

CITY OF FORT MEADE
FIREFIGHTERS' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2021 VALUATION DATE



June 20, 2022

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, 2021 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.

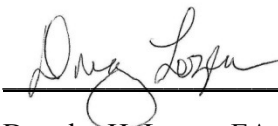
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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

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, 2021 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, 2021

	ACTUAL	HYPOTHETICAL
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	8,226	13,634
Interest	28,944	25,764
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(20,427)	(21,302)
Changes of Assumptions	9,317	15,140
Benefit Payments, Including Refunds of Employee Contributions	(26,271)	(26,271)
Net Change in Total Pension Liability	(211)	6,965
Total Pension Liability - Beginning	418,399	514,788
Total Pension Liability - Ending (a)	\$ 418,188	\$ 521,753
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	20,927	20,927
Net Investment Income	74,959	74,959
Benefit Payments, Including Refunds of Employee Contributions	(26,271)	(26,271)
Administrative Expenses	(15,850)	(15,850)
Net Change in Plan Fiduciary Net Position	53,765	53,765
Plan Fiduciary Net Position - Beginning	400,058	400,058
Plan Fiduciary Net Position - Ending (b)	\$ 453,823	\$ 453,823
Net Pension Liability - Ending (a) - (b)	\$ (35,635)	\$ 67,930

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.75%

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
2021	450,491	-	29,619	-	29,409	450,281
2022	450,281	-	29,505	-	29,398	450,174
2023	450,174	-	35,156	-	29,200	444,218
2024	444,218	-	35,093	-	28,800	437,925
2025	437,925	-	36,010	-	28,345	430,260
2026	430,260	-	34,837	-	27,867	423,290
2027	423,290	-	33,581	-	27,439	417,148
2028	417,148	-	32,368	-	27,065	411,845
2029	411,845	-	31,629	-	26,732	406,948
2030	406,948	-	30,264	-	26,448	403,132
2031	403,132	-	28,648	-	26,245	400,729
2032	400,729	-	30,013	-	26,036	396,752
2033	396,752	-	28,137	-	25,831	394,446
2034	394,446	-	26,806	-	25,720	393,360
2035	393,360	-	27,309	-	25,630	391,681
2036	391,681	-	26,168	-	25,555	391,068
2037	391,068	-	25,578	-	25,534	391,024
2038	391,024	-	24,727	-	25,560	391,857
2039	391,857	-	23,720	-	25,650	393,787
2040	393,787	-	22,808	-	25,811	396,790
2041	396,790	-	21,936	-	26,043	400,897
2042	400,897	-	20,993	-	26,352	406,256
2043	406,256	-	20,236	-	26,739	412,759
2044	412,759	-	19,678	-	27,197	420,278
2045	420,278	-	19,927	-	27,696	428,047
2046	428,047	-	19,413	-	28,238	436,872
2047	436,872	-	18,493	-	28,865	447,244
2048	447,244	-	17,618	-	29,594	459,220
2049	459,220	-	17,056	-	30,422	472,586
2050	472,586	-	16,168	-	31,354	487,772
2051	487,772	-	15,260	-	32,410	504,922
2052	504,922	-	14,338	-	33,598	524,182
2053	524,182	-	13,439	-	34,929	545,672
2054	545,672	-	12,548	-	36,409	569,533
2055	569,533	-	11,702	-	38,049	595,880
2056	595,880	-	10,843	-	39,856	624,893
2057	624,893	-	10,044	-	41,841	656,690
2058	656,690	-	9,282	-	44,013	691,421
2059	691,421	-	8,538	-	46,383	729,266
2060	729,266	-	7,864	-	48,960	770,362
2061	770,362	-	7,235	-	51,755	814,882
2062	814,882	-	6,648	-	54,780	863,014
2063	863,014	-	6,103	-	58,047	914,958
2064	914,958	-	5,599	-	61,571	970,930
2065	970,930	-	5,130	-	65,365	1,031,165
2066	1,031,165	-	4,704	-	69,445	1,095,906
2067	1,095,906	-	4,312	-	73,828	1,165,422
2068	1,165,422	-	3,952	-	78,533	1,240,003
2069	1,240,003	-	3,619	-	83,578	1,319,962

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.75%

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
2070	1,319,962	-	3,312	-	88,986	1,405,636
2071	1,405,636	-	3,026	-	94,778	1,497,388
2072	1,497,388	-	2,762	-	100,980	1,595,606
2073	1,595,606	-	2,516	-	107,618	1,700,708
2074	1,700,708	-	2,288	-	114,721	1,813,141
2075	1,813,141	-	2,075	-	122,317	1,933,383
2076	1,933,383	-	1,875	-	130,440	2,061,948
2077	2,061,948	-	1,688	-	139,125	2,199,385
2078	2,199,385	-	1,512	-	148,407	2,346,280
2079	2,346,280	-	1,346	-	158,328	2,503,262
2080	2,503,262	-	1,191	-	168,930	2,671,001
2081	2,671,001	-	1,047	-	180,257	2,850,211
2082	2,850,211	-	914	-	192,358	3,041,655
2083	3,041,655	-	793	-	205,285	3,246,147
2084	3,246,147	-	684	-	219,092	3,464,555
2085	3,464,555	-	587	-	233,838	3,697,806
2086	3,697,806	-	499	-	249,585	3,946,892
2087	3,946,892	-	419	-	266,401	4,212,874
2088	4,212,874	-	349	-	284,357	4,496,882
2089	4,496,882	-	286	-	303,530	4,800,126
2090	4,800,126	-	232	-	324,001	5,123,895
2091	5,123,895	-	185	-	345,857	5,469,567
2092	5,469,567	-	145	-	369,191	5,838,613
2093	5,838,613	-	113	-	394,103	6,232,603
2094	6,232,603	-	86	-	420,698	6,653,215
2095	6,653,215	-	65	-	449,090	7,102,240
2096	7,102,240	-	48	-	479,400	7,581,592
2097	7,581,592	-	36	-	511,756	8,093,312
2098	8,093,312	-	26	-	546,298	8,639,584
2099	8,639,584	-	19	-	583,171	9,222,736
2100	9,222,736	-	14	-	622,534	9,845,256
2101	9,845,256	-	10	-	664,554	10,509,800
2102	10,509,800	-	7	-	709,411	11,219,204
2103	11,219,204	-	5	-	757,296	11,976,495
2104	11,976,495	-	4	-	808,413	12,784,904
2105	12,784,904	-	3	-	862,981	13,647,882
2106	13,647,882	-	2	-	921,232	14,569,112
2107	14,569,112	-	1	-	983,415	15,552,526
2108	15,552,526	-	1	-	1,049,795	16,602,320
2109	16,602,320	-	-	-	1,120,657	17,722,977

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 6.75% 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 = 4.75%

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
2021	450,491	-	29,619	-	20,695	441,567
2022	441,567	-	29,505	-	20,274	432,336
2023	432,336	-	35,156	-	19,701	416,881
2024	416,881	-	35,093	-	18,968	400,756
2025	400,756	-	36,010	-	18,181	382,927
2026	382,927	-	34,837	-	17,362	365,452
2027	365,452	-	33,581	-	16,561	348,432
2028	348,432	-	32,368	-	15,782	331,846
2029	331,846	-	31,629	-	15,011	315,228
2030	315,228	-	30,264	-	14,255	299,219
2031	299,219	-	28,648	-	13,533	284,104
2032	284,104	-	30,013	-	12,782	266,873
2033	266,873	-	28,137	-	12,008	250,744
2034	250,744	-	26,806	-	11,274	235,212
2035	235,212	-	27,309	-	10,524	218,427
2036	218,427	-	26,168	-	9,754	202,013
2037	202,013	-	25,578	-	8,988	185,423
2038	185,423	-	24,727	-	8,220	168,916
2039	168,916	-	23,720	-	7,460	152,656
2040	152,656	-	22,808	-	6,709	136,557
2041	136,557	-	21,936	-	5,965	120,586
2042	120,586	-	20,993	-	5,229	104,822
2043	104,822	-	20,236	-	4,498	89,084
2044	89,084	-	19,678	-	3,764	73,170
2045	73,170	-	19,927	-	3,002	56,245
2046	56,245	-	19,413	-	2,211	39,043
2047	39,043	-	18,493	-	1,415	21,965
2048	21,965	-	17,618	-	625	4,972
2049	4,972	-	17,056	-	-	-

Number of Years Expected Benefit Payments Sustained: 28.29

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.75% 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, 2022

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$24,239	\$35,199
Minimum Required Contribution (% of Payroll)	30.2%	43.8%

ASSETS

Actuarial Value	416,975	416,975
Market Value	450,491	450,491

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	215,849	331,203
Disability Benefits	10,844	16,725
Death Benefits	1,615	2,066
Vested Benefits	4,488	8,660
Refund of Contributions	0	0
Service Retirees	161,853	186,150
Beneficiaries	46,445	51,600
Disability Retirees	0	0
Terminated Vested	57,207	76,789
Total:	498,301	673,193
Present Value of Future Salaries	864,204	1,022,422
Present Value of Future Member Contributions	0	0
Total Normal Cost	3,789	9,509
Present Value of Future Normal Costs (Entry Age Normal)	85,078	165,238
Total Actuarial Accrued Liability (EAN)	413,223	507,955
Unfunded Actuarial Accrued Liability (UAAL)	40,624	135,356

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost ¹	3,917	9,735
Administrative Expenses ¹	16,804	16,641
Payment Required To Amortize UAAL ¹	3,518	8,823
Minimum Required Contribution	\$24,239	\$35,199

¹ Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.