



May 10, 2023 E-Mail

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

Re: Union Ambulance District Public Safety Department Split (#9189)

Dear Jeff:

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

	Public Safety Subdepartment	Other General Subdepartments	Combined
<u>Member Statistics</u>			
Number Active	18	-	18
Payroll	\$1,050,706	\$0	\$1,050,706
Average Pay	58,373	-	58,373
Accumulated Contributions (Actives)	75,782	-	75,782
Number Deferred	0	3	3
<u>Actuarial Accrued Liabilities (AAL)</u>			
Active AAL	\$986,180	\$0	\$986,180
Deferred AAL	0	14,693	14,693
Increase AAL - Public Safety Provisions and Assumptions	212,967	0	0
Total AAL	\$1,199,147	\$14,693	\$1,000,873
<u>Actuarial Value of Assets</u>			
Members Deposit Fund (MDF)	\$75,782	\$4,617	\$80,399
Employer Accumulation Fund (EAF)*	171,116	10,076	181,192
Total Assets	\$246,898	\$14,693	\$261,591
Funded Ratio	20.6%	100.0%	26.1%
Unfunded Actuarial Accrued Liability (UAAL)	\$952,249	\$0	\$739,282
<u>Computed Employer Contribution Rate</u>			
Normal Cost Rate	5.80%	4.20%	4.20%
Casualty Rate	0.30	0.30	0.30
Prior Service Cost Rate	6.20	0.00	4.70
Total Employer Contribution Rate (Uncapped)	12.30%	4.50%	9.20%

* 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 \$212,967 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 Union Ambulance District. 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 the other General subdepartment’s funded percent would be 100% with the remainder of the assets going to the Public Safety subdeptment. This would require an accounting transfer based on market value, as of February 28, 2022, of \$11,067 of EAF assets staying in the General department with the remainder being transferred to the Public Safety department.

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.

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	
2022	\$ 1,050,706	9.30%	\$ 97,716	\$ 739,282	12.30%	\$ 129,237	\$ 952,249	3.00%	\$ 31,521	\$ 212,967
2023	1,079,600	9.30%	100,403	740,218	12.30%	132,791	951,796	3.00%	32,388	211,578
2024	1,109,289	9.30%	103,164	739,823	12.30%	136,443	949,467	3.00%	33,279	209,644
2025	1,139,794	9.30%	106,001	737,964	12.30%	140,195	945,078	3.00%	34,194	207,114
2026	1,171,138	9.30%	108,916	734,501	12.30%	144,050	938,435	3.00%	35,134	203,934
2027	1,203,344	9.30%	111,911	729,279	12.30%	148,011	929,324	3.00%	36,100	200,045
2028	1,236,436	9.30%	114,989	722,135	12.30%	152,082	917,520	3.00%	37,093	195,385
2029	1,270,438	9.30%	118,151	712,890	12.30%	156,264	902,775	3.00%	38,113	189,885
2030	1,305,375	9.30%	121,400	701,354	12.30%	160,561	884,827	3.00%	39,161	183,473
2031	1,341,273	9.30%	124,738	687,320	12.30%	164,977	863,390	3.00%	40,239	176,070

The results shown for each employer only include 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 #9189
Benefit Program	L-7
Final Average Salary	5 Years
Member Contribution Rate	4%
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 D. Drazilov, ASA, FCA, MAAA

MDD:dj

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

