

CITY OF FORT MEADE
FIREFIGHTERS' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE



May 24, 2024

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, 2023 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 #23-7778

Enclosures

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, 2023 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, 2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.50%	4.50%
<u>Total Pension Liability</u>		
Service Cost	7,300	12,455
Interest	27,883	24,448
Changes of Benefit Terms	-	-
Differences Between Expected and Actual		
Experience	(29,181)	(36,236)
Changes of Assumptions	3,793	8,101
Benefit Payments, Including Refunds of Employee		
Contributions	(25,639)	(25,639)
Net Change in Total Pension Liability	(15,844)	(16,871)
Total Pension Liability - Beginning	418,596	515,064
Total Pension Liability - Ending (a)	<u>\$ 402,752</u>	<u>\$ 498,193</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	31,125	31,125
Net Investment Income	30,746	30,746
Benefit Payments, Including Refunds of Employee		
Contributions	(25,639)	(25,639)
Administrative Expenses	(20,565)	(20,565)
Net Change in Plan Fiduciary Net Position	15,667	15,667
Plan Fiduciary Net Position - Beginning	367,075	367,075
Plan Fiduciary Net Position - Ending (b)	<u>\$ 382,742</u>	<u>\$ 382,742</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 20,010</u>	<u>\$ 115,451</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.50%

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
2023	375,598	-	24,864	-	23,606	374,340
2024	374,340	-	25,089	-	23,517	372,768
2025	372,768	-	26,313	-	23,375	369,830
2026	369,830	-	31,695	-	23,009	361,144
2027	361,144	-	30,698	-	22,477	352,923
2028	352,923	-	29,724	-	21,974	345,173
2029	345,173	-	28,640	-	21,505	338,038
2030	338,038	-	27,573	-	21,076	331,541
2031	331,541	-	26,602	-	20,686	325,625
2032	325,625	-	28,336	-	20,245	317,534
2033	317,534	-	26,943	-	19,764	310,355
2034	310,355	-	25,944	-	19,330	303,741
2035	303,741	-	24,849	-	18,936	297,828
2036	297,828	-	23,268	-	18,603	293,163
2037	293,163	-	22,905	-	18,311	288,569
2038	288,569	-	24,427	-	17,963	282,105
2039	282,105	-	23,655	-	17,568	276,018
2040	276,018	-	22,884	-	17,197	270,331
2041	270,331	-	22,131	-	16,852	265,052
2042	265,052	-	21,282	-	16,537	260,307
2043	260,307	-	22,450	-	16,190	254,047
2044	254,047	-	21,594	-	15,811	248,264
2045	248,264	-	20,736	-	15,463	242,991
2046	242,991	-	19,865	-	15,149	238,275
2047	238,275	-	18,931	-	14,873	234,217
2048	234,217	-	17,938	-	14,641	230,920
2049	230,920	-	17,245	-	14,449	228,124
2050	228,124	-	16,356	-	14,296	226,064
2051	226,064	-	15,419	-	14,193	224,838
2052	224,838	-	14,492	-	14,143	224,489
2053	224,489	-	13,374	-	14,157	225,272
2054	225,272	-	12,470	-	14,237	227,039
2055	227,039	-	11,697	-	14,377	229,719
2056	229,719	-	10,836	-	14,580	233,463
2057	233,463	-	10,011	-	14,850	238,302
2058	238,302	-	9,216	-	15,190	244,276
2059	244,276	-	8,453	-	15,603	251,426
2060	251,426	-	7,746	-	16,091	259,771
2061	259,771	-	7,085	-	16,655	269,341
2062	269,341	-	6,463	-	17,297	280,175
2063	280,175	-	5,882	-	18,020	292,313
2064	292,313	-	5,340	-	18,827	305,800
2065	305,800	-	4,830	-	19,720	320,690
2066	320,690	-	4,364	-	20,703	337,029
2067	337,029	-	3,933	-	21,779	354,875
2068	354,875	-	3,534	-	22,952	374,293
2069	374,293	-	3,164	-	24,226	395,355
2070	395,355	-	2,823	-	25,606	418,138
2071	418,138	-	2,507	-	27,097	442,728

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.50%

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
2072	442,728	-	2,218	-	28,705	469,215
2073	469,215	-	1,953	-	30,436	497,698
2074	497,698	-	1,712	-	32,295	528,281
2075	528,281	-	1,493	-	34,290	561,078
2076	561,078	-	1,297	-	36,428	596,209
2077	596,209	-	1,120	-	38,717	633,806
2078	633,806	-	962	-	41,166	674,010
2079	674,010	-	822	-	43,784	716,972
2080	716,972	-	697	-	46,581	762,856
2081	762,856	-	587	-	49,567	811,836
2082	811,836	-	491	-	52,753	864,098
2083	864,098	-	409	-	56,153	919,842
2084	919,842	-	339	-	59,779	979,282
2085	979,282	-	280	-	63,644	1,042,646
2086	1,042,646	-	231	-	67,764	1,110,179
2087	1,110,179	-	190	-	72,155	1,182,144
2088	1,182,144	-	157	-	76,834	1,258,821
2089	1,258,821	-	129	-	81,819	1,340,511
2090	1,340,511	-	106	-	87,130	1,427,535
2091	1,427,535	-	87	-	92,787	1,520,235
2092	1,520,235	-	72	-	98,813	1,618,976
2093	1,618,976	-	59	-	105,232	1,724,149
2094	1,724,149	-	48	-	112,068	1,836,169
2095	1,836,169	-	39	-	119,350	1,955,480
2096	1,955,480	-	32	-	127,105	2,082,553
2097	2,082,553	-	25	-	135,365	2,217,893
2098	2,217,893	-	20	-	144,162	2,362,035
2099	2,362,035	-	16	-	153,532	2,515,551
2100	2,515,551	-	12	-	163,510	2,679,049
2101	2,679,049	-	10	-	174,138	2,853,177
2102	2,853,177	-	7	-	185,456	3,038,626
2103	3,038,626	-	5	-	197,511	3,236,132
2104	3,236,132	-	4	-	210,348	3,446,476
2105	3,446,476	-	3	-	224,021	3,670,494
2106	3,670,494	-	2	-	238,582	3,909,074
2107	3,909,074	-	1	-	254,090	4,163,163
2108	4,163,163	-	1	-	270,606	4,433,768
2109	4,433,768	-	-	-	288,195	4,721,963

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.50% 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: Discount Rate = 4.50%

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
2023	375,598	-	24,864	-	16,342	367,076
2024	367,076	-	25,089	-	15,954	357,941
2025	357,941	-	26,313	-	15,515	347,143
2026	347,143	-	31,695	-	14,908	330,356
2027	330,356	-	30,698	-	14,175	313,833
2028	313,833	-	29,724	-	13,454	297,563
2029	297,563	-	28,640	-	12,746	281,669
2030	281,669	-	27,573	-	12,055	266,151
2031	266,151	-	26,602	-	11,378	250,927
2032	250,927	-	28,336	-	10,654	233,245
2033	233,245	-	26,943	-	9,890	216,192
2034	216,192	-	25,944	-	9,145	199,393
2035	199,393	-	24,849	-	8,414	182,958
2036	182,958	-	23,268	-	7,710	167,400
2037	167,400	-	22,905	-	7,018	151,513
2038	151,513	-	24,427	-	6,268	133,354
2039	133,354	-	23,655	-	5,469	115,168
2040	115,168	-	22,884	-	4,668	96,952
2041	96,952	-	22,131	-	3,865	78,686
2042	78,686	-	21,282	-	3,062	60,466
2043	60,466	-	22,450	-	2,216	40,232
2044	40,232	-	21,594	-	1,325	19,963
2045	19,963	-	20,736	-	-	-

Number of Years Expected Benefit Payments Sustained: 22.96

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.50% 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, 2024

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
Minimum Required Contribution (Fixed \$)	\$30,326	\$41,079
Minimum Required Contribution (% of Payroll)	19.9%	27.1%

ASSETS

Actuarial Value	404,612	404,612
Market Value	375,598	375,598

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	130,632	205,276
Disability Benefits	10,413	15,237
Death Benefits	1,202	1,536
Vested Benefits	20,473	37,221
Refund of Contributions	0	0
Service Retirees	144,037	165,371
Beneficiaries	12,428	13,724
Disability Retirees	0	0
Terminated Vested	128,942	166,076
Total:	448,127	604,441
Present Value of Future Salaries	1,021,777	1,145,409
Present Value of Future Total Normal Cost	8,574	14,383
Present Value of Future Normal Costs (Entry Age Normal)	57,067	107,801
Total Actuarial Accrued Liability (EAN)	391,060	496,640
Unfunded Actuarial Accrued Liability (UAAL)	(13,552)	92,028

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

	Valuation Date: 10/1/2023	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
<u>PENSION COST</u>		
Normal Cost ¹	8,853	14,707
Administrative Expenses ¹	21,473	21,265
Payment Required To Amortize UAAL ¹	(1,397)	5,107
Minimum Required Contribution ²	\$30,326	\$41,079

¹ Contributions developed as of 10/1/2023 displayed above an interest adjustment to account for the timing of sponsor contributions.

² Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.