



June 17, 2026

Pension Committee
Cottleville Community Fire Protection District Pension Plan

Cost statement of Proposed Changes to the Cottleville Community Fire Protection District Pension Plan (“the Plan”)

Dear Committee Members:

According to Missouri Revised Statute 105.665: “1. The legislative body or committee thereof which determines the amount and type of plan benefits to be paid shall, before taking final action on any substantial proposed change in plan benefits, cause to be prepared a statement regarding the cost of such change(s).

The changes under consideration involve enhancements to the Plan’s retirement benefits. Under consideration is the following:

A Plan provision that would prospectively change the definition of Average Compensation for applying the benefit formulas from a high 36 month average out of the last 60 months of employment to a high 12 month average out of the last 36 months of employment.

The following cost statement employs the methods used in preparing the most recent periodic actuarial valuation for the plan and addresses the requirements in the order they are requested in the Statute:

(1) The total normal cost of employer provided plan benefits currently in effect, is \$1,431,380. Expressed as a percent of active employee payroll is 20.2%.

(2) The contribution for unfunded accrued liabilities currently payable by the plan is \$267,550. Expressed as a percent of active employee payroll over a period of 15-27 years is 3.8%;

(3) The total employer contribution rate, which is the total of the normal cost percent plus the contribution percent for unfunded accrued liabilities adjusted with interest is \$1,827,766. Expressed as a percent of active employee payroll over a period of 15-27 years is 25.8%;

(4) The legislative body is currently paying more than the total contribution rate as defined in subdivision (3) of this subsection;



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(5) The plan's actuarial value of assets, market value of assets, actuarial accrued liability, and funded ratio as defined in section 105.660 as of the most recent actuarial valuation is:

Actuarial Value of Assets	\$43,371,872
Market Value of Assets	\$45,651,362
Actuarial Accrued Liability	\$47,354,695
Funded Ratio	91.6%

(6) The total post-change contribution rate is \$2,042,321. Expressed as a percent of active employee payroll over a period of 15-27 years is 28.8%. We expect that contributions will remain higher than recommended for the foreseeable future.

(7) Please see the attached tables showing ten-year projections of important actuarial measurements.

(8) Additional contributions will be mandated by the proposed change as noted above;

(9) The proposed change would not impair the ability of the plan to meet the obligations thereof in effect at the time the proposal is made;

(10) All assumptions relied upon to evaluate the present financial condition of the plan and all assumptions relied upon to evaluate the impact of the proposed change upon the financial condition of the plan, which are those assumptions used in preparing the most recent periodic actuarial valuation for the plan, are:

(a) Investment return of 6.5%;

(b) Base Pay increases are assumed to be 4.0%;

(c) Mortality of employees and officials, and other persons who may receive benefits under the plan is the Public Safety 2010 Bottom Quartile table for employees and annuitants, projected with generational improvements using the most recently available projection scale (MP 2024 for the most recent valuation);



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(d) Withdrawal (turnover) is illustrated in the following table:

Selected Rates

Age	Probability of Termination
20	0.195
25	0.170
30	0.087
35	0.072
40	0.057
45	0.029
50	0.009
52 and above	0.000

(e) Disability rates are considered part of the withdrawal assumption.

(f) Retirement rates are based on the following table:

Age	Probability of Retirement
55	50%
56	25%
57	25%
58	25%
59	25%
60	100%

(g) There has been no significant change in active employee group size;

(11) As the Plan actuary I certify that the assumptions used for the valuation produce results which, in the aggregate, are reasonable;

(12) Actuarial Method Used for the Valuation – Entry Age Normal

Normal Cost. Normal cost and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry-age actuarial cost method having the following characteristics:



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The annual normal costs for each individual active Member, payable from date of hire to date of retirement, are sufficient to accumulate the value of the Member's benefit at the time of retirement;

Each annual normal cost is a constant percentage of the Member's year-by-year projected covered pay.

The excess of accrued assets over actuarial accrued assets was amortized as a level percent-of-payroll over 15-27 years using layered amortization.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'Traci M. Christian'.

Traci M. Christian, EA, MAAA, MSEA, FCA

Cottleville Community Fire Protection District Defined Benefit Pension Plan
Projection of Funded Status and Recommended Contributions
Results from January 1, 2026

Year	Total		Recommended Contribution	Expected District EOY Contribution	Recommended Contribution as a % of Payroll	Benefit Payments	Actuarial Assets	Accrued Liability	Unfunded Liability	Funded Ratio
	Normal Cost	Amortization								
2026	1,431,380	267,550	1,827,766	2,559,000	25.8%	1,285,011	43,371,873	47,354,695	3,982,822	91.6%
2027	1,488,635	278,253	1,900,877	2,591,000	25.8%	1,689,795	47,392,359	50,630,396	3,238,037	93.6%
2028	1,548,181	289,383	1,976,912	2,623,000	25.8%	2,067,803	52,763,824	53,762,055	998,231	98.1%
2029	1,610,108	300,958	2,055,989	2,656,000	25.8%	2,487,288	57,667,226	56,770,394	(896,831)	101.6%
2030	1,674,512	312,997	2,138,228	2,689,000	25.8%	2,769,164	62,115,152	59,607,110	(2,508,042)	104.2%
2031	1,741,493	325,517	2,223,757	2,723,000	25.8%	2,992,166	66,065,312	62,405,766	(3,659,546)	105.9%
2032	1,811,152	338,537	2,312,708	2,757,000	25.8%	3,192,252	70,079,296	65,227,419	(4,851,877)	107.4%
2033	1,883,598	93,760	2,127,308	2,791,000	22.8%	3,455,734	74,185,046	68,100,078	(6,084,968)	108.9%
2034	1,958,942	97,511	2,212,401	2,826,000	22.8%	3,552,830	78,323,208	70,964,570	(7,358,638)	110.4%
2035	2,037,300	101,411	2,300,897	2,861,000	22.8%	3,665,192	82,668,827	73,995,244	(8,673,583)	111.7%
2036	2,118,792	105,467	2,392,932	2,897,000	22.8%	3,805,663	87,219,773	77,190,348	(10,029,425)	113.0%

Results if Benefits Based on a high 12 month average out of the last 36 months of employment

Year	Total		Recommended Contribution	Expected District EOY Contribution	Recommended Contribution as a % of Payroll	Benefit Payments	Actuarial Assets	Accrued Liability	Unfunded Liability	Funded Ratio
	Normal Cost	Amortization								
2026	1,472,493	425,869	2,042,321	2,559,000	28.8%	1,292,641	43,371,873	48,521,931	5,150,058	89.4%
2027	1,531,393	442,905	2,124,015	2,591,000	28.8%	1,705,466	47,384,481	51,909,410	4,524,929	91.3%
2028	1,592,648	460,621	2,208,976	2,623,000	28.8%	2,096,764	52,739,254	55,153,561	2,414,307	95.6%
2029	1,656,354	479,046	2,297,335	2,656,000	28.8%	2,532,944	57,611,157	58,269,804	658,648	98.9%
2030	1,722,609	498,208	2,389,228	2,689,000	28.8%	2,826,081	62,008,298	61,206,094	(802,204)	101.3%
2031	1,791,513	518,136	2,484,797	2,723,000	28.8%	3,057,900	65,892,745	64,101,140	(1,791,605)	102.8%
2032	1,863,173	538,861	2,584,189	2,757,000	28.8%	3,266,190	69,827,642	67,018,393	(2,809,249)	104.2%
2033	1,937,700	302,097	2,409,649	2,791,000	25.9%	3,540,472	73,840,694	69,986,527	(3,854,167)	105.5%
2034	2,015,208	97,511	2,272,933	2,826,000	23.5%	3,641,729	77,868,982	72,943,765	(4,925,217)	106.8%
2035	2,095,817	101,411	2,363,851	2,861,000	23.5%	3,758,731	82,093,288	76,071,222	(6,022,066)	107.9%
2036	2,179,649	105,467	2,458,405	2,897,000	23.5%	3,905,245	86,510,245	79,367,006	(7,143,239)	109.0%

The results presented here are ESTIMATES. They are based on the data, assumptions, methods and plan provisions outlined in the January 1, 2026 Valuation Report unless otherwise noted. This exhibit should be considered supplementary to that report. These results are for **discussion purposes only** and should not be relied upon for purposes of making cash contributions to the Plan nor for any other purposes.