIREMEN'S RETIREMENT SYSTEM As of 9/30/08

Market Value: \$44,078,617
 Actuarial Value: \$51,502,482
 Actuarial Accrued Liability:
 \$80,817,591

CURRENT MEMBERSHIP

Active
Members: 134
 In-Active
Members: 119
 TOTAL: 253

CURRENT MEMBERSHIP

Active
Members: 152
 In-Active
Members: 114
 TOTAL: 266

POLICE RETIREMENT SYSTEM As of 9/30/08

Market Value: \$30,107,495
 Actuarial Value: \$35,792,282
 Actuarial Accrued Liability:
 \$53,963,403



COUNTY EMPLOYEES' RETIREMENT FUND

- ✦ CERF was established in 1994.
- ✦ CERF is funded through county contributions consisting of fee & penalty revenue.
- ✦ Employee contributions for those hired after February 25, 2002 equal 6% (Non-Lagers members) and 4% (LAGERS members).
- ✦ Rate of return on investments of -11.93% (Market Value) and -3.34% (Actuarial Value) vs. 8% assumed.
- ✦ Provisions were passed in 2005 allowing CERF Board of Trustees to make benefit adjustments once the Fund achieved a funded ratio of at least 80%.
 - In 2007, CERF achieved a funded ratio of 83% and a benefit enhancement package effective 10/1/07 was implemented.
 - The benefit enhancements were: 1) Increase of monthly benefit multiplier from \$24 to \$29; 2) Modification of the target replacement ratios; and 3) Addition of a 1% of final average compensation for each year of service in excess of 25 years up to 29 years. Additionally, the DC plan match for LAGERS members was increased to equal the match for non-LAGERS members (50 cents for every \$1 contributed up to first 6% of pay.)

- ✦ The full ARC continues to be made.
- ✦ Plan utilizes a 5 year period of smoothing investment gains or losses.

CURRENT MEMBERSHIP

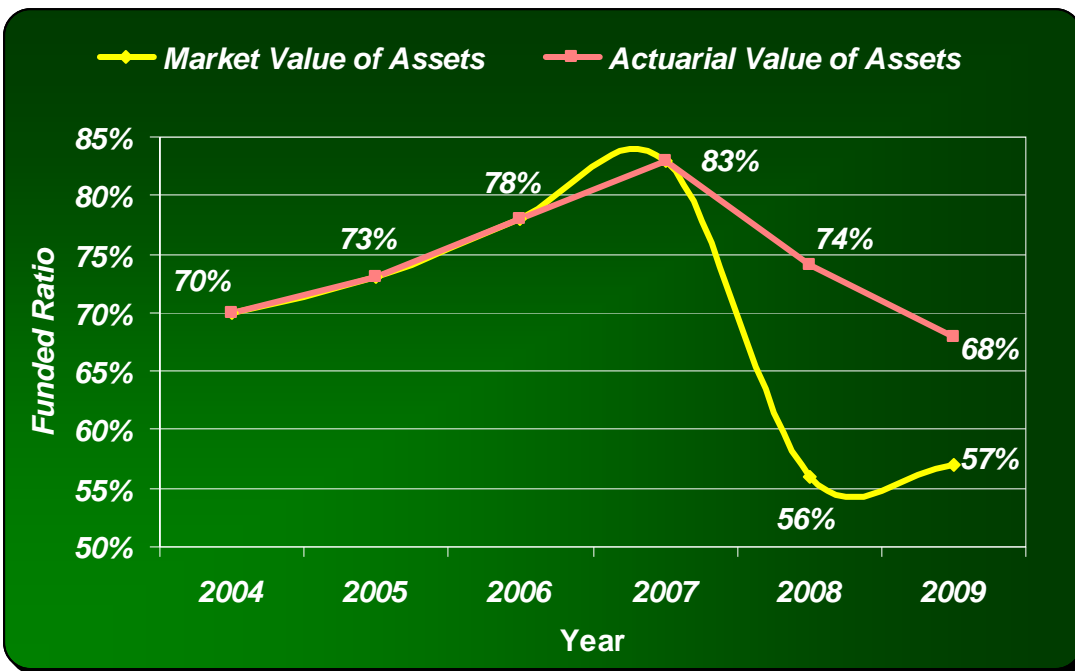
Active Members: 11,173

Consultants: 248

Benefit Recipients: 2,587

Term Vested: 1,736

TOTAL: 15,744



As of
12/31/08 & 6/30/09

Market Value:
\$225,331,545

Actuarial Value:
\$270,397,854

Actuarial Accrued Liability:
\$396,537,305

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$16,011,408	\$19,994,180	
2008	\$11,930,574	\$20,000,450	168%
2007	\$6,474,975	\$11,656,551	180%
2006	\$13,447,802	\$18,923,599	141%
2005	\$13,644,088	\$18,831,892	138%



CREVE COEUR FIRE PROTECTION DISTRICT

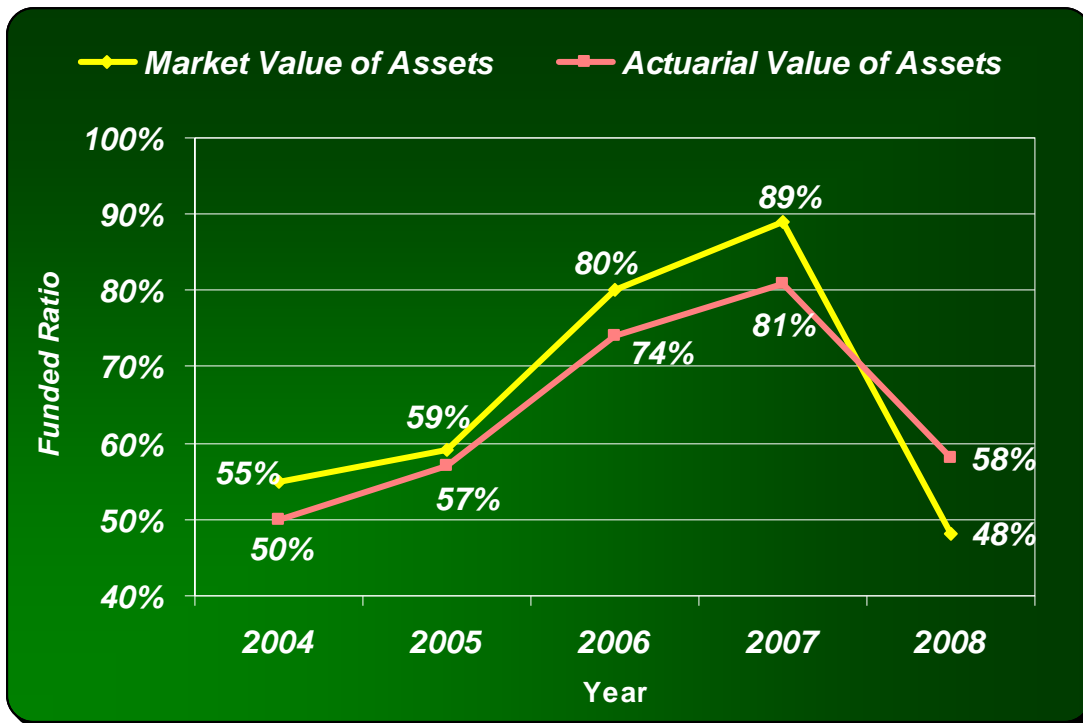
CURRENT MEMBERSHIP

Active
Members: 57

In-Active
Members: 25

TOTAL: 82

- ✦ Rate of return on investments of -30% (Market) and -4.8% (Actuarial) vs. 8% assumed
- ✦ The District maintains both a DB and DC component in their retirement plan
- ✦ The ARC increased by approximately 48% from \$404,197 to \$775,649 for plan year 2009
- ✦ The plan utilizes an open 15 year amortization period
- ✦ Retirement benefit is offset by the DC account and a % of Social Security benefits
- ✦ The Employer continues to meet or exceed the ARC
- ✦ Employees do not make a payroll contribution to this plan
- ✦ Plan utilizes a 3 year smoothing period of investment gains or losses



As of 1/1/09

Market Value:
\$4,623,447

Actuarial Value:
\$5,548,136

Actuarial Accrued
Liability:
\$9,622,947

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$775,649		
2008	\$404,197	\$600,000	148%
2007	\$442,425	\$600,000	136%
2006	\$615,086	\$615,086	100%
2005	\$651,092	\$651,092	100%



HANNIBAL POLICE & FIRE RETIREMENT PLAN

CURRENT MEMBERSHIP

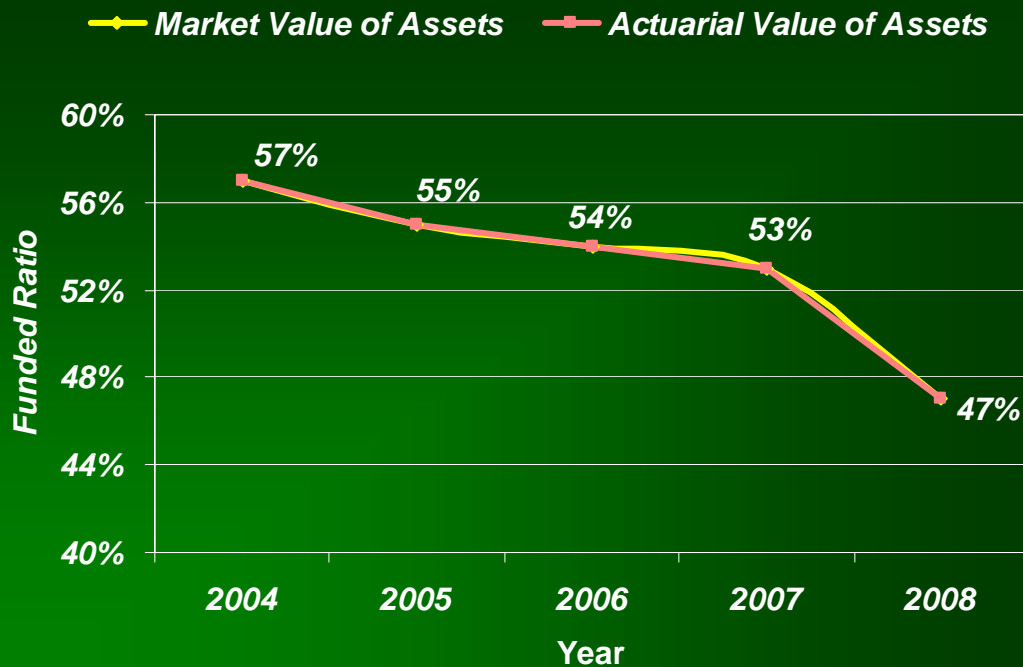
Active
Members: 72

In-Active
Members: 66

TOTAL: 138

- ✦ The plan experienced an investment loss of \$1,288,076 and a liability loss associated with higher than assumed salary increases (4% assumed)
- ✦ The City Council approved the contribution made to the plan will not increase over 3% annually. The recommended contribution for PY09 was 23.7% above the anticipated tax revenue, however applying the 3% increase limit make the City contribution equal to 18.6%. The minimum City contribution equals 11.4%
- ✦ In 2006, the definition of compensation was modified to include base pay only
- ✦ Those hired after 7/1/05, are not eligible for a refund of employee contributions at retirement
- ✦ Those hired after 7/1/07, must be age 55 to meet normal retirement eligibility rather than completion of 25 years of service
- ✦ The Employer has not met the ARC for last 3 plan years
- ✦ The Employees contribute 9.5% of pay

✦ Plan does not smooth investment gains or losses



As of 7/1/08

Market Value:
\$9,954,193

Actuarial Value:
\$9,954,193

Actuarial Accrued
Liability:
\$21,378,780

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$982,832		
2008	\$856,414	\$678,725	79%
2007	\$735,065	\$704,405	96%
2006	\$725,546	\$686,932	95%
2005	\$663,000	\$672,291	101%



JEFFERSON CITY FIREMEN'S RETIREMENT SYSTEM

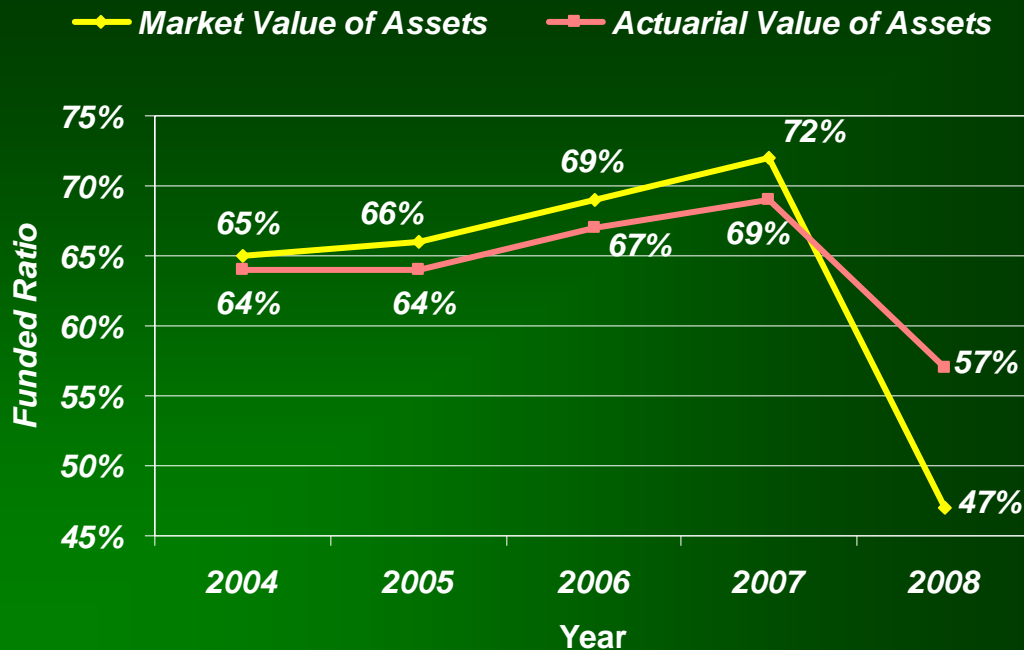
CURRENT MEMBERSHIP

Active
Members: 74

In-Active
Members: 58

TOTAL: 132

- ✦ Rate of return on investments of -30.9% (Market) and -12.98% (Actuarial) vs. 7.5% assumed
- ✦ All new hires go into LAGERS effective 2008
- ✦ The actuary notes investment experience of the past few years and receiving less than the ARC in 4 out of the last 6 years have contributed to the deterioration of the system's funded ratio
- ✦ The plan experienced a significant decline in the funded ratio in 2004 due to benefit modifications
- ✦ The plan has been on the watch list since plan year 2004
- ✦ The employees contribute 4% of pay
- ✦ Plan utilizes a 4 year smoothing period for investment gains or losses



As of 10/31/08

Market Value:
\$13,319,292

Actuarial Value:
\$15,983,150

Actuarial Accrued
Liability:
\$28,088,394

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$1,103,629		
2008	\$1,058,726	\$903,296	85%
2007	\$1,041,041	\$861,078	83%
2006	\$1,001,001	\$1,002,893	100%
2005	\$953,906	\$790,837	83%



JOPLIN POLICE & FIRE PENSION PLAN

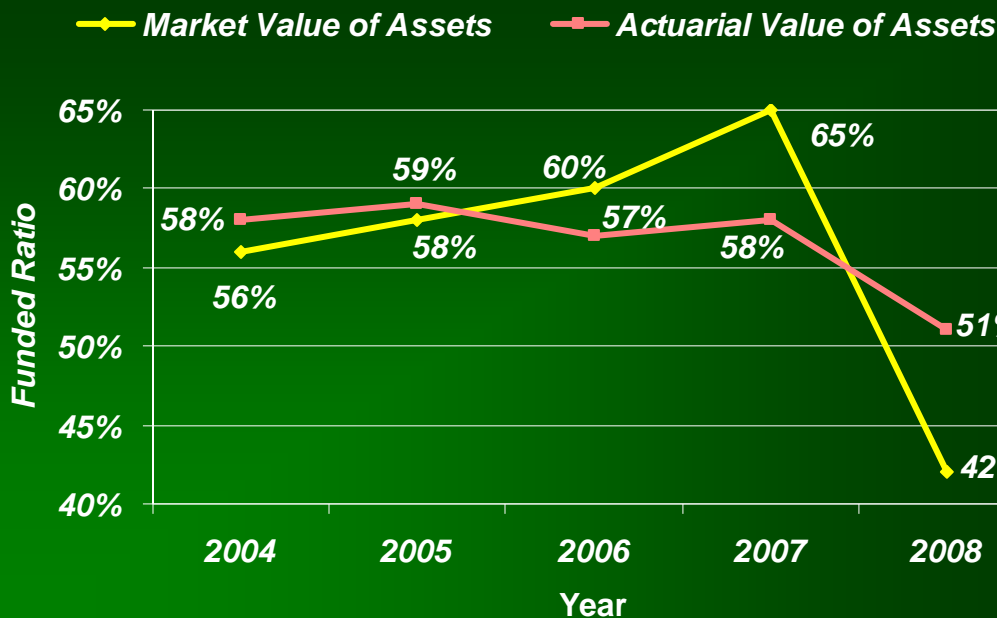
CURRENT MEMBERSHIP

Active
Members: 165

In-Active
Members: 134

TOTAL: 299

- Rate of return on investments of -27.2% (Market) and 4.6% (Actuarial) vs. 7% assumed
- The ARC increased from \$1,761,639 (26.82% of pay) to \$2,169,744 (30.78%) for PY 2009
- The City made the full ARC in plan year 2006 and made 60% & 68% in PY07 & PY08, respectively
- Employees hired before 1/1/09 contribute 18.08% of pay, which is refunded at retirement without interest. Those hired after 1/1/09 contribute 10% with no refund at retirement
- The plan's funded ratio has consistently remained below 60%
- The benefit structure was modified effective 1/1/09 with new hires receiving full retirement benefits after 25 years of service rather than the current 20 years of service
- The City agreed to make an additional payment of \$950,000 to the fund
- In 2006, the voters passed a 1/2 cent Public Safety tax



Plan utilizes a 5 year smoothing period for investment gains or losses

As of 11/1/08

Market Value:
\$17,348,384

Actuarial Value:
\$20,818,061

Actuarial Accrued
Liability:
\$40,827,363

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$2,169,744		
2008	\$1,761,639	\$1,201,804	68%
2007	\$1,821,934	\$1,091,380	60%
2006	\$1,374,361	\$1,395,340	102%
2005	\$1,374,361	\$1,068,332	78%



JUDICIAL RETIREMENT SYSTEM

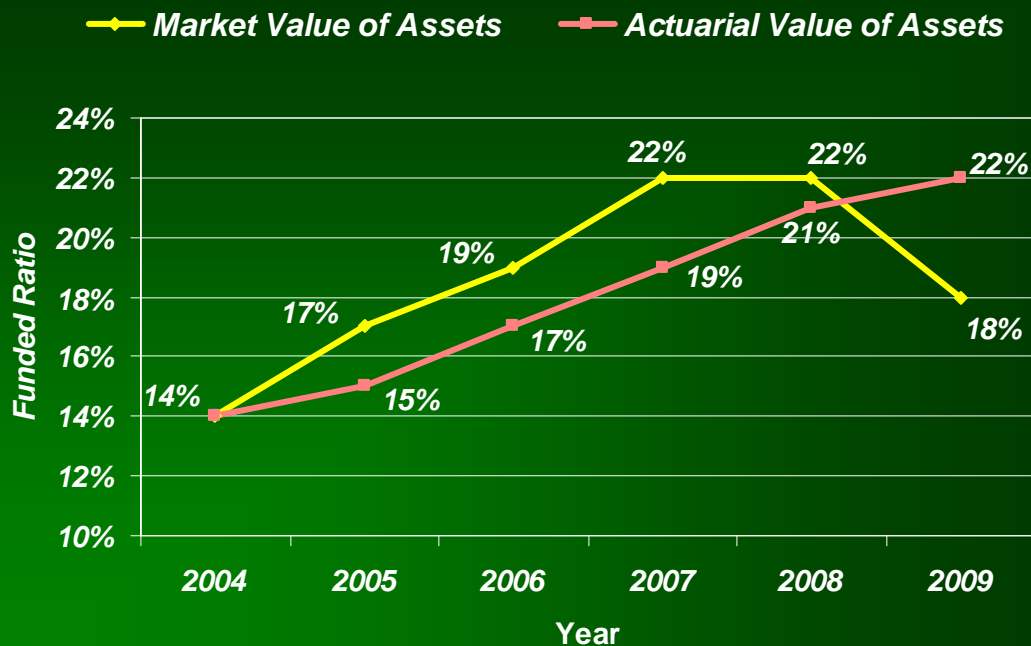
CURRENT MEMBERSHIP

Active
Members: 397

In-Active
Members: 463

TOTAL: 860

- Rate of return on investments of -19.91% (Market) and 4.94% (Actuarial) vs. 8.5% assumed
- The Employer contribution increased from 58.48% of pay to 60.03%
- The asset corridor associated with asset smoothing was modified from 20% to 30% for 2009 valuation and decreasing to 25% and 20% for 2010 and thereafter, respectively
- Actuary notes "due to the large UAAL, future percent-of-payroll payments to amortize the UAAL will be highly sensitive to future payroll growth."
- The 2009 valuation reflects a one-time adjustment to the payroll growth from 4% to 0% is assumed for the year after the valuation date.
- Prior to 1998, this plan was funded on a pay-as-you-go basis. Since that time, contributions have been made to actuarially fund the benefits.
- The Employer continues to meet the ARC



Employees do not make a payroll contribution to this plan

Plan utilizes a 5 year smoothing period for investment gains or losses

As of 6/30/09

Market Value:
\$65,919,547

Actuarial Value:
\$81,337,881

Actuarial Accrued
Liability:
\$369,106,841

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$27,725,883	\$27,725,883	100%
2008	\$26,215,309	\$26,215,309	100%
2007	\$23,745,467	\$23,745,467	100%
2006	\$22,401,569	\$22,401,569	100%
2005	\$21,852,985	\$21,852,985	100%



LADUE POLICE & FIRE RETIREMENT PLAN

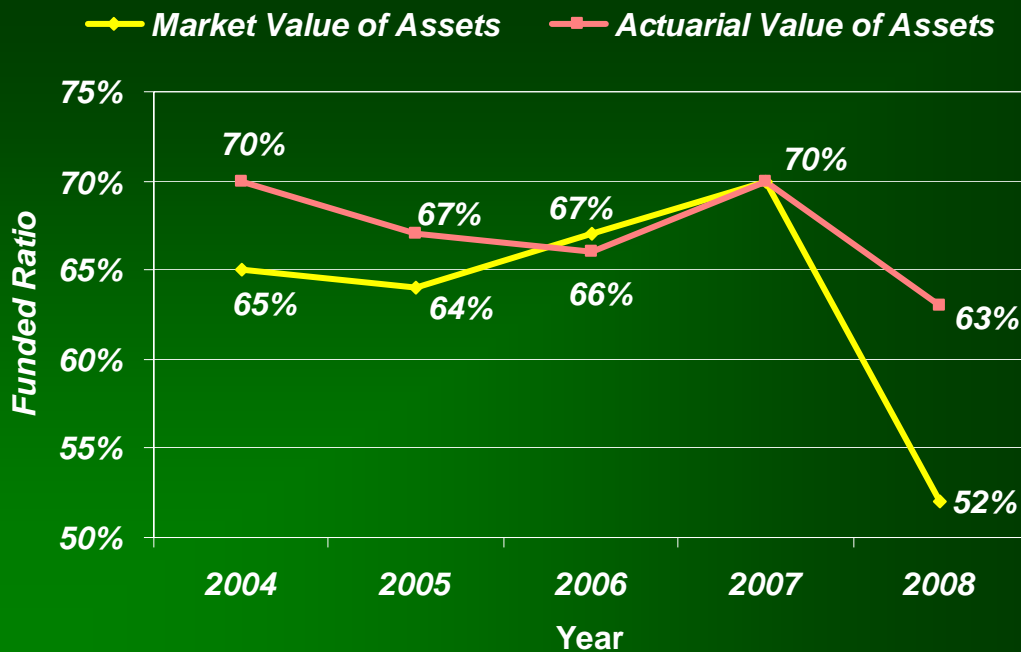
CURRENT MEMBERSHIP

Active
Members: 60

In-Active
Members: 49

TOTAL: 109

- ✦ Rate of return on investments of -26.37% (Market) and -11.98% (Actuarial) vs. 7.75% assumed
- ✦ This plan experienced an additional increase in liabilities during this decade due to the reduction of the assumed investment rate of return from 8.5% in PY01, to 8% in PY02, to 7.75% in PY03. The evaluation of this assumption was in response to investment losses and future expected returns
- ✦ The Employer has consistently met or exceeded the ARC
- ✦ Employees contribute 3% of pay
- ✦ Plan utilizes a 5 year smoothing period for investment gains or losses



As of 1/1/09

Market Value:
\$15,221,672

Actuarial Value:
\$18,266,006

Actuarial Accrued
Liability:
\$29,214,709

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$1,255,382		
2008	\$1,055,357	\$2,240,000	212%
2007	\$1,210,076	\$1,810,076	150%
2006	\$1,129,573	\$1,129,573	100%
2005	\$983,068	\$983,068	100%



LITTLE RIVER DRAINAGE DISTRICT

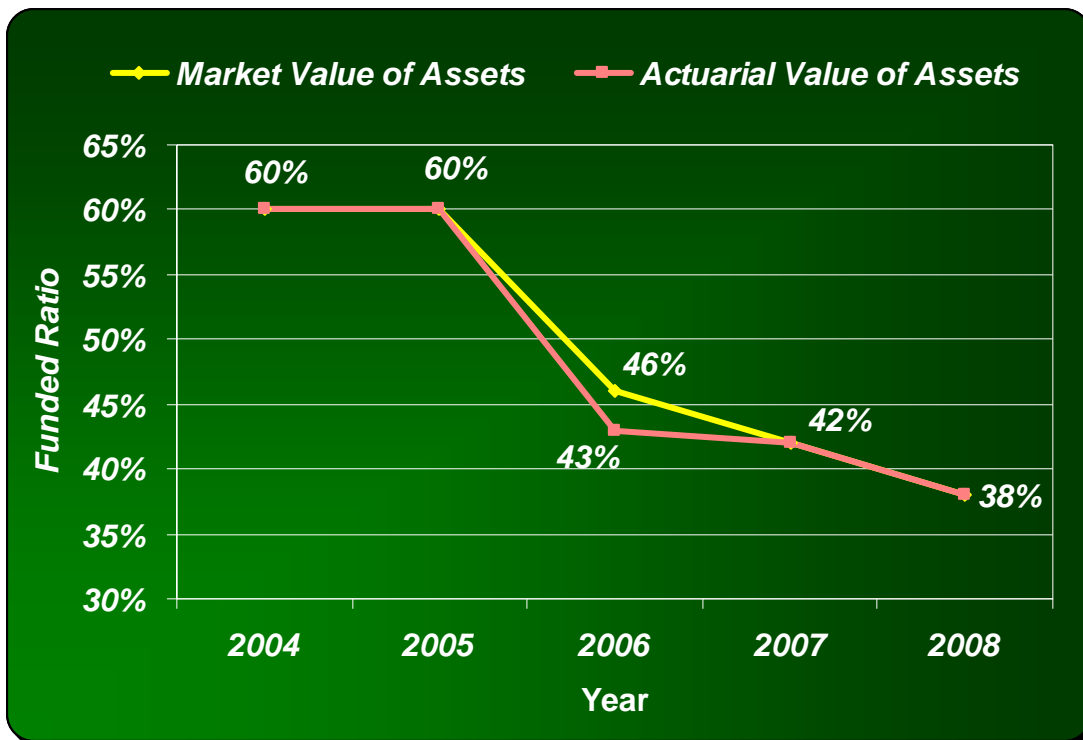
CURRENT MEMBERSHIP

Active
Members: 10

In-Active
Members: 0

TOTAL: 10

- ✦ The employer contribution has not been made to this plan since 2003. Plan officials indicate a contribution was made in late 2008
- ✦ Effective 4/1/06, the mortality table was modified from 1983 GAMT to 1994 GART projected to 2002, interest rate assumption was decreased from 7.5% to 5% and the salary increase assumption was decreased from 6% to 3.5%
- ✦ This 10 member plan amortizes its unfunded liabilities over a 15 year time period
- ✦ The Employer contribution decreased from \$63,760 (18.09% of pay) to \$51,803 (13.96%) for plan year 2009
- ✦ The Employees contribute 3% of pay
- ✦ JCPER staff have corresponded with District staff regarding the withholding provisions outlined in Section 105.683, RSMo
- ✦ Plan does not smooth investment gains or losses



As of 4/1/08

Market Value:
\$296,757

Actuarial Value:
\$296,757

Actuarial Accrued
Liability:
\$780,836

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$51,803		
2008	\$63,760	\$0	0%
2007	\$56,311	\$0	0%
2006	\$56,311	\$0	0%
2005	\$16,783	\$0	0%



MID-COUNTY FIRE PROTECTION DISTRICT RETIREMENT PLAN

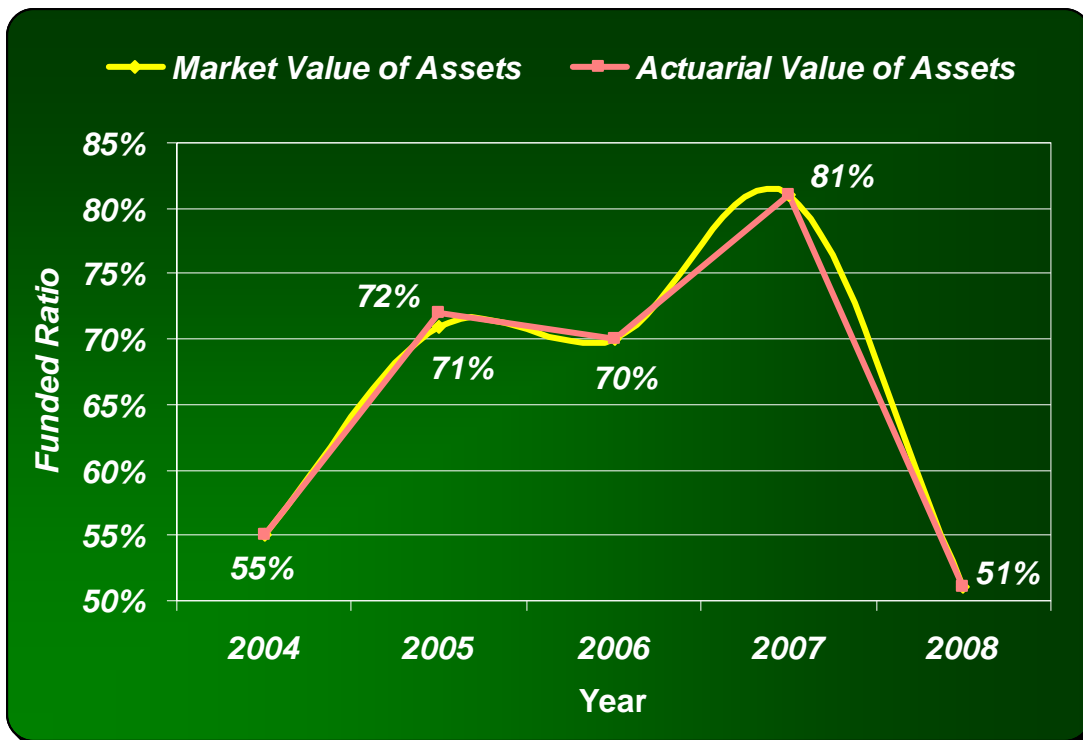
CURRENT MEMBERSHIP

Active
Members: 21

In-Active
Members: 22

TOTAL: 43

- ✦ The District maintains both a DB and DC component in their retirement plan
- ✦ The plan allows for lump sum payment of benefit at retirement
- ✦ The actuary notes the expected retirements in the next 5 years and associated withdrawals from the fund have been reviewed and have *"determined that the funds will continue to be adequate to provide for such withdrawals providing contributions are made."*
- ✦ The District is exploring options associated with this plan
- ✦ The Employer continues to meet the ARC
- ✦ Employees do not make a payroll contribution to this plan
- ✦ Plan does not smooth investment gain or losses



As of 1/1/09

Market Value:
\$695,704

Actuarial Value:
\$695,704

Actuarial Accrued
Liability:
\$1,354,744

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$111,901		
2008	\$135,977	\$200,000	147%
2007	\$140,262	\$150,000	107%
2006	\$135,619	\$141,901	105%
2005	\$131,012	\$120,000	92%



MoDOT & PATROL EMPLOYEES RETIREMENT SYSTEM

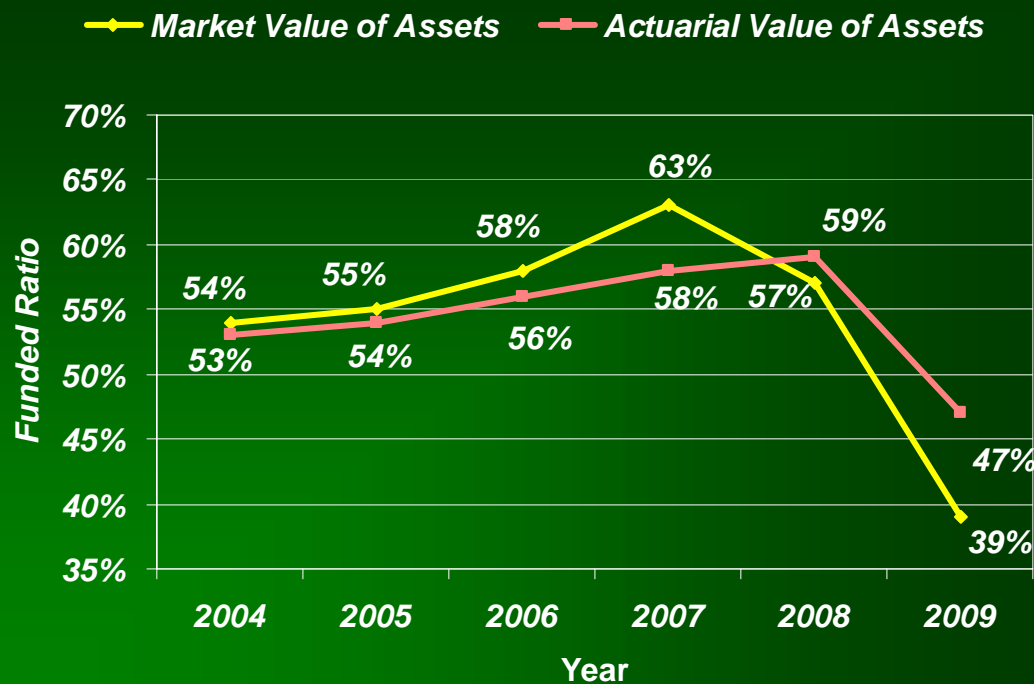
CURRENT MEMBERSHIP

Active
Members: 8,784

In-Active
Members: 9,203

TOTAL: 17,987

- ✦ Investment rate of return equal to -24.97% (Market) and -3.04% (Actuarial) vs. 8.25% assumed
- ✦ Plan utilizes a 3 year smoothing period for investment gains or losses
- ✦ The plan has been included on the watch list since 1996
- ✦ The Employer continues to meet the ARC
- ✦ The amortization period associated with retiree lives unfunded liability was decreased from 26 years to 15 years resulting in an increase in the ARC of an additional \$5 million
- ✦ The ARC increased from \$121,810,610 (32.97% of pay) to \$155,829,180 (41.27%) for plan year 2011
- ✦ The Board of Trustees has authorized a Benefit Sustainability/Design Study from the actuary to review options to lessening the overall plan liability



As of 6/30/09

Market Value:
\$1,226,247,217

Actuarial Value:
\$1,471,496,660

Actuarial Accrued
Liability:
\$3,113,393,645

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$122,613,975	\$122,613,975	100%
2008	\$123,335,151	\$123,335,151	100%
2007	\$121,264,532	\$121,264,532	100%
2006	\$111,271,679	\$111,271,679	100%
2005	\$102,240,145	\$102,240,145	100%



RAYTOWN POLICE OFFICERS' RETIREMENT FUND

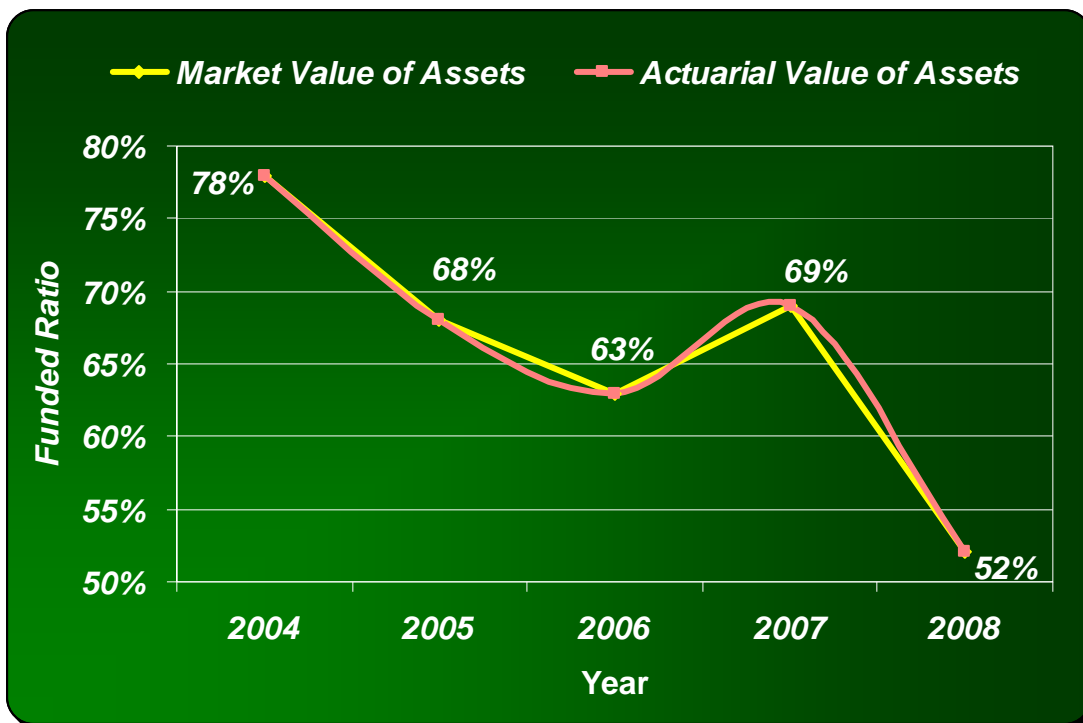
CURRENT MEMBERSHIP

Active
Members: 46

In-Active
Members: 26

TOTAL: 72

- ✦ Market investment rate of return equal to -22.9% vs. 7.5% assumed
- ✦ Salary increases were higher than the 4% assumed
- ✦ Funded ratio decreased from 69% to 52%
- ✦ ARC increased from \$501,472 (18.7% of pay) to \$685,030 (24.6%) for plan year 2009
- ✦ The Employer has met the ARC except for plan year 2006. In plan year 2008, the Employer contributed 222% of pay.
- ✦ The Employee contribution of 3% of pay was ceased in 2000 when the plan was 101% funded.
- ✦ Actuary continues to advocate *"adherence to the funding policy by the City is crucial for this plan's success in meeting future benefit obligations."*
- ✦ Plan does not smooth investment gains or losses



As of 11/1/08

Market Value:
\$7,166,479

Actuarial Value:
\$7,166,479

Actuarial Accrued
Liability:
\$13,739,626

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$685,030		
2008	\$501,472	\$1,115,415	222%
2007	\$525,837	\$560,191	107%
2006	\$419,985	\$282,579	67%
2005	\$282,579	\$230,860	82%



ROCK COMMUNITY FIRE PROTECTION DISTRICT RETIREMENT PLAN

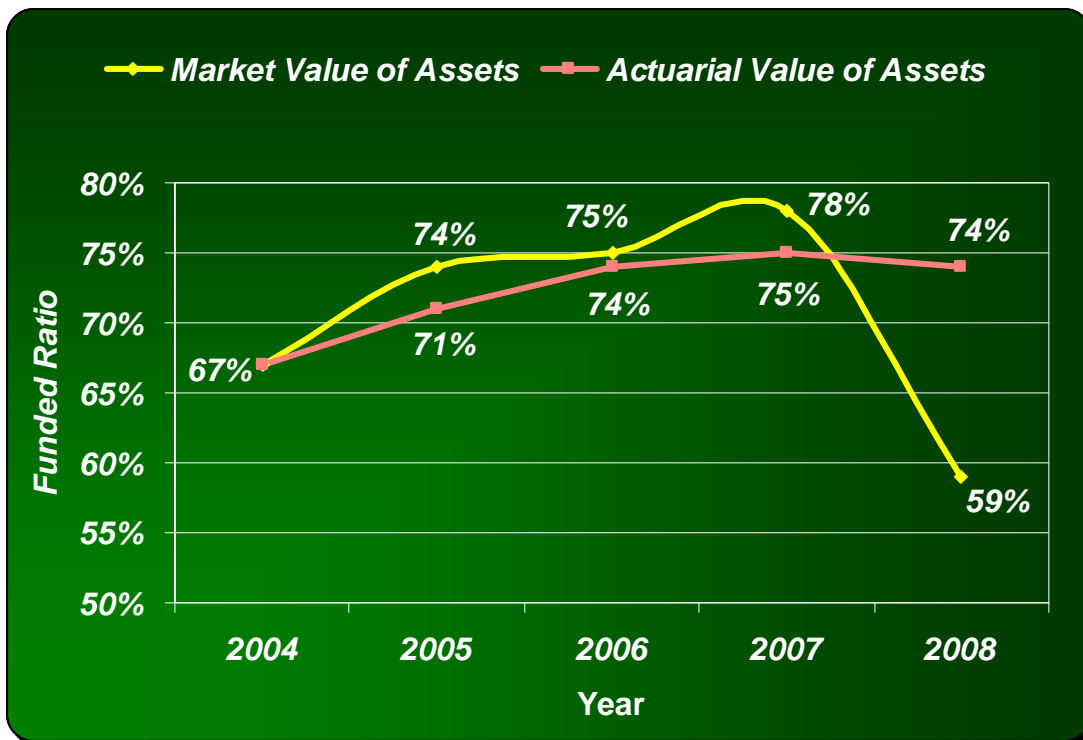
CURRENT MEMBERSHIP

Active
Members: 73

In-Active
Members: 11

TOTAL: 84

- ✦ Rate of return on investments of -18.85% (Market) and 1.57% (Actuarial) vs. 7.5% assumed
- ✦ ARC increased from \$686,701 to \$818,274 for plan year 2009
- ✦ Salary increases were "significantly" higher than the assumed 5%
- ✦ Eight new employees were added in 2008
- ✦ The actuary notes *"of greatest concern is that the 2008 contribution of \$732,742 compares unfavorably with the \$818,274 which is needed in 2009."*
- ✦ Employees do not make a payroll contribution to this plan
- ✦ Plan utilizes a 5 year smoothing period for investment gains or losses



As of 1/1/09

Market Value:
\$5,803,249

Actuarial Value:
\$7,254,061

Actuarial Accrued
Liability:
\$9,838,239

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$818,274		
2008	\$686,701	\$732,742	107%
2007	\$595,072	\$621,907	105%
2006	\$542,556	\$665,610	123%
2005	\$542,556	\$777,278	143%



ROCK HILL UNIFORMED PENSION PLAN

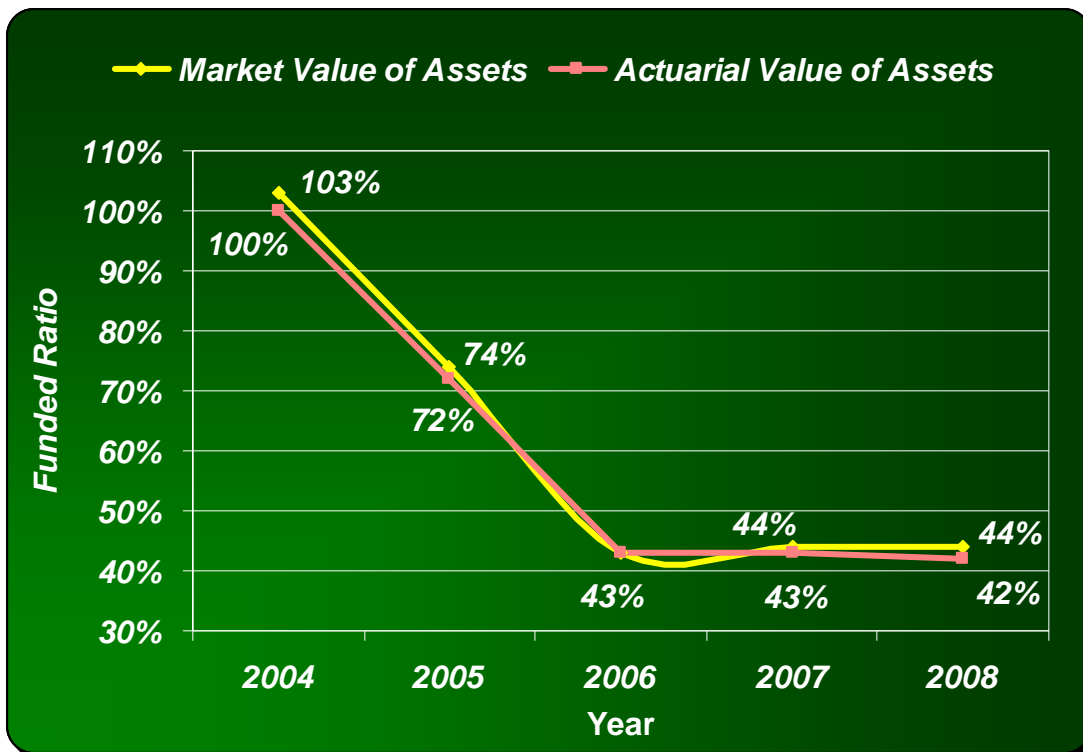
CURRENT MEMBERSHIP

Active
Members: 11

In-Active
Members: 20

TOTAL: 31

- This plan was closed to new employees effective May 2003
- The funded ratio remained constant at approximately 42%
- This 12 member plan experienced an ARC of \$260,954 (40.96% of pay) for plan year 2008 and 2009
- All active participants as well as new hires are participants in LAGERS as of 9/07
- Unfunded Actuarial Accrued Liabilities are amortized over a 15 year period
- After multiple years of the Employer not making a contribution to this plan, contributions were made for plan years 2007 & 2008
- The Employees do not make a payroll contribution to this plan
- Plan does not smooth investment gains or losses



As of 5/1/08

Market Value:
\$1,367,888

Actuarial Value:
\$1,400,436

Actuarial Accrued
Liability:
\$3,338,149

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$260,954		
2008	\$260,954	\$237,000	91%
2007	\$236,769	\$236,769	100%
2006	\$236,769	\$0	0%
2005	\$227,054	\$0	0%



SEDALIA POLICE RETIREMENT FUND

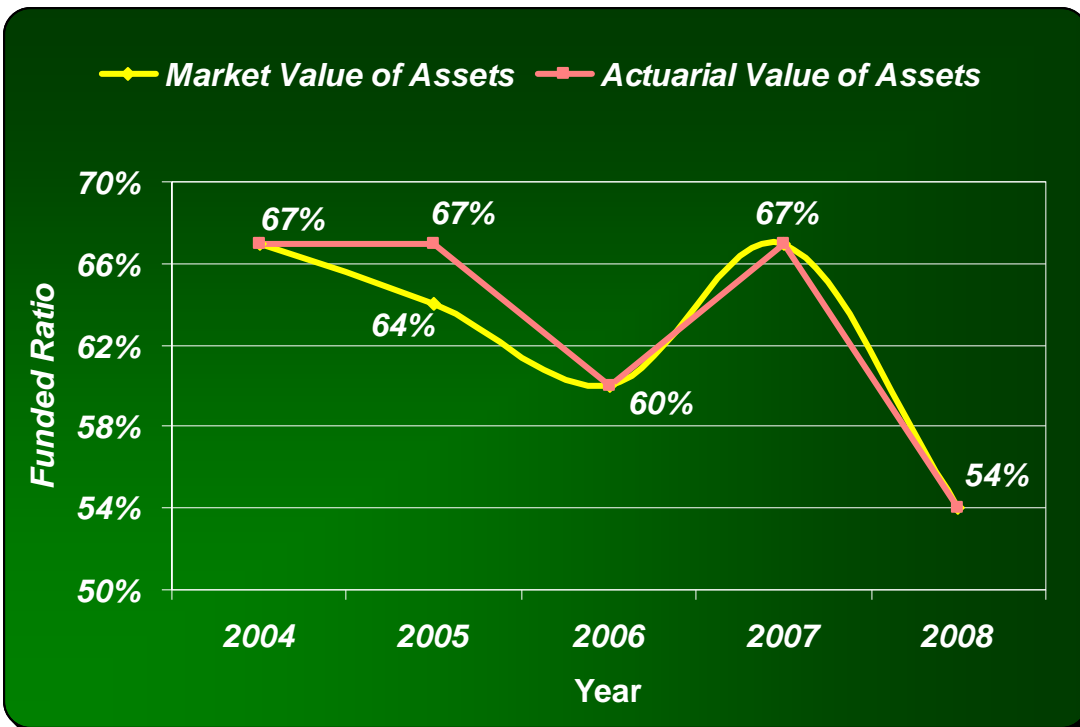
CURRENT MEMBERSHIP

Active
Members: 43

In-Active
Members: 34

TOTAL: 77

- ✦ An 8% decrease in plan assets were experienced as a result of investment performance
- ✦ Salary increases greater than assumed 9% vs. 4% assumed
- ✦ The Employer has not met the ARC in several years
- ✦ Employees contribute \$15 per month
- ✦ The Pension Board of Trustees has posed questions to the actuary concerning lump sum payments to the plan to reach 100% funded.
- ✦ The actuary notes concern regarding the 7.5% investment assumption and whether *"that represents a reasonable long term rate of return on plan assets."*
- ✦ The Board is exploring all options associated with this plan.
- ✦ Plan does not smooth investment gains or losses



As of 8/1/08

Market Value:
\$4,163,737

Actuarial Value:
\$4,163,737

Actuarial Accrued
Liability:
\$7,702,179

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$475,905		
2008	\$324,570	\$186,446	57%
2007	\$416,346	\$200,148	48%
2006	\$334,111	\$195,321	58%
2005	\$324,341	\$195,705	58%



SPRINGFIELD POLICE & FIRE RETIREMENT FUND

CURRENT MEMBERSHIP

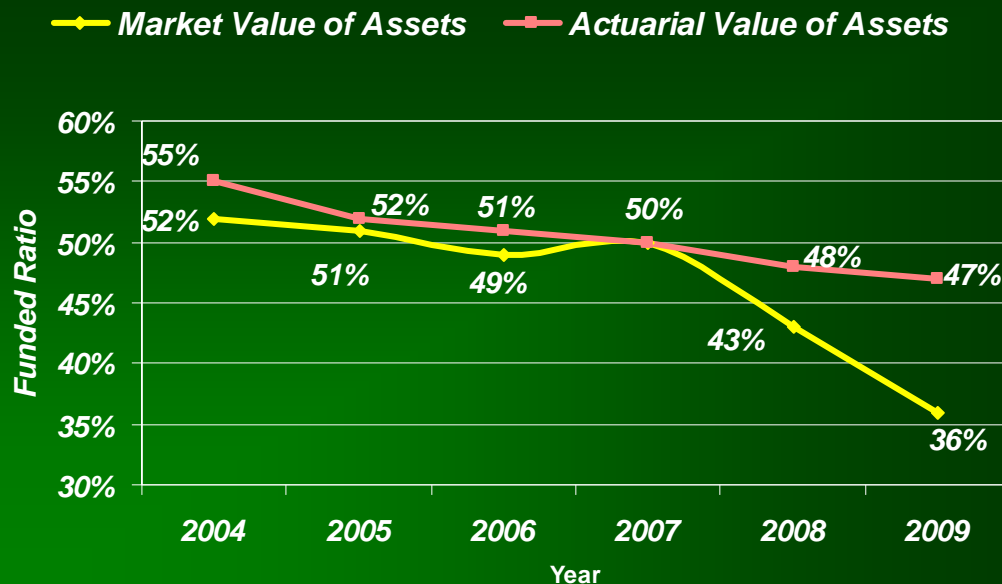
Active
Members: 505

In-Active
Members: 462

TOTAL: 967

- ✦ Rate of return on investments of -19.1% (Market) and -2.1% (Actuarial) vs. 7.5% assumed
- ✦ The ARC has almost tripled since PYE 6/30/02 to \$13,764,028 (57.77% of pay) for plan year 2011
- ✦ Plan utilizes a 4 year smoothing period for investment gains/losses. Actuary notes contribution rates *"are expected to continue to increase during the smoothing period."*
- ✦ After 4 consecutive years of not meeting the ARC, the Employer exceeded the ARC for plan year 2008 by \$10 million
- ✦ Employee contribution for Tier 1 members will be 16.02% (PY 2011) and Tier 2 remains a fixed 8.5%
- ✦ The City established a citizen's task force to examine the police & fire pension issues which yielded the following recommendations:
 - Pension Board of Trustees restructuring
 - Move new employees into LAGERS or another defined benefit plan (with employees enrolling in Social Security)
 - Sales tax of 5/8 cents (recommended for the November '09 ballot) and a 35% City contribution
 - Increase employee contributions between 3/4% and 2%

✦ A 3/4 percent sales tax question on the November 2009 ballot, passed by a 55-45% vote



As of 6/30/09

Market Value:
\$112,370,187

Actuarial Value:
\$147,197,520

Actuarial Accrued
Liability:
\$316,680,863

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2010	\$13,764,028		
2009	\$13,273,246	\$23,979,519	181%
2008	\$12,347,207	\$8,794,259	71%
2007	\$10,237,825	\$7,388,016	72%
2006	\$9,834,917	\$6,831,133	69%
2005	\$7,318,828	\$6,795,690	93%



ST. JOSEPH POLICEMEN'S PENSION FUND

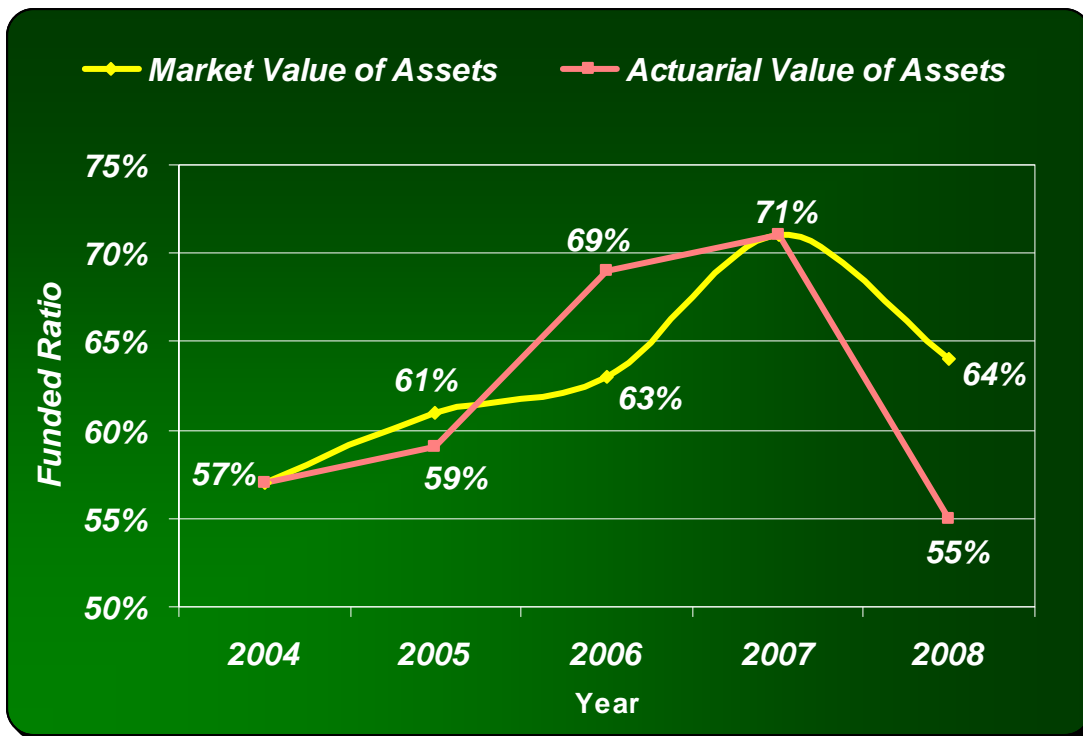
CURRENT MEMBERSHIP

Active
Members: 113

In-Active
Members: 96

TOTAL: 209

- Actuarial Funded ratio decreased by 16% (from 71% to 55%)
- Employer ARC has almost doubled from 2002 to 2010 (PY10 ARC = \$1,897,553 or 36.94% of pay)
- Plan experienced a \$6.3 million asset loss associated with investments
- With the exception of plan year 2007, this plan has been included in the JCPER watch list since inception of plan reporting (1984)
- The employer continues to meet or exceed the ARC
- Employees contribute 4% of pay
- Plan does not smooth investment gains or losses



As of
6/30/08 & 1/1/09

Market Value:
\$23,425,652

Actuarial Value:
\$20,158,258

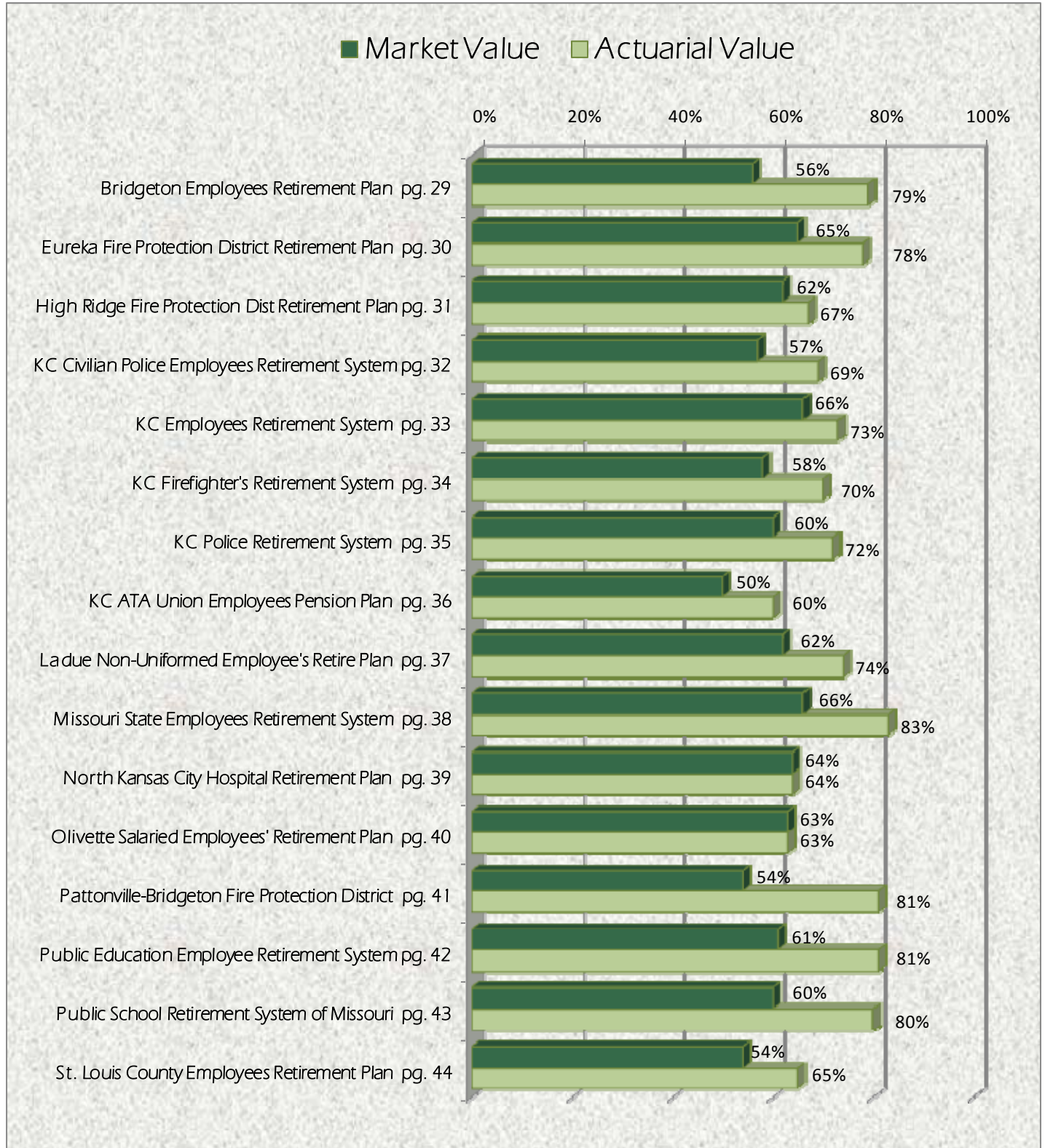
Actuarial Accrued
Liability:
\$36,492,434

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$1,444,388		
2008	\$1,429,455	\$1,536,575	107%
2007	\$1,557,192	\$1,675,386	117%
2006	\$1,473,453	\$1,671,950	113%
2005	\$1,439,705	\$1,695,887	118%



PLANS ON THE WATCH LIST FOR THE FIRST YEAR





BRIDGETON EMPLOYEES RETIREMENT PLAN

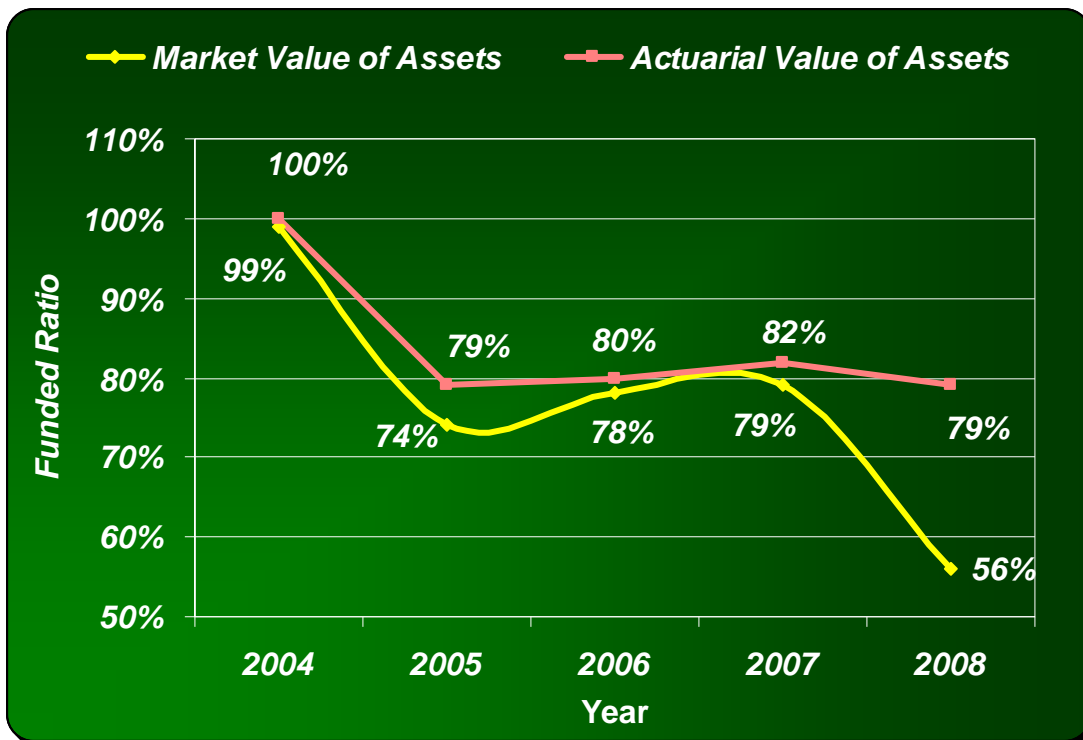
- ✦ Rate of return on investments of -28% (Market) and -4% (Actuarial) vs. 7.5% assumed
- ✦ This is first year on watch list
- ✦ The employer has met the ARC for the past 3 consecutive years
- ✦ Employees do not make a payroll contribution to this plan
- ✦ Actuary notes *"returns on the actuarial value for the next several years will be dampened as the unfavorable investment experience of 2008 is fully recognized."*
- ✦ Plan utilizes a 3 year smoothing period of investment gains or losses

CURRENT MEMBERSHIP

Active
Members: 135

In-Active
Members: 119

TOTAL: 254



As of 1/1/09

Market Value:
\$16,202,673

Actuarial Value:
\$22,784,662

Actuarial Accrued
Liability:
\$28,997,267

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$1,165,675		
2008	\$970,865	\$971,000	100%
2007	\$970,800	\$971,000	100%
2006	\$963,332	\$975,000	101%
2005	\$1,362,283	\$890,000	65%



EUREKA FIRE PROTECTION DISTRICT

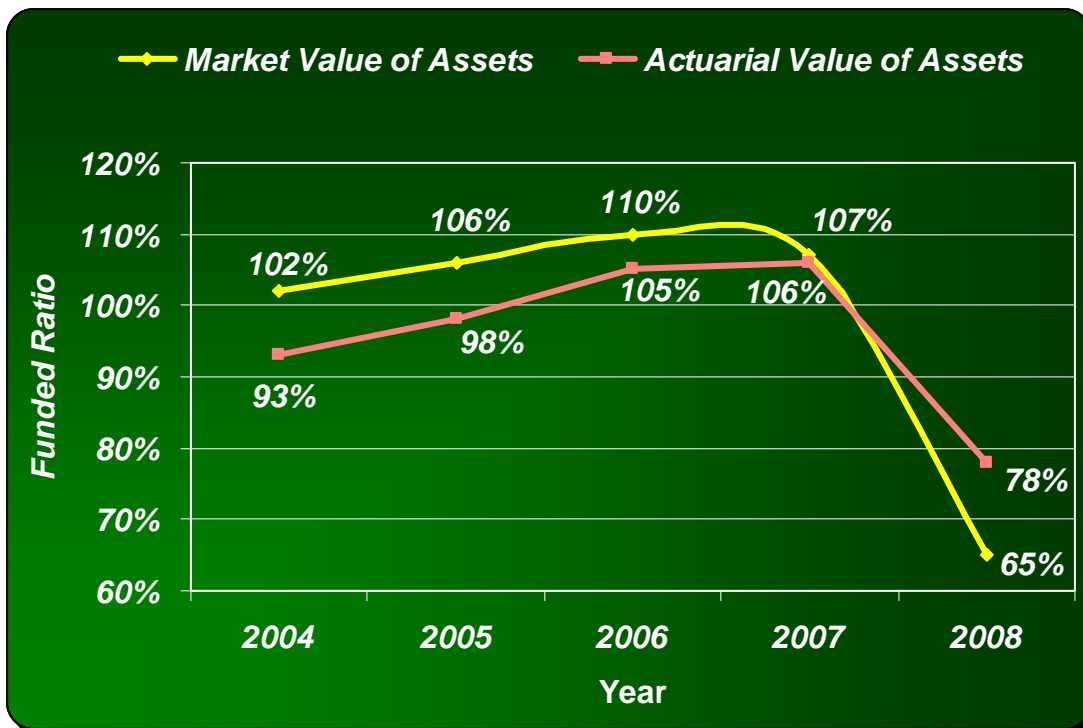
CURRENT MEMBERSHIP

Active
Members: 35

In-Active
Members: 16

TOTAL: 51

- Plan experienced a 28% decrease in funded ratio from 106% to 78% (actuarial) and a 42% decrease from 107% to 65% (market)
- This is the plan's first year on the JCPER Watch list
- The Employer ARC almost doubled from \$279,086 (14.84% of pay) to \$507,166 (24.11%) for plan year 2009
- Employees do not make a payroll contribution to this plan
- Salary increases were greater than the assumed 3%
- As part of the JCPER recommendations, the plan cost method was modified from Aggregate to Entry Age Normal in PY03
- Plan utilizes a 4 year smoothing period for investment gains/losses



As of 1/1/09

Market Value:
\$4,568,820

Actuarial Value:
\$5,482,584

Actuarial Accrued
Liability:
\$7,039,378

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$507,166		
2008	\$279,086	\$269,000	96%
2007	\$257,667	\$291,398	113%
2006	\$304,129	\$234,635	77%
2005	\$292,612	\$258,244	88%



HIGH RIDGE FIRE PROTECTION DISTRICT

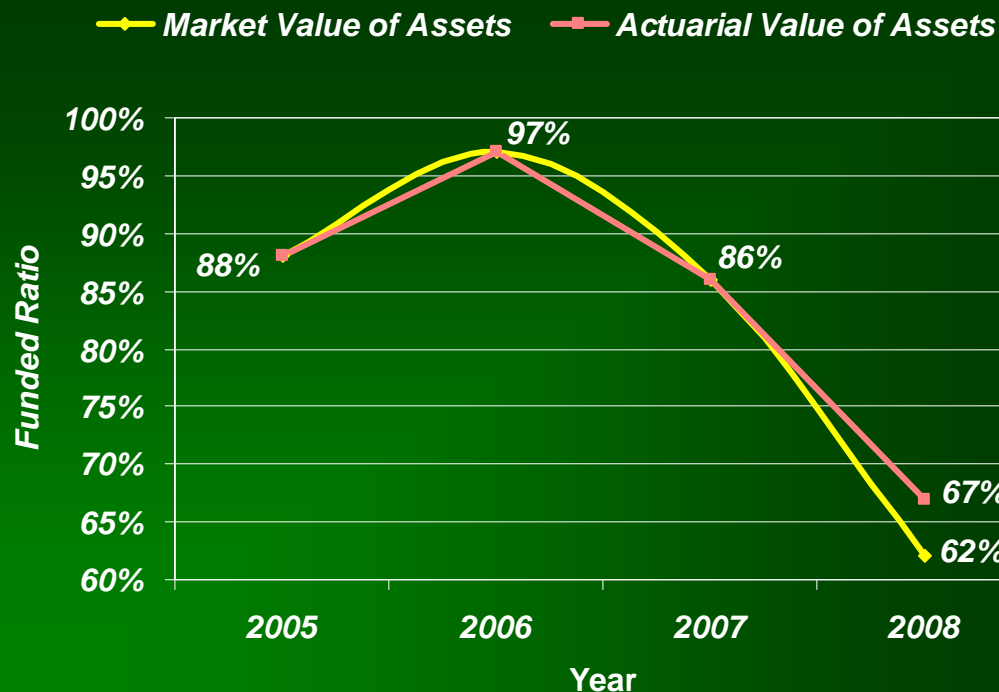
- This plan was included in the JCPER monitoring process beginning plan year 2008
- The funded ratio experienced a decrease of 19% from 86% to 67%
- The employer ARC increased from \$250,241 to \$418,180 for plan year 2009
- Negative investment experience was largely responsible for the funded ratio decrease and ARC increase
- Employees do not make a payroll contribution to this plan
- JCPER staff continues to work with District officials to ensure proper reporting is submitted
- Plan does not smooth investment gains or losses

CURRENT MEMBERSHIP

Active
Members: 35

In-Active
Members: 2

TOTAL: 37



As of 1/1/09

Market Value:
\$3,279,326

Actuarial Value:
\$3,516,105

Actuarial Accrued
Liability:
\$5,282,359

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$418,180		
2008	\$250,241	\$228,278	91%
2007	\$161,176	\$161,176	100%
2006	\$229,703	\$229,703	100%



KC CIVILIAN POLICE EMPLOYEES RETIREMENT SYSTEM

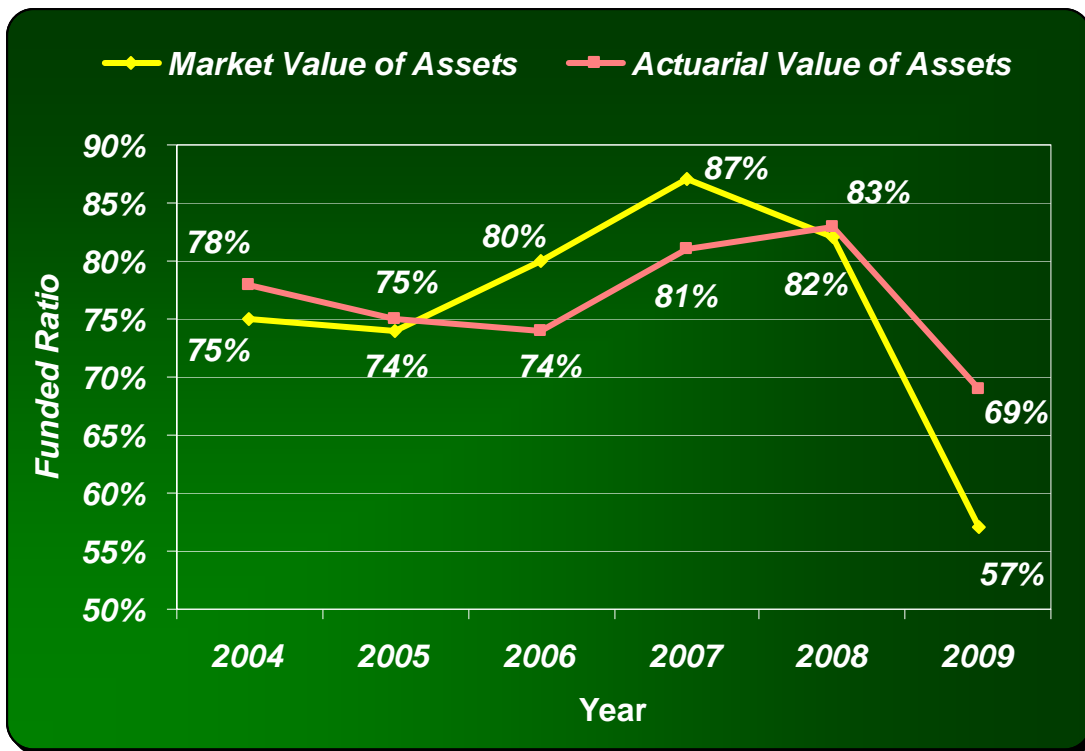
CURRENT MEMBERSHIP

Active
Members: 630

In-Active
Members: 172

TOTAL: 802

- ✦ Rate of return on investments of -26% (Market) and -12% (Actuarial) vs. 7.75% assumed
- ✦ Plan utilizes a 4 year smoothing period for investment gains or losses
- ✦ First year on JC PER watch list
- ✦ Employees contribute 5% of pay
- ✦ The Employer has not met the ARC since plan year 2002
- ✦ The scheduled Employer contribution for the 09/10 plan year is 13.14% with the ARC being 14.27% (09/10) and 18.87% (10/11)
- ✦ The actuary notes *"if asset returns are not significantly higher than 7.75% over the next few years, the \$14 million of deferred investment experience will be recognized and the employer contribution rate can be expected to increase significantly."*



As of 4/30/09

Market Value:
\$71,944,135

Actuarial Value:
\$86,332,962

Actuarial Accrued
Liability:
\$124,990,468

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$4,322,860	\$3,470,682	80%
2008	\$4,202,987	\$3,372,411	80%
2007	\$3,854,132	\$2,681,800	70%
2006	\$3,480,720	\$2,175,167	62%
2005	\$3,076,906	\$1,612,080	52%



KC EMPLOYEES RETIREMENT SYSTEM

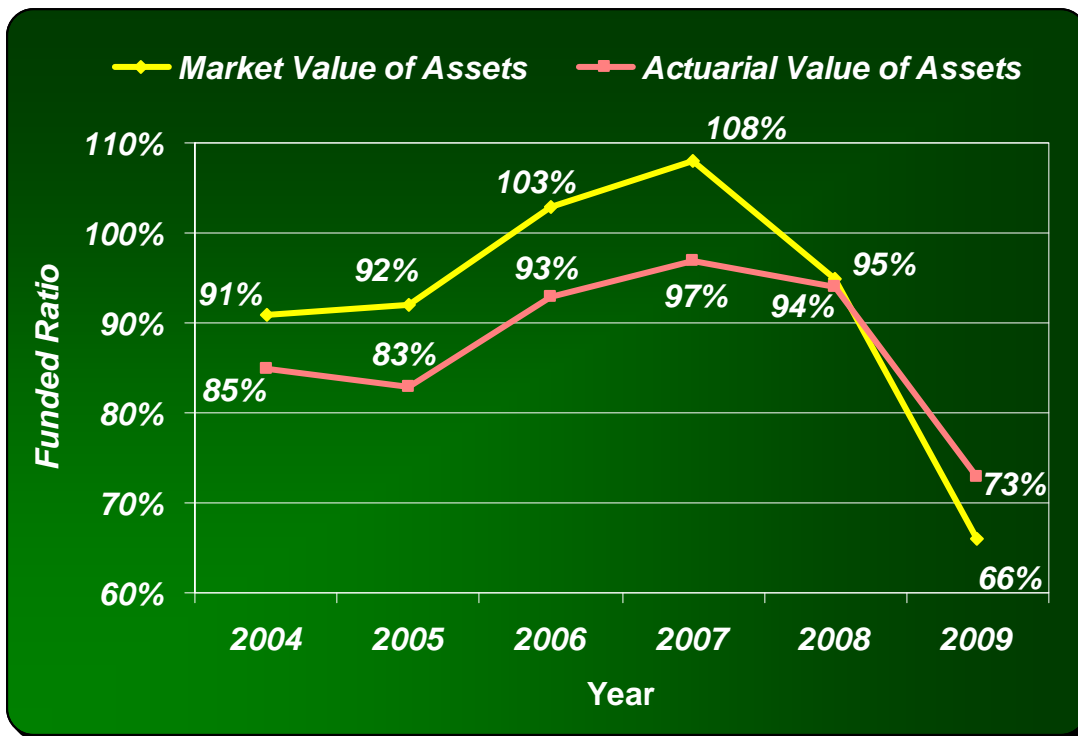
CURRENT MEMBERSHIP

Active
Members: 3,400

In-Active
Members: 2,388

TOTAL: 5,788

- Investment rate of return equal to -25.78% (Market) and -17.92% (Actuarial) vs. 7.5% assumed
- Plan utilizes a smoothing period for investment gains/losses
- First year on watch list
- The employer has met or exceeded the ARC since 2007
- The amortization period for the unfunded actuarial accrued liabilities was extended from a 20 year to a 30 year period for the 2009 valuation. All future changes to the UAAL will continue to establish a new 20 year period
- The Employer ARC increased for plan year 09/10 from \$19,364,846 (11.40% of pay) to \$29,589,060 (18.47%). The scheduled contribution by the Employer equals 12.12%
- Employees contribute 4% of pay



As of 5/1/09

Market Value:
\$640,063,117

Actuarial Value:
\$704,069,429

Actuarial Accrued
Liability:
\$966,779,322

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$19,364,846	\$20,330,486	105%
2008	\$15,623,936	\$20,011,617	128%
2007	\$17,652,900	\$18,496,476	105%
2006	\$25,770,974	\$17,557,758	68%
2005	\$23,406,798	\$14,825,719	63%



KC FIREFIGHTER'S RETIREMENT SYSTEM

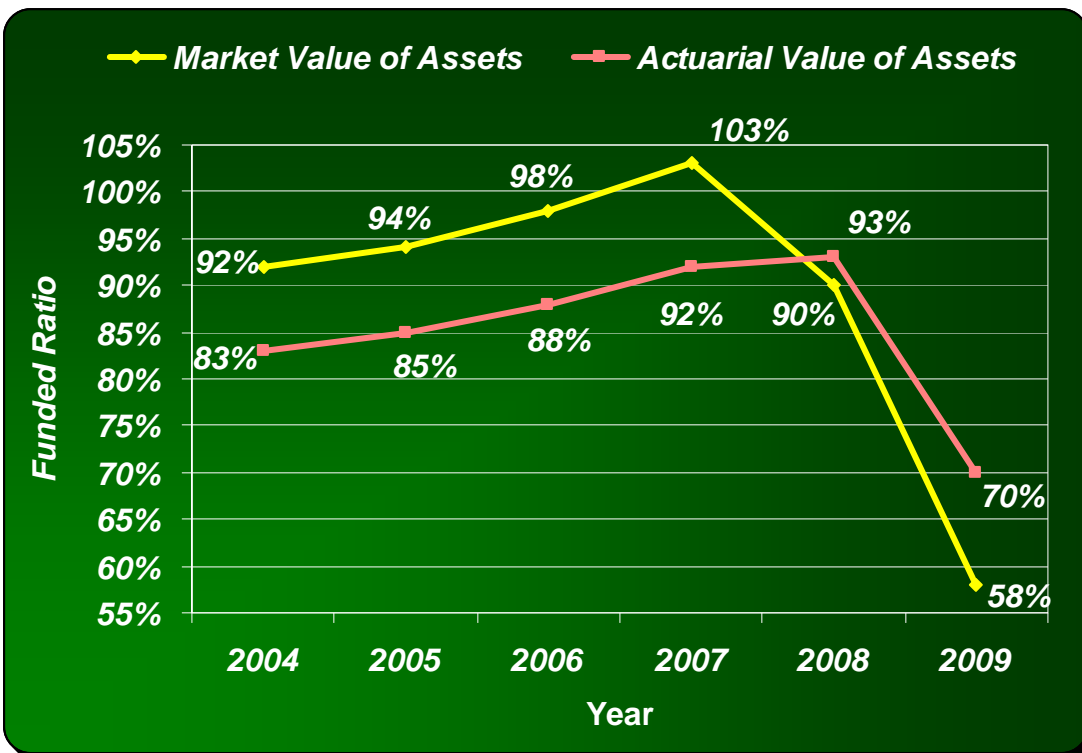
CURRENT MEMBERSHIP

Active
Members: 931

In-Active
Members: 862

TOTAL: 1793

- Investment rate of return equal to -30.19% (Market) and -20.15% (Actuarial) vs. 7.75% assumed
- Plan utilizes a 5 year smoothing period for investment gains/losses
- First year on watch list since 1995
- The Employer has met or exceeded the ARC since 2007
- The amortization period for the unfunded actuarial accrued liabilities was extended from a 20 year to 30 year period
- The Employer ARC for plan year 09/10 increased from \$9,476,409 (18.52% of pay) to \$17,123,835 (31.94%). The scheduled Employer contribution for this period equals 19.6%
- Employees contribute 9.55% of pay
- Asset corridor modified from 85%-110% to 80%-120%



As of 5/1/09

Market Value:
\$290,407,674

Actuarial Value:
\$348,489,209

Actuarial Accrued
Liability:
\$500,193,509

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$9,476,409	\$10,319,886	109%
2008	\$8,734,919	\$10,940,229	125%
2007	\$9,418,521	\$10,426,335	111%
2006	\$9,807,644	\$10,006,610	102%
2005	\$9,808,923	\$8,743,431	89%



KC POLICE RETIREMENT SYSTEM

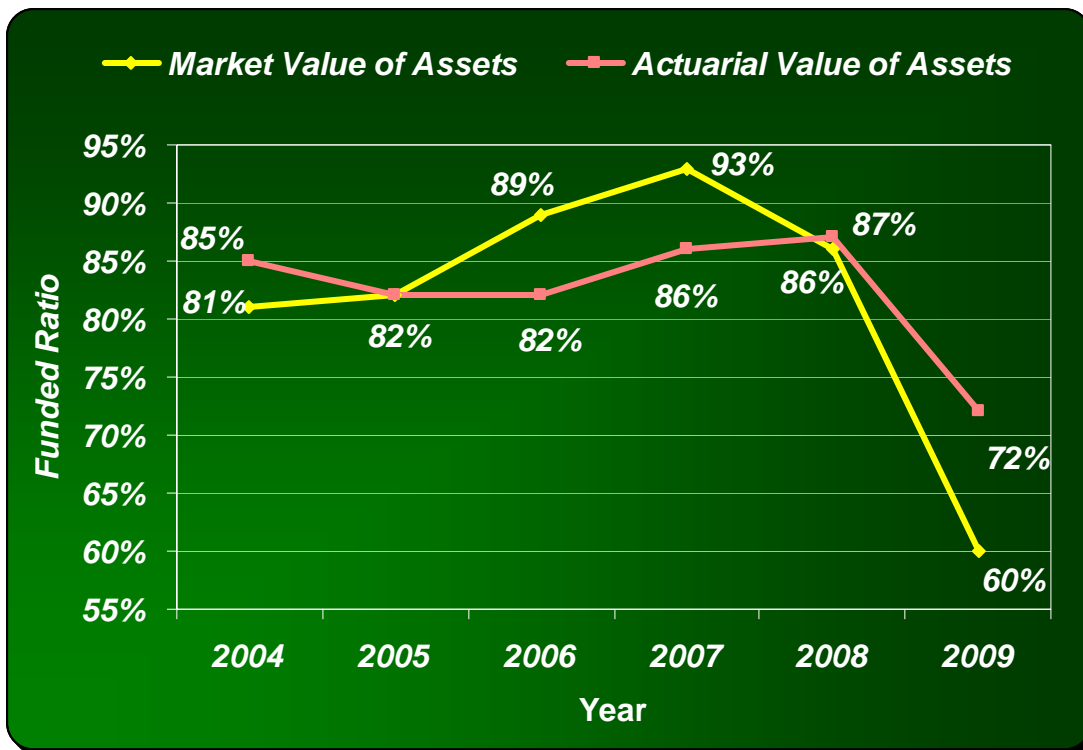
CURRENT MEMBERSHIP

Active
Members: 1410

In-Active
Members: 1197

TOTAL: 2607

- ✦ Rate of return on Investments of -25% (Market) and -11% (Actuarial) vs. 7.75% assumed
- ✦ Plan utilizes a 4 year smoothing period for investment gains or losses
- ✦ First year on JCPER watch list
- ✦ Employees contribute 10.55% of pay
- ✦ The Employer has not met the ARC since plan year 2003
- ✦ The scheduled Employer contribution for the 09/10 plan year is 19.70% with the ARC being 26.22% (09/10) and 36.76% (10/11)
- ✦ The actuary notes *"if asset returns are not significantly higher than 7.75% over the next few years, the \$107 million of deferred investment experience will be recognized and the employer contribution rate can be expected to increase significantly."*



As of 4/30/09

Market Value:
\$534,314,117

Actuarial Value:
\$641,176,940

Actuarial Accrued
Liability:
\$893,559,090

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$24,311,281	\$16,700,688	69%
2008	\$22,749,000	\$15,747,111	69%
2007	\$21,444,703	\$14,526,700	68%
2006	\$18,992,671	\$13,729,225	72%
2005	\$15,774,578	\$13,297,605	84%



KC TRANSPORTATION AUTHORITY UNION EMPLOYEES PENSION PLAN

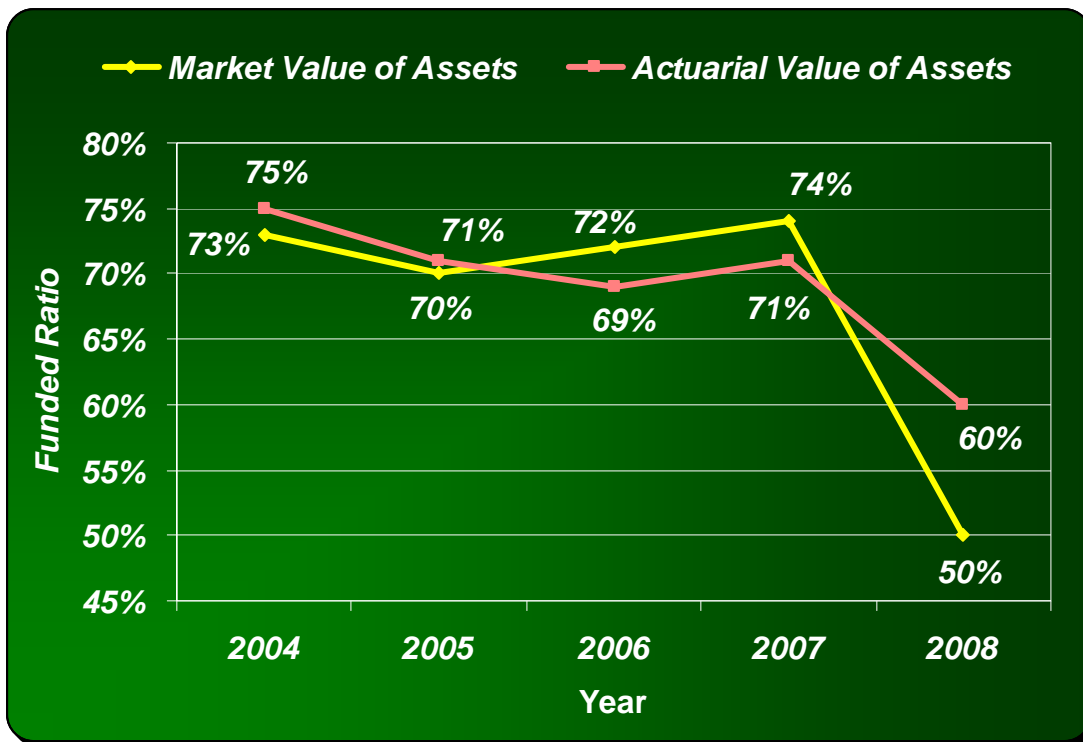
CURRENT MEMBERSHIP

Active
Members: 580

In-Active
Members: 256

TOTAL: 836

- ✦ Rate of return on investments of -30.6% (Market) and -13.9% (Actuarial) vs. 7.5% assumed
- ✦ Salary increases were lower than the 4.25% assumed resulting in actuarial gain
- ✦ The Employer ARC increased from \$1,803,128 (6.57% of pay) to \$2,422,138 (8.82%) for plan year 2009. The expected contribution is \$1,918,974 Employees contribute 3.75% of pay
- ✦ The Employer met the ARC in plan years 2007 and 2008
- ✦ Plan utilizes a 5 year smoothing period for investment gains/losses



As of 1/1/09

Market Value:
\$26,208,205

Actuarial Value:
\$31,451,044

Actuarial Accrued
Liability:
\$52,217,337

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$2,422,138		
2008	\$1,803,128	\$2,136,311	118%
2007	\$1,792,053	\$2,047,060	114%
2006	\$1,926,490	\$1,639,485	85%
2005	\$1,903,783	\$1,545,083	81%



LADUE NON-UNIFORMED EMPLOYEES' RETIREMENT PLAN

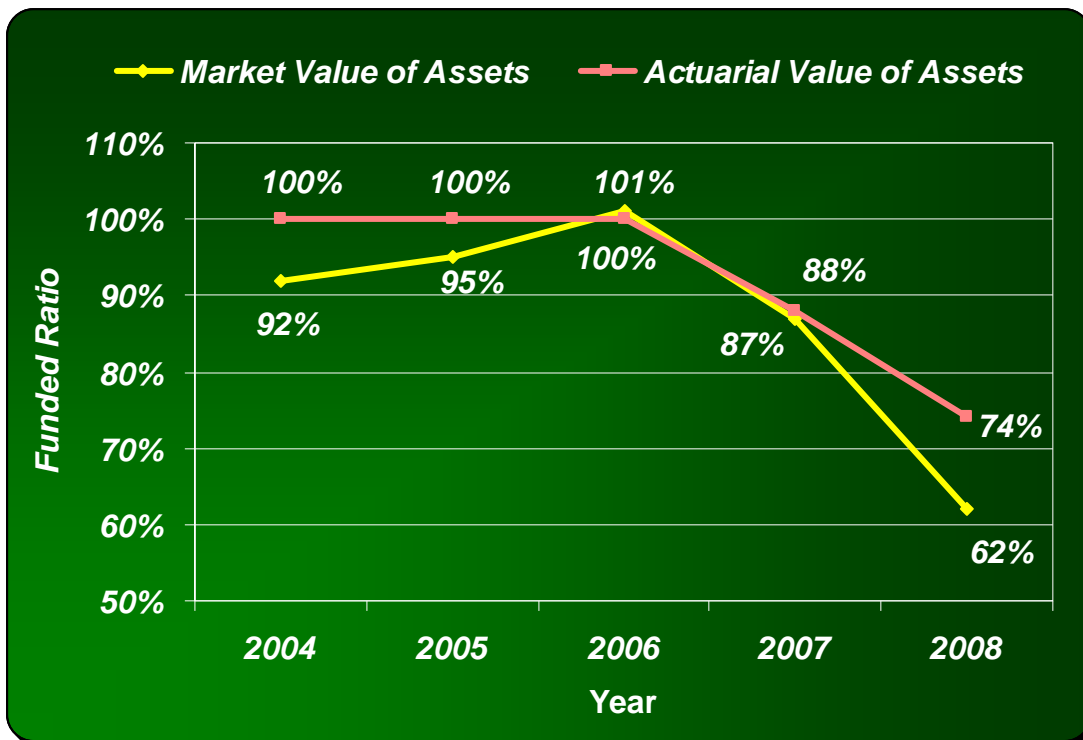
CURRENT MEMBERSHIP

Active
Members: 30

In-Active
Members: 12

TOTAL: 42

- ✦ Rate of return on investments of -26.32% (Market) and -11.76% (Actuarial) vs. 7.75% assumed
- ✦ The employer continues to meet or exceed the ARC
- ✦ This plan utilizes the Aggregate cost method which results with actuarial value of assets and liabilities to equal therefore producing a 100% funded ratio. In plan year 2007, the actuary began including the funded ratio using the entry age normal cost method
- ✦ Employees do not make a payroll contribution to this plan
- ✦ Plan utilizes a 5 year smoothing period for investment gains or losses



As of 1/1/09

Market Value:
\$1,953,338

Actuarial Value:
\$2,344,006

Actuarial Accrued
Liability:
\$3,148,403

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$203,664		
2008	\$148,695	\$175,000	118%
2007	\$143,662	\$143,662	100%
2006	\$120,800	\$120,800	100%
2005	\$110,188	\$110,188	100%



MISSOURI STATE EMPLOYEES RETIREMENT SYSTEM

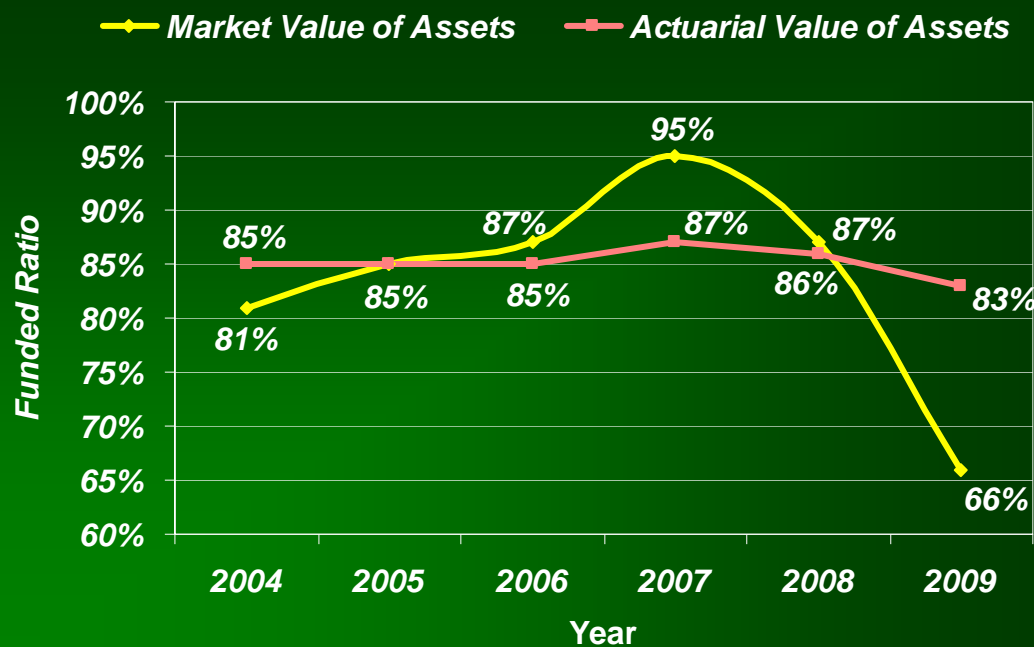
CURRENT MEMBERSHIP

Active
Members: 55,057

In-Active
Members: 50,102

TOTAL: 105,159

- Investment rate of return equal to -19.32% (Market) and -5.2% (Actuarial) vs. 8.5% assumed
- Plan utilizes a 5 year smoothing period for investment gains/losses
- First year on watch list
- The Employer continues to meet the ARC
- Employees do not make a payroll contribution to this plan
- The ARC increased for plan year 10/11 from 12.75% to 13.81% or approximately \$276 million
- The asset corridor associated with asset smoothing was modified from 20% to 30% for 2009 valuation and decreasing to 25% and 20% for 2010 and thereafter, respectively
- The actuary notes *"in the absence of offsetting gains, the contribution rate is expected to continue increasing over the next four years to a level approaching 19% of payroll."*



As of 6/30/09

Market Value:
\$6,163,086,700

Actuarial Value:
\$7,876,079,342

Actuarial Accrued
Liability:
\$9,494,806,715

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$252,105,008	\$252,105,008	100%
2008	\$249,770,156	\$249,770,156	100%
2007	\$239,488,751	\$239,488,751	100%
2006	\$227,233,195	\$227,233,195	100%
2005	\$195,648,983	\$195,648,983	100%



NORTH KANSAS CITY HOSPITAL RETIREMENT PLAN

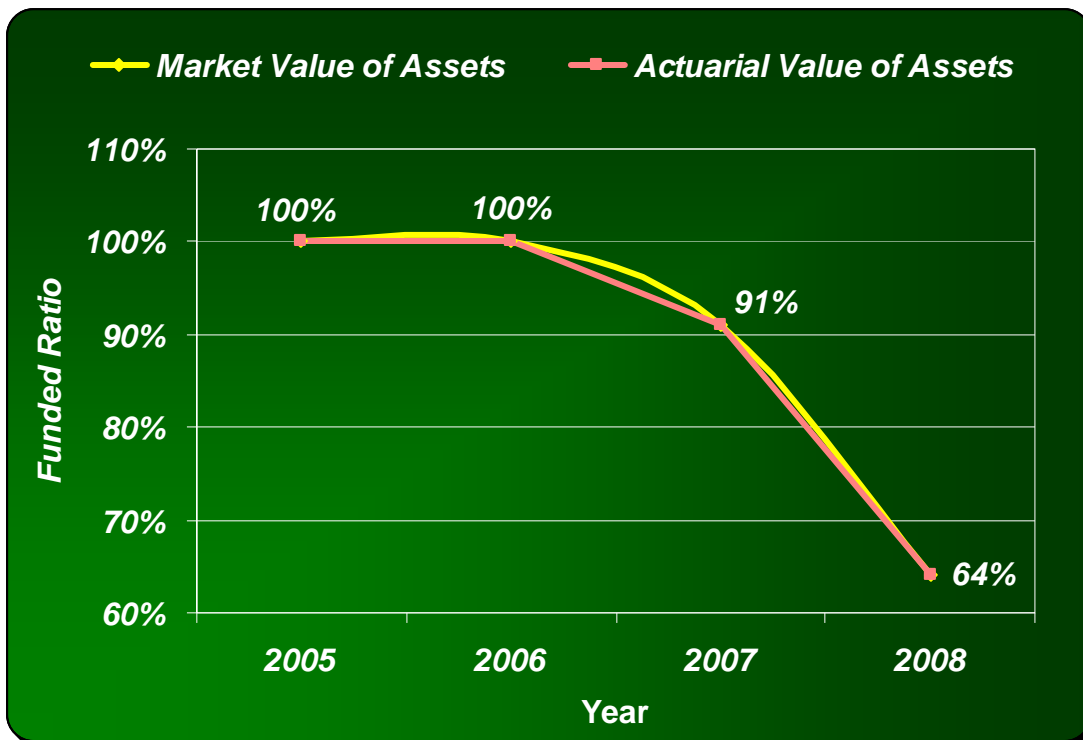
CURRENT MEMBERSHIP

Active
Members: 2,486

In-Active
Members: 1,027

TOTAL: 3,513

- ✦ Actuarial & Market Funded ratio decreased by 27% (from 91% to 64%)
- ✦ Market Rate of Return on investments of -23.7% vs. 7.5% assumed
- ✦ ARC increased from \$8.6 million (7.40% of pay) to \$13.4 million (10.71% of pay) for plan year 2009
- ✦ Benefits were modified for those hired on or after January 1, 2005 including reduced benefit multiplier and increased compensation time period (from 3 to 5 years)
- ✦ The employer continues to meet or exceed the ARC
- ✦ Employees do not make a payroll contribution to this plan
- ✦ Plan year 2008 is the first year on JCPER watch list
- ✦ Plan does not smooth investment gains or losses



As of 1/1/09

Market Value:
\$97,308,413

Actuarial Value:
\$97,308,413

Actuarial Accrued
Liability:
\$152,470,000

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2009	\$13,472,825		
2008	\$8,613,762	\$10,200,000	118%
2007	\$8,277,653	\$9,810,000	119%
2006	\$9,162,651	\$10,730,691	117%
2005	\$7,149,018	\$7,182,834	100%



OLIVETTE SALARIED EMPLOYEES' RETIREMENT PLAN

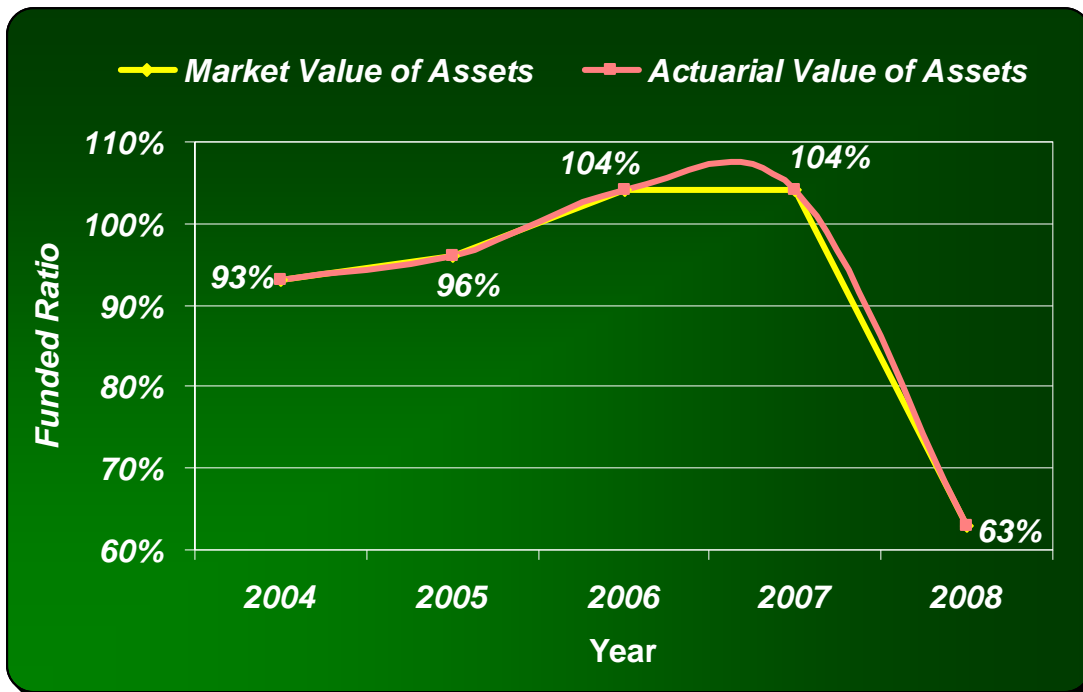
CURRENT MEMBERSHIP

Active
Members: 56

In-Active
Members: 60

TOTAL: 116

- Actuarial Funded ratio decreased by 40% (from 103% to 63%)
- Market Rate of Return on investments of -34.22% vs. 7.25% assumed
- Salary increases slightly higher than assumed (5.58% vs. 5.25%)
- Total ARC *increased dramatically* from \$308,125 to \$1,479,907 for PY 09 (or 10.66% to 50.54% of pay)
- Employees contribute 5% of pay (totalled \$189,620 in PY08)
- In 2005, plan decreased benefit multiplier from 2.1% to 2%, implemented a graded COLA decrease, and increased the employee contribution from 4% to 5%
- An April 2005 ballot issue was approved by voters increasing the pension property tax rate from \$.15 to \$.25 per \$100
- Actuary notes *"estimated contributions are now significantly lower than the recommended contribution this year. Plan modifications, additional employee contributions and/or additional City contributions will be needed."*
- Plan does not smooth investment gains or losses



As of 1/1/09

Market Value:
\$14,598,769

Actuarial Value:
\$14,598,769

Actuarial Accrued
Liability:
\$23,241,683

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$1,104,382		
2008	\$118,505	\$496,280	419%
2007	\$113,709	\$248,086	218%
2006	\$343,514	\$479,730	140%
2005	\$438,970	\$556,644	127%



PATTONVILLE-BRIDGETON FIRE PROTECTION DISTRICT

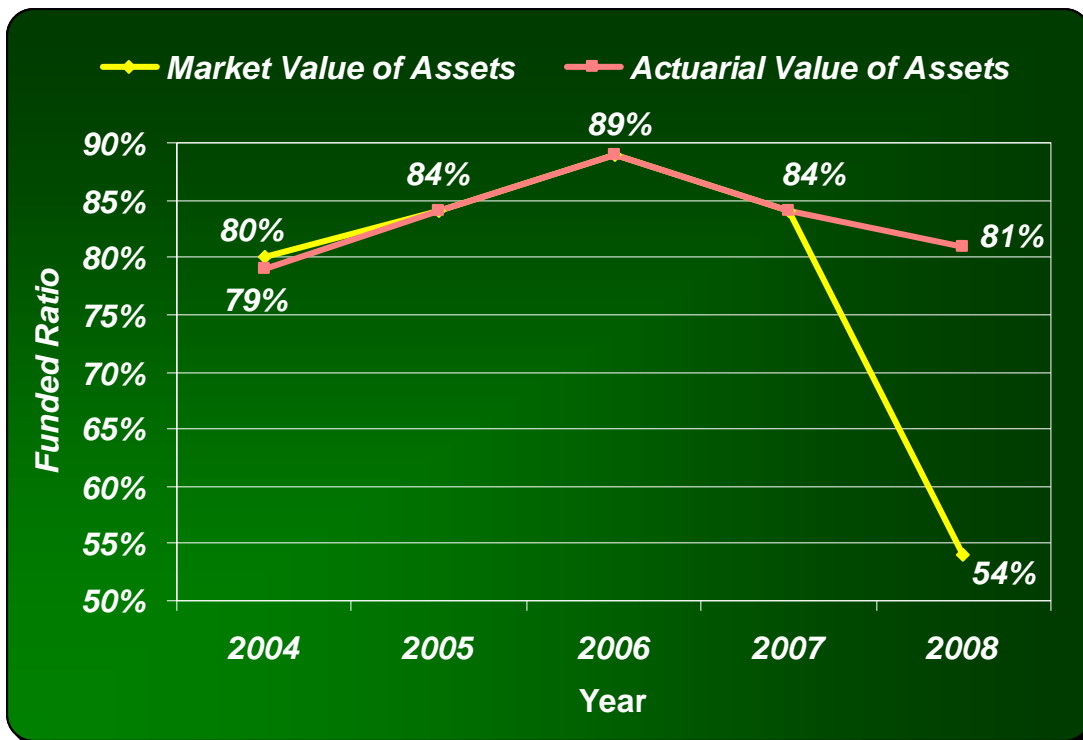
- Market Rate of return on investments of -33.27% vs. 7.75% assumed
- Employees do not make a payroll contribution to this plan
- The Employer ARC increased from \$1,182,140 (20.15% of pay) to \$1,287,891 (22.88%) for plan year 2009
- The Employer has met the full ARC for plan years 2007 & 2008
- Plan utilizes a 5 year smoothing period for investment gains/losses

CURRENT MEMBERSHIP

Active
Members: 61

In-Active
Members: 16

TOTAL: 77



As of 1/1/09

Market Value:
\$13,051,420

Actuarial Value:
\$19,458,339

Actuarial Accrued
Liability:
\$24,125,650

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$1,287,892		
2008	\$1,182,140	\$1,387,000	117%
2007	\$1,010,460	\$1,260,000	125%
2006	\$1,137,341	\$990,000	87%
2005	\$1,311,848	\$1,192,455	91%



PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM (PEERS)

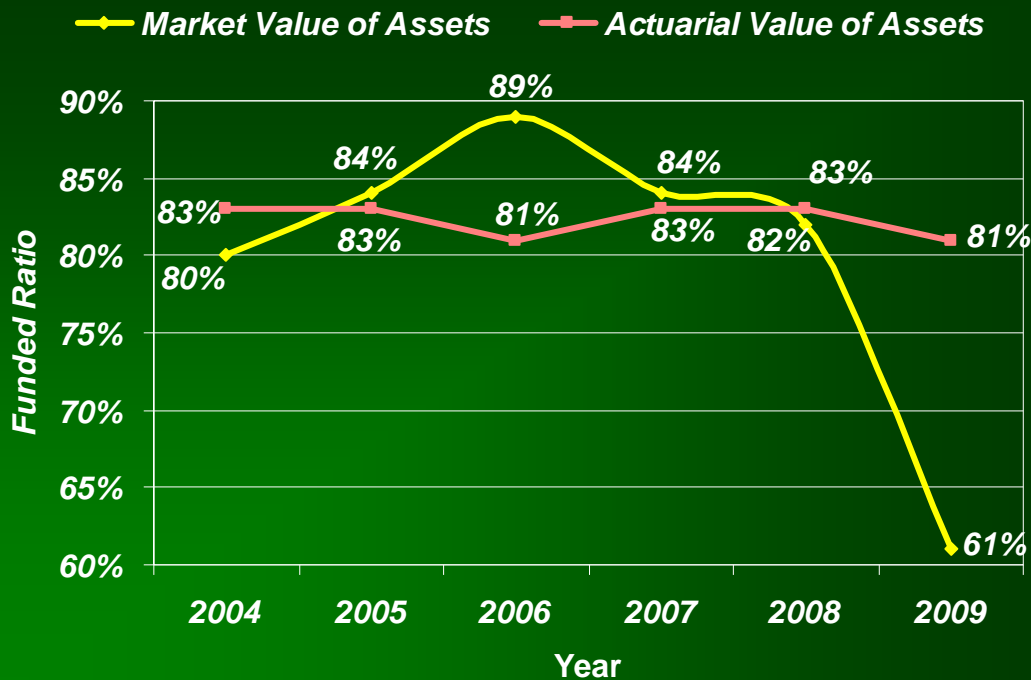
- ✦ Investment rate of return equal to -19.1% (Market) and 2% (Actuarial) vs. 8% assumed
- ✦ Plan utilizes a 5 year smoothing period for investment gains/losses
- ✦ First year on watch list
- ✦ Due to statutory cap on contributions, the Employers have not met the ARC since 2002, but are scheduled to meet the ARC for school year 10/11
- ✦ The Board of Trustees approved the ARC for the 10/11 school year of 13.26%. This rate is split between the employer and employee (6.63% each)

CURRENT MEMBERSHIP

Active
Members: 51,234

In-Active
Members: 37,347

TOTAL: 88,581



As of 6/30/09

Market Value:
\$2,113,673,631

Actuarial Value:
\$2,792,182,000

Actuarial Accrued
Liability:
\$3,458,044,000

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$96,775,289	\$85,915,562	89%
2008	\$90,727,016	\$77,988,839	86%
2007	\$89,945,503	\$69,235,160	77%
2006	\$79,707,834	\$61,745,505	77%
2005	\$73,948,917	\$53,109,687	72%



PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI (PSRS)

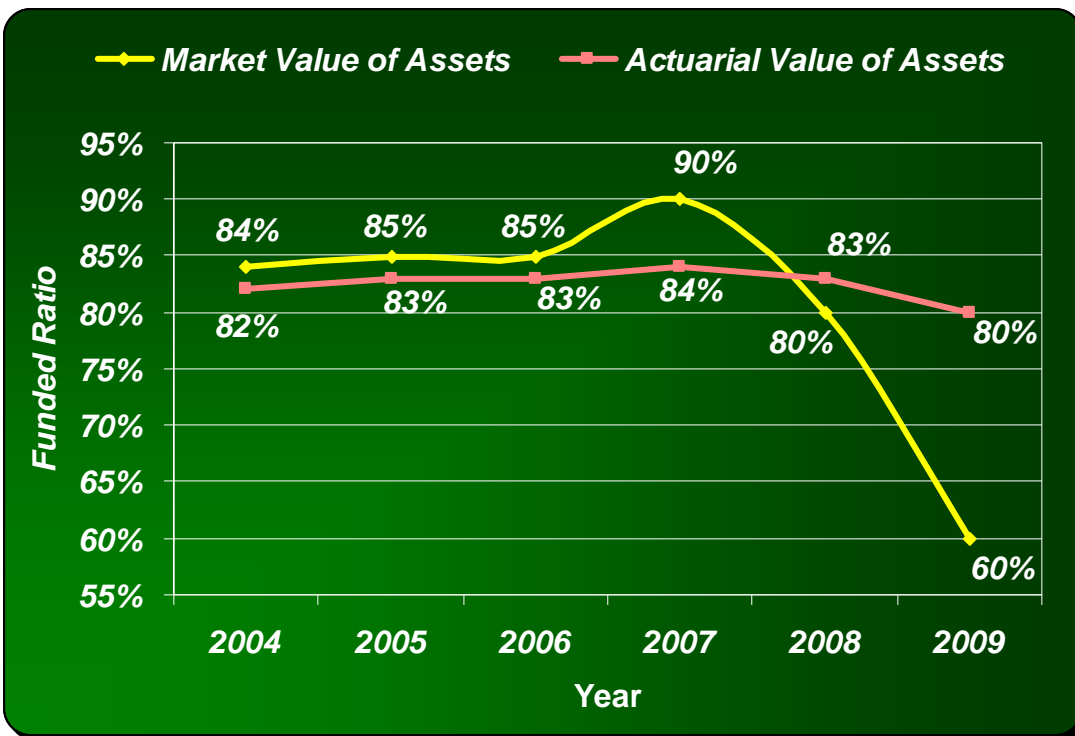
CURRENT MEMBERSHIP

Active
Members: 79,335

In-Active
Members: 55,897

TOTAL: 135,232

- Investment rate of return equal to -19.55% (Market) and 2.14% (Actuarial) vs. 8% assumed
- Plan utilizes a 5 year smoothing period for investment gains/losses
- First year on watch list
- Due to statutory cap on contribution, the Employers have not met the ARC since 2002
- The Board of Trustees approved the ARC for the 10/11 school year of 28%. This rate is split between the employer and employee (14% each)
- The annual contribution recommended by the actuary equals 30.11% producing a contribution shortfall of 2.11%



As of 6/30/09

Market Value:
\$21,589,177,404

Actuarial Value:
\$28,826,075,000

Actuarial Accrued
Liability:
\$36,060,121,000

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$669,643,988	\$563,454,487	84%
2008	\$656,347,298	\$521,241,501	79%
2007	\$644,969,214	\$472,216,630	73%
2006	\$608,134,319	\$429,578,911	71%
2005	\$593,328,374	\$389,415,997	66%



ST. LOUIS COUNTY EMPLOYEES RETIREMENT PLAN

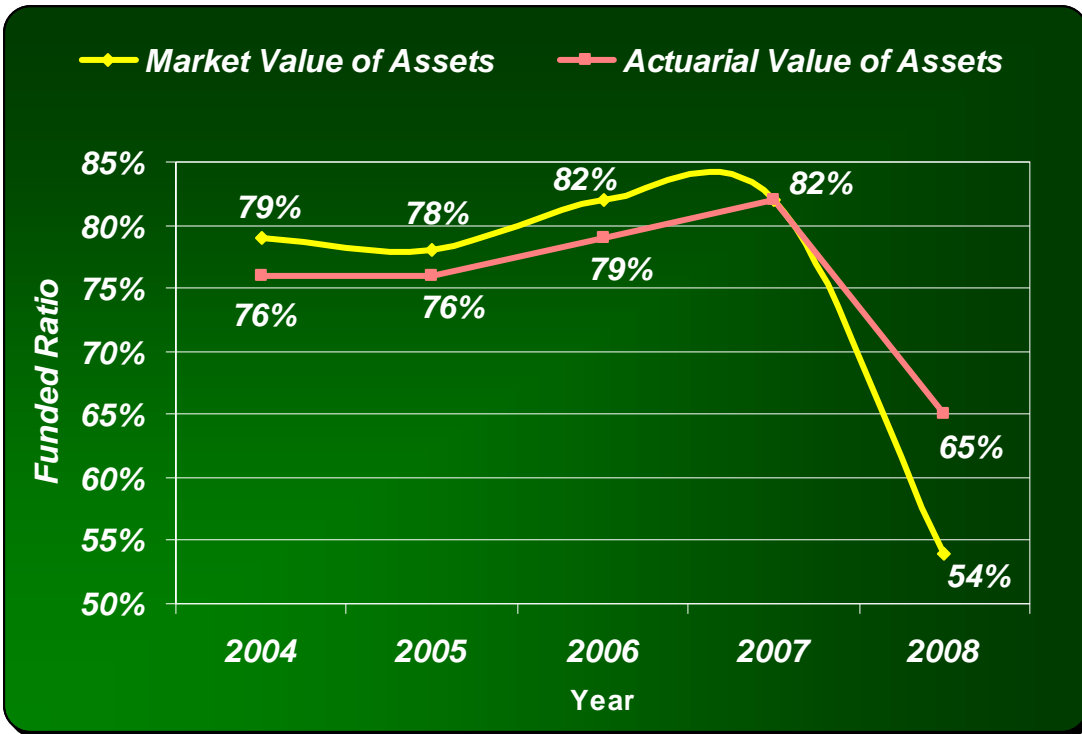
CURRENT MEMBERSHIP

Active
Members: 3,885

In-Active
Members: 3,368

TOTAL: 7,253

- This is first year on watch list
- Rate of return on investments of -30.3% (Market) and -15.2% (Actuarial) vs. 8% assumed
- The impact to contribution rates was lessened by the extension of the amortization period from 15 to 30 years and temporary modification of salary, termination and retirement assumptions
- This plan consists of two benefit programs covering Police employees and Civilian employees
- The Employer has consistently met the ARC
- Employees do not make a payroll contribution to this plan
- Plan utilizes a 4 year smoothing period for investment gains or losses



As of 1/1/09

Market Value:
\$333,624,330

Actuarial Value:
\$400,349,196

Actuarial Accrued
Liability:
\$617,001,406

RECOMMENDED CONTRIBUTION ACTUAL CONTRIBUTION PERCENT CONTRIBUTED

2009	\$32,848,970		
2008	\$27,245,017	\$27,245,017	100%
2007	\$27,138,737	\$27,138,737	100%
2006	\$28,527,411	\$28,527,411	100%
2005	\$26,729,066	\$26,729,066	100%

Missouri Local Government Employees Retirement System

LAGERS



William R. Schwartz, CEBS, CGFM
Executive Secretary

Who we Are . . .



- **Non-Profit Public Pension System for Local Government Employees**
- **Created by the General Assembly in 1967, RSMo 70.600 – 70.755**
- **Provides Defined Benefit retirement, disability, and survivor's Benefits**
- **Legally separate and fiscally independent of the State of Missouri**

Who we Are . . .



Fiscal Year 2008-2009

- **Assets: \$3.2 billion (as of February 28, 2009)**
- **33,000 + Active Members / 14,000 + Retirees**
- **592 Member Employers**
 - * **15 – 20 Employers join each Year**
- **Distributed \$149 + million in Retirement Benefits**

Who we Are . . .



Active LAGERS Member Employees

General	=	25,519
Police Officers	=	5,567
Fire Fighters	=	1,745

Member Employees: Where They Work

Cities	=	17,911
Counties	=	8,684
Special Districts	=	3,392
Health Agencies	=	1,913
Libraries	=	931

LAGERS Member Employers

Cities	=	275	Health Agencies	=	58
Counties	=	60	Libraries	=	40
Special Districts	=	159			

Who we Are . . .



Retired LAGERS Members Receiving a Monthly Benefit

General

Police Officers

Fire Fighters

11,188

2,248

714

Average Monthly Benefit Payments

	Years of Service				
	5-10	10-15	15-20	20-25	30+
Average Monthly Benefit	\$244	\$515	\$813	\$1,232	\$2,364
Final Average Salary	\$2,536	\$2,698	\$2,964	\$3,363	\$4,127

Member Options



Life Benefit Programs

L-1	1.00% for life	L-12	1.75% for life	For non-SSA members only
L-3	1.25% for life	L-6	2.00% for life	
L-7	1.50% for life	L-11	2.50% for life	

Life & Temporary Benefit Programs

LT-4(65)	1.00% for life, Plus 1.00% to age 65
LT-5(65)	1.25% for life, Plus 0.75% to age 65
LT-8(65)	1.50% for life, Plus 0.50% to age 65
LT-14(65)	1.75% for life, Plus 0.25% to age 65

Member Options



Final Average Salary

5 Year	Highest Consecutive 60 months of last 120 Months of Salary
3 Year	Highest Consecutive 36 months of last 120 Months of Salary

Member Contributions

Contributory	Full Time Employees must contribute 4% Monthly Gross Salary
Non-Contributory	Employer makes All necessary Contributions
Non-Contributory Refund	Employer Elects to Refund past Employee Contributions

Retirement Ages

Regular	60 for General, 55 for police/Fire	
Early (reduced)	55 for General, 50 for police/Fire	($\frac{1}{2}$ of 1% for each month early)
Rule of 80	Allows employees with Age + Service = 80 to Retire with No Reduction of Benefits	

Life Benefit Program Calculations

Assume \$2,500 FAS & 25 years service credit



Benefit Program X Final Average Salary X Years of Service = Lifetime Monthly Benefit

L-1 1.00% x \$2,500 x 25 = \$ 625.00 per month for Life

L-3 1.25% x \$2,500 x 25 = \$ 781.25 per month for Life

L-7 1.50% x \$2,500 x 25 = \$ 937.50 per month for Life

L-12 1.75% x \$2,500 x 25 = \$1,093.75 per month for Life

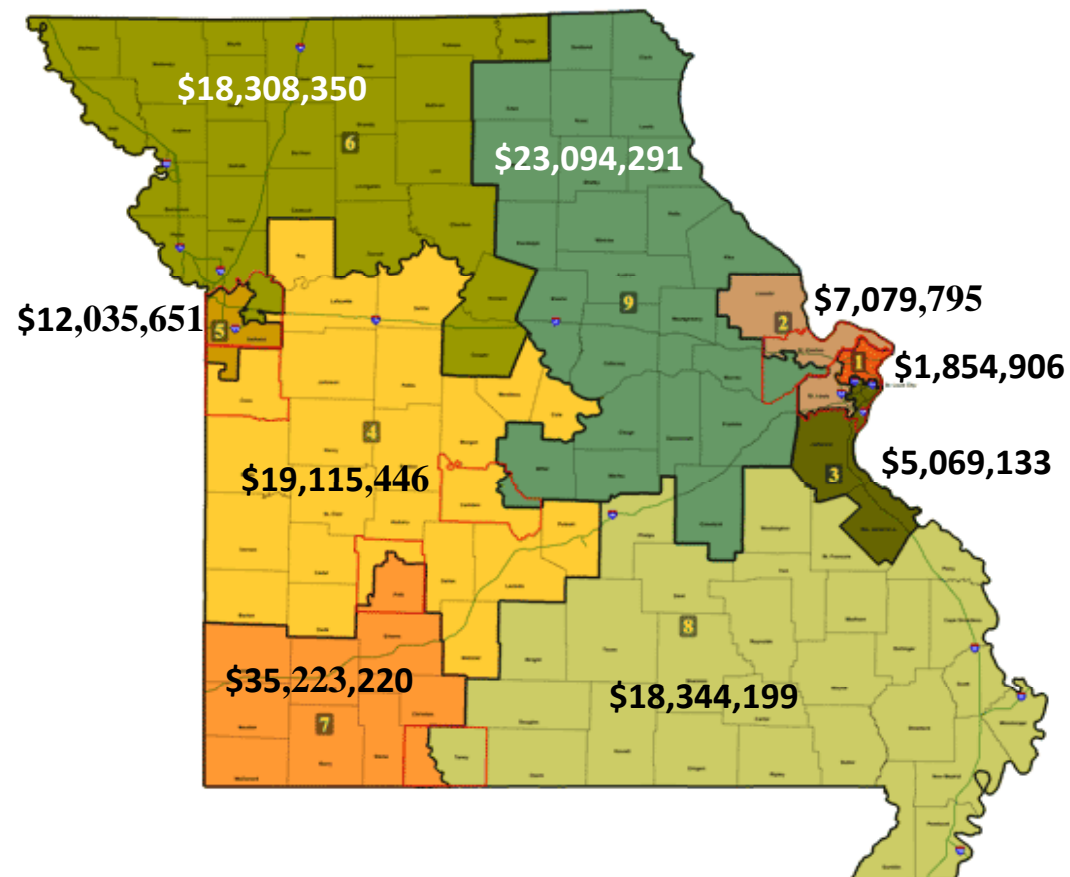
L-6 2.00% x \$2,500 x 25 = \$1,250.00 per month for Life

LAGERS Benefit payments added \$141,595,902 to Missouri's Economy

Benefits Paid Stayed in Missouri

Over 95% or \$141,595,902 of the \$149,048,361 paid out in retirement and beneficiary benefits in the 2008-2009 fiscal year went directly to those who lived and spent those dollars in Missouri.

Monthly Benefits Paid within Federal Congressional Districts





Missouri Local Government Employees Retirement System

finances at a glance

as of June 30, 2009

Funded Ratio

80.0%

This figure represents the financial soundness of the system. The funded ratio is determined by dividing the system's assets by the system's liabilities. Or, how much LAGERS has versus how much LAGERS owes.

The amount LAGERS "owes" to pay retirement benefits to our members is similar to a mortgage. The funded ratio tells us that LAGERS' "mortgage" would be 80.0% paid off.

In aggregate, public plans in Missouri and the U.S. are well funded. The graph shows average funded ratios for public plans.

Annual Benefits Paid \$149 Million

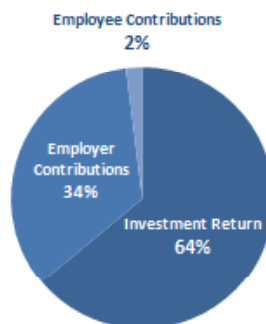
LAGERS paid out over \$149 million in monthly retirement benefits and lump sum distributions during the past year. Other LAGERS retirement information:

Retirees	14,150
Average Monthly Benefit	\$ 787
Average Service Credit	10 Years
Average Monthly Benefit for Retiree with 25-30 Years of Service	\$1,707

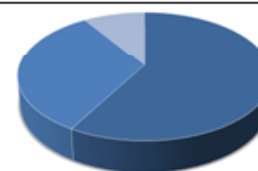
LAGERS Employers	592
Active Members	32,831

Total Assets \$3.2 Billion

All of LAGERS funding for comes from three sources: Investment Return, Employer and Employee contributions. This chart illustrates the annual average of revenue sources for the last 10 years.



Asset Allocation



Stocks 51.7%
Fixed Income 36.7%
Alternative Investments 11.6%

Investment Return

3 Years	- 2.0%
5 Years	2.9%
10 Years	3.7%

Annual investment income in excess of 7.5% is credited to our member employers. All investment gains or losses are smoothed over a five-year period in order to keep employer contribution rates level.

Mergers and Plan Consolidations

- Review of existing plans (“Apples to Oranges”)
- 70.615 RSMo. Other plans ‘Similar in Purpose’
- LAGERS has merged or assumed future administration of 32 other plans.
- In 2008 & 2009 alone, LAGERS was asked to perform plan analysis on 35 other plans.

Thank You

- Please Contact Us for Questions
 - www.molagers.org
 - info@molagers.org
 - 1-800-447-4334
 - 701 W. Main St.
Jefferson City, MO 65102

Methods for Possible Mergers of Plans

If there are definite benefit impairment issues:

Cover only new hires in LAGERS and let the old plan expire over time with continued local administration of old plan.

Cover current employees and new hires on a prospective basis only and let the old plan expire over time. Prior credit may be granted for vesting purposes only, with continued local administration of old plan.

If there are no or limited benefit impairment issues:

Cover all current and future employees under LAGERS and grant full prior credit for vesting and benefit purposes. In order to do this, the Board has agreed to these guidelines:

The employer would dispose of all retirant and beneficiary obligations either through a bank trust department or an insurance company.

All active employees shall participate in LAGERS.

Employer would pass an ordinance to cover all employees. A separate agreement (contract) would be necessary in that the employer would assume any liability for any benefit impairment issues which may arise. The employer would also agree to hold us harmless and would agree to indemnify us for any issues related to such action including attorney's fees.

Examples of merger activity completed

St. Joseph Fire, Jennings Police & Fire, MO Joint Municipal Electric Commission, Raytown Fire Prot. District, Willow Springs, Callaway Co PWD#1, Crestwood Police & Fire, Progressive Community Services (Buchanan Co SB40), Greene County SB40, Lincoln County Health, Ash Grove (Police), Missouri River Regional Library, Raytown, Rolling Hills Library, Maryland Heights, Smithville, Willard, Boone County SB40, Saline County Health, Osage Beach Fire Prot. District, West Peculiar Fire Prot. District, Camden Co PWD#4, Randolph Co Ambulance, Pulaski Co 911, Horseshoe Bend SRD, Camdenton, Troy, Jefferson Co 911, Shirkey Nursing Home District (Ray Co), St. Francois Co Ambulance, Republic, Jefferson City Fire,

Examples of merger evaluation/activity pending:

Springfield Police and Fire, Rock Hill Police and Fire, Parkville, Cameron Ambulance District, Metro North Fire Prot. District, Wentzville Fire Prot. District, Southern Platte Fire Prot. District, Spanish Lake Fire Prot. District, O'Fallon Fire Prot. District, Central County Fire Prot. District, Jackson County, Mid County Fire, Webster Groves,