

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT  
FOURTH QUARTER MEETING  
November 18, 2015

The Joint Committee on Public Employee Retirement held its 4th Quarter Meeting on Wednesday, November 18, 2015 at 1:00 pm in House Hearing Room 4. Representative Leara called the meeting to order. Joint Committee members in attendance were Representatives Anders, Bernskoetter and Leara and Senator Wallingford. Senator Keaveny and Senator Chappelle-Nadal attended via telephone. Senators Kehoe, Schaaf and Walsh and Representatives Pierson, Runions and Walker were not in attendance. With a quorum not established, the committee met for informational purposes only.

Representative Leara turned the meeting over to the Executive Director, Michael Ruff. The 2015 Watch List, highlighting plans that are under 70% funded on a market value basis, was presented to the committee. It was noted that there are 18 plans on the current list and three plans have moved off the list from the previous year. Those three plans are Berkeley Police and Fire, Springfield Police and Fire and Warrenton Fire Protection District Length of Service Awards. Six of these 18 plans did not receive their full annual required contribution as recommended by the plan's actuary. Each plan on the Watch List was contacted and given an opportunity to provide a response regarding its placement on the Watch List. Nine plans responded; those responses are included in the packet. It was recommended by Chairman Leara that the Joint Committee staff continue to monitor plans that have not met the full annual required contribution and if needed contact the individual plans to let them know the Committee is here to be a resource for information or guidance. Even though Berkeley Police and Fire was no longer on the Watch List, the Director provided the committee with a status update on the plan.

The Director provided an update on the Hannibal Policemen and Firemen Retirement Fund. At the third quarter meeting, the Director informed the committee that the City of Hannibal was considering a possible employee contribution rate increase. On October 20, 2015, the Hannibal City Council amended its city code to increase the employee contribution rate by one-half percent annually, from 12%, until it reaches 15% in July 2021. A copy of the adopted resolution was included in the packet. The committee had requested that the Director obtain investment information about the Hannibal Policemen & Firemen Retirement Fund. The Director attended the City of Hannibal Police and Fire Board meeting on October 28 when the plan's investment manager was present to provide a review of the plan's investments. Representative Leara inquired about the expense ratios of the mutual funds in which Hannibal Police and Fire is invested. He noted the importance of fees paid by public pension plans and suggested it could be a discussion item for the next committee meeting.



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The committee was provided with third quarter plan reporting numbers for 2015. Fifty of 90 defined benefit plans reported. At the third quarter meeting, committee members had asked about including each plan's assumed rate of return with the quarterly reporting chart. The information provided to the committee included each plan's assumed rate of return as found in the 2014 actuarial valuation. However, some plans may have changed the assumed rate of return since that time. Discussion was held regarding how to obtain the most current assumed rate of return. It was suggested that each plan report its current assumed rate of return when it submits quarterly reporting information to the committee. Since there was not a quorum present to hold a vote, this item will be reviewed at the next committee meeting.

The Director informed the committee that the State Treasurer had sent a letter to each committee member the day before the meeting. The Treasurer's letter included suggested changes to the watch list criteria and suggestions to improve transparency for public pension plans. Representative Leara has been in contact with the Treasurer's office and stated that discussions will continue in the future.

With no further business being presented, the committee adjourned.



Michael Ruff

Executive Director



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# JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

4th QUARTER MEETING  
November 18, 2015  
1:00 p.m.— House Hearing Room 4

## AGENDA

Roll Call

Watch List

City of Hannibal Police & Fire Update

Quarterly Reporting—Third Quarter Returns

Action Item  
Quarterly Reporting & Assumed Rate of Return Information

Other Business





# JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

## WATCH LIST

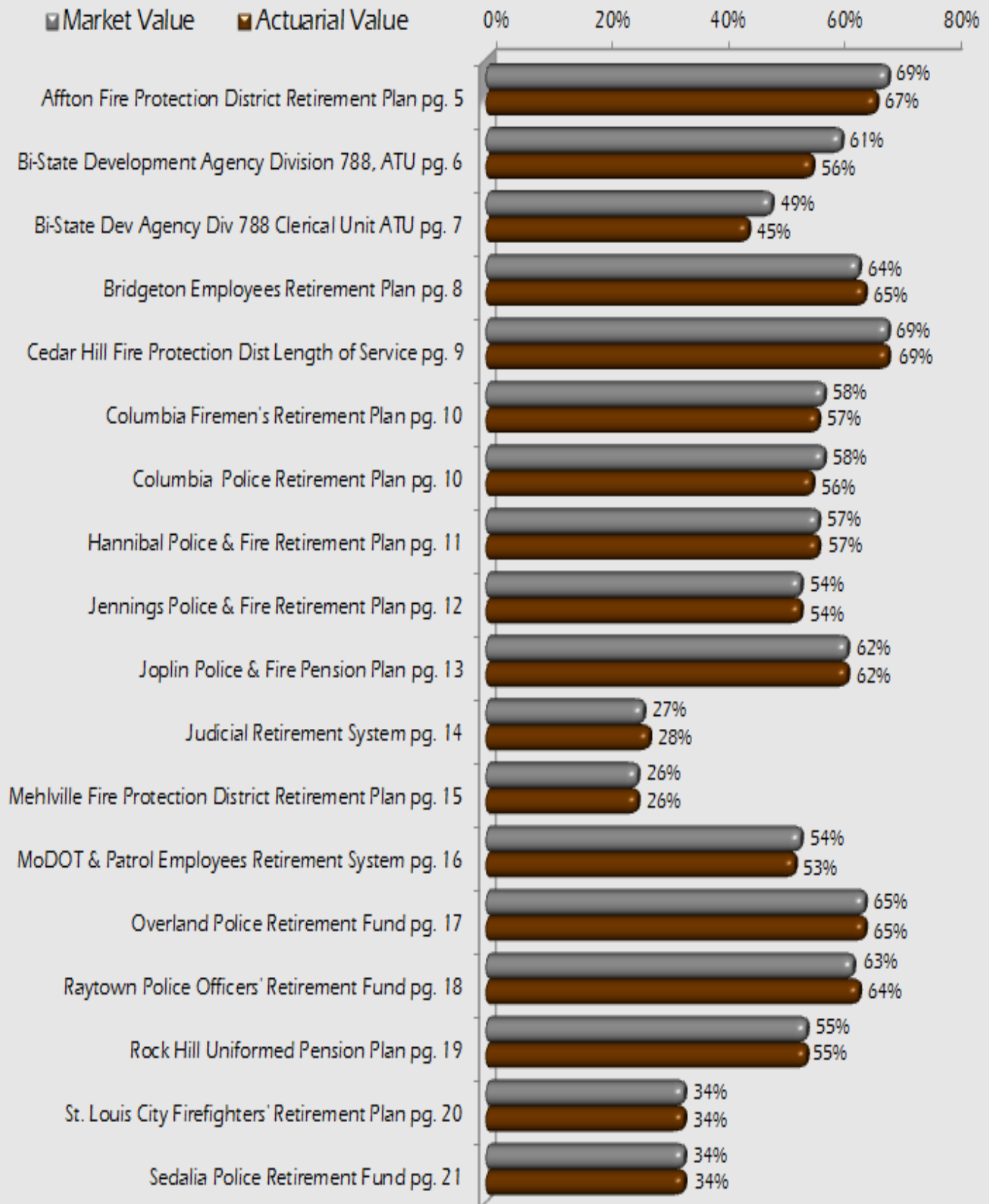
2015

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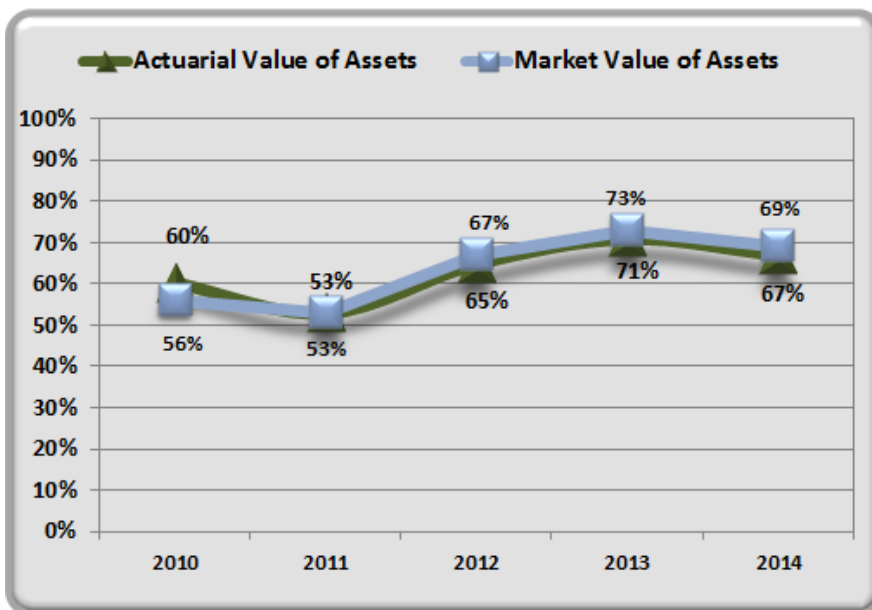
## FUNDED RATIO





# AFFTON FIRE PROTECTION DISTRICT RETIREMENT PLAN

- ✦ Rate of return on investments equaled 6.29% (Market) vs. 6.5% assumed.
- ✦ Assets are valued at market value except for 2008 loss which was smoothed over 5 years.
- ✦ Actuarial method was changed to Aggregate. Under Aggregate method, by definition there is no unfunded accrued liability.
- ✦ Plan provisions were modified effective 01/01/13. The benefit multiplier was changed from 2.1667% to 1.7333%. Accrued benefits are not modified; however, new and prospective service will be at new provision levels. Lump sum benefit payments were also ceased.
- ✦ Employee contributions were implemented in 2010 at 4% and then 7% thereafter.
- ✦ Extra payments above the dedicated tax levy proceeds have been contributed to the fund since 2006. In 2012, the employer contribution exceeded the ARC.
- ✦ Mortality tables were updated since the prior valuation, which resulted in increased plan liabilities and annual costs.



**As of 1/1/15**

**Market Value:** \$7,497,831  
**Actuarial Value:** \$7,295,525  
**AAL:** \$10,865,651

## **MEMBERSHIP:**

**Active:** 38    **Inactive:** 28

## **Normal Retirement Formula:**

52% (from 65%) of compensation  
 Reduced for less than 30 years

## **Supplemental Benefit:**

\$500 monthly to age 62 if employed on 01/01/09 and have at least 30 yrs service as of 12/31/09

## **Normal Retirement Benefits:**

Age 60 with 5 years of service

**Social Security Coverage:** Yes

**COLA:** No COLA

## **ACTUARIAL ASSUMPTIONS:**

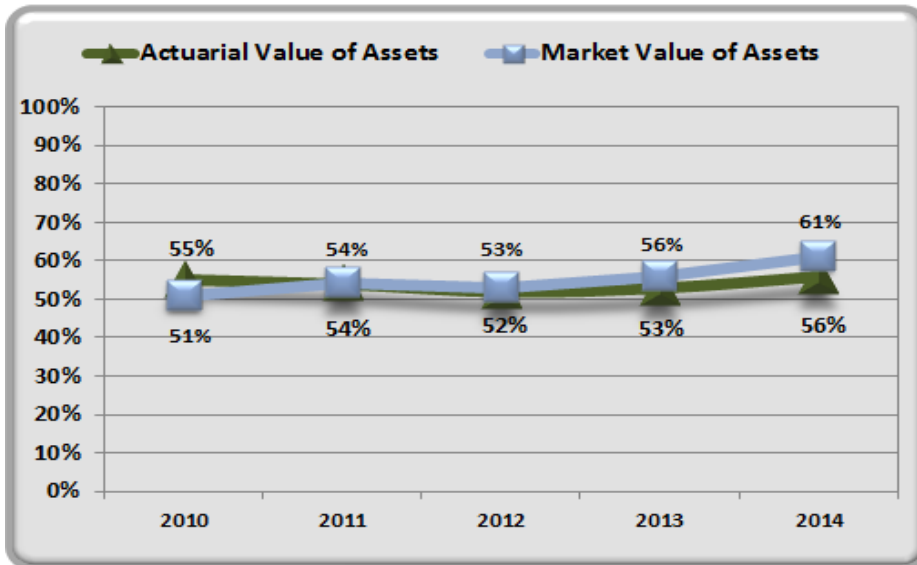
**Interest:** 6.5%    **Salary:** 3.5%

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>2014</b>	\$290,743	\$300,403	103%
<b>2013</b>	\$314,501	\$298,055	96%
<b>2012</b>	\$437,922	\$1,308,443	299%
<b>2011</b>	\$395,863	\$286,615	72%
<b>2010</b>	\$384,986	\$284,870	74%
<b>2009</b>	\$583,257	\$326,225	56%

# BI-STATE DEVELOPMENT AGENCY DIVISION 788, A.T.U.

- ✦ Rate of return on investments equaled 16.6% (Market) and 14.5% (Actuarial) vs. 7.25% assumed.
- ✦ Investment gains/losses are smoothed over a 5 year period.
- ✦ Unfunded Actuarial Accrued Liability are amortized on a closed 30 year period effective April 1, 2003.
- ✦ The weekly recommended contribution for plan year 14/15 equals \$153.54 per active participant.
- ✦ An additional 5 year weekly contribution of \$8.87 was calculated for the plan to achieve a 60% funded ratio.
- ✦ Employees contribute approx. 30% of weekly contributions.
- ✦ The Employer continues to meet the full ARC & the total recommended contributions were received in Plan Year 2014.
- ✦ A Resolution has been adopted to merge the Transit and Clerical Pension Plans effective April 1, 2015. The weekly recommended contribution rate for the merged plan is \$167.82, which includes the additional weekly contribution of \$8.87.
- ✦ *This plan was included on the State Auditor's "watch list" in 2014.*

Div 788, ATU Employer & Employee Plan Contributions			
Plan Year	Recmd Total Contribution	Actual Total Contribution	% Contributed
13/14	\$ 10,259,490	\$ 12,131,991	118.25%
12/13	\$ 10,320,463	\$ 10,954,684	106.15%
11/12	\$ 9,659,870	\$ 9,250,099	95.76%
10/11	\$ 8,825,103	\$ 7,501,929	85.01%
09/10	\$ 7,416,877	\$ 6,841,491	92.24%
08/09	\$ 6,406,578	\$ 6,908,808	107.84%



	<u>EMPLOYER RECOMMENDED CONTRIBUTION</u>	<u>EMPLOYER ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>13/14</b>	\$8,764,558	\$8,764,558	100%
<b>12/13</b>	\$7,830,531	\$7,830,531	100%
<b>11/12</b>	\$6,904,988	\$6,904,988	100%
<b>10/11</b>	\$5,393,748	\$5,393,748	100%
<b>09/10</b>	\$4,953,503	\$4,953,503	100%

**As of 4/1/14**

**Market Value:** \$ 112,554,785  
**Actuarial Value:** \$ 104,406,512  
**AAL:** \$ 185,059,221

**MEMBERSHIP:**

**Active:** 1,285 **Inactive:** 1,090

**BENEFITS:**

**Normal Retirement Formula:**

\$40 times years of service for those retiring with less than 25 years of service

\$55 times years of service for those retiring with 25 or more years of service

**Normal Retirement Benefits:**

25 years of service, age 65, or age 55 with 20 years of service

**Social Security Coverage:** Yes

**COLA:** Ad Hoc COLA

**ACTUARIAL ASSUMPTIONS:**

**Interest:** 7.25%

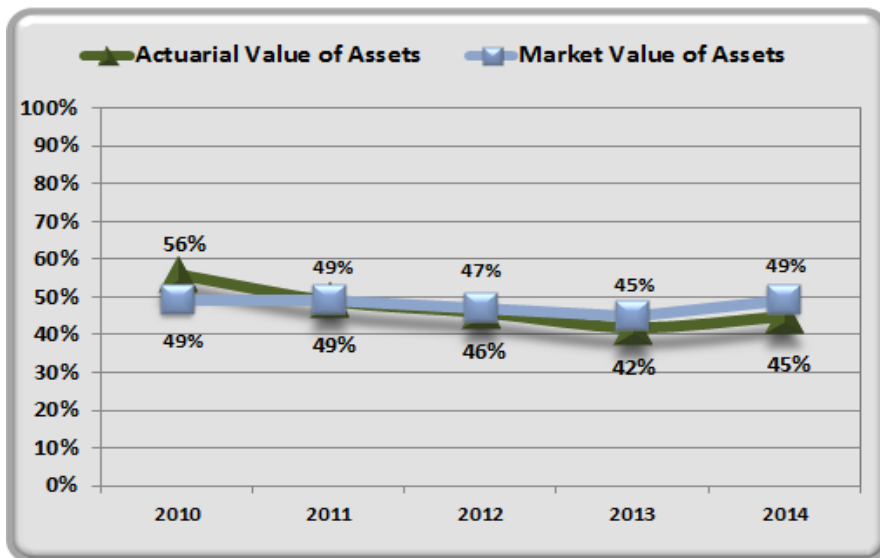


# BI-STATE DEVELOPMENT AGENCY DIVISION 788 CLERICAL UNIT ATU

- Rate of return on investments equaled 18.4% (Market) and 16.3% (Actuarial) vs. 7.25% assumed.
- Investment gains/losses are smoothed over a 5 year period.
- Unfunded Actuarial Accrued Liability are amortized on a closed 30 year period effective April 1, 2004.
- The weekly recommended contribution for plan year 14/15 equals \$295.00 per active participant (up from \$286.32).
- Employees contribute approximately 32% of the weekly contributions.
- The Employer continues to meet the full ARC; however, the total contribution has not been met since plan year 06/07.
- A Resolution has been adopted to merge the Transit and Clerical Pension Plans effective April 1, 2015. The weekly recommended contribution rate for the merged plan is \$167.82, which includes the additional weekly contribution of \$8.87.

## Div 788 Clerical Unit, Employer & Employee Plan Contributions

Plan Year	Recmd Total Contribution	Actual Total Contribution	% Contributed
13/14	\$ 759,325	\$ 712,201	93.79%
12/13	\$ 703,031	\$ 479,875	68.26%
11/12	\$ 621,627	\$ 509,846	82.02%
10/11	\$ 518,448	\$ 347,392	67.01%
09/10	\$ 457,771	\$ 322,525	70.46%
08/09	\$ 371,521	\$ 312,519	84.12%
07/08	\$ 343,278	\$ 323,074	94.11%



	<u>EMPLOYER RECOMMENDED CONTRIBUTION</u>	<u>EMPLOYER ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
13/14	\$485,233	\$485,233	100%
12/13	\$326,673	\$326,673	100%
11/12	\$402,107	\$402,107	100%
10/11	\$241,797	\$241,797	100%
09/10	\$223,550	\$223,550	100%

## As of 4/1/14

**Market Value:** \$ 5,745,346  
**Actuarial Value:** \$ 5,263,844  
**AAL:** \$11,687,851

## MEMBERSHIP:

**Active:** 49      **Inactive:** 73

## BENEFITS:

### Normal Retirement Formula:

\$40 times years of service for those retiring with less than 25 years of service;  
 \$55 times years of service for those retiring with 25 or more years of service

### Normal Retirement Benefits:

25 years of service, or age 65 with 10 years of service

**Social Security Coverage:** Yes

**COLA:** No COLA

## ACTUARIAL ASSUMPTIONS:

**Interest:** 7.25%

## Michael Ruff

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**From:** Coley, Maryanne N. <mncoley@bistatedev.org>  
**Sent:** Thursday, November 12, 2015 11:01 AM  
**To:** Michael Ruff  
**Cc:** Vago, Mark G.  
**Subject:** JCPERS Information

Hi Michael,

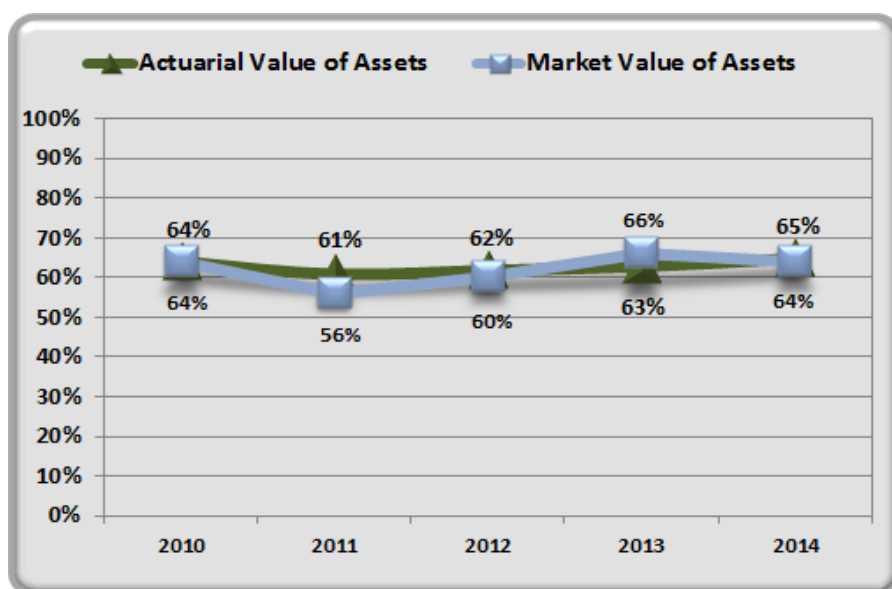
At the request of Mark Vago, I have reviewed the pension summary information for the Bi-State Development Agency Division 788 A.T.U. and Clerical Unit ATU plans, and the information is correct. Please note that the two plans are now merged, so going forward there will be one summary. Thank you.

Maryanne N. Coley  
Pension & Insurance Manager  
211 North Broadway Suite 700  
St. Louis, MO 63102  
Phone 314-982-1473  
Fax 314-335-3431 (new 6/15; please note change)

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# BRIDGETON EMPLOYEES RETIREMENT PLAN

- ↳ Rate of return on investments equaled 6.4% (Market) and 11.4% (Actuarial) vs. assumed 7.5%
- ↳ Investment gains/losses are smoothed over a 3 year period.
- ↳ Open 30 year period for amortization of unfunded liabilities
- ↳ Actuary notes the reason for the increase in annual cost, as a percentage of payroll, results from the decline in payroll and *“that actual City contributions fell short of target contributions.”*
- ↳ General City sales tax of 1/4 of 1% was passed by voters in August 2013.
- ↳ Employees do not make a payroll contribution to this plan.
- ↳ The Employer has not met the ARC since 2007.
- ↳ *This plan was frozen to new employees as of January 1, 2012*
- ↳ *The City has implemented a new matching component to the City’s 457 deferred compensation plan for employees hired after January 1, 2012.*
- ↳ *This plan was included on the State Auditor’s “watch list” in 2014.*



**As of 12/31/14**

**Market Value:** \$26,327,627  
**Actuarial Value:** \$26,612,809  
**AAL:** \$40,957,661

## **MEMBERSHIP:**

**Active:** 113 **Inactive:** 141

## **BENEFITS:**

**Normal Retirement Formula:**  
 2% of compensation times  
 years of service

**Normal Retirement Benefits:**  
 Age 60 with 5 years of service

**Social Security Coverage:**  
 Yes

**COLA:** No COLA

**ACTUARIAL ASSUMPTIONS:**  
**Interest:** 7.5% **Salary:** 4%

	<u><b>RECOMMENDED CONTRIBUTION</b></u>	<u><b>ACTUAL CONTRIBUTION</b></u>	<u><b>PERCENT CONTRIBUTED</b></u>
<b>2015</b>	\$1,750,340	N/A	-
<b>2014</b>	\$1,740,187	\$1,000,000	57%
<b>2013</b>	\$1,767,398	\$1,000,000	57%
<b>2012</b>	\$1,745,095	\$1,000,000	57%
<b>2011</b>	\$1,529,511	\$1,000,000	65%
<b>2010</b>	\$1,400,936	\$900,000	64%

## Michael Ruff

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**From:** Dennis Rainey <DRainey@bridgetonmo.com>  
**Sent:** Wednesday, November 4, 2015 4:16 PM  
**To:** Michael Ruff  
**Cc:** Donald Hood  
**Subject:** RE: JCPER Plan Information

Mr. Ruff:

We appreciate the opportunity to respond.

The City's funded ratio has increased in each of the last three years. We believe this trend will continue.

Per the last Actuarial report the funded percentage is at 80%.

In April, 2015 the City of Bridgeton passed an increase in the Hotel Tax which will generate an additional \$950,000 per year into the General Fund. City administration has made a commitment to increase the annual contributions by \$200,000 per year until full target contributions are reached. Therefore, 2016's contribution is budgeted to increase from \$1M to \$1.2M. \$1.4M in 2017, \$1.6M in 2018, etc.

Also, over time the plan freeze to new hires will slowly decrease the liability.

The City of Bridgeton is committed to achieving full funded status and the trend appears to be moving in the right direction.

Thank you for your consideration.

Sincerely,

Dennis Rainey  
Finance Officer

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**From:** Michael Ruff [<mailto:mruff@senate.mo.gov>]  
**Sent:** Wednesday, November 04, 2015 3:29 PM  
**To:** Dennis Rainey; Donald Hood  
**Subject:** JCPER Plan Information

Dear Mr. Rainey and Chief Hood:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Bridgeton Employees Retirement Plan that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

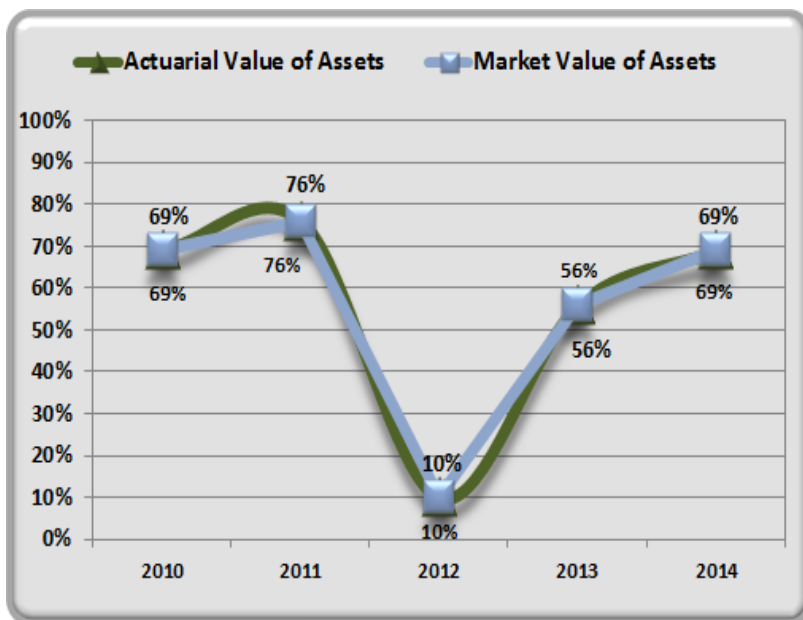
Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

Sincerely,

Michael Ruff  
Executive Director

## CEDAR HILL FPD LENGTH OF SERVICE AWARDS PROGRAM

- 📌 This plan provides a pension benefit for volunteer members of the fire protection district.
- 📌 Provides \$15 per month per year of service with a maximum monthly benefit of \$450.
- 📌 Normal form of payment is life annuity guaranteed for 10 years.
- 📌 Benefit payments in the 2012 exceeded \$140,000 which greatly depleted plan assets.
- 📌 Active members do not make a monetary contribution to this plan.
- 📌 The District has exceeded the ARC since 2011.
- 📌 The plan does not smooth investment gains/losses.
- 📌 Plan closed to new members as of 12/01/14.



### AS OF 12/01/14

**Market Value:** \$ 93,806  
**Actuarial Value:** \$ 93,806  
**AAL:** \$ 134,529

### **MEMBERSHIP:**

**Active:** 30      **Inactive:** 21

### **BENEFITS:**

#### **Normal Retirement Formula:**

\$15 per month times years of service

Maximum: \$450 per month

Life annuity guaranteed for 10 years

#### **Normal Retirement Benefits:**

Age 65 with 5 years of service

**COLA:** No COLA

### **ACTUARIAL ASSUMPTIONS:**

**Interest:** 4.75%

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2015	\$21,216	\$25,272	119%
2014	\$16,640	\$28,478	171%
2013	\$18,571	\$28,478	153%
2012	\$18,571	\$28,374	152%
2011	\$27,116	\$27,342	101%
2010	\$26,310	\$22,825	87%



## Michael Ruff

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**From:** Terry Soer <chfpd@cedarhillfire.com>  
**Sent:** Thursday, November 5, 2015 9:22 AM  
**To:** Michael Ruff  
**Cc:** 'Greg Spinner'  
**Subject:** RE: JCPER Plan Information

Good Morning Michael,

I know that our reports from this year are showing a market value at 70% or more and we have not taken out any annuities on members that have left our organization so that the funding balances could increase. I would hope that this could be sent to the Committee so that we do not receive negative comments as has happened in the past on this plan. The district secured annuities on some people in 2012 which brought the fund balance lower and caused some concerns we were informed. We have tried to correct that problem. I am not sure I understand some of the terminology in the comments such as the District exceeded the "ARC". Also I do not understand "smooth investment gains/losses". We want to be sure that things are going in the right direction. Thanks.

Terry

**From:** Michael Ruff [<mailto:mruff@senate.mo.gov>]  
**Sent:** Wednesday, November 04, 2015 3:33 PM  
**To:** Terry Soer ([chfpd@cedarhillfire.com](mailto:chfpd@cedarhillfire.com)) <[chfpd@cedarhillfire.com](mailto:chfpd@cedarhillfire.com)>  
**Subject:** JCPER Plan Information

Dear Chief Soer:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Cedar Hill Fire Protection District Length of Service Awards Program that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

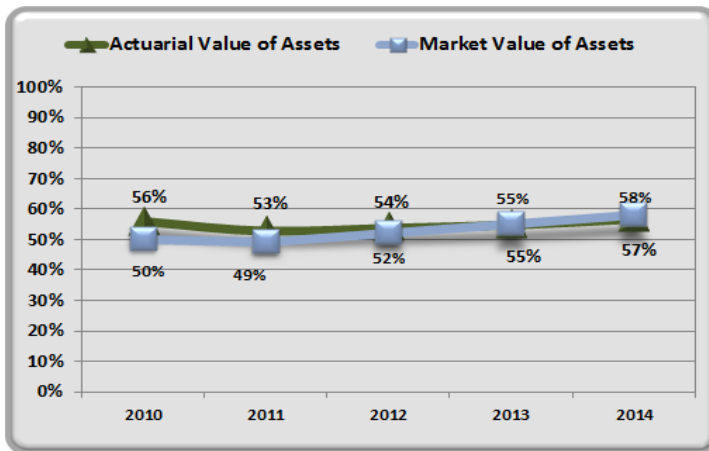
Sincerely,

Michael Ruff  
Executive Director  
Joint Committee on Public Employee Retirement  
State Capitol, Room 219-A  
Jefferson City, MO 65101

# COLUMBIA FIREMEN & POLICE RETIREMENT SYSTEMS

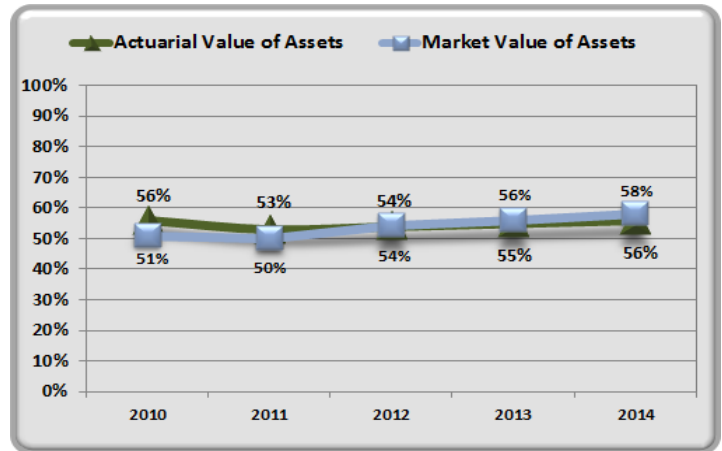
- The Fire & Police plans are commingled for investment purposes. Rate of return on investments equaled 8.5% (Market) & 8.0% (Actuarial) vs. 7.5% assumed. Investment gains/losses are smoothed over a 4 year period.
- Unfunded liabilities amortized over a 25 year closed period.
- A new tier of provisions were passed for employees hired on or after October 1, 2012. These provisions include, but are not limited to, modified age and service requirements for retirement eligibility, modified benefit multiplier with no retiree COLA, fire member contribution reduced to 4% of pay, and automatic survivor benefit replaced with a survivor option at retirement with member's reduced benefit. New tier provisions estimated to produce in excess of \$40 million savings over 20 years.
- Fire employees contribute 16.32% of pay (4% - for those hired on/after 10/01/12) and do not participate in Social Security.
- Police employees contribute between 7.45% & 8.35% of pay (4.5% - for those hired on/after 10/01/12) & do participate in Social Security.
- The employer continues to meet the ARC.
- These plans were included on the State Auditor's watch list in 2014.*

## FIREMEN'S RETIREMENT FUND



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
14/15	\$4,560,805 est.	n/a	n/a
13/14	\$4,674,412	\$4,674,412	100%
12/13	\$4,382,296	\$4,382,296	100%
11/12	\$3,995,869	\$3,995,869	100%
10/11	\$3,598,322	\$3,598,322	100%
09/10	\$3,330,409	\$3,330,409	100%

## POLICE RETIREMENT SYSTEM



	RECOMMENDED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENT CONTRIBUTED
14/15	\$3,325,450 est.	n/a	n/a
13/14	\$3,245,420	\$3,245,420	100%
12/13	\$3,243,455	\$3,243,455	100%
11/12	\$3,153,367	\$3,153,367	100%
10/11	\$3,033,164	\$3,033,164	100%
09/10	\$2,693,152	\$2,693,152	100%

**As of 09/30/14**

Market Value: \$ 67,264,288      Membership: 134  
 Actuarial Value: \$ 65,440,925      Active: 134  
 AAL: \$ 115,552,694      Inactive: 143

**Normal Retirement Formula:**  
 3.5% of compensation for first 20 years + 2% for next 5 years  
 Max: 80% of compensation; 2% of compensation < 20 years  
*2.5% of compensation x yrs service—No max (new hires)*

**Normal Retirement Benefits:**      **COLA:**  
 Age 65 or 20 years of service      Annual Amount Max: 2%  
 Age 55 w/ 5 yrs service or Rule of 80 (new hires)

**ACTUARIAL ASSUMPTIONS:**  
 Interest: 7.5%      Salary: 3.5%

**As of 09/30/14**

Market Value: \$ 45,119,886      Membership: 148  
 Actuarial Value: \$ 43,868,797      Active: 148  
 AAL: \$ 77,970,501      Inactive: 164

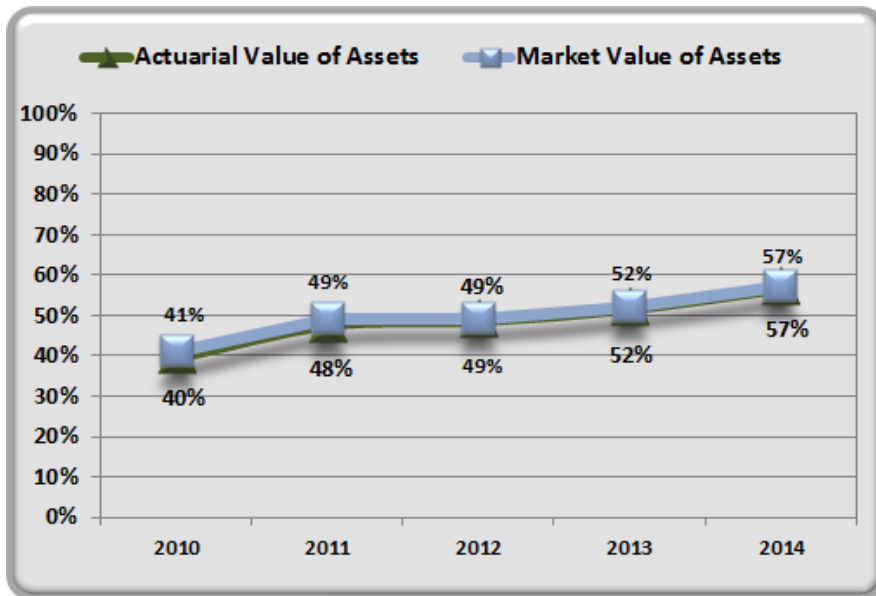
**Normal Retirement Formula:**  
 3% of compensation for first 20 years + 2% for next 5 years  
 Maximum: 70% of compensation  
*2.0% of compensation up to 25 years + 1.5% each year over 25 years Max—57.5% of compensation (new hires)*

**Normal Retirement Benefits:**      **COLA:**  
 20 years of service, or age 65      Annual Amount Max: 0.6%  
 25 years of service or age 65 (new hires)

**ACTUARIAL ASSUMPTIONS:**      Interest: 7.5%      Salary: 3.5%

# HANNIBAL POLICE & FIRE RETIREMENT PLAN

- ✎ Rate of return on investments equaled 5.4% (Market) vs. 7.5% assumed.
- ✎ The plan does not smooth investment gains/losses.
- ✎ Open 20 year period for amortization of unfunded liabilities.
- ✎ Plan members do not participate in Social Security.
- ✎ Actuary notes *"In recent years the city has been contributing less than the actuarial recommended contribution. The city has contributed more than recommended contribution in the last three years. Asset gains have helped increase the funded status. The new policy, implemented in 2012, increasing employee contributions while not decreasing the city's contribution rate will also help the Plan in its recovery. However, any pattern of less than adequate funding could decrease the funded status of the Plan to a point from which it would be very difficult to recover."*
- ✎ Plan modifications effective 7/1/11 include: Increasing mandatory employee contributions from 9.5% of pay to 12%, 11.4% annual minimum City contribution (plus tax revenue) will be modified to provide that the City's contribution will not be reduced unless the plan is determined to be at least 80% funded.
- ✎ Employee contribution of 12% of pay effective with plan year 2011 (from 9.5%).
- ✎ Effective July 1, 2016, the employee contribution rate will increase by one-half percent annually until it reaches 15% on July 1, 2021.



	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
14/15	\$984,663	n/a	-
13/14	\$994,809	\$1,214,217	122%
12/13	\$1,010,251	\$1,212,249	120%
11/12	\$921,124	\$1,152,165	125%
10/11	\$1,179,620	\$1,051,162	89%

## As of 6/30/14

**Market Value:** \$15,116,225  
**Actuarial Value:** \$15,099,174  
**AAL:** \$26,309,676

### **MEMBERSHIP:**

**Active:** 73      **Inactive:** 65

### **BENEFITS:**

#### **Normal Retirement Formula:**

65% of compensation for first 25 years of service, plus 1% for each of the next 5 years of service in excess of 25  
Maximum: 70% of compensation

#### **Normal Retirement Benefits:**

Age 55 or 25 years of service

**Social Security Coverage:** No

**COLA:** Ad Hoc COLA

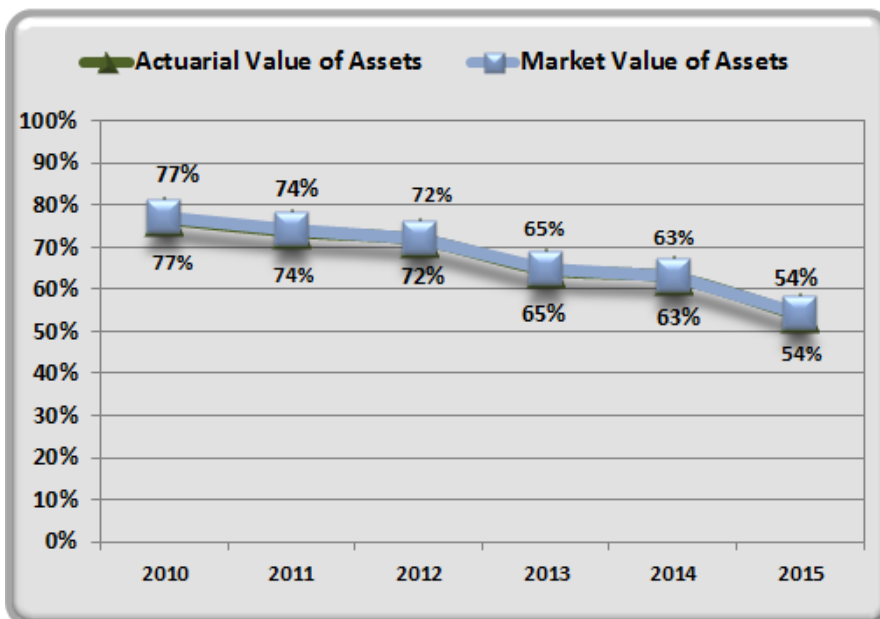
*No COLA if Funded Ratio below 50%*

### **ACTUARIAL ASSUMPTIONS:**

**Interest:** 7.5%      **Salary:** 4%

# JENNINGS POLICE & FIRE RETIREMENT FUND

- ↳ Rate of return on investments equaled 7.59% (Market) vs. 6% assumed.
- ↳ Investment gains/losses are not smoothed.
- ↳ Closed 15 year period for amortization of unfunded liabilities.
- ↳ Plan was closed in 1987 with new hires joining LAGERS. All members are now retired.
- ↳ Second time being included on JCPER watch list. Funded ratio has been decreasing since 1996 (94.29% in 1996 → 54.15% in 2015)
- ↳ Officials with this plan expressed interest in LAGERS administration proposal of 2014. This bill was TAFP'd under SB 675 but was vetoed by the Governor.
- ↳ The Police Department was disbanded in 2011 with the St. Louis County Police Department being contracted for public safety purposes.
- ↳ Voters approved the dissolving of the Fire Department in August 2014 with the city merging with Riverview FPD for fire services.
- ↳ The City has met the ARC two years (2010 & 2011) since 1999. The contribution is tied to a tax levy. The actuary commented that "*assuming stable tax revenues the contributions are not adequate to meet this funding timeline.*" The board of trustees is seeking a tax increase to fund the plan.



**As of 04/01/15**

**Market Value:** \$4,833,547  
**Actuarial Value:** \$4,833,547  
**AAL:** \$8,925,399

**MEMBERSHIP:**

**Active:** 0      **Inactive:** 44

**BENEFITS:**

**Normal Retirement Formula:**

2.25% of compensation times years of service

Maximum: 50% of compensation

**Normal Retirement Benefits:**

Age 55 with 20 years of service

Age 65 with 15 years of service

**Social Security Coverage:** Yes

**COLA:** No COLA

**ACTUARIAL ASSUMPTIONS:**

**Interest:** 6%      **Salary:** 3%

**Plan Closed in 1987 with New Hires joining LAGERS.**

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>14/15</b>	\$345,068	\$194,976	57%
<b>13/14</b>	\$315,629	\$195,337	62%
<b>12/13</b>	\$244,685	\$203,049	83%
<b>11/12</b>	\$209,394	\$203,184	97%
<b>10/11</b>	\$201,076	\$210,405	105%
<b>09/10</b>	\$216,908	\$218,467	101%

Board of Trustees  
Police and Firemen's Retirement Fund  
City of Jennings, Missouri

2120 HORD AVENUE  
JENNINGS, MISSOURI 63136  
388-1164

RECEIVED  
NOV 13 2015

BY: .....

November 5, 2015

To: Janell Bernskoetter  
of JCPER

From: City of Jennings Police & Firemen's Retirement Fund

Re: Audit and Actuary Reports for 2014 and 2015

Please note:

Since our reports were completed, 3 of our Pensioners have passed away. Total reduction of \$1,990.51 per month. All members of this Retirement Plan are now retired. It is no longer an active plan. 41 pensioners draw monthly payments.

In June of 2013, we expanded our investment parameters to include a portion of equity funds. Our brokers expect this change to increase our fund total in the long term.

Our Board of Trustees has approved a modest tax increase for our pension fund to meet our unfunded liability. This is a request for an increase of taxes that will remain until liability total is met. We will be asking our Council to approve this tax measure and hope to have it on the ballot in April, 2016.

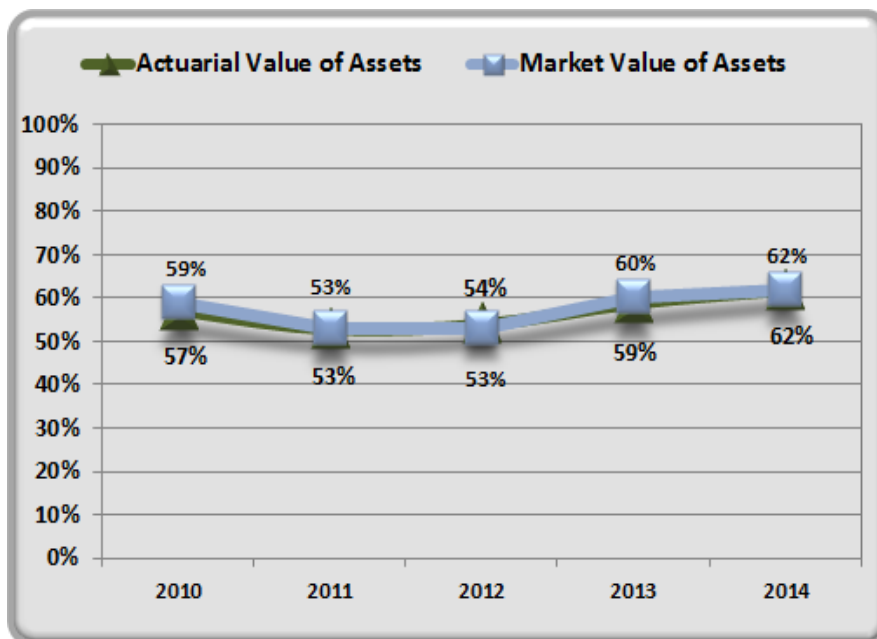
Beverly Roche, City of Jennings, Board Trustee 314-388-1164





# JOPLIN POLICE & FIRE PENSION PLAN

- Rate of return on investments equaled 6.2% (Market) & 7.3% (Actuarial) vs. 7% assumed.
- Investment gains/losses are smoothed over a 5 year period.
- Closed 30 year period as of 11/01/06 for amortization of unfunded liabilities.
- Modified plan assumptions in 2011 included, but not limited to, mortality, inflation rate and retirement rates resulted in approximately \$5 million increase in plan liabilities. These modifications were based on the most recent experience study.
- A new tier was implemented for those hired after 1/31/09 with provisions including normal retirement service of 25 years (from 20) and maximum benefit of 60% of compensation (from 65%).
- Employees contribute 18.08% of pay, which is refunded at retirement. Those hired under new benefit tier contribute 10% of pay without refund.
- The City prefunded \$1 million in addition to the ARC in fiscal year 2013.
- This plan was included on the State Auditor's "watch list" in 2014.*



## As of 10/31/14

**Market Value:** \$36,202,536  
**Actuarial Value:** \$35,897,429  
**AAL:** \$58,001,117

### **MEMBERSHIP:**

**Active:** 195      **Inactive:** 156

### **BENEFITS:**

#### **Normal Retirement Formula:**

Hired after 1/31/09: 2.2% of compensation for first 25 years of service, plus 1% for each of the next 5 years of service

Maximum: 60% of compensation

#### **Normal Retirement Benefits:**

Age 60 or 25 years of service

**Social Security Coverage:** No

**COLA:** No COLA

#### **ACTUARIAL ASSUMPTIONS:**

**Interest:** 7%      **Salary:** 2.5%

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>14/15</b>	\$2,721,986	n/a	-
<b>13/14</b>	\$2,737,752	\$2,919,862	107%
<b>12/13</b>	\$2,580,017	\$3,718,194	144%
<b>11/12</b>	\$2,214,118	\$2,473,301	112%
<b>10/11</b>	\$2,214,118	\$2,653,556	120%
<b>09/10</b>	\$2,206,690	\$1,797,683	81%

## Michael Ruff

---

**From:** Haase, Leslie <LHaase@joplinmo.org>  
**Sent:** Saturday, November 7, 2015 1:57 PM  
**To:** Michael Ruff; Allgood, Dave  
**Subject:** RE: JCPER Plan Information

Michael:

Thank you for the opportunity to review this information. There are no changes needed in the attached information.

Please let me know if you need anything else.

Leslie

---

**From:** Michael Ruff [<mailto:mruff@senate.mo.gov>]  
**Sent:** Wednesday, November 04, 2015 3:54 PM  
**To:** Haase, Leslie; Allgood, Dave  
**Subject:** JCPER Plan Information

Dear Ms. Haase and Mr. Allgood:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Joplin Police & Fire Pension Plan that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

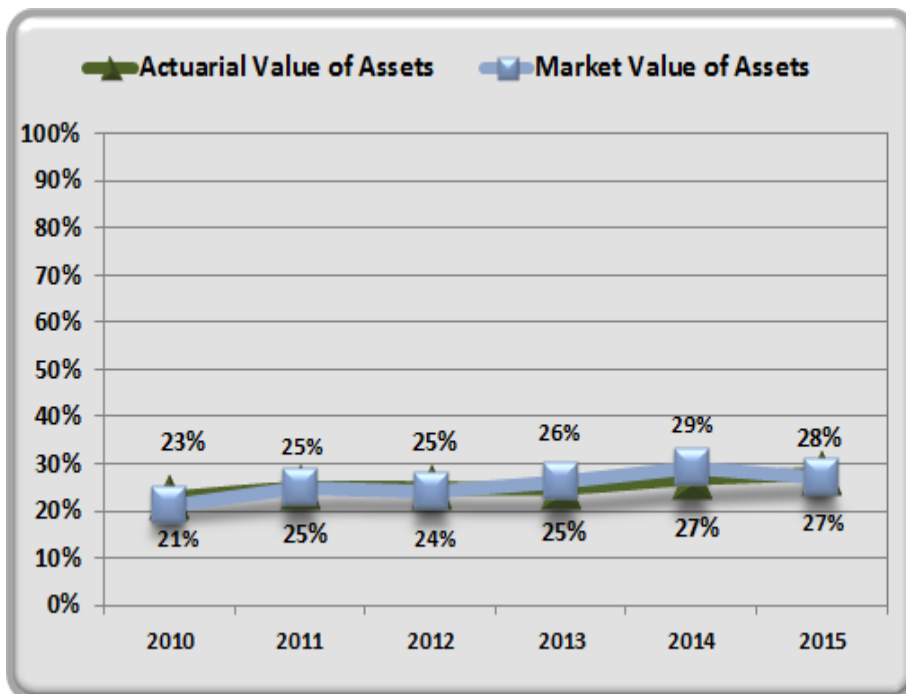
Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

Sincerely,

Michael Ruff  
Executive Director  
Joint Committee on Public Employee Retirement  
State Capitol, Room 219-A  
Jefferson City, MO 65101  
573-751-1280  
[mruff@senate.mo.gov](mailto:mruff@senate.mo.gov)

# JUDICIAL RETIREMENT PLAN

- ✦ Rate of return on investments equaled -2.70% (Market) and 6.60% (Actuarial) vs. 8.0% assumed.
- ✦ In plan year 2015, utilized a 29 year amortization period (of a closed 30 year) for unfunded liabilities.
- ✦ Asset method modified to recognize the expected investment return and averages unanticipated market return over a 3 year period.
- ✦ New tier provisions were passed in 2010 requiring increased age and service requirements, as well as employee contributions for judges serving for the first time on or after 01/01/11.
- ✦ Board of Trustees voted to certify an annual contribution rate minimum of 58.45% of payroll until the plan's funded ratio is at least 80%.
- ✦ Prior to 1998, the plan was funded on a pay-as-you-go basis.
- ✦ Judges serving for the first time on or after 1/1/11 contribute 4% of pay.
- ✦ The employer continues to meet the ARC.



	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
14/15	\$32,696,686	\$32,696,686	100%
13/14	\$29,264,877	\$29,264,877	100%
12/13	\$28,330,648	\$28,330,648	100%
11/12	\$26,324,526	\$26,324,526	100%
10/11	\$27,702,682	\$27,702,682	100%
09/10	\$27,029,198	\$27,029,198	100%

## As of 6/30/15

**Market Value:** \$130,851,263  
**Actuarial Value:** \$134,349,908  
**AAL:** \$482,969,311

### **MEMBERSHIP:**

**Active:** 405      **Inactive:** 569

### **BENEFITS:**

#### **Normal Retirement Formula:**

50% of compensation;  
 Less than service requirement:  
 Pro-rated benefit based on service

#### **Normal Retirement Benefits:**

Age 62 with 12 years of service;  
 Age 60 with 15 years of service;  
 Age 55 with 20 years of service

Serving for first time on or after 01/01/11:

Age 67 with 12 years of service, or  
 Age 62 with 20 years of service

**Social Security Coverage:** Yes

**COLA:** Annual Amount Max: 5%  
 Percent of CPI: 80%

#### **Actuarial Assumptions:**

**Interest:** 8%      **Salary:** 3%

## Janell Bernskoetter

---

**From:** Ronda Stegmann <rondas@mosers.org>  
**Sent:** Thursday, November 12, 2015 4:52 PM  
**To:** Michael Ruff; Janell Bernskoetter  
**Cc:** Gary Findlay; John Watson  
**Subject:** 2015 JCPER Watch List  
**Attachments:** Judicial Retirement Plan Funded Status.pdf

Michael – Thank you for the opportunity to respond to the inclusion of the Judicial Retirement Plan on the annual “Watch List” of the Joint Committee on Public Employee Retirement (JCPER). As you are aware, the Judicial Retirement Plan was operated on a pay-as-you-go basis prior to 1998 when the law was changed to require that the plan be funded on an actuarial basis. As the attached portrays, the progression of the funded status of the Plan beginning in 1998 was 0% and has grown to the 2015 funded ratio of 27.8%.

We hope this information is helpful to the JCPER as it conducts its proceedings. If you have any questions or we can provide additional information, please do not hesitate to contact our office.

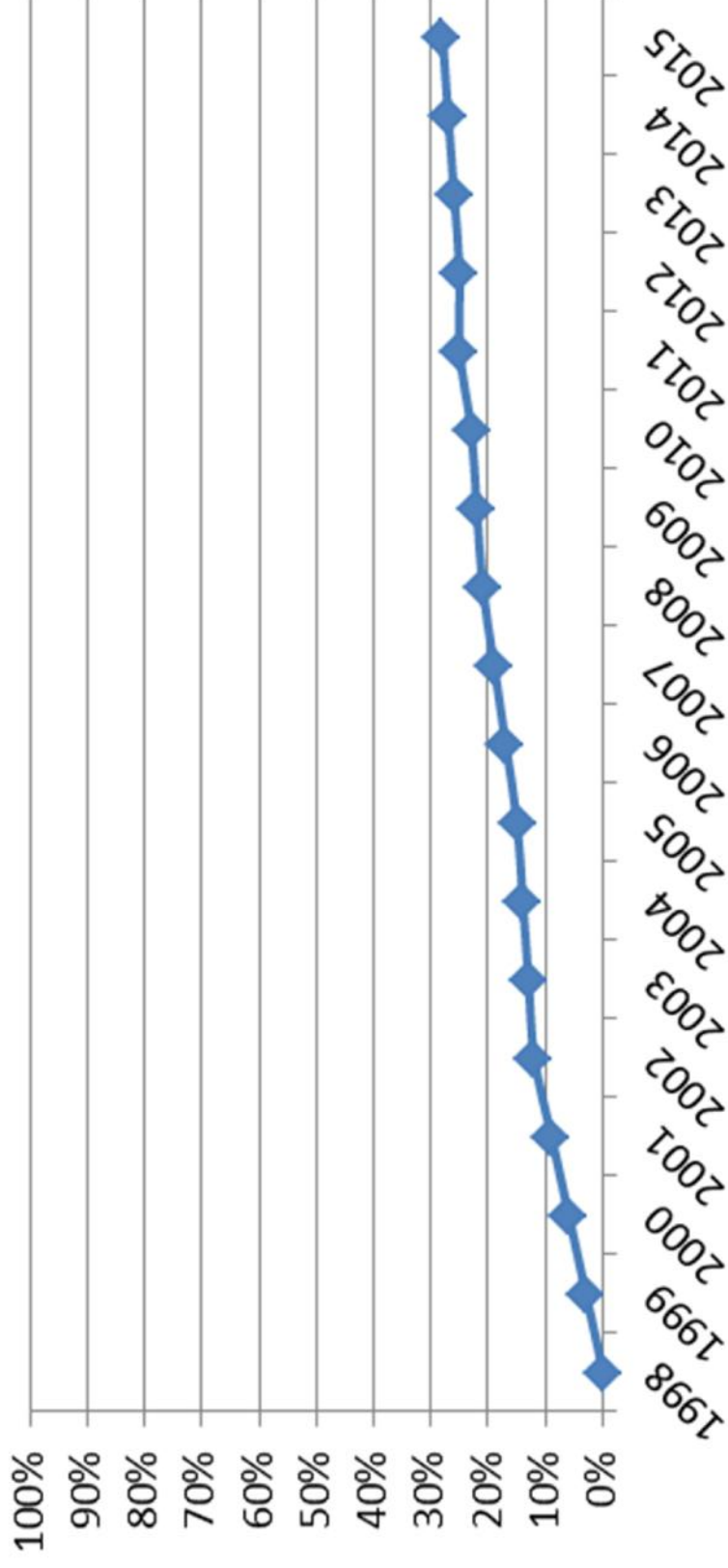
Sincerely,  
Ronda

*Ronda Stegmann*  
**Legislative & Policy Coordinator**  
**MOSERS**  
**573-632-6113**  
[www.mosers.org](http://www.mosers.org)

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## Judicial Retirement Plan Funded Status Since the Inception of the Funding Program

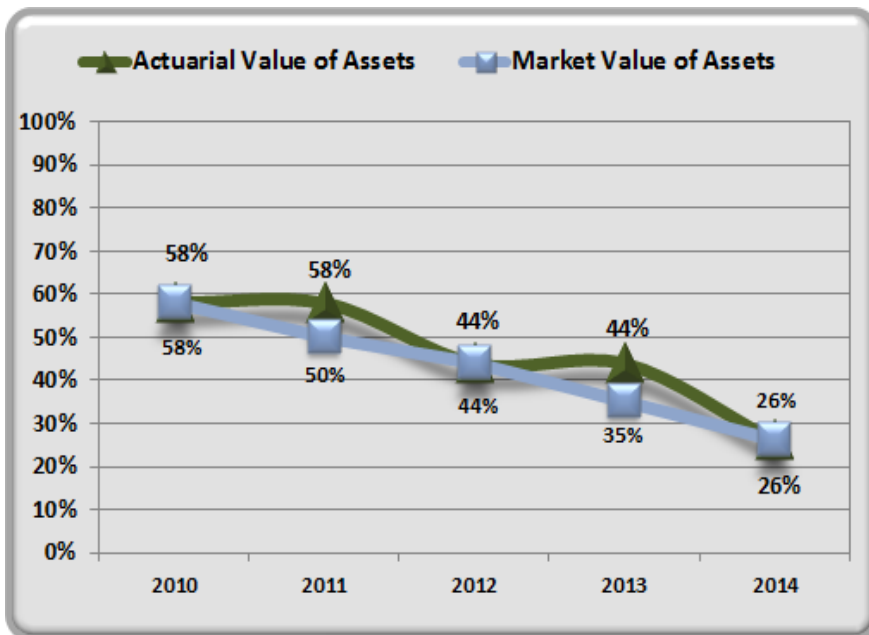


As was noted in the JCPER report, the plan was funded on a pay-as-you-go basis (from 1951) until 1998 with no accumulation of assets. Steady funding progress has been made since the actuarial funding program was initiated.



# MEHLVILLE FIRE PROTECTION DISTRICT DEFINED BENEFIT PLAN

- ✎ Rate of return on investments equaled 0.04% (Market) vs. 5% assumed.
- ✎ Plan does not smooth investment gains/losses.
- ✎ Plan was closed in 2006 and a defined contribution plan was established for District employees.
- ✎ According to the actuarial valuation, the IRS, in a **Determination letter dated June 11, 2010** approved the Plan's termination. The Plan's assets and liabilities have yet to be fully settled as part of that termination.
- ✎ Unfunded Actuarial Accrued Liabilities are amortized over a closed 20 year period beginning in 2011.
- ✎ Interest rate assumption decreased from 7.5% to 5.0% in 2010.
- ✎ The employer has not made a contribution to the plan since 2006.
- ✎ The reported value of assets in the actuarial valuation does not completely reflect the condition of the plan. The FPD maintains additional cash reserves dedicated to the plan in another account. (approximately \$4 million)



## As of 1/1/15

**Market Value:** \$2,804,950  
**Actuarial Value:** \$2,804,950  
**AAL:** \$10,870,646

### **MEMBERSHIP:**

**Active:** 0      **Inactive:** 28

### **BENEFITS:**

#### **Normal Retirement Formula:**

2.625% of compensation for each of the first 27 years of service, plus 1% for each additional year  
 Maximum: 75% of compensation  
 Temporary Supplemental Benefit: \$500 per month from age 58 until Social Security eligibility

#### **Normal Retirement Benefits:**

Age 58 with 5 years of service

**Social Security Coverage:** Yes

**COLA:** 'CAP'-Total Maximum: 3%

#### **ACTUARIAL ASSUMPTIONS:**

**Interest:** 5.0%

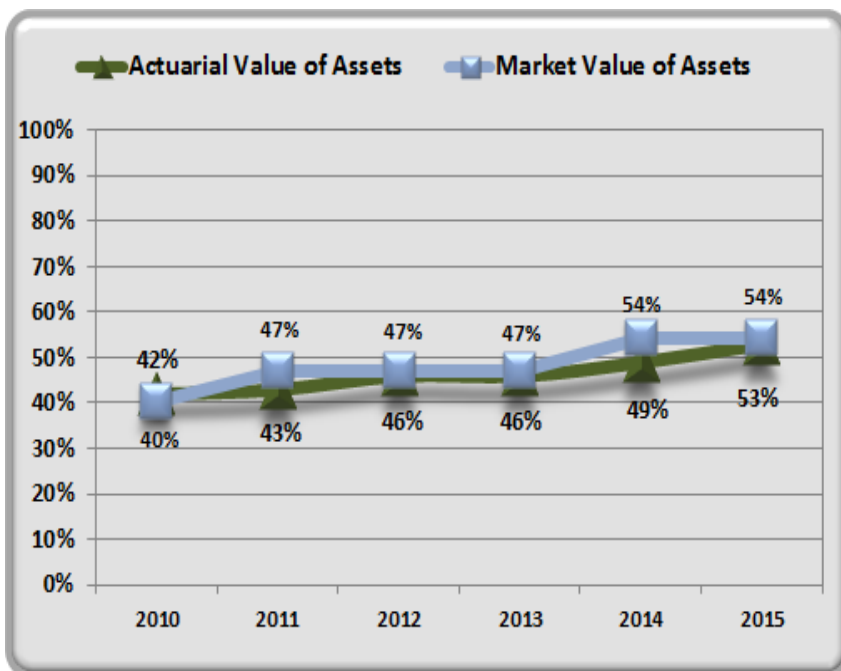
#### **Defined Contribution Plan**

**Defined Benefit Plan frozen effective 3/31/06**

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>2015</b>	\$708,782	n/a	-
<b>2014</b>	\$575,245	\$0	0%
<b>2013</b>	\$575,245	\$0	0%
<b>2012</b>	\$426,969	\$0	0%
<b>2011</b>	\$426,969	\$0	0%
<b>2010</b>	\$35,435	\$0	0%

# MoDOT & PATROL EMPLOYEES RETIREMENT SYSTEM

- ✦ Rate of return on investments equaled 5.89% (Market) and 11.97% (Actuarial) vs. 7.75% assumed.
- ✦ Investment gains/losses are smoothed over a 3 year period.
- ✦ Assumed investment return reduced from 8.25% to 7.75%.
- ✦ New tier provisions were passed in 2010 requiring increased age and service requirement, increased vesting period and employee contributions for employees hired for the first time on or after 01/01/11. As of 06/30/15, 1,508 members were covered under the 2011 tier.
- ✦ Employees hired for the first time on or after 1/1/11 contribute 4% of pay.
- ✦ Closed 10 year period amortization of unfunded retiree liabilities and closed 25 year period amortization for the remaining unfunded liabilities.
- ✦ Board voted to certify the FY15/16 contribution at the same level as FY 14/15 which exceeds the actuary's ARC to allow for a "rate stabilization reserve fund". This fund is designed to keep the employer contribution rate at or close to its current level.
- ✦ The Employer continues to meet the ARC.
- ✦ *This plan was included on the State Auditor's "watch list" in 2014.*



## As of 6/30/15

**Market Value:** \$2,009,367,134  
**Actuarial Value:** \$1,967,001,509  
**AAL:** \$3,715,845,651

### **MEMBERSHIP:**

**Active:** 7,358      **Inactive:** 10,876

### **BENEFITS:**

#### **Normal Retirement Formula:**

MSEP 2000: 1.7% of compensation times years of service, plus .8% to Age 62 (under Rule of 80 or Rule of 90)

#### **Normal Retirement Benefits:**

Age 62 with 5 years service, or Rule of 80 (Age 48)

Uniformed Patrol: Mandatory retirement at Age 60

Hired for first time on or after 01/01/11:

Age 67 w 10 years service, or Rule of 90 (Age 55)

Uniformed Patrol: Age 55 with 10 years service

**Social Security Coverage:** Yes

**COLA:** Annual Amount Maximum: 5%  
Percent of CPI: 80%

#### **ACTUARIAL ASSUMPTIONS:**

**Interest:** 7.75%      **Salary:** 3.50%

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>15/16</b>	\$206,268,699 (estimated)	n/a	-
<b>14/15</b>	\$200,485,540	\$200,638,571	100%
<b>13/14</b>	\$183,358,841	\$183,358,841	100%
<b>12/13</b>	\$170,836,117	\$170,836,117	100%
<b>11/12</b>	\$164,884,467	\$164,884,467	100%

## Michael Ruff

---

**From:** Scott Simon <Scott.Simon@mpers.org>  
**Sent:** Friday, November 6, 2015 11:06 AM  
**To:** Michael Ruff  
**Subject:** RE: JCPER Plan Information

Michael, Thanks for sharing. You may always report the actuarial rate of returns (noted under the first bullet) so that may be fine but I would consider that information confusing to most readers. The most often used and recognized rate of return is our actual rate of return not the actuarial rates. Whatever you provide, it should be consistent from one system to the next.

The last line of the fourth bullet can be updated—As of June 30, 2015, 1,508 members were covered under the 2011 tier.

I would add the following to the end of your seventh bullet....."and protect the employers from even higher contribution rates should losses be experienced in the near future."

The table in the lower right hand corner shows "Inactive" under Membership. That title threw me. I would suggest you call it "retirees" or "benefit recipients" which is what I think the number represents. "Inactive" in my opinion usually represents terminated vested and/or terminated non-vested former members.

Happy to discuss if you need clarification.

Scott

---

**From:** Michael Ruff [<mailto:mruff@senate.mo.gov>]  
**Sent:** Wednesday, November 04, 2015 3:58 PM  
**To:** Scott Simon  
**Subject:** JCPER Plan Information

Dear Scott:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to MPERS that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

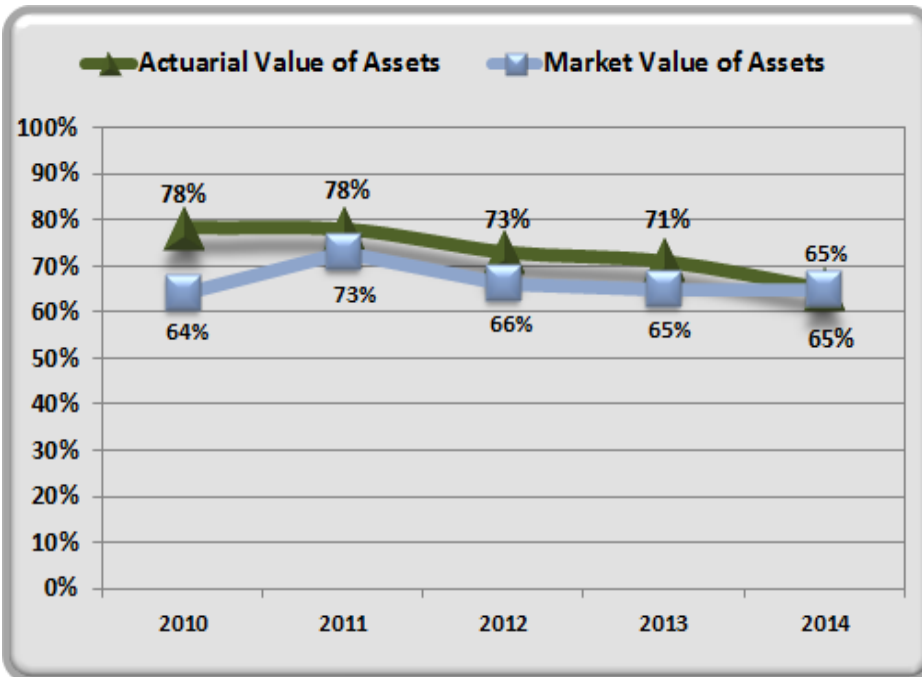
Sincerely,

Michael Ruff  
Executive Director  
Joint Committee on Public Employee Retirement  
State Capitol, Room 219-A  
Jefferson City, MO 65101  
573-751-1280  
[mruff@senate.mo.gov](mailto:mruff@senate.mo.gov)

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# OVERLAND POLICE RETIREMENT FUND

- ✦ Rate of return on investments equaled 10.4% (Market) and .8% (Actuarial) vs. 7% assumed.
- ✦ Gains/losses are smoothed over a 5 year period.
- ✦ The Aggregate Cost Method is utilized by the plan which does not yield an actuarial accrued liability.
- ✦ Employer contribution is supported by a tax levy of \$0.12 per \$100 of assessed valuation.
- ✦ The actuary notes *"The rate [property tax] is currently 12 cents which is less than one-third of the recommended rate. Although the Plan has no immediate solvency issues, this contribution shortfall issue should be addressed as soon as possible. Potential approaches might include: i) securing a higher rate from the County, ii) developing an additional source of funding and/or iii) adjusting the benefit provisions to a level consistent with what the current tax rate will support."*
- ✦ Employees contribute 5% of pay to the Plan.
- ✦ The City has not met the ARC since 2008.



As of 04/01/14

**Market Value:** \$13,231,192  
**Actuarial Value:** \$13,288,067  
**AAL:** \$20,450,360

**MEMBERSHIP:**

**Active:** 47    **Inactive:** 37

**BENEFITS:**

**Normal Retirement Formula:**  
 2.5% of compensation for first 20 years of service, plus 1.5% for each of the next 10 years of service

**Normal Retirement Benefits:**  
 20 years of service, or  
 Age 62 w/ 18 years of service, or  
 SSA full retirement age w/ 5 years of service

**Social Security Coverage:** Yes

**COLA:** Annual Max: 3%  
 Percent of CPI: 60%

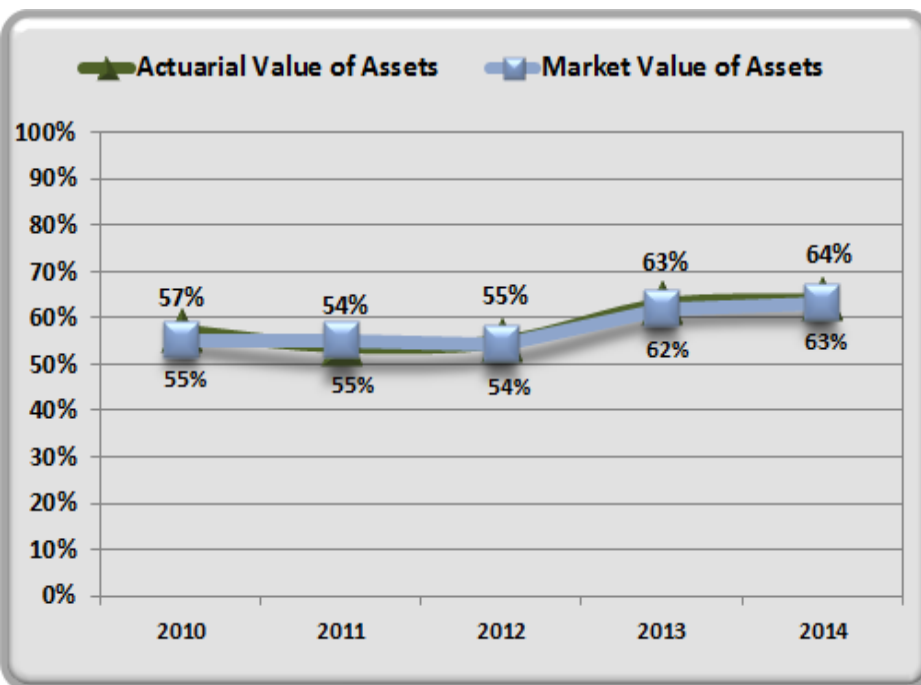
**ACTUARIAL ASSUMPTIONS:**

**Interest:** 7%    **Salary:** 3.5%

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>2014</b>	\$863,157	\$240,878	30%
<b>2013</b>	\$801,961	\$268,988	34%
<b>2012</b>	\$693,886	\$271,164	39%
<b>2011</b>	\$672,820	\$283,848	42%
<b>2010</b>	\$569,492	\$261,969	46%

# RAYTOWN POLICE OFFICERS' RETIREMENT FUND

- Plan experience was less favorable than expected as asset losses more than offset liability gains.
- Plan does not smooth investment gains/losses.
- Plan utilizes a closed 30 year period amortization of unfunded actuarial accrued liabilities.
- An employee contribution of 3% of pay was ceased in 2000 when the Plan was 101% funded.
- The actuary notes *"The Plan has been making progress toward a safe funding level. The City policy to contribute the recommended contribution will allow the funded status to slowly improve."*
- The City met or exceeded the ARC for plan years 2011, 2012, and 2013.
- The Plan was frozen as of December 31, 2013 with members moving to LAGERS.**



## As of 12/31/14 and 10/31/14

**Market Value:** \$10,546,501  
**Actuarial Value:** \$10,570,089  
**AAL:** \$16,631,778

## **MEMBERSHIP:**

**Active:** 47    **Inactive:** 40

## **BENEFITS:**

**Normal Retirement Formula:**  
 2.5% of compensation for first 20 years of service, plus 1% for each of the next 10 years of service—Benefits are frozen as of 12/31/13.

**Normal Retirement Benefits:**  
 Age 55 with 20 years of service

**Social Security Coverage:** Yes

**COLA:** No COLA

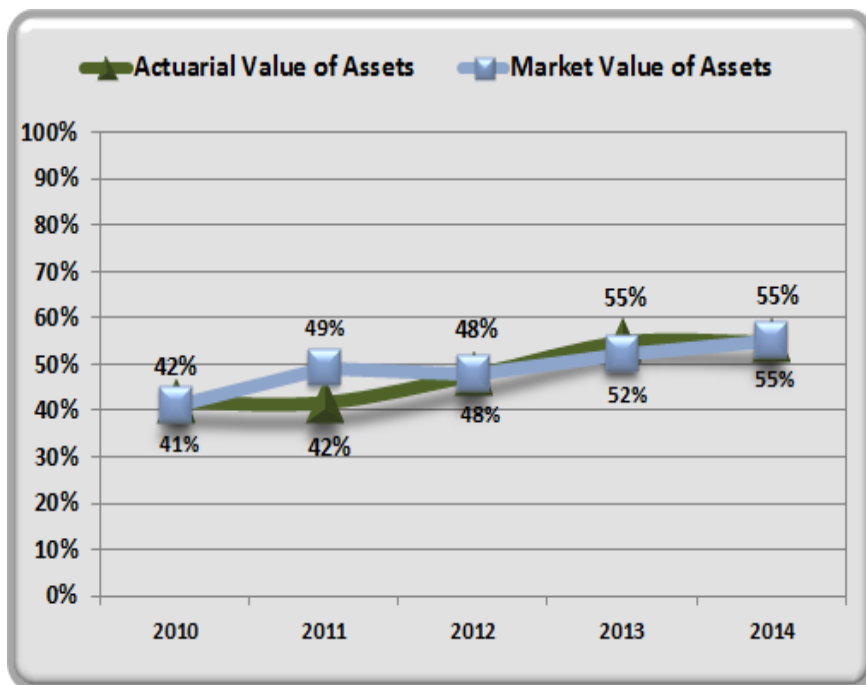
## **ACTUARIAL ASSUMPTIONS:**

**Interest:** 7.5%    **Salary:** 4%

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>2015</b>	\$513,291	n/a	-
<b>2014</b>	\$508,285	\$531,116	104%
<b>2013</b>	\$660,842	\$660,842	100%
<b>2012</b>	\$678,787	\$686,270	101%
<b>2011</b>	\$616,618	\$637,728	105%

# ROCK HILL UNIFORMED PENSION PLAN

- ✚ This plan was closed to new employees effective May 2003.
- ✚ All active participants as well as new hires are members of LAGERS as of 09/2007.
- ✚ After multiple years of the employer not making a contribution to this plan, contributions have resumed to this plan. However, contributions continue to not meet the ARC.
- ✚ Employees do not make a payroll contribution to this plan.
- ✚ Plan does not smooth investment gains/losses.
- ✚ The employer has not met the ARC since 2007.



## As of 3/31/15 & 5/1/14

**Market Value:** \$2,011,439  
**Actuarial Value :** \$2,004,533  
**AAL:** \$3,642,395

### MEMBERSHIP:

Active: 8 Inactive: 20

### BENEFITS:

#### Normal Retirement Formula:

40% or 50% of compensation, reduced by 1/20 for each year less than 20, plus temporary benefit. Percentage based on age and years of service as of 4/30/03.

#### Normal Retirement Benefits:

Age 60 with 5 years of service

Social Security Coverage: Yes

COLA: No COLA

### ACTUARIAL ASSUMPTIONS:

Interest: 6.0% Salary: 0%

Closed Plan effective October 2003

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
14/15	\$199,227	\$150,000	75%
13/14	\$199,227	\$125,000	63%
12/13	\$251,551	\$210,325	84%
11/12	\$251,551	\$210,325	84%
10/11	\$293,522	\$213,226	73%



## Michael Ruff

---

**From:** Sandra Stephens <Stephesf@kirkwoodmo.org>  
**Sent:** Wednesday, November 4, 2015 4:22 PM  
**To:** Michael Ruff; jyackley@rockhillmo.net  
**Subject:** RE: JCPER Plan Information

Mr. Ruff,

The contribution for 14/15 of \$150,000 was made on 3/25/2015. There was a timing difference before PNC posted the contribution. I understand if this report is on the cash basis, but I think this fact should at least be noted on the report. Thank you.

Sandy

Sandra Stephens, CPFO  
Assistant Director of Finance, City of Kirkwood  
Treasurer, City of Rock Hill  
139 S Kirkwood Road  
Kirkwood, MO 63122  
314 822-5834  
[stephesf@kirkwoodmo.org](mailto:stephesf@kirkwoodmo.org)

---

**From:** Michael Ruff [<mailto:mruff@senate.mo.gov>]  
**Sent:** Wednesday, November 04, 2015 4:15 PM  
**To:** [jyackley@rockhillmo.net](mailto:jyackley@rockhillmo.net); Sandra Stephens  
**Subject:** JCPER Plan Information

Dear Ms. Yackley and Ms. Stephens:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Rock Hill Uniformed Pension Plan that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

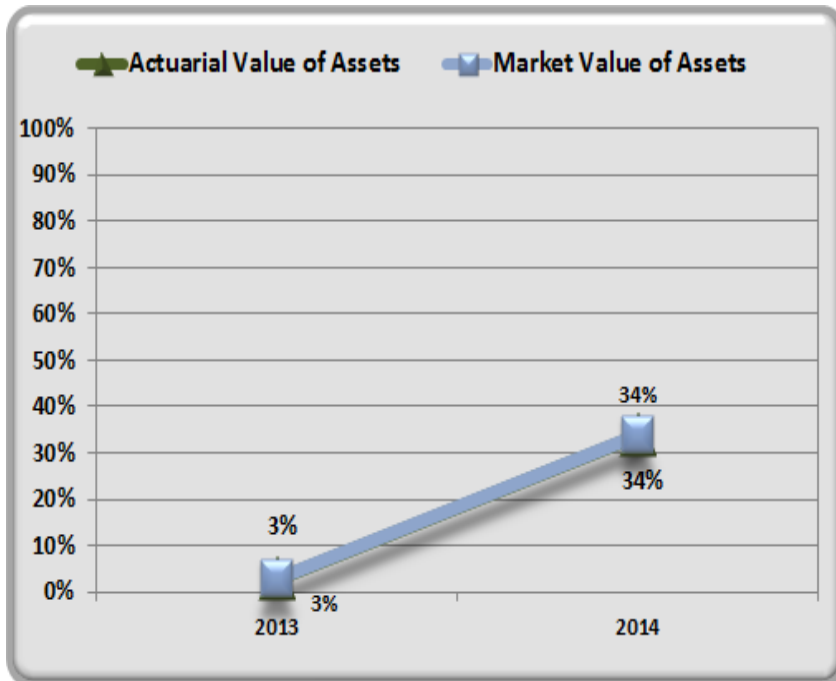
Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

Sincerely,

Michael Ruff  
Executive Director  
Joint Committee on Public Employee Retirement  
State Capitol, Room 219-A

# ST. LOUIS CITY FIREFIGHTERS' RETIREMENT PLAN

- ✦ Rate of return on investments equaled -2.64% (Market) and 1.34% (Actuarial) vs. 7.625% assumed.
- ✦ Investment gains/losses are smoothed over a 5 year period.
- ✦ Effective February 1, 2013, benefit accruals under the Firemen's Retirement System of St. Louis were frozen. This plan (The Firefighters' Retirement Plan of the City of St. Louis) was established to provide benefits for service rendered after that date.
- ✦ Plan adopted a 30 year closed amortization period effective in 2013 for unfunded liabilities.



	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>14/15</b>	\$7,435,635	\$7,435,635	100%
<b>13/14</b>	\$8,942,435	\$8,942,435	100%

## As of 10/01/14

**Market Value:** \$19,859,333  
**Actuarial Value:** \$20,154,746  
**AAL:** \$58,535,952

### **MEMBERSHIP:**

**Active:** 626    **Inactive:** 48

### **BENEFITS:**

**Normal Retirement Formula: (new members since 02/01/13)**

2% of compensation for the first 25 yrs of service plus 2.5% (5% for grandfathered participants) in excess of 25 years of service

Maximum: 75% of compensation

### **Normal Retirement Eligibility:**

Age 55 with 20 years of service

**Social Security Coverage:** No

**COLA:** Annual Amount Minimum: 1.5%  
 Annual Amount Maximum: 5%  
 "CAP"-Total Max: 25%

### **ACTUARIAL ASSUMPTIONS:**

**Interest:** 7.625%    **Salary:** 3%

**Deferred Retirement Option Plan (DROP)-only available to members on 02/01/13**

## Michael Ruff

---

**From:** Fairless, Janice <fairlessj@stlouis-mo.gov>  
**Sent:** Friday, November 6, 2015 1:35 PM  
**To:** Michael Ruff  
**Cc:** frankr@stlouis-mo.gov  
**Subject:** Re: JCPER Plan Information

Dear Mr. Ruff,

Thank you for the opportunity to review the slide.

We have noted some concerns below.....

There is an error in the first bullet point. The ROR on Investments equaled "**-2.64% (Market)**" and is shown as a positive # not negative.

On the chart on the bottom left....the City did pay the Actual Contribution in September of 2015 prior to the end of the fiscal year in full...so we did receive the full \$7,435,635 100% contribution

*Some comments on the chart on the Bottom right:*

Normal Retirement Formula shown is for new members since 2/1/2013

Retirement Formula for Members on 2/1/2013 is based on:

2% for each year 1-25

5% for each year over 25-30

Max benefit 75%

Also...correct Total Max COLA: 25% (remove after 60)

Deferred Retirement Plan only available to members on 2/1/2013

I see no mention of:

Contributions:

8% after tax for members with min. 20 yrs on 2/1/2013 (refundable)

9% pretax for all others (non refundable)

or Early Retirement

Any age 20 yrs of service

No actuarial reduction if member with min 20 yrs on 2/1/2013

Actuarial reduction for all others

AFC (average final compensation)

5 years for members after 2/1/2013

3 years for members on 2/1/2013

Please call if you have any questions.

JF

***Janice Fairless***

HR Specialist II

Firefighters' Retirement Plan

e-mail: [fairlessj@stlouis-mo.gov](mailto:fairlessj@stlouis-mo.gov)

phone: 314-622-3216

fax: 314-622-3228

On Wed, Nov 4, 2015 at 4:19 PM, Michael Ruff <[mruff@senate.mo.gov](mailto:mruff@senate.mo.gov)> wrote:

Dear Mr. Frank and Mrs. Fairless:

The Joint Committee on Public Employee Retirement (JCPER) staff compiles a report for the committee's review that includes any defined benefit retirement plan that has a funded ratio on a market value basis of less than 70%. The JCPER staff is in the process of preparing this information based on the annual survey information for plan year 2014. This report is designed to increase awareness of trends in plan funding and contribution levels.

I am attaching an information sheet relating to the Firefighters' Retirement Plan of St. Louis City that will be presented to the committee at its fourth quarter meeting. We welcome you to review this information and respond with any additional information or thoughts you deem appropriate. If you would like to respond, please provide any information or comments by Friday, November 13, 2015.

Thank you for your consideration and ongoing cooperation with the JCPER. Please do not hesitate to contact the office if you have any questions or would like additional information.

Sincerely,

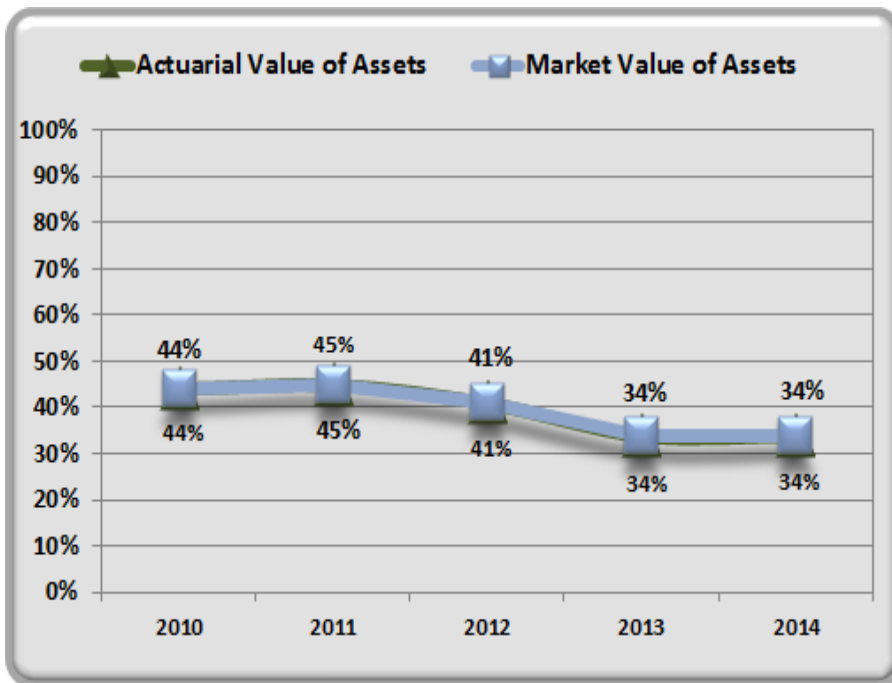
Michael Ruff

Executive Director

Joint Committee on Public Employee Retirement

# SEDALIA POLICE RETIREMENT FUND

- ✚ Rate of return on investments equaled 1.91% (Market) vs. 6% assumed (investment assumption was reduced from 7.5% to 6.0% effective the 8/01/13 actuarial valuation).
- ✚ The reduced investment return assumption increased the accrued liability by \$1.3 million.
- ✚ Plan does not smooth investment gains/losses.
- ✚ Unfunded Actuarial Accrued Liabilities amortized over a 25 year period as of 2014.
- ✚ The actuary notes three investment assumption scenarios and a time estimate of when the plan will have liabilities that it will not be able to fund using available assets. These estimates include 25 years, 15 years, and 10 years.
- ✚ Plan was frozen as of April 1, 2010, with no additional benefit accruals.
- ✚ Existing and new employees moved to LAGERS.
- ✚ Effective 4/1/10, employee payroll contributions are not required.
- ✚ Employer contribution is tied to a \$0.0853 per \$100 assessed valuation tax levy.
- ✚ The employer contribution tied to tax levy proceeds is not meeting the ARC.



	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
2015	\$456,345	n/a	-
2014	\$459,678	\$384,258	83%
2013	\$387,414	\$235,179	61%
2012	\$364,705	\$231,860	64%
2011	\$429,331 (estimate)	\$222,527	52%

## As of 7/31/14

**Market Value:** \$3,245,071  
**Actuarial Value:** \$3,245,071  
**AAL:** \$9,428,707

### **MEMBERSHIP:**

**Active:** 33    **Inactive:** 41

### **BENEFITS:**

#### **Normal Retirement Formula:**

2% of compensation times years of service

Maximum: 30 years

#### **Normal Retirement Benefits:**

Age 52 with 15 years of service

**Social Security Coverage:** Yes

### **COLA:**

Annual Amount Maximum: 2%

### **ACTUARIAL ASSUMPTIONS:**

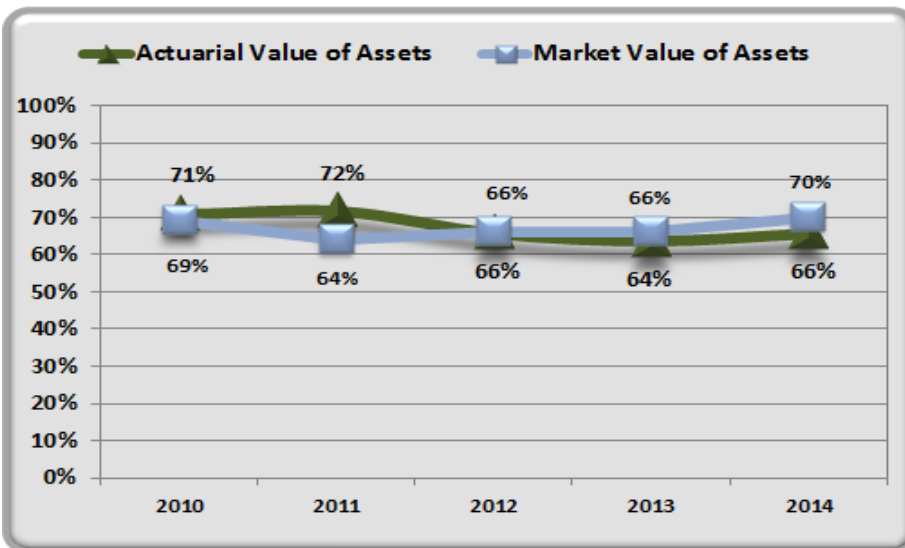
**Interest:** 6.0%

**Plan Frozen April 2010**  
**Current & New Employees moved to LAGERS**



## STATUS UPDATE ON: BERKELEY POLICE & FIRE PENSION FUND

- ✚ Rate of return on investments equaled 15% (Market) & 12.1% (Actuarial) vs. 7.5% assumed.
- ✚ Investment gains/losses are smoothed over a 5 year period.
- ✚ The plan experienced an actuarial gain for the year ending June 30, 2014, based largely on the return on the actuarial value of assets and 9 non-vested terminations during the year.
- ✚ The actuary notes, *"If the City's current annual contribution rate continues into the future, we project that the funded ratio on a market value basis will continue to deteriorate, dropping below 60% within 4-5 years and below 50% within 8-9 years, and the Fund will be on a path toward insolvency that will be difficult to reverse. If plan assets fail to earn at least 7.5% each year, the deterioration will occur even more quickly."*
- ✚ The actuary notes that the dedicated tax of \$0.11 per \$100 of assessed value used to fund the plan is "not generating nearly enough revenue to support the existing benefit structure." The expected annual revenue is therefore approximately \$211,000, which is only about 17% of the recommended contribution for the plan year ending June 30, 2015."
- ✚ Employees contribute 6% of pay to this plan. *Employee contributions are refunded at retirement.*
- ✚ The employer has not met the ARC since 2003.
- ✚ On JCPER Watch List from 2010-2014.
- ✚ City Council is introducing legislation to increase the tax levy by \$0.22. Voter approval at the April 2016 election is required.



As of 6/30/14

**Market Value:** \$13,090,553  
**Actuarial Value:** \$12,277,646  
**AAL:** \$18,611,982

**MEMBERSHIP:**

**Active:** 53      **Inactive:** 52

**BENEFITS:**

**Normal Retirement Formula:**

50% of compensation for first 20 years of service plus 1% for next 5 years of service

Maximum: 55% of compensation

**Normal Retirement Benefits:**

Age 55 with 10 years of service

**Social Security Coverage:** Yes

**COLA:**

Percent of CPI: 50%

Annual Amount Maximum: 3%

**ACTUARIAL ASSUMPTIONS:**

**Interest:** 7.5%    **Salary:** 4%

	<u>RECOMMENDED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENT CONTRIBUTED</u>
<b>14/15</b>	\$1,247,121	n/a	-
<b>13/14</b>	\$1,337,551	\$204,885	15%
<b>12/13</b>	\$1,279,952	\$186,654	15%
<b>11/12</b>	\$1,245,038	\$225,619	18%
<b>10/11</b>	\$976,809	\$246,418	25%
<b>09/10</b>	\$855,227	\$228,800	27%



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## CITY OF BERKELEY POLICE/FIRE PENSION BOARD

### Notice of Meeting



Notice is hereby given that the **Fire/Police Pension Board** will hold a **Meeting** on **Thursday, October 29, 2015 at 5:30 p.m.** in the Berkeley City Hall Council Chambers, located at 8425 Airport Road, Berkeley, MO 63134

#### Tentative Agenda

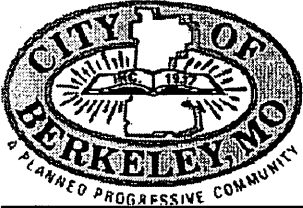
1. Meeting called to order and roll call
2. Approval of the Fire/Police Pension Board Minutes from the Monday, September 15, 2015 meeting.
3. US Bank Presentation-Sophia Flynn Vice President, Relationship Manager I Institutional Trust & Custody
4. Financial Advisor Presentation of Investments- Barry Bryant Dahab & Association
5. Pension Plan's most recent Actuarial Report not on file with the State of Missouri
6. Distribution of letter to Retirees on impact of Ordinance 4232-Update
7. 2016 City of Berkeley Audit and Request for State Audit
8. Return of Contribution Ofc. Jeffery Alexander
9. Return of Contribution: Officers Phillip Edmonds/Howdershell Report on Pension Portion of City Audit
10. Date for the next scheduled meeting
11. Adjournment

Posted this 28<sup>th</sup> day of October 29, 2015 by 5:00 pm

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By: Deanna Jones, City Clerk  
City of Berkeley, 8425 Airport Rd, Berkeley, MO 63134

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## **Notice of an Open Meeting & Vote to Conduct a Closed Session of the Meeting**

*Notice is hereby given that the City Council of the City of Berkeley, Missouri, will hold a Regular Meeting in the City Hall Council Chambers, located at 8425 Airport Rd. on **Monday, November 16, 2015 at 7:00 pm.***

### **TENTATIVE AGENDA City Council Regular Meeting November 16, 2015 Time 7:00 pm**

- 1. Meeting Called to Order**
  - a. Roll Call
  - b. Pledge of Allegiance
- 2. Approval of Minutes**
  - a. Regular Meeting: November 2, 2015
- 3. Public Hearings**
- 4. Request for Rezoning, Special Use Permits, Re-subdivision**
  - a. Raquel McNeal – 8600 Airport Rd – Hair Salon & Lash Bar – Request for Referral to City Plan Commission
- 5. Citizens Hearings** (*Anyone wishing to speak must complete a Speaker Card at the Rear*)
- 6. Resolutions**
  - a. # 3352 – A Resolution for the Authorization of Bank Signatures for the City of Berkeley General Fund Account
  - b. # 3353 – A Resolution for the Authorization of Bank Signatures for the City of Berkeley Municipal Court Account
  - c. # 3354 – A Resolution for the Authorization of Bank Signatures for the City of Berkeley Municipal Court Bond Account
  - d. # 3355 – A Resolution for the Authorization of Bank Signatures for the City of Berkeley Local Law Enforcement Block Grant Account
  - e. # 3356 – A Resolution for the Authorization of Bank Signatures for the City of Berkeley Betterment Commission Account
  - f. # 3357 – A Resolution for the Authorization of Bank Signatures for the City of Berkeley Flex Spending – Employee Quality Benefits Card Account

- g. **# 3358 – A Resolution for the Authorization of Bank Signatures for the City of Berkeley Neighborhood Stabilization Fund Account**
- h. **# 3359 – A Resolution for the Authorization of Bank Signatures for the City of Berkeley General Obligation Bond Account**

## **7. Petitions**

## **8. Unfinished Business**

- a. **Bill # 4405 – An Ordinance Providing for the Submission to the Qualified Voters of the City of Berkeley, MO at a Municipal Election on April 5, 2016 for the Election of the Council Positions of Mayor, and Councilperson of Wards II and IV, Providing for the Date of Such Election, Manner of Filing and Voting at Such Election, for Publication of Notice of Said Election – 3<sup>rd</sup> Reading**
- b. **Bill # 4406 – An Ordinance Setting Minimum Educational Requirements for Certain Positions in the Berkeley Police Department – 2<sup>nd</sup> & 3<sup>rd</sup> Reading**
- c. **Bill # 4407 – An Ordinance Amending Ordinance #3645 By Requiring All Property Owners of Residential Property within the City to Provide for the Collection of Trash and Garbage During the Term of Ownership Solely and Only Being Able to Use the Company Permitted by the City Council 3<sup>rd</sup> Reading**
- d. **Bill on Hold**
  - **Bill # 4381 – An Ordinance Authorizing the Mayor to Enter into an Agreement with Information Technologies, Inc. (ITI) for Code Enforcement Software, Technical Support, and Monthly Hosting Services for the Department of Public Works Inspections Division – Introduction**

## **9. New Business**

## **10. Introduction of Bills**

- a. **Bill # 4408 – An Ordinance Amending the City Code, Chapter 530, Sewer Later Repair Program Policy Section 530.010, Related to The Cost of the Lateral Sewer Repair Being Covered by the City**
- b. **Bill # 4409 – An Ordinance to Enable Berkeley, MO to Join Show Me PACE, Pursuant to Sections §67.2800 to §67.2835, RSMo, the “Property Assessment Clean Energy Act,” and Stating the Terms Under Which the City will Conduct Activities As a Member of Such District**
- c. **Bill # 4410 – An Ordinance Providing for the Submission to the Qualified Voters of the City of Berkeley, MO, at the General Election to be Held in the City of Berkeley, MO, on the 5<sup>th</sup> day of April 2016 Proposition A The Question of Approval or Disapproval of the Amended Berkeley Police and Fire Pension Plan**

## **11. Appointments to Board and Commissions**

## **12. Communications**

## **13. Reports and Recommendations from the City Manager**

- a. Closed Meeting (610.021): Litigation, Real Estate, &/or Personnel
- b. Department of Natural Resources
  - i. Changes in Staff in the Grants Management Section
  - ii. New Opening Dates for State Park Grants
  - iii. Conversion Update
- c. Park and Recreation
  - i. Red Bird Rookies
  - ii. Swimming Pool
  - iii. Christmas Tree
- d. SB5 Updates
  - i. Police Training by City Attorney (Holds and Arrest)
  - ii. Meeting with the Judge, City Attorney, and Council
- e. SAFER Grant Update
- f. Pension Funding Level

**14. Reports from the Clerk**

- a. Out-of-State Vehicle Purchase Sales Tax

**15. Reports from the Attorney**

**16. Reports from the Special Committees**

**17. Reports from the Standing Committees**

**18. Reports from the Council**

**19. Audience Participation *(Limited to Subjects Addressed During the Meeting)***

**20. Adjournment**



## Disability Access Statement



If you are a person with a disability and have special needs, please call 314-524-3313 and check with the City Manager's Office no later than 48 hours prior to the meeting, the city will make reasonable accommodations upon your arrival at the meeting.

**Please Note:** In accordance with RSMo section 610.021, the council may go into closed session during this meeting to discuss matters of litigation, legal actions, and/or communication from the City Attorney as provided under Section 610.021 (1), and/or personnel under Section 610.021 (13), and/or employees under Section 610.021 (3), and/or real estate under Section 610.021 (2).

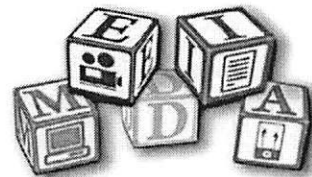
**Misconduct and / or inappropriate behavior will not be tolerated.**

Posted this 13<sup>th</sup> day of November 2015 by 5:00 pm

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By: Deanna Jones, MMC/MPCC, City Clerk

Representatives of the News Media  
May Obtain Copies of This Notice by Contacting:  
The Office of the City Clerk  
8425 Airport Rd; Berkeley, MO 63134  
(314) 524-3313 ext. 3756





# How to pay a pension debt when fair isn't an option?

THE POLICE-FIRE PENSION FUND OVERALL IS STABLE. BUT A PIECE MEANT TO BE FUNDED BY EMPLOYEES IS IN DIRE STRAITS.

*Amos Bridges, News-Leader (/staff/12519/amos-bridges)*

10

(<https://twitter.com/intent/tweet?url=http%3A//sqfnw.co/ILKQlr9&text=How%20to%20pay%20your%20pension%3A//www.newspensionleader.com/story.php?storyid=2015/10/21/how-pay-pension-debt-when-fair-isnt-fair-20option%3A//plus.google.com/share?url=http%3A//sqfnw.co/ILKQlr9>) Comment

There's big trouble brewing in a little corner of Springfield's police-fire pension plan. And despite repeated promises (and city ordinances) saying that public safety employees would foot the bill, taxpayers might be tapped again for help.

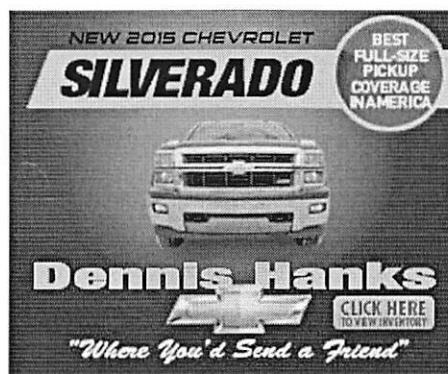
The problem goes back to 1999, when police and firefighters agreed to pay for a boost in retirement benefits through a payroll deduction. The cost of the benefit has been rising steadily for veteran employees, raising concerns those long-serving employees will resign or retire early, increasing the financial burden on the few that remain.

At an estimated \$8 million, the problem is more manageable than the one the city grappled with in 2009, when the pension fund lacked more than \$204 million needed to pay future retirement benefits. Thanks to the 3/4-cent sales tax voters approved that year, as well as other reforms, the pension fund's balance has been on the upswing.

Previous attempts to address the (theoretically) employee-funded benefit haven't stuck, however, and a July 1, 2016, deadline to make changes is approaching.

Due to collective bargaining requirements, a proposed solution is likely to be negotiated behind closed doors, although members of the public will be able to weigh in if and when any changes come before City Council.

The questions asked and comments made so far offer clues about the direction things are headed. Were I a betting man, I'd put money on taxpayer dollars being part of the equation.



# What kind of money are we talking about?

Like so many pension issues, this problem boils down to deciding how to pay for a benefit increase that turned out to be more costly than anticipated.

Often referred to as "the AFC," due to the Additional Funding Contribution deducted from employee paychecks to fund it, the benefit was added in 1999 as part of a pay package negotiated by city officials and the employee groups. At its simplest, the AFC enhancement allows Tier I police and firefighters (those hired before 2006) to earn retirement credit more quickly. With the AFC, they can accrue a full pension (equal to 70 percent of their final salary) in 25 years, rather than 28.

To pay for the boost, the police and fire groups agreed to an increased payroll deduction. Like the other pension payments those employees make, all of the money they contribute is returned in a lump sum when they retire, but any investment earnings stay in the pension fund to help pay the cost of the early retirements.

Problem is, funding for the AFC benefit started off in the red and the shortfall, for a variety of reasons, has ballooned. As of June 30, the accumulated debt stood at about \$8 million, according to a report released Thursday.

That's not a huge number compared to the pension as a whole, but is significant when divvied up among the remaining Tier I employees, who now number fewer than 300 (more recent recruits don't receive the benefit and don't share in the cost).

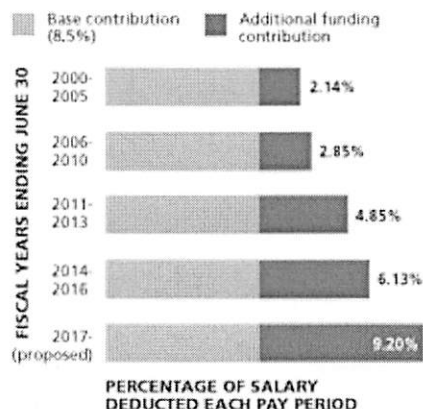
Based on calculations done by the pension actuary, the payments Tier I employees make for the AFC will need to increase to 9.2 percent of payroll starting in July, up from the current 6.13 percent. The AFC cost was just 2 percent of payroll when the benefit was created.

The AFC contribution rate — which is on top of an 8.5 percent deduction from employee salaries that existed before the benefit was added — could climb even higher if the pension fund's investments miss their targets or if the remaining Tier I employees retire or resign sooner than anticipated, compounding the problem for those left behind.

After meeting privately with representatives of the police and fire unions in the spring, City Manager Greg Burris enlisted the pension Board of Trustees to help research the issue. The initial results of that research, discussed at a board meeting Oct. 15, left more than a few unanswered questions. But the city and the unions appear to agree on the need for action.

## AS BENEFIT PROVES COSTLY, EMPLOYEES PAY MORE

The amount deducted from the paychecks of Tier I police and firefighters has increased through the years to account for the cost of an early retirement benefit.



A graph showing the payroll deduction police and firefighters pay for an early retirement pension benefit.

(Photo: Amos Bridges/News-Leader)

"Ultimately something has to be done," said Mike Evans, president of the Springfield Police Officers Association. "You could get to a point where the remaining guys could be paying 100 percent of their salary (to pay off the AFC debt). That's not feasible."

Burris said the city must strike a "careful balance" as it seeks a solution.

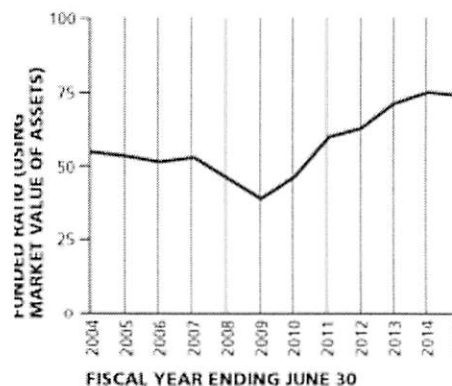
"This is a complex issue," he said. "The last thing we want to do is drive our most senior employees toward retirement ... At the same time, there is an obligation that has been created."

As officials try to decide who should (and who will) pay that \$8 million bill, I expect they'll be considering it from a variety of angles: What's fair? What's legal? What's practical?

Here's my take:

## SPRINGFIELD POLICE-FIRE PENSION FUNDED RATIO

The funding level of Springfield's police-fire pension has improved since the 3/4-cent sales tax was approved in 2009, although recent stock market losses caused positive momentum to stall in the most recent fiscal year.



A graph showing the funded ratio of the Springfield Police-Fire Pension in 2015

(Photo: Amos Bridges/News-Leader)



## Winners and losers

First things first — don't expect fair and equitable to factor into the solution to any great extent. The AFC was unfair from the start, allowing those who gained the most to pay the least.

Veteran police and firefighters were able to gain the full benefit retroactively, allowing them to almost immediately retire early without paying a fair share.

"The day the agreement was signed, there was an immediate \$3 million liability created," Burris said. "There were winners and losers in that agreement."

Negotiated during the 1990s stock market boom, the deal was a classic example of kicking the can down the road. Employees got a significant retirement boost, rather than raises that would have cut into the money the city allocated to other projects (Hello, Jordan Valley Park).

Spread out among active police and fire employees, that initial debt didn't seem too heavy a burden, especially with investment returns expected to offset some of the cost. It didn't have to be paid immediately, either, as the assumption was there would be a steady stream of new recruits to help share the cost over several decades.

It didn't work out that way, however. Faced with escalating pension costs but unable to cut benefits for existing employees, the city in 2006 created a second pension plan with reduced benefits for new recruits (later migrating those employees to the state LAGERS system).

The change meant the remaining Tier I employees were left with the accumulated AFC debt, unable to share the burden with future hires.

"If it had continued to be an open plan ... you're talking about mere fractions of percentages," said Evans, of the SPOA.

Police and fire representatives have said the unilateral changes made by the city increased the debt. In 2010, City Council accepted some of the blame and agreed to make a \$4.75 million lump sum payment to settle the issue.

Police and fire representatives said at the time — publicly and in written agreements incorporated into the City Code — that the settlement would end the city's responsibility. But that's not what they are saying now.

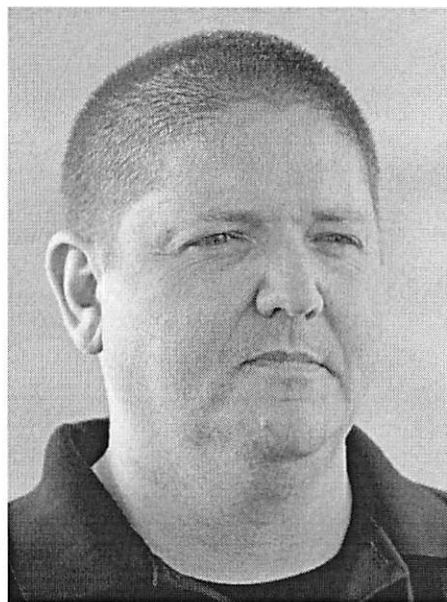
Shawn Martin, president of the firefighters union, opened the door in July when he said it would be "worth reopening that conversation" if new information came to light that wasn't known when the agreement was reached in 2010.

Evans, the police union representative, was more direct Thursday, saying he thinks the city "misrepresented material facts" about the impact closing the plan had on the amount employees owe.



**Greg Burris**

(Photo: File photo)



**Mike Evans, president of the Springfield Police Officers Association**

(Photo: News-Leader file photo)

"There was poor math used back then, which had a significant effect now," he said, suggesting the \$4.75 million settlement didn't cover the full cost of the city's changes and the city "absolutely" remains responsible for some of the cost.

Told of Evans' statements Friday, Burris said it was "the first I've heard that the SPOA thinks the actuarial estimates at the time weren't accurate."

"Obviously they voluntarily signed the agreement," Burris said. "We felt like we negotiated in good faith."

Still, he left the door open to further negotiation.

"Eventually that will be something for the elected officials to decide," he said. "If there's a new set of circumstances and they want to reconsider it, they have every right to do that."

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Best Apartment Complex

## A question of law

Setting aside the question of who *ought* to pay the bill, who has to?

City ordinances — those adopted when the AFC was created as well as bills related to the 2010 settlement — don't mince words.

According to the terms of the 2010 agreement (a resolution later memorialized in the City Code), the city will "owe no more contributions toward the AFC at any point in the future, regardless of the amount of future AFC increases. Tier I employees will own any and all current and future liability associated with the AFC-related benefit."

What isn't clear is what will happen if the remaining Tier I employees retire or resign while the debt is unpaid.

A memo from the city's legal counsel, distributed Thursday, laid the responsibility on "plan participants ... employed on or after June 14, 2010" who were eligible to receive the AFC benefit.

Burris suggested that the use of the term "plan participant," rather than active employee, means those police and firefighters will remain liable even after they retire.

"That's probably an area where we'll seek clarification," he said.

Trying to collect money for the AFC debt from retirees, however, appears to me to be a losing battle. Once an employee retires, Missouri law treats public pension benefits as a contract, of a sort.

"To my knowledge, based on state statutes, you can't require them to reduce their benefits," Burris said. "So anyone retired is sort of out of the game."

The city could, if the unions agreed, end the AFC for the remaining Tier I employees, causing them to earn retirement credit at a slower rate. But that would just eliminate potential contributors without doing anything about the \$8 million in accrued debt.

The union position (and the result that seems most likely to me, if the question was taken to court) is that the city ultimately is responsible: As the administrator of the pension plan, the city is on the hook to make promised benefit payments, even those that were supposed to be funded with something other than taxpayer dollars.


"The city is the financial backstop," Evans said. If no employees are left standing, that leaves the city (read: citizens like you and me) "stuck holding the bag."



Springfield police and firefighters agreed to pay for a boost in retirement benefits through a payroll deduction in 1999.

(Photo: News-Leader file photo)


**NEW**  
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**Dr. Jason Crockett D.C.**



## About that sales tax...

In the end, city officials appear stuck between a rock and a hard place: If they try to hold the remaining Tier I police and firefighters to the agreed-upon terms, they risk being left with part or all of the debt when the employees bail.

The alternative is for the city to assume a part of the debt. Based on the tenor of the conversation so far, look for practicality to win out over principles.

Burris wouldn't talk much about potential solutions, reserving that for the collective bargaining table, but did say it will be up to City Council to decide "what is best overall for the city in the long term."

He noted that retaining experienced employees is important to citizens, who "don't want to lose their most senior police and fire employees, and have a mass exodus."

Evans said he expects negotiations to tackle "what's fixable and what's amicable."

"How much do we own and what's reasonable?" he said. "The long-term goal is to make this thing sustainable."

Revenue from the 3/4-cent pension sales tax, approved in 2009 and renewed last year, could factor into the agreement.

The tax is set to expire in 2019 but, according to the ballot language approved by voters, will sunset earlier if it reaches 100 percent funding before that.

Whether "100 percent" includes the AFC debt was the subject of continued questioning Thursday.

Without getting too deep in the weeds, here's the part that's pertinent for Joe Public: Based on the way the actuary has calculated the funded level in the past, "100 percent funded" would mean the pension fund has enough money to cover all of its debts. If employees still owe money on the AFC, the only way for the plan to hit 100 percent is if the taxpayer side of the ledger has extra money to balance out the employee debt.

Think of it this way: A night at the movies costs \$30. You've got \$20, but your date has just \$10. He or she is short the \$5 that would make this a fair, dutch date, but together you have 100 percent of what you need.

Evans suggested the "excess" sales tax revenue left over when the plan reaches 100 percent could (and perhaps, should) be applied to all or part of the AFC debt.

Using sales tax revenue for the AFC wasn't part of the discussion when the tax was on the ballot in 2009 and 2014 — the intent, based on remarks by City Council members and others, was for the sales tax to fund the city's burden, while employee contributions pay for the AFC.

Based on the city's legal review, the ballot language doesn't appear to prevent the application: It stipulates only that the tax proceeds be used "solely for the purpose of providing revenues for the Springfield Police and Firefighters Pension System ..."

"The language allows it," Evans said. "The only thing that precludes it is the AFC ordinance (mandating that the debt be paid by employees). And that can be changed by council."



Nothing's set in stone at this point, of course — as both Evans and Burris noted, collective bargaining has yet to begin. But I expect that, when it comes to splitting up that \$8 million pie, taxpayers will end up eating a slice in whatever plan is presented to City Council next year.

That could come in the form of another lump sum payment, like the one negotiated in in 2010. But that wouldn't necessarily put the issue to bed once and for all.

I think the more likely scenario is that the city and unions will agree to lock in the rate that Tier I employees pay for the AFC — probably somewhere between the current 6.13 percent and the 9.2 recommended by the actuary.

That removes the risk that employee costs will rise precipitously in the future, reducing the chance they'll jump ship (and stop paying on the debt altogether).

If investment returns and other assumptions hold true, the taxpayers might not have to pay much more than they do now. If costs do increase, citizens will be left with the bill.

For that, you can thank the retired police officers, firefighters and city officials who inked the AFC deal in 1999. The mess they left has outlasted any of their financial forecasts.

Here's hoping the cleanup is the real deal this time, not just sweeping the problem under the rug for someone to stumble upon in another five years.

*Editor's note: An earlier version of this story incorrectly described Tier I pension payments as tax-free. Only duty disability pension payments are tax-free; those granted for normal age and service retirements are taxable.*

## Memorandum

To: Greg Burris  
From: Scott Hunt  
Stephen J. Evans

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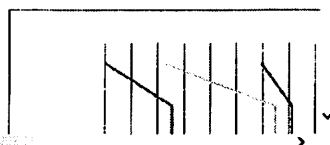
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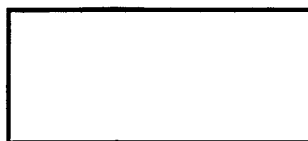
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## Pension funding level unmoved after rough market year

After a rough year on the stock market, the financial status of Springfield's police-fire pension fund is about the same as it was a year ago, according to a report released Thursday detailing the plan's experience during the 2014-2015 fiscal year.

As of June, the fund had about \$322 million in assets, enough to pay a little more than 71 percent of the estimated \$452 million in future benefits promised to retirees

Based on current assumptions — and a 7 percent investment return in future years — the plan is likely to be at or near full funding in 2019, when the sales tax is due to expire normally.



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**City of Hannibal Police & Fire:**

At the third quarter 2015 meeting, the JCPER heard information about a proposed employee contribution rate increase for members of the City of Hannibal Policemen & Firemen Fund. On October 20, 2015 the Hannibal City Council amended its city code to increase the employee contribution rate.

The employee contribution rate is currently set at 12%. Beginning in July 2016, the employee contribution rate will increase by one-half percent annually until it reaches 15% in July 2021.

A copy of the adopted resolution to amend the city code is attached.

**RESOLUTION NO. 2017-15**

**A RESOLUTION AMENDING THE CITY OF HANNIBAL, MISSOURI POLICEMEN AND  
FIREMEN RETIREMENT FUND, PLAN DOCUMENT  
SECTION 2.02 "EMPLOYEE CONTRIBUTIONS"**

**WHEREAS**, the City of Hannibal, Missouri ("City") sponsors the City of Hannibal, Missouri  
Policemen and Firemen Fund ("Plan"), and

**WHEREAS**, pursuant to Section 9.01 of the Plan, the City reserves the right at any time to  
amend, modify or terminate the Plan in it entirety, and

**WHEREAS**, the City wishes to amend the Plan to increase employee contributions to the Plan  
over six (6) years.

**NOW THEREFORE BE IT RESOLVED, THE CITY OF HANNIBAL COUNCIL HEREBY  
AMENDS THE POLICEMEN AND FIREMEN PLAN DOCUMENT AS FOLLOWS:**

**SECTION ONE:** Effective July 1, 2016; Section 2.02 of the Plan is hereby deleted and replaced  
with the following new Section 2.02:

**"2.02 EMPLOYEE CONTRIBUTIONS"**

The City shall deduct the following percentage applicable to each Plan Year from each Member's  
gross compensation (as defined in Section 2.01 above) on an after-tax basis and contribute it to the  
Plan:

July 1, 2016 - June 30, 2017	12.5%
July 1, 2017 - June 30, 2018	13%
July 1, 2018 - June 30, 2019	13.5%
July 1, 2019 - June 30, 2020	14%
July 1, 2020 - June 30, 2021	14.5%
July 1, 2021 - June 30, 2022 and subsequent Plan Years	15%

**SECTION TWO:** This Resolution shall become effective immediately upon its adoption and approval.

ADOPTED this 20<sup>th</sup> day of October, 2015.


APPROVED this 20<sup>th</sup> day of October, 2015.

  
Roy G. Hark, Mayor

ATTEST: -

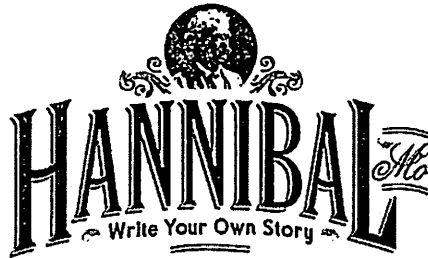
  
Angelica N. Vance, MRCC - City Clerk

"I hereby certify that this is a true  
and exact copy of the document."

  
City Clerk

2017-15

Office of City Clerk



Angelica N. Vance, MRCC

## MEMORANDUM

TO: MAYOR HARK  
CITY COUNCIL MEMBERS

FROM: ANGELICA N. VANCE, MRCC *[Signature]* MIKE BENJAMIN,  
City Clerk/P&F Secretary-Treasurer P&F Board Chairman

DATE: OCTOBER 6, 2015

SUBJECT: POLICE & FIRE RETIREMENT PLAN DOCUMENT AMENDMENT  
*Section 2.02 Employee Contributions*

During the September 23, 2015 Police and Fireman's Retirement Board meeting, a modification of the current Plan Document, relating to *Section 2.02 Employee Contributions*, was approved.

Pursuant to Section 9.01 of the Plan Document, the City reserves the right at any time to amend, modify or terminate the Plan in its entirety.

The Board is recommending Council approval of the following amendment, to be effective July 1, 2016. Such amendment modifies the Plan to increase Employee contributions to the Fund over six (6) years as follows:

July 1, 2016 - June 30, 2017	12.5%
July 1, 2017 - June 30, 2018	13%
July 1, 2018 - June 30, 2019	13.5%
July 1, 2019 - June 30, 2020	14%
July 1, 2020 - June 30, 2021	14.5%
July 1, 2021 - June 30, 2022 and subsequent Plan Years	15%

This increase is a proactive measure of the Board and will be crucial for the Plan to sustain the impacts of the upcoming eligible retirements (15) along with the outlay of cash for the refund of contributions in excess of \$1 million, plus helping to ensure the Plan stays "alive" for the duration of time.

The actuary and the State of Missouri, Joint Committee on Public Employee Retirement Systems are both in favor of this increase.

Your consideration and approval is appreciated.

City of Hannibal 320 Broadway, Hannibal, MO 63401  
P 573.221.0111 F 573.221.8191  
[www.hannibal-mo.gov](http://www.hannibal-mo.gov)



I hereby certify that this is a true and exact copy of the document.

*Angelica N. Vance*  
City Clerk

**AMENDMENT  
TO THE  
CITY OF HANNIBAL, MISSOURI  
POLICEMEN AND FIREMEN RETIREMENT FUND**

**WHEREAS**, the City of Hannibal, Missouri ("City") sponsors the City of Hannibal, Missouri Policemen and Firemen Retirement Fund ("Plan");

**WHEREAS**, pursuant to Section 9.01 of the Plan, the Plan may be amended by the City from time to time; and

**WHEREAS**, the City wishes to amend the Plan to increase employee contributions to the Plan;

**NOW, THEREFORE**, the City hereby amends the Plan as follows, the same to be effective as of July 1, 2016:

*Section 2.02 of the Plan is hereby deleted and replaced with the following new Section 2.02:*

**"2.02 EMPLOYEE CONTRIBUTIONS"**

The City shall deduct the following percentage applicable to each Plan Year from each Member's gross compensation (as defined in Section 2.01 above) on an after-tax basis and contribute it to the Plan:

July 1, 2016 - June 30, 2017	12.5%
July 1, 2017 - June 30, 2018	13%
July 1, 2018 - June 30, 2019	13.5%
July 1, 2019 - June 30, 2020	14%
July 1, 2020 - June 30, 2021	14.5%
July 1, 2021 - June 30, 2022 and subsequent Plan Years	15%

THIS AMENDMENT has been executed this 20<sup>th</sup> day of October 2015.

**CITY OF HANNIBAL, MISSOURI**

By: Roy G. Hark  
Roy.G. Hark  
Title: Mayor

ATTEST:

Angelica N. Vance, MRCC  
Angelica N. Vance, MRCC – City Clerk

"I hereby certify that this is a true and exact copy of the document."  
Angelica N. Vance, MRCC  
City Clerk



**Hannibal Police & Fire Investment Information:**

As of October 23, 2015, the asset value amount was \$15,131,244.61.

**Investment Manager:**

Hannibal has used Meritage Portfolio Management since 2007.

**Asset Allocation:**

Equities: target of 60%, range of 50-70%

Fixed Income: target of 40%, range of 30-50%

**As of October 23, 2015, actual asset values were:**

Equities: 55%, \$8,340,313

Bonds: 38%, \$5,685, 242

Cash: 7%, \$1,105,689 (high but will decrease later in the month)

Yield-Focus Equities: 22%

Value Equities: 17%

Growth Equities: 16%

Fixed Income: 38%

Cash: 7%

**Invested in four funds:**

1. Meritage Value Equity Only
2. Meritage Growth Equity Only
3. Meritage Yield-Focus Equity Only
4. Meritage Fixed Income

**Portfolio Return:**

QTD (9/30/15-10/23/15): 4.0%

YTD (12/31/14-10/23/15): 0.8%

1-Year (9/30/14-9/30/15): -1.1%

3-Year (9/30/12-9/30/15): 7.1%

5-Year (9/30/10-9/30/15): 7.6%

Inception (1/31/07-9/30/15): 4.6%

# Hannibal, Mo. Police & Firemen Pension Plan – Combined Portfolios

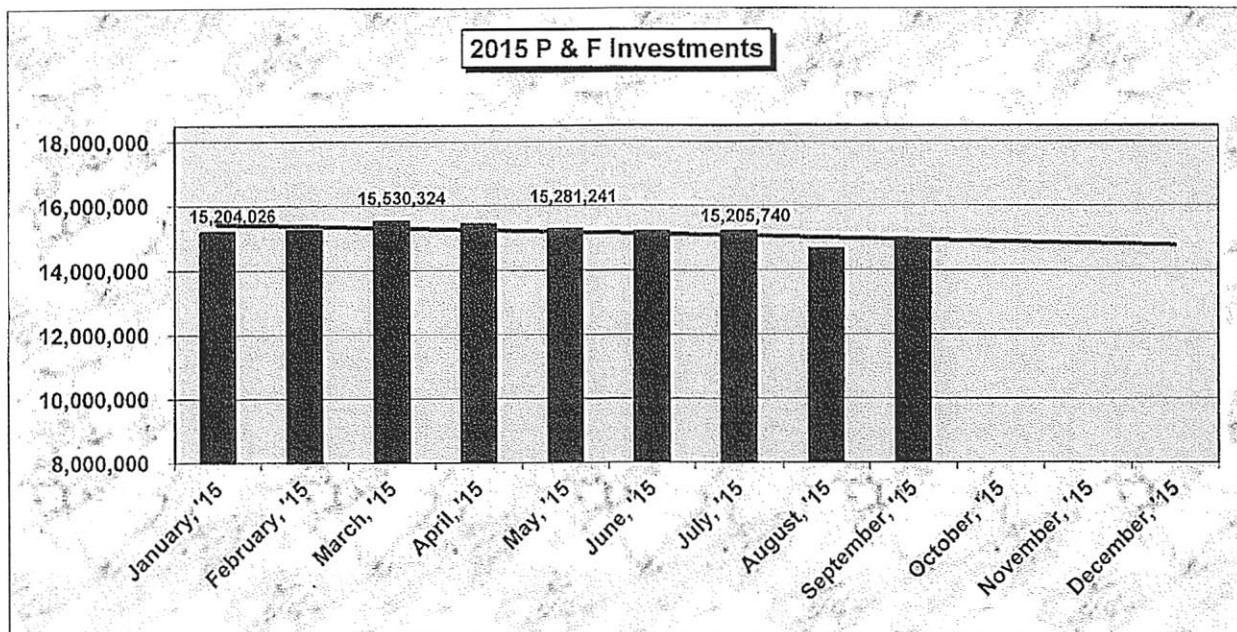
## #0268, A, B, Y

	Q-T-D 09/30/15 Thru 10/23/15	Y-T-D 12/31/14 Thru 10/23/15	1-Year 09/30/14 Thru 09/30/15	(Annualized) 3-Years 09/30/12 Thru 09/30/15	(Annualized) 5-Years 09/30/10 Thru 09/30/15	(Annualized) Inception 01/31/07 Thru 09/30/15
<b>Portfolio Return</b>	<b>4.0%</b>	<b>0.8%</b>	<b>-1.1%</b>	<b>7.1%</b>	<b>7.6%</b>	<b>4.6%</b>
<b>Meritage Value Equity Only</b>						
Russell 1000 Value Benchmark	6.1%	2.2%	1.9%	13.9%	12.8%	N/A
Lipper Large Cap Value Peer Group	7.8%	-1.8%	-4.4%	11.6%	12.3%	3.9%
	8.0%	-1.5%	-5.3%	11.0%	11.0%	3.8%
<b>Meritage Growth Equity Only</b>						
Russell 1000 Growth Benchmark	6.5%	4.2%	4.5%	14.5%	14.6%	N/A
Lipper Large Cap Growth Peer Group	7.8%	6.1%	3.2%	13.6%	14.5%	7.6%
	7.5%	4.9%	2.0%	13.1%	13.0%	6.4%
<b>Meritage Yield-Focus Equity Only</b>						
Russell 3000 Value Benchmark	8.0%	-4.6%	-11.4%	7.0%	9.9%	4.4%
Zacks Multi-Asset Income Total Return Index	7.7%	-2.0%	-4.2%	11.4%	12.1%	3.8%
	7.5%	-7.7%	-19.2%	-0.1%	5.6%	2.3%
<b>Meritage Fixed Income</b>						
Merrill Lynch 1-5 Year Corp/Gov't. Benchmark	0.5%	2.2%	2.0%	1.4%	2.1%	3.3%
Merrill Lynch US Corp/Gov't 1-10 yr Benchmark	0.1%	1.7%	2.0%	1.2%	1.7%	3.4%
	0.2%	2.1%	2.7%	1.5%	2.5%	4.3%
<b>Meritage Equity Strategies (Including Cash)</b>						
Meritage Value Equity Strategy**	5.6%	2.0%	1.5%	13.4%	12.6%	5.1%
Meritage Growth Equity Strategy***	6.0%	4.0%	4.5%	13.7%	13.6%	8.3%
Meritage Yield-Focus Equity Strategy****	7.7%	-4.7%	-11.2%	7.0%	9.7%	5.3%
<b>General Market Benchmarks</b>						
S&P 500 Benchmark	8.2%	2.5%	-0.6%	12.4%	13.3%	5.6%
91 Day Treasury Bills Benchmark	0.0%	0.0%	0.0%	0.0%	0.1%	0.8%

Investment began in Meritage Value Equity Strategy in 09/07.



P & F Retirement Fund Value - 2015			
Month	Balance	Net Gain/Loss	
December, '14	14,903,620.00		
January, '15	15,204,026.00	300,406.00	2.02%
February, '15	15,239,065.00	35,039.00	0.23%
March, '15	15,530,324.00	291,259.00	1.91%
April, '15	15,434,783.00	(95,541.00)	-0.62%
May, '15	15,281,241.00	(153,542.00)	-0.99%
June, '15	15,204,184.00	(77,057.00)	-0.50%
July, '15	15,205,740.00	1,556.00	0.01%
August, '15	14,665,727.00	(540,013.00)	-3.55%
September, '15	14,962,782.00	297,055.00	2.03%
October, '15			
November, '15			
December, '15			



## Current Equity Holdings By Sector – Meritage Value

PORTFOLIO STOCK HOLDINGS BY ECONOMIC SECTOR  
**MERITAGE VALUE EQUITY FUND**

**9100**

September 30, 2015

### ENERGY

CHEVRON CORP  
 MARATHON PETE CORP  
 ROYAL DUTCH SHELL PLC-ADR A

### CONSUMER-DISCRETIONARY

FORD MOTOR  
 MAGNA INTL CL A

### FINANCIALS

ASPEN INSURANCE HOLDINGS LTD  
 AXIS CAPITAL HOLDINGS LTD  
 FIDELITY & GUARANTY LIFE  
 HORACE MANN EDUCATORS CORP  
 KEYCORP  
 METLIFE INC  
 PRUDENTIAL FINANCIAL INC  
 REINSURANCE GROUP OF AMERICA  
 INC  
 TORCHMARK CORP  
 VOYA FINANCIAL INC  
 W.R. BERKLEY CORPORATION

### INFORMATION TECHNOLOGY

BROCADE COMMUNICATIONS SYS  
 CHECK POINT SOFTWARE TECH  
 COGNIZANT TECH SOLUTIONS CL A  
 HEWLETT-PACKARD CO  
 KEYSIGHT TECHNOLOGIES INC  
 MENTOR GRAPHICS  
 SYNOPSYS  
 WNS HOLDINGS LIMITED ADR

### INDUSTRIALS

ENERSYS  
 GENERAL DYNAMICS CORP  
 KORN/FERRY INTERNATIONAL  
 NORTHROP GRUMMAN  
 RAYTHEON COMPANY  
 SOUTHWEST AIRLINES  
 UNIFIRST CORP

### CONSUMER-STAPLES

ARCHER DANIELS MIDLAND  
 CVS HEALTH CORP  
 SANDERSON FARMS

### HEALTH CARE

AETNA INC  
 AMERISOURCEBERGEN CORP  
 CIGNA CORP  
 ICON PLC  
 MAGELLAN HEALTH INC  
 TARO PHARMACEUTICAL IND  
 TEVA PHARMACEUTICAL ADS  
 UNITEDHEALTH GROUP INC

### UTILITIES

ENTERGY CORP  
 UTILITIES SELECT SECTOR SPDR

### TELECOMMUNICATION SERVICES

ISHARES S&P GLOBAL  
 TELECOMMUNICATIONS SECT  
 VANGUARD TELECOM SERVICES ETF

### OTHER EQUITIES

ISHARES RUSSELL 1000 VALUE





# Current Equity Holdings By Sector – Meritage Growth

PORTFOLIO STOCK HOLDINGS BY ECONOMIC SECTOR  
**MERITAGE GROWTH EQUITY FUND**

**9102**

September 30, 2015

## ENERGY

SCHLUMBERGER LTD  
 WESTERN REFINING INC.

## CONSUMER-DISCRETIONARY

CRACKER BARREL OLD COUNTRY  
 STORE INC  
 DOLLAR GENERAL CORP  
 FOOT LOCKER INC  
 HELEN OF TROY CORP LTD  
 HOME DEPOT INC  
 PRICELINE.COM INCORPORATED  
 TJX COMPANIES

## FINANCIALS

ACE LIMITED  
 ALLSTATE CORP  
 AON PLC ADR  
 EVEREST RE GROUP LTD

## INFORMATION TECHNOLOGY

ACCENTURE PLC  
 AKAMAI TECHNOLOGIES  
 APPLE COMPUTER INC  
 CISCO SYSTEMS INC  
 COHERENT INC  
 F5 NETWORKS INC  
 FISERV INC  
 GOOGLE INC CL A  
 MASTERCARD INC  
 NETSCOUT SYSTEMS INC  
 NVIDIA CORP  
 NXP SEMICONDUCTORS NV  
 PTC INC  
 SANMINA CORP  
 TESSERA TECHNOLOGIES INC.

## MATERIALS

WESTLAKE CHEMICAL CORP

## CONSUMER-STAPLES

COLGATE-PALMOLIVE  
 DR PEPPER SNAPPLE GROUP INC

## INDUSTRIALS

ACUTY BRANDS INC  
 AMETEK INC  
 DANAHER CORP  
 DELUXE CORP  
 EQUIFAX INC  
 MIDDLEBY CORP  
 SNAP-ON INC  
 TEXTRON

## HEALTH CARE

AMGEN  
 BIOGEN INC  
 CAMBREX CORPORATION  
 CELGENE CORP  
 CYBERONICS INC  
 EDWARDS LIFESCIENCES  
 GILEAD SCIENCES INC  
 GREATBATCH INC  
 HEALTHNET INC  
 JOHNSON & JOHNSON  
 METTLER-TOLEDO INTERNATIONAL  
 SHRE PLC ADR

## Current Equity Holdings By Sector – Meritage Yield-Focus

PORTFOLIO STOCK HOLDINGS BY ECONOMIC SECTOR  
**MERITAGE YIELD-FOCUS EQUITY FUND**

9105

September 30, 2015

**ENERGY**

B P PLC-SPON ADR  
ENBRIDGE ENERGY PARTNERS LP  
ENTERPRISE PRODS PARTNERS L.P.  
ROYAL DUTCH PETROLEUM COMPANY  
TOTAL SA  
WILLIAMS PARTNERS L.P.  
WOODSIDE PETROLEUM LTD ADR

**CONSUMER-DISCRETIONARY**

BUCKLE INC  
GARMIN LTD ADR  
LAS VEGAS SANDS CORP  
MATTTEL INC

**FINANCIALS**

ALLIANCEBERNSTEIN HOLDING LP  
BANCO LATINOAMERICANO DE  
EXPORTACIONES SA  
BGC PARTNERS INC  
CARLYLE GROUP LP  
EPR PROPERTIES  
HSBC HOLDINGS PLC  
KKR & CO. L.P.  
LEXINGTON REALTY TRUST  
MEDICAL PROPERTIES TRUST INC.  
OLD REPUBLIC INTL  
OMEGA HEALTHCARE INVESTORS INC.  
SOLAR CAPITAL LTD  
STAG INDUSTRIAL INC  
WADDELL & REED FINANCIAL INC  
WEYERHAEUSER 6.375% CONV PFD  
7/1/16  
ZURICH INSURANCE GROUP LTD ADR

**INFORMATION TECHNOLOGY**

INTL BUSINESS MACHINES  
SEAGATE TECHNOLOGY  
STMICROELECTRONICS N V ADR

**MATERIALS**

ALCOA INC 5.375% CONV PFD 10/1/17

**INDUSTRIALS**

LOCKHEED MARTIN CORP

**CONSUMER-STAPLES**

ALTRIA GROUP INC  
PHILIP MORRIS INTERNATIONAL  
REYNOLDS AMERICAN INC  
UNIVERSAL CORP

**HEALTH CARE**

ASTRAZENECA PLC SPONSORED ADR  
GLAXOSMITHKLINE PLC SPONSORED  
ADR  
PFIZER INC  
QUALITY SYS INC

**UTILITIES**

ENERGY CORP  
EXELON CORP 6.5% CONV PFD 6/1/17  
NATIONAL GRID PLC (ADR)  
PPL CORP  
PUBLIC SERVICE ENTERPRISE GRP  
WESTAR ENERGY INC

**TELECOMMUNICATION  
SERVICES**

AT & T INC  
BCE INC ADR  
CENTURYLINK  
ROGERS COMMUNICATIONS CL B ADR  
SPARK NEW ZEALAND SPONSORED  
ADR  
TELSTRA CORP ADR  
VERIZON COMMUNICATIONS

JCPER Quarterly Rptg 2015 3rd Q	Beg. Market Value	End. Market Value	ROR 12 mos.	ROR 36 mos.	ROR 60 mos.	Assumed ROR
Afton FPD Retirement Plan	\$7,200,682	\$6,737,293	-1.3% (Net)	7.1% (Net)	7.4% (Net)	6.50
Antonia FPD Pension Plan	\$1,956,745	\$1,871,672	-8% (Net)	1.5% (Net)	1.5% (Net)	6.00
Black Jack FPD Retirement Plan	\$11,656,837	\$10,780,635	-7% (Net)	1% (Net)	1% (Net)	7.00
Bridgeton Employees Retirement Plan	\$26,068,351	\$24,448,497	-6.87% (Net)	3.67% (Net)	5.37% (Net)	7.50
Carthage Policemen's & Firemen's Pension Plan	\$6,509,925	\$6,300,416	6.31% (Net)	9.35% (Net)	8.59% (Net)	7.00
Columbia Police and Firemen's Retirement Plan	\$116,659,302	\$114,646,541	-1.47% (Net)	5.43% (Net)	6.03% (Net)	7.50
County Employees Retirement Fund	\$446,947,000	\$422,165,000	.17% (Gross)	7.97% (Gross)	8.47% (Gross)	8.00
Creve Coeur Employees Retirement Plan	\$21,810,257	\$20,220,758	-1.8% (Net)	6.9% (Net)	7.5% (Net)	7.50
Creve Coeur FPD Retirement Plan	\$10,349,822	\$9,659,746	n/a% (Gross)	n/a% (Gross)	n/a% (Gross)	7.00
Eureka FPD Retirement Plan	\$10,161,144	\$9,524,714	-7% (Net)	1% (Net)	1% (Net)	7.00
Fenton FPD Retirement Plan	\$26,583,061	\$24,952,173	-1.79% (Net)	6.24% (Net)	6.39% (Net)	7.50
Florissant Employees Pension Plan	\$11,445,979	\$11,340,937	0.18% (Net)	3.10% (Net)	3.27% (Net)	6.00
Florissant Valley FPD Retirement Plan	\$24,033,678	\$22,691,870	n/a% (Net)	n/a% (Net)	n/a% (Net)	6.75
Glendale Pension Plan	\$5,266,719	\$4,822,872	-2.76% (Gross)	N/A% (Gross)	n/A% (Gross)	7.50
Hannibal Police & Fire Retirement Plan	\$15,057,885	\$15,131,244	-1.1% (Gross)	7.1% (Gross)	7.6% (Gross)	7.50
Hazelwood Retirement Plan	\$35,755,675	\$33,185,133	-.49% (Net)	12.92% (Net)	12.32% (Net)	7.50
High Ridge Fire Protection District Pension Plan	\$7,511,721	\$7,120,392	-2.4% (Net)	5.7% (Net)	6.8% (Net)	7.00
Jackson County Employees Pension Plan	\$245,058,859	\$230,286,326	0.42% (Gross)	7.8% (Gross)	8.23% (Gross)	7.00
Jefferson City Firemen's Retirement System	\$17,039,939	\$16,141,959	-1.29% (Net)	3.77% (Net)	5.67% (Net)	5.50
Joplin Police & Fire Pension Plan	\$36,485,786	\$34,170,235	-4.15% (Net)	3.95% (Net)	4.89% (Net)	7.00
Kansas City Public School Retirement System	\$663,048,175	\$618,940,795	-2.47% (Net)	5.13% (Net)	6.60% (Net)	8.00
KC Area Transp Auth Slied Empl Pension Plan	\$15,770,393	\$15,205,206	0.30% (Gross)	7.36% (Gross)	8.00% (Gross)	7.50
KC Trans. Auth. Union Employees Pension Plan	\$44,016,073	\$41,737,857	-1.46% (Net)	6.85% (Net)	7.42% (Net)	7.50
LAGERS Staff Retirement Plan	\$9,179,327	\$8,724,323	-3.12% (Net)	6.83% (Net)	7.14% (Net)	7.25
Little River Drainage Dist Retirement Plan	\$1,308,833	\$1,294,375	-1.37% (Net)	2.2% (Net)	2.85% (Net)	5.00
LAGERS	\$6,356,832,833	\$5,972,545,725	-2.12% (Net)	7.61% (Net)	8.80% (Net)	7.25
Metro West FPD Retirement Plan	\$42,372,678	\$39,688,657	-1.78% (Net)	5.10% (Net)	5.34% (Net)	7.00
MoDOT & Highway Patrol Employees' Retirement S	\$2,003,769,229	\$1,949,146,850	3.65% (Net)	10.24% (Net)	10.05% (Net)	7.75
Missouri State Employees Retirement System	\$8,633,309,778	\$8,048,977,653	-6.4152% (Net)	4.7632% (Net)	6.7077% (Net)	8.00
North Kansas City Hospital Retirement Plan	\$250,086,958	\$239,616,491	-.04% (Net)	7.45% (Net)	8.16% (Net)	7.00
Olivette Salaried Employees' Retirement Plan	\$19,662,870	\$18,400,448	.4% (Net)	7.6% (Net)	8.6% (Net)	7.25
Overland Non-uniform Pension Fund	\$9,566,000	\$9,054,000	-0.93% (Net)	6.29% (Net)	6.56% (Net)	7.00
Overland Police Retirement Fund	\$12,817,000	\$11,839,000	-1.19% (Net)	6.48% (Net)	6.68% (Net)	7.00
Pattonville-Bridgeton FPD Retirement Plan	\$29,913,734	\$26,623,718	2.21% (Net)	14.62% (Net)	12.00% (Net)	7.75
Prosecuting Attorneys' Retirement System	\$37,361,488	\$35,724,080	-2.74% (Net)	5.45% (Net)	6.3% (Net)	7.25
Public Education Employees' Retirement System	\$3,959,547,468	\$3,787,092,992	0.8% (Net)	8.2% (Net)	8.5% (Net)	8.00
Public School Retirement System	\$34,613,404,600	\$32,953,779,581	0.8% (Net)	8.3% (Net)	8.7% (Net)	8.00
Richmond Heights Police & Fire Retirement Plan	\$46,825,435	\$47,413,016	5.2% (Net)	12.67% (Net)	10.95% (Net)	7.00
Rock Community FPD Retirement Plan	\$14,103,430	\$13,334,330	-1.32% (Net)	7.12% (Net)	7.61% (Net)	7.50
Rock Hill Police & Firemen's Pension Plan	\$2,023,670	\$1,854,055	1.39% (Net)	1.39% (Net)	1.39% (Net)	6.00
Saline Valley FPD Retirement Plan	\$2,267,154	\$2,144,738	-2.5% (Net)	5.7% (Net)	5.8% (Net)	7.00
Sedalia Firemen's Retirement Fund	\$7,265,519	\$6,832,473	-1.0% (Gross)	7.5% (Gross)	7.6% (Gross)	7.00
Sedalia Police Retirement Fund	\$3,311,585	\$2,999,317	-9.11% (Gross)	-.01% (Gross)	0% (Gross)	6.00

Sheriff's Retirement System	\$39,709,872	\$38,031,756	2.507% (Gross)	9.69% (Gross)	10.535% (Gross)	6.50
St. Joseph Policemen's Pension Fund	\$36,469,523	\$37,127,961	8.2% (Gross)	11.1% (Gross)	9.0% (Gross)	7.50
St. Louis County Employees Retirement Plan	\$622,630,039	\$584,020,390	.24% (Gross)	8.31% (Gross)	8.54% (Gross)	8.00
St. Louis County Library Dist Empl Pension Plan	\$43,057,890	\$40,042,253	-2.53% (Net)	5.08% (Net)	5.72% (Net)	7.00
St. Louis Firemen's Retirement System	\$486,058,897	\$449,434,041	-2.15% (Gross)	7.9% (Gross)	8.62% (Gross)	7.63
St. Louis Police Retirement System	\$697,680,259	\$677,880,941	-1.3% (Net)	5.8% (Net)	6.0% (Net)	7.75
Valley Park FPD Retirement Plan	\$5,251,606	\$4,929,419	-1.31% (Net)	7.26% (Net)	6.88% (Net)	7.00
<b>Totals</b>	\$57,788,412,454	\$54,761,488,004				



# Missouri Revised Statutes

## Chapter 105

### Public Officers and Employees--Miscellaneous Provisions

←105.660

#### **Section 105.661.1**

105.662→

August 28, 2015

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**All retirement plans to prepare financial report, content audit by state auditor and joint committee on public employee retirement--rules submitted to joint committee on public employee retirement, when--report required.**

105.661. 1. Each plan shall annually prepare and have available as public information a comprehensive annual financial report showing the financial condition of the plan as of the end of the plan's fiscal year. The report shall contain, but not be limited to, detailed financial statements prepared in accordance with generally accepted accounting principles for public employee retirement systems including an independent auditors report thereon, prepared by a certified public accountant or a firm of certified public accountants, a detailed summary of the plan's most recent actuarial valuation including a certification letter from the actuary and a summary of actuarial assumptions and methods used in such valuation, a detailed listing of the investments, showing both cost and market value, held by the plan as of the date of the report together with a detailed statement of the annual rates of investment return from all assets and from each type of investment, a detailed list of investments acquired and disposed of during the fiscal year, a listing of the plan's board of trustees or responsible administrative body and administrative staff, a detailed list of administrative expenses of the plan including all fees paid for professional services, a detailed list of brokerage commissions paid, a summary plan description, and such other data as the plan shall deem necessary or desirable for a proper understanding of the condition of the plan. In the event a plan is unable to comply with any of the disclosure requirements outlined above, a detailed statement must be included in the report as to the reason for such noncompliance.

2. Any rule or portion of rule promulgated by any plan pursuant to the authority of chapter 536, or of any other provision of law, shall be submitted to the joint committee on public employee retirement prior to or concurrent with the filing of a notice of proposed rulemaking with the secretary of state's office pursuant to section 536.021. The requirement of this subsection is intended solely for the purpose of notifying the joint committee on public employee retirement with respect to a plan's proposed rulemaking so that the joint committee on public employee retirement has ample opportunity to submit comments with respect to such proposed rulemaking in accordance with the normal process. Any plan not required to file a notice of proposed rulemaking with the secretary of state's office shall submit any proposed rule or portion of a rule to the joint committee on public employee retirement within ten days of its promulgation.

3. A copy of the comprehensive annual financial report as outlined in subsection 1 of this section shall be forwarded within six months of the end of the plan's fiscal year to the state auditor and the joint committee on public employee retirement.

4. Each defined benefit plan shall submit a quarterly report regarding the plan's investment performance to the joint committee on public employee retirement in the form and manner requested by the committee. If the plan fails to submit this report, the committee may subpoena witnesses, take testimony under oath, and compel the production of records regarding this information, pursuant to its authority under section 21.561.

(L. 1987 H.B. 713, A.L. 2002 H.B. 1674, A.L. 2011 H.B. 282)

2002

1991

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Missouri General Assembly

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