GRS

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December 22, 2011

The City of Columbia
Columbia, Missouri

Ladies and Gentlemen:

Submitted in this report are the results of an actuarial valuation prepared to determine the employer contribution rates required to support, for your employees, certain benefits provided by the Missouri Local Government Employees Retirement System (LAGERS). This report contains the information needed to comply with Missouri state disclosure requirements regarding changes in LAGERS benefits by a political subdivision (Sections 105.660 - 105.685 RSMo).

The contribution requirement for benefits likely to accrue as a result of the future service of your employees is described in this report as the current cost plus the disability cost. This contribution rate, expressed as a percent of active employee payroll, will depend on the benefit plan adopted.

The contribution requirement to pay for benefits likely to result from service rendered by your employees prior to the valuation date, the liability for which is not covered by present employer account balances, is described in this report as the prior service cost. The prior service cost is the rate of contribution designed to pay for any unfunded actuarial accrued liability over a period of not more than 30 years.

Section 70.730 of the Revised Statutes of Missouri requires participating employers to contribute the current cost, disability cost, and prior service cost for the benefit plan in effect. These contributions are mandatory.

The actuarial assumptions and method used to determine the stated costs are described in Appendix I of this report. In our opinion, they do produce results which, in the aggregate, are reasonable.

The computed contribution rates will permit the System to continue to operate in sound condition in accordance with the actuarial principles of level cost financing and the state law which governs LAGERS. Summary provisions of the law as well as benefit illustrations can be found in Appendices II and III.

In accordance with 105.675 RSMo., note that this entire report must be available as public information for at least 45 calendar days prior to the date final official action is taken by your governing body to adopt an alternate benefit plan. You may wish to make notice of this report in the official minutes of the next meeting of your governing body. This action would not be binding on your subdivision, yet would establish the beginning date of the 45 day waiting period. The statement of cost must also be provided to the Joint Committee on Public Employee Retirement, State Capitol, Room 219-A, Jefferson City, MO 65101.

The valuation was based on the same data as was used in your February 28, 2011 annual actuarial valuation. If you have any questions concerning this report or LAGERS in general, please contact the LAGERS office in Jefferson City.

The actuary submitting this report 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.

Respectfully submitted,

Mita Drazilov

Mita D. Drazilov, ASA, MAAA

The City of Columbia

Supplemental Actuarial Valuation of Alternate LAGERS Benefits

February 28, 2011

The City of Columbia

Computed Employer Contribution Rates – General Employees

As of February 28, 2011

Benefit Plans	Present	Alternate
Benefit Program:	L-6	L-6
Final Average Salary:	3 year	3 year
Member Contributions:	Non-Contributory	Non-Contributory
# Retirement Eligibility:	Rule of 80	Regular

Present Plan	Rates
Current Service Cost	12.3%
Disability Cost	0.3
Prior Service Cost	4.5
Total	17.1%
Alternate Plan	
Current Service Cost	11.2%
Disability Cost	0.3
Prior Service Cost*	5.6
Total	17.1%
INCREASE IN CONTRIBUTION RATE FOR ALTERNATE PLAN	0.0% @

Employer contribution rates shown above are for the fiscal year beginning in 2012. If the alternate plan is adopted prior to the fiscal year beginning in 2012, 0.0% would be added to the employer contribution rate currently in effect.

\# Change in provisions from present plan.

* The increase in the accrued liability which would result from adoption of the alternate plan was amortized over a period of 30 years.

@ **The increase of 0.0%, as shown above, includes the estimated cost (value) of the change in benefit provisions equal to (0.7)% of payroll and 0.7% of payroll due to the capped contribution rate of this group as of February 28, 2011. The uncapped contribution rate would be 17.5% instead of the current 18.2%.**

It was assumed that anyone hired prior to the date of adoption would be covered under the rule of 80 provision.

The City of Columbia

Computed Employer Contribution Rates – Utility Employees

As of February 28, 2011

Benefit Plans	Present	Alternate
Benefit Program:	L-6	L-6
Final Average Salary:	3 year	3 year
Member Contributions:	Non-Contributory	Non-Contributory
Retirement Eligibility:	Rule of 80	Regular

Present Plan	Rates
Current Service Cost	11.5%
Disability Cost	0.3
Prior Service Cost	7.9
Total	19.7%
Alternate Plan	
Current Service Cost	9.9%
Disability Cost	0.3
Prior Service Cost*	9.5
Total	19.7%
INCREASE IN CONTRIBUTION RATE FOR ALTERNATE PLAN	0.0% @

Employer contribution rates shown above are for the fiscal year beginning in 2012. If the alternate plan is adopted prior to the fiscal year beginning in 2012, 0.0% would be added to the employer contribution rate currently in effect.

Change in provisions from present plan.

* The increase in the accrued liability which would result from adoption of the alternate plan was amortized over a period of 30 years.

@ **The increase of 0.0%, as shown above, includes the estimated cost (value) of the change in benefit provisions equal to (0.9)% of payroll and 0.9% of payroll due to the capped contribution rate of this group as of February 28, 2011. The uncapped contribution rate would be 20.1% instead of the current 21.0%.**

It was assumed that anyone hired prior to the date of adoption would be covered under the rule of 80 provision.