

CITY OF FORT MEADE
FIREFIGHTERS' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2019 VALUATION DATE



August 11, 2020

VIA E-MAIL

Laura Underhill
Senior Financial Analyst

Re: City of Fort Meade Firefighters' Retirement Plan
Section 112.664, Florida Statutes Compliance

Dear Laura:

Please find enclosed the annual disclosures that satisfy the October 1, 2019 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.


In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #20-7778

Enclosures

cc via email: Rick Burke, Board Attorney

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2019 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00% RP-2000 Generational	5.00% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	7,004	11,495
Interest	32,333	25,984
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(62,870)	(14,279)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(35,114)	(35,114)
Other	-	-
Net Change in Total Pension Liability	(58,647)	(11,914)
Total Pension Liability - Beginning	472,453	525,745
Total Pension Liability - Ending (a)	<u>\$ 413,806</u>	<u>\$ 513,831</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	22,190	22,190
Net Investment Income	20,154	20,154
Benefit Payments, Including Refunds of Employee Contributions	(35,114)	(35,114)
Administrative Expenses	(10,248)	(10,248)
Net Change in Plan Fiduciary Net Position	(3,018)	(3,018)
Plan Fiduciary Net Position - Beginning	403,743	403,743
Plan Fiduciary Net Position - Ending (b)	<u>\$ 400,725</u>	<u>\$ 400,725</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,081</u>	<u>\$ 113,106</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2019	396,759	-	28,685	-	26,769	394,843
2020	394,843	-	28,215	-	26,651	393,279
2021	393,279	-	30,207	-	26,472	389,544
2022	389,544	-	30,563	-	26,198	385,179
2023	385,179	-	35,562	-	25,718	375,335
2024	375,335	-	35,698	-	25,024	364,661
2025	364,661	-	36,397	-	24,252	352,516
2026	352,516	-	35,346	-	23,439	340,609
2027	340,609	-	34,111	-	22,649	329,147
2028	329,147	-	32,920	-	21,888	318,115
2029	318,115	-	31,805	-	21,155	307,465
2030	307,465	-	33,217	-	20,360	294,608
2031	294,608	-	31,598	-	19,517	282,527
2032	282,527	-	32,750	-	18,631	268,408
2033	268,408	-	30,813	-	17,710	255,305
2034	255,305	-	29,301	-	16,846	242,850
2035	242,850	-	29,547	-	15,965	229,268
2036	229,268	-	28,208	-	15,061	216,121
2037	216,121	-	27,579	-	14,163	202,705
2038	202,705	-	26,420	-	13,265	189,550
2039	189,550	-	25,358	-	12,381	176,573
2040	176,573	-	24,108	-	11,516	163,981
2041	163,981	-	23,197	-	10,667	151,451
2042	151,451	-	22,159	-	9,826	139,118
2043	139,118	-	21,336	-	8,992	126,774
2044	126,774	-	20,705	-	8,150	114,219
2045	114,219	-	20,602	-	7,274	100,891
2046	100,891	-	20,036	-	6,361	87,216
2047	87,216	-	19,211	-	5,433	73,438
2048	73,438	-	18,447	-	4,495	59,486
2049	59,486	-	17,717	-	3,544	45,313
2050	45,313	-	16,913	-	2,580	30,980
2051	30,980	-	16,097	-	1,605	16,488
2052	16,488	-	15,262	-	620	1,846
2053	1,846	-	14,420	-	-	-

Number of Years Expected Benefit Payments Sustained: 34.13

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.00% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2019	396,759	-	28,685	-	19,121	387,195
2020	387,195	-	28,215	-	18,654	377,634
2021	377,634	-	30,207	-	18,127	365,554
2022	365,554	-	30,563	-	17,514	352,505
2023	352,505	-	35,562	-	16,736	333,679
2024	333,679	-	35,698	-	15,792	313,773
2025	313,773	-	36,397	-	14,779	292,155
2026	292,155	-	35,346	-	13,724	270,533
2027	270,533	-	34,111	-	12,674	249,096
2028	249,096	-	32,920	-	11,632	227,808
2029	227,808	-	31,805	-	10,595	206,598
2030	206,598	-	33,217	-	9,499	182,880
2031	182,880	-	31,598	-	8,354	159,636
2032	159,636	-	32,750	-	7,163	134,049
2033	134,049	-	30,813	-	5,932	109,168
2034	109,168	-	29,301	-	4,726	84,593
2035	84,593	-	29,547	-	3,491	58,537
2036	58,537	-	28,208	-	2,222	32,551
2037	32,551	-	27,579	-	938	5,910
2038	5,910	-	26,420	-	-	-

Number of Years Expected Benefit Payments Sustained: 19.22

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2019

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
Minimum Required Contribution (Fixed \$)	\$20,334	\$31,515
Minimum Required Contribution (% of Payroll)	24.7%	38.2%

ASSETS

Actuarial Value	394,559	394,559
Market Value	396,759	396,759

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	197,503	303,766
Disability Benefits	8,569	12,721
Death Benefits	2,469	3,097
Vested Benefits	3,976	7,973
Refund of Contributions	0	0
Service Retirees	221,346	251,990
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	66,254	93,836
Total:	500,117	673,383
Present Value of Future Salaries	804,766	952,119
Present Value of Future Member Contributions	0	0
Total Normal Cost	5,681	10,764
Present Value of Future Normal Costs (Entry Age Normal)	71,044	142,079
Total Actuarial Accrued Liability	429,073	531,304
Unfunded Actuarial Accrued Liability (UAAL)	48,345	150,576

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2019

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<u>PENSION COST</u>		
Normal Cost ¹	5,880	11,141
Administrative Expenses ¹	10,374	10,374
Payment Required To Amortize UAAL ¹	4,080	10,000
Minimum Required Contribution	\$20,334	\$31,515

¹ Contributions developed as of 10/1/2019 displayed above have been adjusted to account for an assumed interest component.