800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

November 22, 2022 E-Mail

Mr. Jeff Pabst
Education and Outreach Coordinator
Missouri Local Government
Employees Retirement System
P.O. Box 1665
Jefferson City, Missouri 65102

Re: The City of Raymore Public Safety Department Split (#5126)

Dear Jeff:

As you requested, we have performed actuarial valuations as of February 28, 2022 for the active members reported as Public Safety members and the remaining active members of the General department of the City of Raymore. The results of the actuarial valuations follow (contribution rates shown below are uncapped employer contribution rates):

	Public Safety Subdepartment	**Other General Subdepartments**	**Combined**
Member Statistics			
Number Active	7	70	77
Payroll	$400,755	$3,931,056	$4,331,811
Average Pay	57,251	56,158	56,257
Accumulated Contributions (Actives)	-	-	-
Number Deferred	0	63	63
Actuarial Accrued Liabilities (AAL)			
Active AAL	$414,359	$9,505,869	$9,920,228
Deferred AAL	0	2,677,529	2,677,529
Increase AAL - Public Safety Provisions and Assumptions	83,014	0	0
Total AAL	$497,373	$12,183,398	$12,597,757
Actuarial Value of Assets			
Members Deposit Fund (MDF)	$0	$0	$0
Employer Accumulation Fund (EAF)*	386,304	11,358,484	11,744,788
Total Assets	$386,304	$11,358,484	$11,744,788
Funded Ratio	77.7%	93.2%	93.2%
Unfunded Actuarial Accrued Liability (UAAL)	$111,069	$824,914	$852,969
Computed Employer Contribution Rate			
Normal Cost Rate	11.60%	11.40%	11.20%
Casualty Rate	0.50	0.50	0.50
Prior Service Cost Rate	2.20	2.10	2.00
Total Employer Contribution Rate (Uncapped)	14.30%	14.00%	13.70%

** Assets allocated to each division are estimated.*

The Public Safety subdepartment is valued using public safety benefit provisions (normal retirement and deferred age equal to 55) and public safety assumptions. For members proposed to be covered in the Public Safety subdepartment, the actuarial accrued liability increased by $83,014 and is amortized over 20 years based on the funding policy for benefit changes.

Please note that the results for the 'Combined' department are the same as those reported for the General department in the February 28, 2022 annual actuarial valuation report for the City of Sunset Hills. However, adding the results for the subdepartments shown on the previous page will not match the combined results due to valuing the Public Safety members alone as Public Safety members and combined as General members.

Per LAGERS staff, EAF assets were split between the two subdepartments so that each subdepartment's funded percent would be the same as the combined General department based upon the General benefit provisions and assumptions as of February 28, 2022. This would require an accounting transfer based on market value, as of February 28, 2022, of $412,365 of EAF assets to the Public Safety department with the remainder staying in the General department.

Deferred members as of February 28, 2022 for each employer were valued with the General subdepartment.

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. 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.

		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
Valuation Date	Estimated Projected Payroll	As a % of Payroll	Annual Dollars		As a % of Payroll	Annual Dollars		As a % of Payroll	Annual Dollars	
2022	$ 400,755	10.50%	$ 42,079	$ 28,055	14.30%	$ 57,308	$ 111,069	3.80%	$ 15,229	$ 83,014
2023	411,776	10.50%	43,236	27,123	14.30%	58,884	109,596	3.80%	15,648	82,473
2024	423,100	10.60%	44,849	25,906	14.40%	60,926	107,625	3.80%	16,077	81,719
2025	434,735	10.60%	46,082	24,382	14.40%	62,602	105,115	3.80%	16,520	80,733
2026	446,690	10.60%	47,349	22,526	14.40%	64,323	102,019	3.80%	16,974	79,493
2027	458,974	10.60%	48,651	20,312	14.40%	66,092	98,289	3.80%	17,441	77,977
2028	471,596	10.70%	50,461	17,712	14.50%	68,381	93,872	3.80%	17,920	76,160
2029	484,565	10.70%	51,848	14,696	14.50%	70,262	88,712	3.80%	18,414	74,016
2030	497,891	10.70%	53,274	11,230	14.50%	72,194	82,747	3.80%	18,920	71,517
2031	511,583	10.70%	54,739	7,280	14.50%	74,180	75,911	3.80%	19,441	68,631

The results shown for each employer only include active members reported to LAGERS as of the valuation date, February 28, 2022. The methods and assumptions used in the actuarial valuations were the same as those used in the annual actuarial valuations as of February 28, 2022. 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, 2022. A summary follows:

Provisions	ER #5126
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.

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 Drazilov

Mita D. Drazilov, ASA, FCA, MAAA

MDD:dj

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

GRS