

December 30, 2025 E-Mail

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

Re: City of Belton (#3484)

Dear Mya:

As you requested, we have performed actuarial valuations as of February 28, 2025 for the active and deferred members reported as Public Safety members and the remaining active and deferred members of the General department of the City of Belton.

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	11.70%	11.90%	12.20%
Casualty Rate	0.50	0.50	0.50
Prior Service Cost Rate ¹	<u>2.10</u>	<u>2.20</u>	<u>3.40</u>
Total Employer Contribution Rate	14.30%	14.60%	16.10%

Change in Employer Contribution Rate

as a percent of payroll

Increase in Actuarial Accrued Liability ¹

0.30%

1.80%

\$0

\$320,151

¹ 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 Public Safety Benefit Provisions New Public Safety Subdepartment	
	General Benefit Provisions		General Benefit Provisions			
	Current General	Remaining General Subdepartments	New Public Safety Subdepartment			
<u>Member Statistics</u>						
Number Active	136	117	19	19		
Payroll	\$8,138,705	\$7,002,213	\$1,136,492	\$1,136,492		
Average Pay	59,843	59,848	59,815	59,815		
Accumulated Contributions (Actives)	-	-	-	-		
Number Deferred	115	105	10	10		
<u>Actuarial Accrued Liabilities (AAL)</u>						
Active AAL	\$11,797,208	\$10,286,609	\$1,510,600	\$1,802,251		
Deferred AAL	<u>6,468,412</u>	<u>6,379,822</u>	<u>88,590</u>	<u>117,090</u>		
Total AAL	\$18,265,620	\$16,666,431	\$1,599,190	\$1,919,341		
Increase AAL - Public Safety Provisions and Assumptions				\$320,151		
<u>Actuarial Value of Assets</u>						
Members Deposit Fund (MDF)	\$148,729	\$148,729	\$0	\$0		
Employer Accumulation Fund (EAF) ¹	<u>16,024,290</u>	<u>14,608,312</u>	<u>1,415,978</u>	<u>1,415,978</u>		
Total Assets	\$16,173,019	\$14,757,041	\$1,415,978	\$1,415,978		
Funded Ratio	88.5%	88.5%	88.5%	73.8%		
Unfunded Actuarial Accrued Liability (UAAL)	\$2,092,601	\$1,909,390	\$183,212	\$503,363		
<u>Computed Employer Contribution Rate</u>						
Normal Cost Rate	11.70%	11.90%	10.00%	12.20%		
Casualty Rate	0.50	0.50	0.50	0.50		
Prior Service Cost Rate	<u>2.10</u>	<u>2.20</u>	<u>1.30</u>	<u>3.40</u>		
Total Employer Contribution Rate	14.30%	14.60%	11.80%	16.10%		
Estimated First Year Employer Contribution Dollars	\$1,163,835	\$1,022,323	\$134,106	\$182,975		

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 28, 2025 annual actuarial valuation report for the City of Belton. 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 \$320,151 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 28, 2025. This would require an accounting transfer based on market value, as of February 28, 2025, of \$1,328,559 of employer assets being transferred to the Public Safety department with the remainder staying in the General department. Depending upon actual experience after the valuation date as of February 28, 2025 (e.g., members changing status after the valuation date), an additional asset transfer may be necessary as of the first annual valuation date after the election is made to add the new subdepartment.

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	
2025	\$ 7,002,213	14.30%	\$ 1,001,316	\$ 1,909,390	14.60%	\$ 1,022,323	\$ 1,909,390	0.30%	\$ 21,007	\$ 0
2026	7,194,774	14.30%	1,028,853	1,883,097	14.60%	1,050,437	1,883,097	0.30%	21,584	-
2027	7,392,630	14.30%	1,057,146	1,849,866	14.60%	1,079,324	1,849,866	0.30%	22,178	-
2028	7,595,927	14.30%	1,086,218	1,809,085	14.60%	1,109,005	1,809,085	0.30%	22,787	-
2029	7,804,815	14.30%	1,116,089	1,760,102	14.60%	1,139,503	1,760,102	0.30%	23,414	-
2030	8,019,447	14.30%	1,146,781	1,702,207	14.60%	1,170,839	1,702,207	0.30%	24,058	-
2031	8,239,982	14.30%	1,178,317	1,634,642	14.60%	1,203,037	1,634,642	0.30%	24,720	-
2032	8,466,582	14.30%	1,210,721	1,556,591	14.60%	1,236,121	1,556,591	0.30%	25,400	-
2033	8,699,413	14.00%	1,217,918	1,467,177	14.30%	1,244,016	1,467,177	0.30%	26,098	-
2034	8,938,647	14.10%	1,260,349	1,393,490	14.40%	1,287,165	1,393,490	0.30%	26,816	-

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	
2025	\$ 1,136,492	14.30%	\$ 162,518	\$ 183,211	16.10%	\$ 182,975	\$ 503,362	1.80%	\$ 20,457	\$ 320,151
2026	1,167,746	14.30%	166,988	180,688	16.10%	188,007	498,752	1.80%	21,019	318,064
2027	1,199,859	14.30%	171,580	177,499	16.10%	193,177	492,656	1.80%	21,597	315,157
2028	1,232,855	14.30%	176,298	173,587	16.10%	198,490	484,941	1.80%	22,192	311,354
2029	1,266,759	14.30%	181,147	168,886	16.10%	203,948	475,460	1.80%	22,801	306,574
2030	1,301,595	14.30%	186,128	163,331	16.10%	209,557	464,059	1.80%	23,429	300,728
2031	1,337,389	14.30%	191,247	156,848	16.10%	215,320	450,570	1.80%	24,073	293,722
2032	1,374,167	14.30%	196,506	149,359	16.10%	221,241	434,813	1.80%	24,735	285,454
2033	1,411,957	14.00%	197,674	140,779	15.80%	223,089	416,593	1.80%	25,415	275,814
2034	1,450,786	14.10%	204,561	133,709	15.90%	230,675	398,394	1.80%	26,114	264,685



Section D – Assumptions and Benefit Provisions

The results shown for each subdepartment only include members reported to LAGERS as of the valuation date, February 28, 2025. For the Public Safety department split calculations included in this letter, please note the following:

- 1) A general active member as of the annual valuation date and identified as an active participant of the Public Safety subdepartment in the data submission is considered to be an active member in the Public Safety subdepartment.
- 2) A general deferred member as of the annual valuation date and identified as a participant of the Public Safety subdepartment in the data submission is considered to be a deferred member in the Public Safety subdepartment only if the member is also an active Police or Fire member with this employer as of the annual valuation date.

The methods and assumptions used in the actuarial valuations were the same as those used in the annual actuarial valuations as of February 28, 2025. 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 28, 2025. A summary follows:

Provisions	ER #3484
Benefit Program	L-6
Final Average Salary	3 Years
Member Contribution Rate	0%
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.

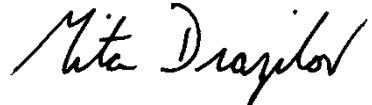


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Page 5

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



Mita D. Drazilov, ASA, FCA, MAAA

MDD: dj

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

