



# City of Columbia Police and Firemen's Retirement Fund Valuation Results as of September 30, 2025

Pre-Council Meeting June 1, 2026; Board Meeting June 5, 2026

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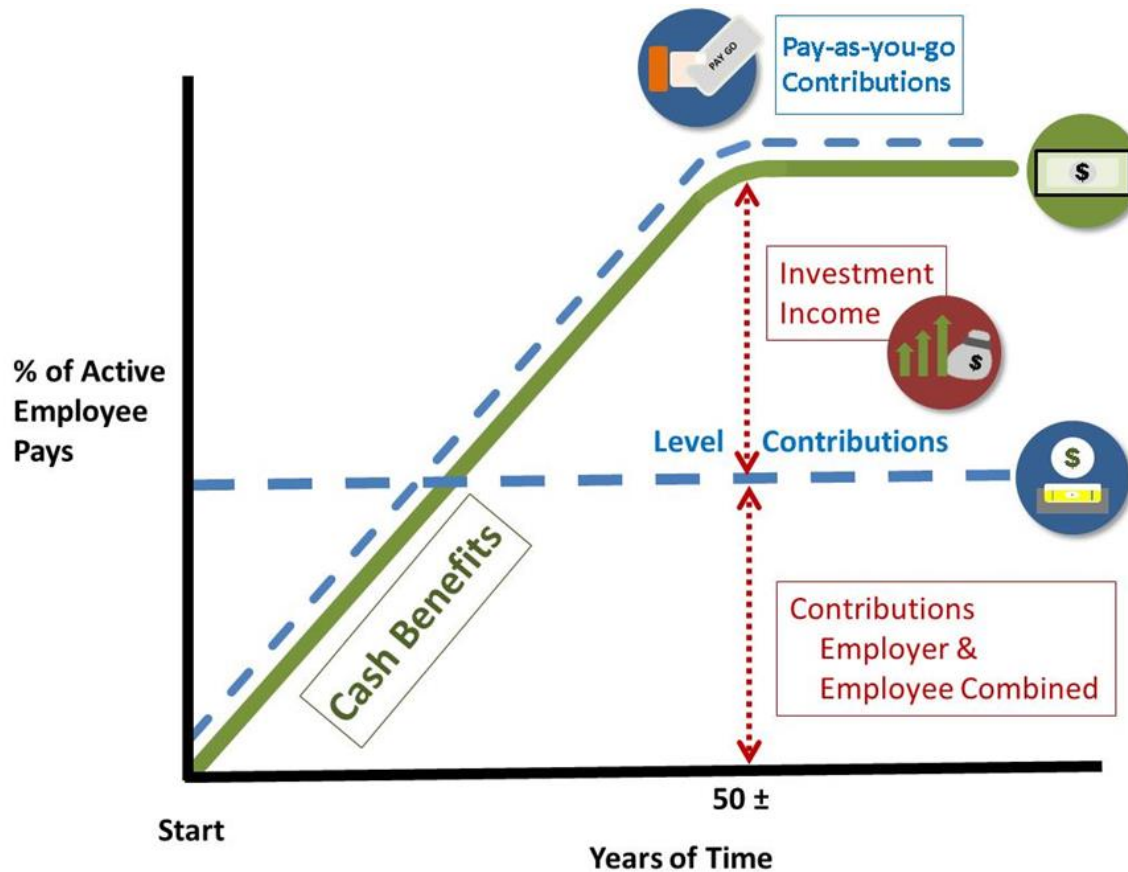


# Purpose of the Valuation (Cover Letter)

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- This presentation provides the results of the September 30, 2025 actuarial valuation of the City of Columbia Police and Firemen's Retirement Fund
- Purpose of the valuation is twofold
  - Determine the employer contribution rates for the fiscal year ending September 30, 2027
  - Measure the funding progress in relation to the actuarial cost method (i.e., what portion of the actuarial accrued liabilities are covered by the funding value of assets)

# Financing Increasing Benefit Obligations



# Actuarial Valuation Process

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- The actuarial valuation is the mathematical process by which the level contribution rate is determined, and the flow of activity constituting the valuation may be summarized as follows:
  - **Census Data**, furnished by the plan administrator
    - Retired lives now receiving benefits
    - Former members with vested benefits not yet payable
    - Active members (including DROP members)
  - **Asset Data**, furnished by the plan administrator
  - **Benefit Provisions**
  - **Actuarial Assumptions**
  - **Actuarial Funding Method**

# Active Members, Including DROP Members (Page B-10)

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## Police Fund

Year Ended	Number	Valuation Payroll	Averages		
			Age	Service	Pay
9/30/2021	154	\$ 9,549,884	37.3 yrs.	9.5 yrs.	\$ 62,012
9/30/2022	153	10,204,661	36.5	8.6	66,697
9/30/2023	134	9,962,032	37.0	9.3	74,344
9/30/2024	136	11,609,604	37.5	9.3	85,365
9/30/2025	153	12,584,298	36.4	8.5	82,250

## Fire Fund

Year Ended	Number	Valuation Payroll	Averages		
			Age	Service	Pay
9/30/2021	139	\$ 9,887,322	40.1 yrs.	11.0 yrs.	\$ 71,132
9/30/2022	143	11,186,790	39.2	10.2	78,229
9/30/2023	155	11,646,992	38.9	10.0	75,142
9/30/2024	168	13,690,946	38.3	9.1	81,494
9/30/2025	163	13,339,432	38.5	9.7	81,837

# Retirees and Beneficiaries (Page B-13)

## Police Fund

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		Benefits as % of Active Member Payroll	% Change in Annual Benefits
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits		
9/30/2021	10	\$ 303,619	6	\$ 96,213	180	\$ 5,803,632	60.77	+ 4
9/30/2022	14	501,938	3	48,734	191	6,256,836	61.31	+ 8
9/30/2023	10	421,073	3	26,505	198	6,651,404	66.77	+ 6
9/30/2024	8	217,406	3	48,563	203	6,820,247	58.75	+ 3
<b>9/30/2025</b>	<b>4</b>	<b>272,036</b>	<b>5</b>	<b>49,534</b>	<b>202</b>	<b>7,042,749</b>	<b>55.96</b>	<b>+ 3</b>

## Fire Fund

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		Benefits as % of Active Member Payroll	% Change in Annual Benefits
	No.	Annual Benefits	No.	Annual Benefits	No.	Annual Benefits		
9/30/2021	10	\$ 710,024	5	\$ 215,056	166	\$ 7,968,614	80.59	+ 7
9/30/2022	10	751,807	0	0	176	8,720,421	77.95	+ 9
9/30/2023	2	294,358	2	26,689	176	8,988,090	77.17	+ 3
9/30/2024	15	929,366	10	395,338	181	9,522,118	69.55	+ 6
<b>9/30/2025</b>	<b>9</b>	<b>537,174</b>	<b>6</b>	<b>131,665</b>	<b>184</b>	<b>9,927,627</b>	<b>74.42</b>	<b>+ 4</b>

# Funding Value of Assets (Page B-18)

Valuation Date September 30:	2023	2024	2025	2026	2027	2028
A. Funding Value Beginning of Year	\$ 167,884,963	\$ 174,408,798	<b>\$ 189,098,312</b>			
B. Market Value End of Year	167,748,886	204,520,353	<b>224,324,819</b>			
C. Market Value Beginning of Year	149,481,225	167,748,886	<b>204,520,353</b>			
D. Non-Investment Net Cash Flow	(1,841,929)	(891,619)	<b>797,511</b>			
E. Investment Income						
E1. Market Total: B - C - D	20,109,590	37,663,086	<b>19,006,955</b>			
E2. Assumed Rate of Investment Return	6.25%	6.25%	<b>6.25%</b>			
E3. Amount for Immediate Recognition	10,435,250	10,872,687	<b>11,843,567</b>			
E4. Amount for Phased-In Recognition: E1 – E3	9,674,340	26,790,399	<b>7,163,388</b>			
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.25 x E4	2,418,585	6,697,600	<b>1,790,847</b>			
F2. First Prior Year	(9,507,928)	2,418,585	<b>6,697,600</b>	\$ 1,790,847		
F3. Second Prior Year	5,100,188	(9,507,928)	<b>2,418,585</b>	6,697,600	\$ 1,790,847	
F4. Third Prior Year	(80,331)	5,100,189	<b>(9,507,928)</b>	2,418,585	6,697,599	\$ 1,790,847
F5. Total Phase-In Amount	(2,069,486)	4,708,446	<b>1,399,104</b>	10,907,032	8,488,446	1,790,847
G. Funding Value End of Year:						
G1. Preliminary Funding Value End of Year: A + D + E3 + F5	\$ 174,408,798	\$ 189,098,312	<b>\$ 203,138,494</b>			
G2. Corridor Percent	25%	25%	<b>25%</b>			
G3. Upper Corridor Limit: (100% + G2) x B	\$ 209,686,108	\$ 255,650,441	<b>\$ 280,406,024</b>			
G4. Lower Corridor Limit: (100% - G2) x B	\$ 125,811,665	\$ 153,390,265	<b>\$ 168,243,614</b>			
G5. Funding Value End of Year	\$ 174,408,798	\$ 189,098,312	<b>\$ 203,138,494</b>			
H. Difference between Market & Funding Value	(6,659,912)	15,422,041	<b>21,186,325</b>			
I. Recognized Rate of Return	5.0%	9.0%	<b>7.0%</b>			
J. Market Rate of Return	13.5%	22.5%	<b>9.3%</b>			
K. Ratio of Funding Value to Market Value	104.0%	92.5%	<b>90.6%</b>			

# Computed Employer Contribution Rates (Page A-1)

Contributions for	% of Active Payroll					
	Police			Fire		
	Pre- 10/1/2012	Post- 10/1/2012	Police Total*	Pre- 10/1/2012	Post- 10/1/2012	Fire Total*
Normal Cost of Benefits:						
Age and Service	22.77%	12.91%	16.39%	42.44%	19.64%	27.28%
Casualty	1.36	2.00	1.78	7.53	4.18	5.31
Refunds of Member Contributions	0.74	0.83	0.80	0.66	0.16	0.33
Administrative Expenses	0.35	0.35	0.35	0.35	0.35	0.35
Total	25.22%	16.09%	19.32%	50.98%	24.33%	33.27%
Less Member Contributions	3.50% &	4.50%	4.13%	16.32%	4.00%	8.41%
Employer Normal Cost	21.72%	11.59%	15.19%	34.66%	20.33%	24.86%
Unfunded Actuarial Accrued Liabilities (26-year amortization)	28.74%	28.74%	28.74%	34.31%	34.31%	34.31%
<b>TOTAL COMPUTED EMPLOYER CONTRIBUTION RATE</b>	<b>50.46%</b>	<b>40.33%</b>	<b>43.93%</b>	<b>68.97%</b>	<b>54.64%</b>	<b>59.17%</b>

\* Weighted average.

& There are currently no Police members in the Pre-10/1/2012 contributory group.



# Computed Actuarial Accrued Liabilities (Page A-2)

	<u>Police</u>	<u>Fire</u>	<u>Total Fund</u>
Computed Actuarial Accrued Liabilities:			
Retirees and Beneficiaries	\$ 92,601,175	\$ 144,620,616	\$ 237,221,791
Active Members, LOA Members & Vested Terminated Members	<u>46,464,334</u>	<u>68,399,089</u>	<u>114,863,423</u>
Total	139,065,509	213,019,705	352,085,214
Funding Value of Assets*	<u>73,171,800</u>	<u>129,966,694</u>	<u>203,138,494</u>
Unfunded Actuarial Accrued Liabilities	\$ 65,893,709	\$ 83,053,011	\$ 148,946,720
Total Percent Funded	9/30/2025	53%	61%
		61%	58%

\* The Police and Firemen's Retirement Fund is treated as two separate funds for purposes of accounting and administration, with assets pooled for investment purposes.

# Summary of Risk Measures (Page A-12)

## Police Fund

Valuation Date September 30,	Funded Ratio		UAAL Amortization Period	Total UAAL / Total Payroll	Total Funding Value of Assets / Total Payroll	Total AAL / Total Payroll	Standard Deviation of Investment Return / Total Payroll
	Based on AVA	Based on MVA					
2021 #	54 %	58 %	30	5.7	6.6	12.3	76 %
2022	51	46	29	5.9	6.2	12.0	58
2023	50	48	28	6.4	6.4	12.9	65
2024	51	55	27	5.7	5.9	11.6	67
2025	53	58	26	5.2	5.8	11.1	67

## Fire Fund

Valuation Date September 30,	Funded Ratio		UAAL Amortization Period	Total UAAL / Total Payroll	Total Funding Value of Assets / Total Payroll	Total AAL / Total Payroll	Standard Deviation of Investment Return / Total Payroll
	Based on AVA	Based on MVA					
2021 #	56 %	61 %	30	8.2	10.4	18.5	118 %
2022	53	48	29	8.2	9.4	17.5	88
2023	55	53	28	7.8	9.5	17.3	96
2024	57	62	27	6.6	8.8	15.4	100
2025	61	67	26	6.2	9.7	16.0	113

# Reflects changes in assumptions and for the 2021 valuation a change in the amortization period from 25 years to 30 years.

# Summary (Page A-8)

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- For the Police group, the total computed employer contribution rate as a % of payroll for fiscal year 2027 is 43.93% compared with 46.57% for fiscal year 2026.
  - The decrease in the computed employer contribution rate was primarily due to better than expected investment experience, total payroll increasing by approximately 8.4% versus the 2.75% it was expected to increase and an additional \$500,000 employer contribution in fiscal year 2025. The decrease was partially offset by losses related to higher than expected individual pay increases. The normal cost will continue to decrease as more active members come into the post-10/1/2012 benefit plan.
- For the Fire group, the total computed employer contribution rate as a % of payroll is 59.17% for fiscal year 2027 compared with 60.56% for fiscal year 2026.
  - The decrease in the computed employer contribution rate was primarily due to better than expected investment experience, more retired deaths than expected, lower than expected pay increases and an additional \$500,000 employer contribution in fiscal year 2025. The normal cost will continue to decrease as more active members come into the post-10/1/2012 benefit plan.

# Summary (Page A-8)

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- The employer plans to make an additional contribution of \$500,000 for Police and \$500,000 for Fire in fiscal year 2026. The additional contributions have been reflected in the computed contribution rates for fiscal year 2027.
- In the September 30, 2021 valuation, the amortization period was changed from 25 years to 30 years. If the amortization period had remained at 25 years in 2021, then the amortization period for the 2025 actuarial valuation would have been 21 years. Using a 21-year amortization period, the total required contribution rate for fiscal year 2027 would be 48.28% for Police and 64.35% for Fire.
- Given the fact that the last Experience Study (i.e., review of economic and demographic assumptions) was last completed after the September 30, 2020 annual valuation, we recommend that the Board have an updated Experience Study performed prior to the next annual valuation.

**THANK YOU**



# Disclaimers

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- This presentation is intended to be used in conjunction with the September 30, 2025 actuarial valuation report dated April 3, 2026. This presentation should not be relied on for any purpose other than the purpose described in the valuation report.
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