

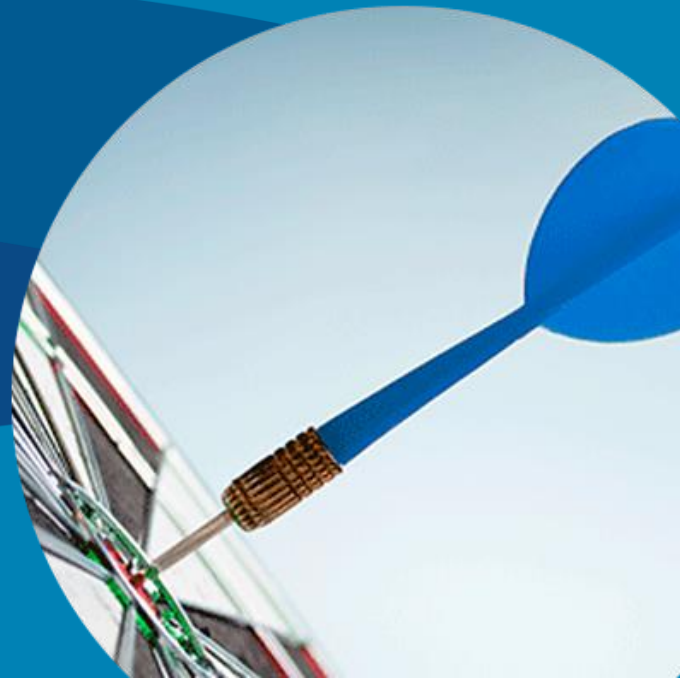


CITY OF LONGMONT General Employees' Retirement Plan

Actuarial Valuation Results as of January 1, 2026

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Actuarial Valuation – Purpose

- Actuarial Valuation
 - Prepared as of January 1, 2026
 - Member data
 - Financial data
 - Benefit and contribution provisions
 - Actuarial assumptions and methods
 - Purposes:
 - Measure the actuarial liabilities
 - Determine adequacy of current contributions
 - Provide other information for reporting for accounting and CAFR
 - Explain changes in actuarial condition of the Plan

Member Statistics

- Average active member is around age 44 with 8 years of service and earns approximately \$97,300 annually
- Average retiree, beneficiary, and disabled member is around age 73 and receives a pension benefit of approximately \$25,990 annually

	2025	2026	Change
Active Members			
Count	831	842	1.3%
Average Age	43.9	43.8	(0.2)
Average Service	<u>7.9</u>	<u>8.0</u>	<u>1.3</u>
Average Hire Age	36.0	35.8	(0.6)
Payroll	\$79.5 million	\$81.9 million	3.0%
Average Pay	\$95,711	\$97,331	1.7%
Retirees, Beneficiaries and Disabled Members			
Count	529	547	3.4%
Average Age	72.5	72.8	0.4
Average Annual Benefit	\$24,839	\$25,990	4.6%

Market Value of Assets (in millions)

- Return on market value of 14.9% (dollar-weighted rate of return)
- Contribution rates historically set at a level to at least meet the actuarially determined contribution.
 - Current employer contributions of 9.4% of pay
 - Tier 1 employee contributions of 7.0% of pay
 - Tier 2 employee contributions of 6.0% of pay

	2025*	2026*
Market Value Beginning of Year	\$204.2	\$226.8
1. Contributions		
a. Contributions from Employer	\$7.9	\$8.1
b. Contributions from Plan Members	4.6	5.0
c. Total	\$12.5	\$13.1
2. Net Investment Income		
a. Interest and Dividends	\$4.7	\$5.5
b. Realized Gain and Unrealized Appreciation	18.7	28.5
c. Total	23.5	33.9
d. Investment Expenses	(0.3)	(0.2)
e. Net Investment Income	\$23.2	\$33.7
3. Benefit Payments and Refunds	\$(13.0)	\$(14.5)
4. Administrative Expenses	(0.2)	(0.2)
Market Value End of Year	\$226.8	\$258.9

*Numbers may not add due to rounding

Actuarial Value of Assets

- All actuarial calculations are based on actuarial value of assets, not market value
 - Actuarial value reflects 20% of the difference between last year's expected return on market and the actual return and includes application of the 80%/120% corridor
- Actuarial value of assets is now \$243.0 million, compared to \$227.5 million last year
- Return on Actuarial Value of Assets was 7.6% in calendar year 2025, compared to the 7.0% assumption, resulting in an investment return gain
- Deferred gains of \$15.9 million will contribute to decreases to the future contribution requirements

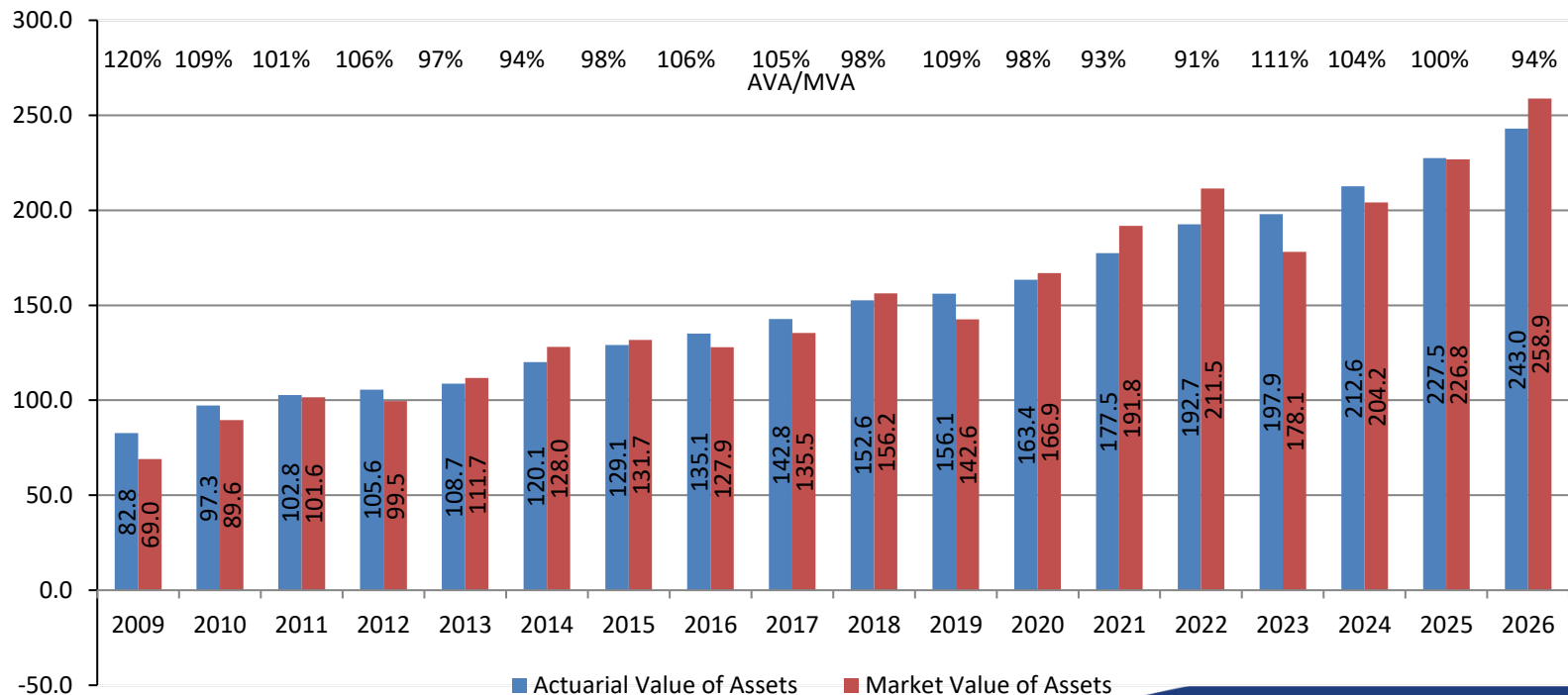
Actuarial Value of Assets:	\$243.0M
Deferred Gains:	<u>15.9M</u>
Market Value of Assets:	\$258.9M



Market and Actuarial Value of Assets

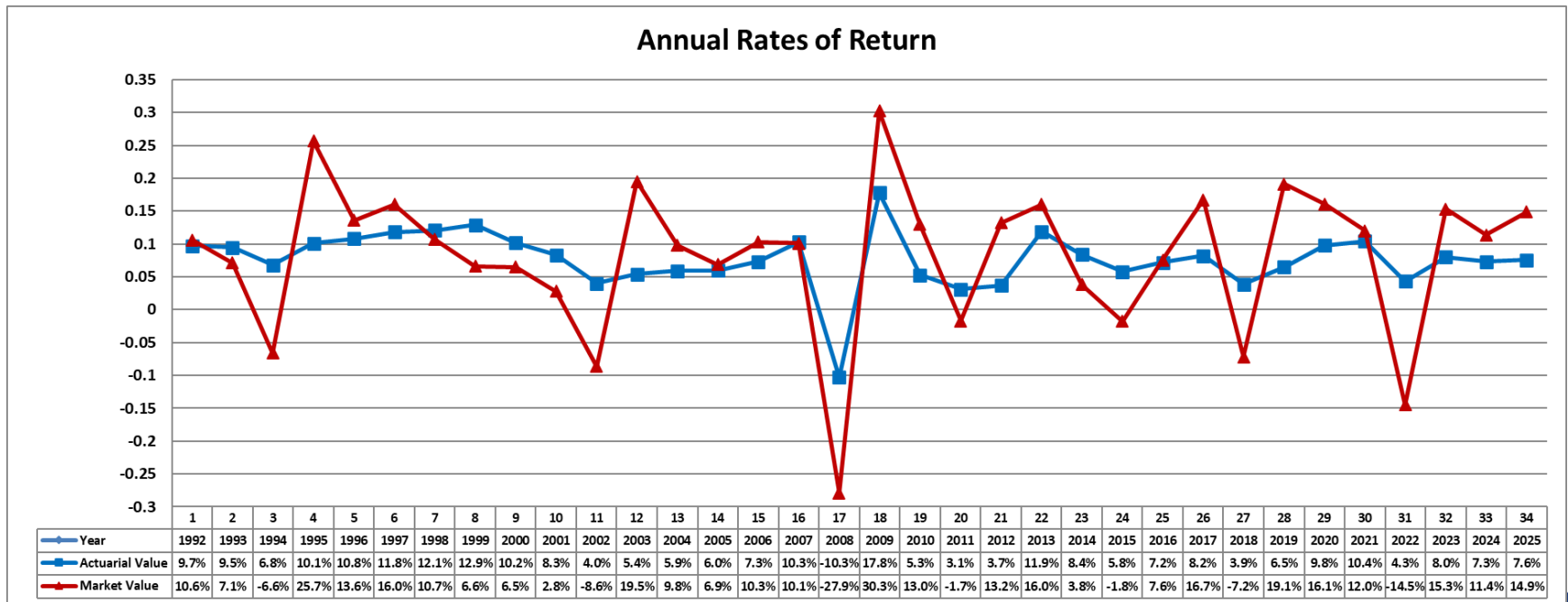
- Actuarial Value of Assets as a percent of Market Value of Assets shown at top of chart
- Actuarial value is 94% of fair market value in 2026; in 2009, it was 120% of fair market value
- \$15.9 million in deferred gains, not yet recognized in the actuarial value

Asset Values (in millions)



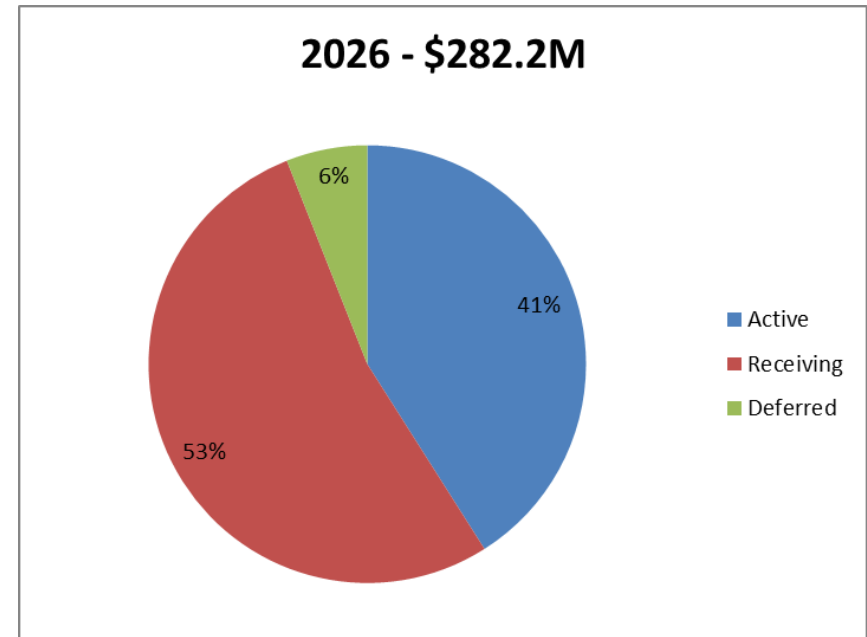
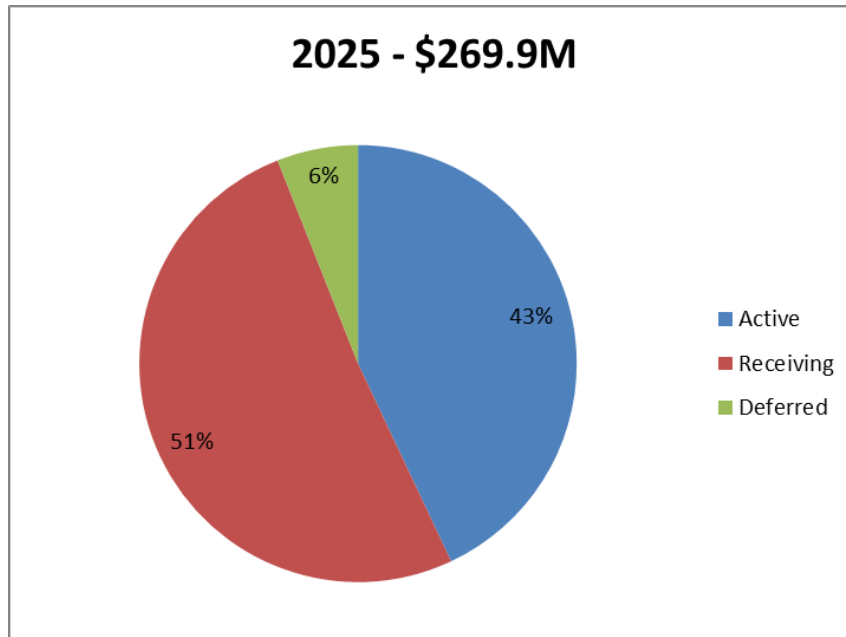
Average Annual Rates of Return

- Actuarial value smoothes market volatility
- 7.5% average return in market value since 1992
- 7.6% average return in actuarial value since 1992
- 7.0% current assumed rate of return



Actuarial Accrued Liability

- Actuarial accrued liability increased from 2025 to 2026, growing slightly less than expected
- Liability (gain)/losses
 - Total liability gains of approximately \$0.4 million



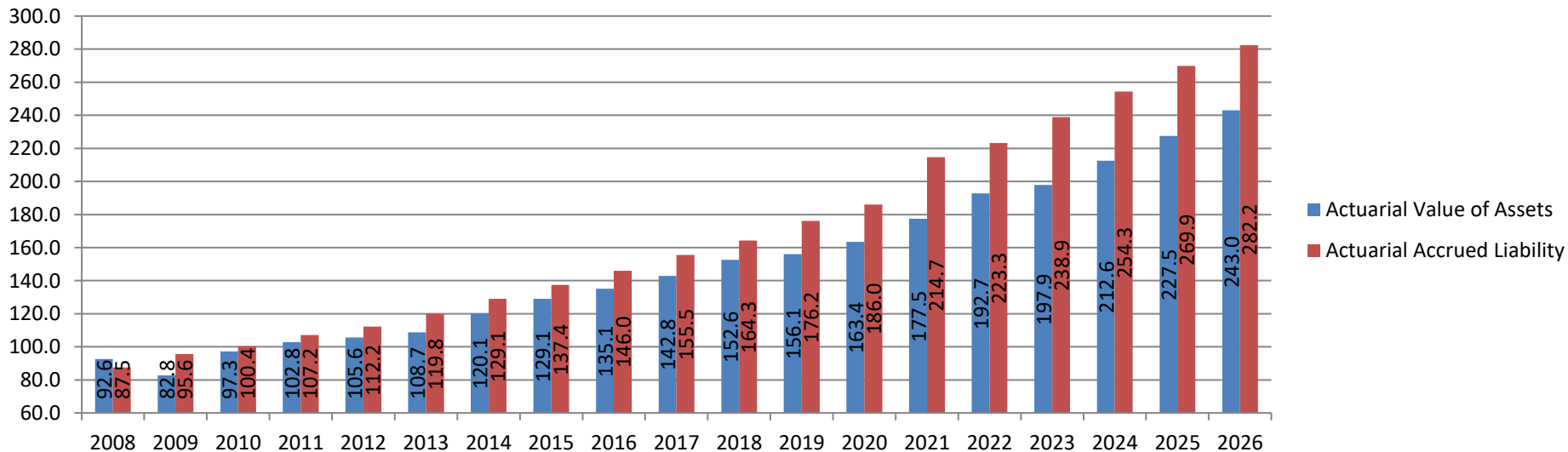
(Gains)/Losses Summary

- Actuarial (gains)/losses due to:
 - Investment return on AVA \$(1.3) million
 - Actual vs. Expected Contributions \$(1.3) million
 - Liabilities \$(0.4) million
- Total (gains)/losses are \$(3.0) million
- Investment returns were greater than expected
- Gains decreased actuarially determined contribution by \$207,000 or 0.25% of pay

Actuarial Value of Assets (AVA) compared to Actuarial Accrued Liability (AAL)

- Liabilities grow as participants earn additional benefits
- The difference between the AVA and AAL is the Unfunded Accrued Liability (or Surplus if assets exceed liabilities)
- The Unfunded Accrued Liability is approximately \$39.3 M in 2026

Actuarial Value of Assets compared to Actuarial Accrued Liability
(in millions)



Actuarially Determined Contribution

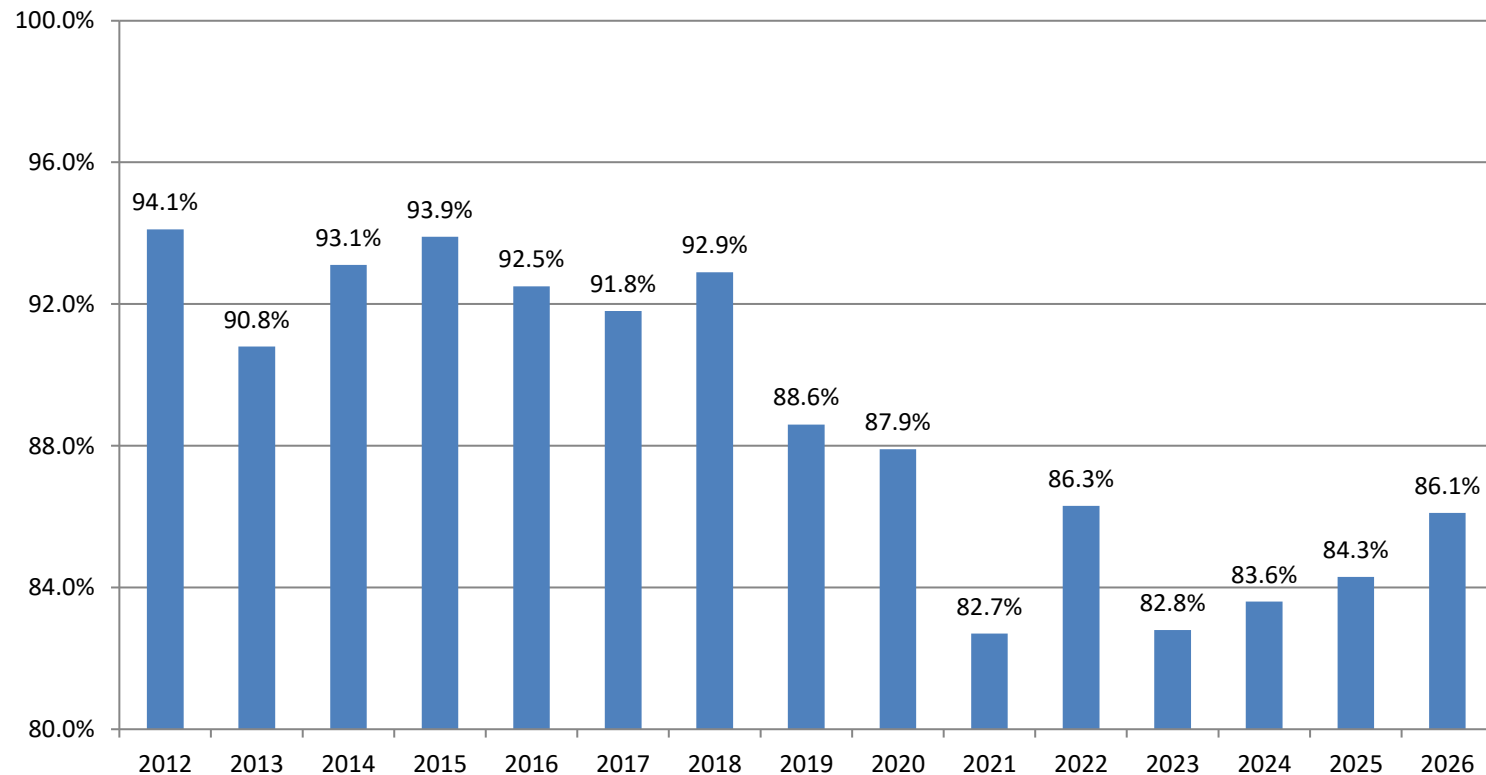
	January 1, 2025		January 1, 2026	
	Amount (millions)*	% of pay	Amount (millions)*	% of pay
Normal Cost	\$8.6	10.9%	\$8.7	10.8%
Amortization of Unfunded	\$2.9	3.7%	\$2.8	3.5%
Administration Expenses	<u>\$0.2</u>	<u>0.2%</u>	<u>\$0.2</u>	<u>0.2%</u>
Total Actuarially Determined Contribution	\$11.6	14.8%	\$11.7	14.5%
Estimated Member Contribution	<u>\$4.9</u>	<u>6.2%</u>	<u>\$5.0</u>	<u>6.2%</u>
Actuarially Determined Employer Contribution	\$6.7	8.6%	\$6.7	8.3%

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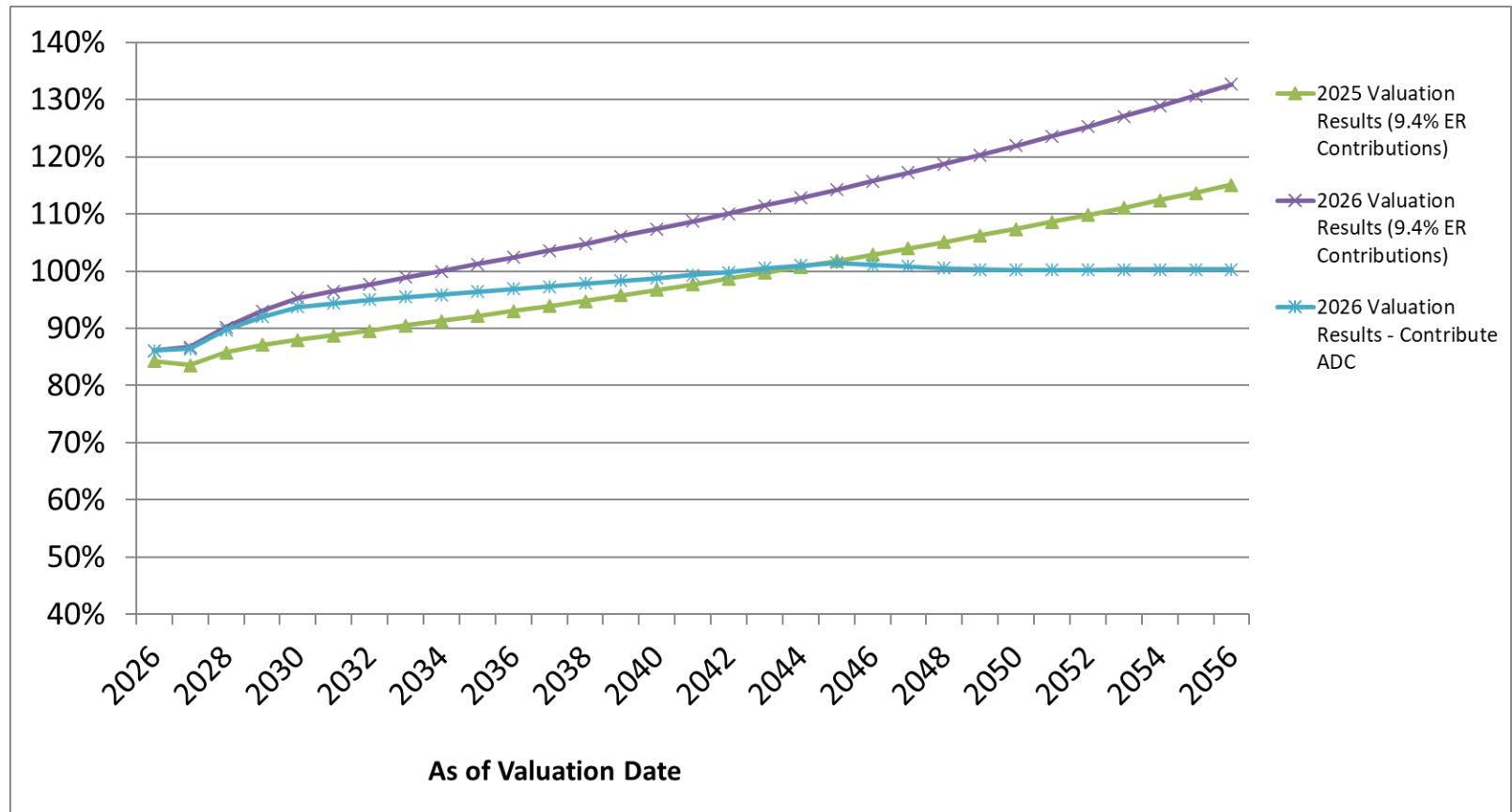


Funded Ratio

- Funded ratio (actuarial value of assets divided by actuarial accrued liability) increased from 84.3% to 86.1%

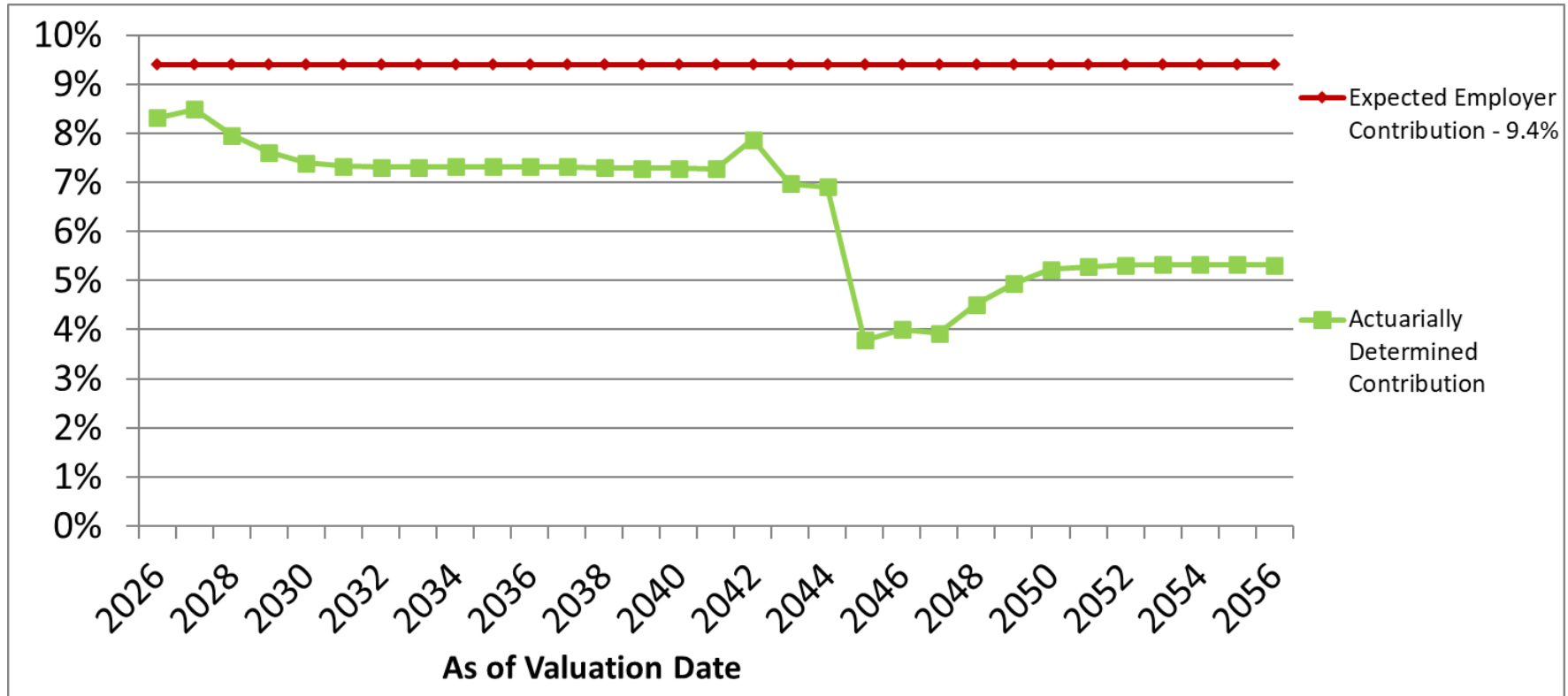


Long Term Projections Funded Ratio



- Plan has a history of making additional contributions to satisfy ADC.

Long Term Projections Contributions as % of Pay



Valuation Summary

- Plan is well funded relative to many of its peers
- Contributions in 2026
 - Total actuarially determined contribution (ADC) rate = 14.5%
 - Current expected Contribution Excess over ADC = 1.1%
- Plan is projected to reach full funding in 2043 if contributions are made to meet the ADC, and 2034 if employer contributions remain at 9.4%
- Recommend maintaining the 9.4% employer rate
- Short term asset returns will have an outsized impact on the projected funded status
- Important not to over-react to good news or bad news as we are long term investors