



City of Columbia Police and Firemen's Retirement Fund Valuation Results as of September 30, 2024

July 21, 2025

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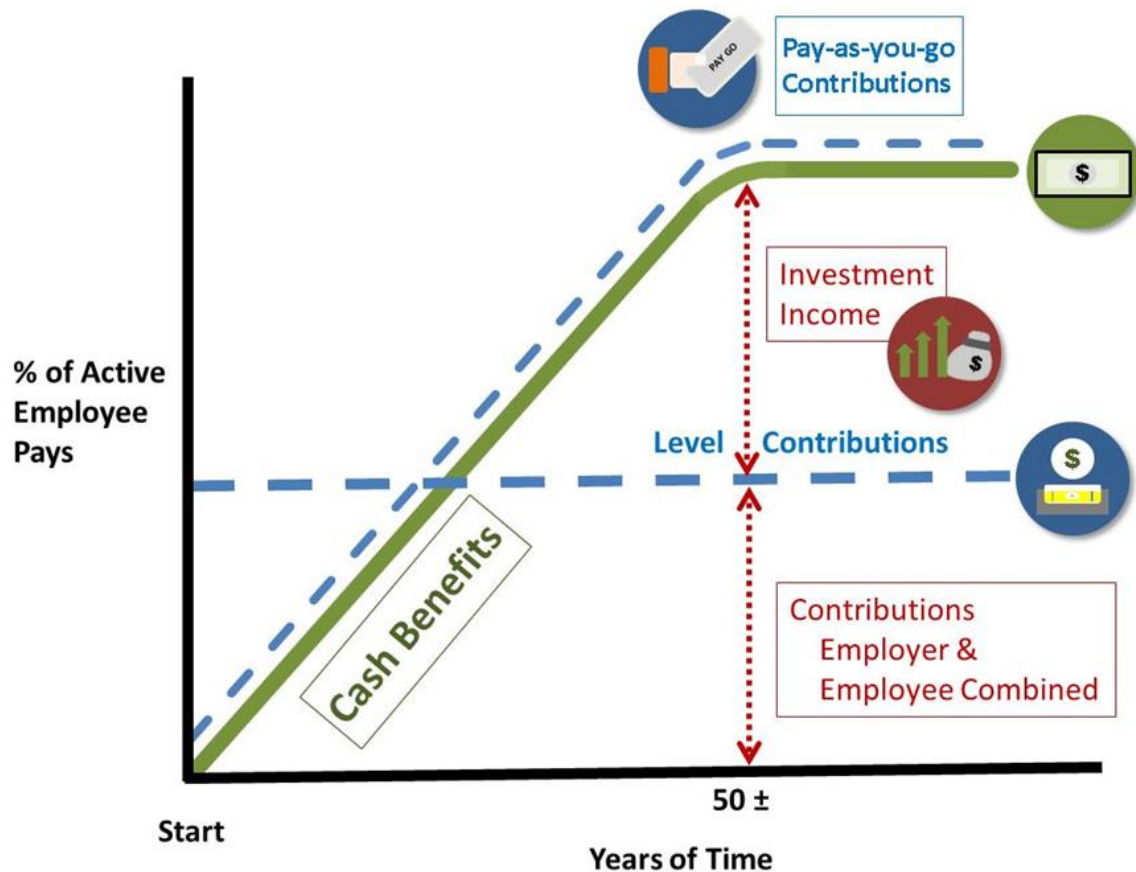
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Purpose of the Valuation (Cover Letter)

- This presentation provides the results of the September 30, 2024 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, 2026
 - 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

- 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)

Police Fund

Year Ended	Number	Valuation Payroll	Averages		
			Age	Service	Pay
9/30/2020	160	\$ 9,882,239	36.8 yrs.	9.1 yrs.	\$ 61,764
9/30/2021	154	9,549,884	37.3	9.5	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

Fire Fund

Year Ended	Number	Valuation Payroll	Averages		
			Age	Service	Pay
9/30/2020	137	\$ 9,592,099	40.3 yrs.	11.4 yrs.	\$ 70,015
9/30/2021	139	9,887,322	40.1	11.0	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

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		
9/30/2020	8	\$ 326,665	3	\$ 39,099	176	\$ 5,596,226	56.63	+ 5
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

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		
9/30/2020	6	\$ 467,161	5	\$ 156,110	161	\$ 7,473,646	77.91	+ 4
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

Funding Value of Assets (Page B-19)

Valuation Date September 30:	2022	2023	2024	2025	2026	2027
A. Funding Value Beginning of Year	\$ 165,684,667	\$ 167,884,963	\$ 174,408,798			
B. Market Value End of Year	149,481,225	167,748,886	204,520,353			
C. Market Value Beginning of Year	180,323,601	149,481,225	167,748,886			
D. Non-Investment Net Cash Flow	(3,070,018)	(1,841,929)	(891,619)			
E. Investment Income						
E1. Market Total: B - C - D	(27,772,358)	20,109,590	37,663,086			
E2. Assumed Rate of Investment Return	6.25%	6.25%	6.25%			
E3. Amount for Immediate Recognition	10,259,354	10,435,250	10,872,687			
E4. Amount for Phased-In Recognition: E1 – E3	(38,031,712)	9,674,340	26,790,399			
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.25 x E4	(9,507,928)	2,418,585	6,697,600			
F2. First Prior Year	5,100,188	(9,507,928)	2,418,585	\$ 6,697,600		
F3. Second Prior Year	(80,332)	5,100,188	(9,507,928)	2,418,585	\$ 6,697,600	
F4. Third Prior Year	(500,968)	(80,331)	5,100,189	(9,507,928)	2,418,585	\$ 6,697,599
F5. Total Phase-In Amount	(4,989,040)	(2,069,486)	4,708,446	(391,743)	9,116,185	6,697,599
G. Funding Value End of Year:						
G1. Preliminary Funding Value End of Year: A + D + E3 + F5	\$ 167,884,963	\$ 174,408,798	\$ 189,098,312			
G2. Corridor Percent	25%	25%	25%			
G3. Upper Corridor Limit: (100% + G2) x B	\$ 186,851,531	\$ 209,686,108	\$ 255,650,441			
G4. Lower Corridor Limit: (100% - G2) x B	\$ 112,110,919	\$ 125,811,665	\$ 153,390,265			
G5. Funding Value End of Year	\$ 167,884,963	\$ 174,408,798	\$ 189,098,312			
H. Difference between Market & Funding Value	(18,403,738)	(6,659,912)	15,422,041			
I. Recognized Rate of Return	3.2%	5.0%	9.0%			
J. Market Rate of Return	(15.5)%	13.5%	22.5%			
K. Ratio of Funding Value to Market Value	112.3%	104.0%	92.5%			

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	22.74%	12.92%	17.05%	42.09%	19.75%	27.95%
Casualty	1.37	2.02	1.75	7.70	4.12	5.43
Refunds of Member Contributions	0.73	0.82	0.78	0.65	0.16	0.34
Administrative Expenses	0.35	0.35	0.35	0.35	0.35	0.35
Total	25.19%	16.11%	19.93%	50.79%	24.38%	34.07%
Less Member Contributions	3.50% &	4.50%	4.07%	16.32%	4.00%	8.78%
Employer Normal Cost	21.69%	11.61%	15.86%	34.47%	20.38%	25.29%
Unfunded Actuarial Accrued Liabilities (27-year amortization)	30.71%	30.71%	30.71%	35.27%	35.27%	35.27%
TOTAL COMPUTED EMPLOYER CONTRIBUTION RATE	52.40%	42.32%	46.57%	69.74%	55.65%	60.56%

* 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	\$ 90,119,890	\$ 141,100,453	\$ 231,220,343
Active Members, LOA Members & Vested Terminated Members	<u>44,348,863</u>	<u>69,396,576</u>	<u>113,745,439</u>
Total	134,468,753	210,497,029	344,965,782
Funding Value of Assets*	<u>68,379,278</u>	<u>120,719,034</u>	<u>189,098,312</u>
Unfunded Actuarial Accrued Liabilities	\$ 66,089,475	\$ 89,777,995	\$ 155,867,470
Total Percent Funded	9/30/2024	51%	57%
			55%

* 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					
2020	56 %	56 %	26	4.7	6.0	10.6	86 %
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

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					
2020	58 %	58 %	26	7.0	9.7	16.7	140 %
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

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)

- For the Police group, the total computed employer contribution rate as a % of payroll for fiscal year 2026 is 46.57% compared with 50.72 % for fiscal year 2025.
 - The decrease was primarily due to better than expected investment experience and total payroll increasing by approximately 16.5% versus the 2.75% it was expected to increase, offset by higher than expected individual pay increases. The normal cost decreased as more active members came into the post-10/1/2012 benefit plan.
- For the Fire group, the total computed employer contribution rate as a % of payroll is 60.56% for fiscal year 2026 compared with 68.00% for fiscal year 2025.
 - The decrease was primarily due to better than expected investment experience, more retired deaths than expected, and total payroll increasing by approximately 17.5% versus the 2.75% it was expected to increase, offset by higher than expected individual pay increases. The normal cost decreased as more active members came into the post-10/1/2012 benefit plan.

THANK YOU

Disclaimers

- This presentation is intended to be used in conjunction with the September 30, 2024 actuarial valuation report dated April 14, 2025. This presentation should not be relied on for any purpose other than the purpose described in the valuation report.
- This presentation should not be relied on for any purpose other than the purpose described in the presentation.
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