

CITY OF FORT MEADE  
FIREFIGHTERS' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2022 VALUATION DATE



July 20, 2023

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, 2022 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.

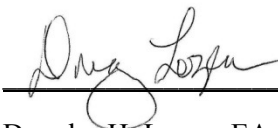
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the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



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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, 2022 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, 2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	8,113	13,231
Interest	27,757	24,695
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(5,301)	(14,454)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(30,161)	(30,161)
Net Change in Total Pension Liability	408	(6,689)
Total Pension Liability - Beginning	418,188	521,753
Total Pension Liability - Ending (a)	<u>\$ 418,596</u>	<u>\$ 515,064</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	22,610	22,610
Net Investment Income	(58,169)	(58,169)
Benefit Payments, Including Refunds of Employee Contributions	(30,161)	(30,161)
Administrative Expenses	(21,028)	(21,028)
Net Change in Plan Fiduciary Net Position	(86,748)	(86,748)
Plan Fiduciary Net Position - Beginning	453,823	453,823
Plan Fiduciary Net Position - Ending (b)	<u>\$ 367,075</u>	<u>\$ 367,075</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 51,521</u>	<u>\$ 147,989</u>

## 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
2022	365,371	-	29,774	-	23,658	359,255
2023	359,255	-	29,238	-	23,263	353,280
2024	353,280	-	29,148	-	22,863	346,995
2025	346,995	-	30,042	-	22,408	339,361
2026	339,361	-	35,082	-	21,723	326,002
2027	326,002	-	33,772	-	20,865	313,095
2028	313,095	-	32,492	-	20,037	300,640
2029	300,640	-	31,083	-	19,244	288,801
2030	288,801	-	29,693	-	18,492	277,600
2031	277,600	-	28,407	-	17,779	266,972
2032	266,972	-	29,419	-	17,028	254,581
2033	254,581	-	28,150	-	16,234	242,665
2034	242,665	-	26,885	-	15,473	231,253
2035	231,253	-	27,532	-	14,680	218,401
2036	218,401	-	25,699	-	13,875	206,577
2037	206,577	-	25,094	-	13,097	194,580
2038	194,580	-	24,229	-	12,316	182,667
2039	182,667	-	23,286	-	11,544	170,925
2040	170,925	-	22,384	-	10,782	159,323
2041	159,323	-	21,524	-	10,028	147,827
2042	147,827	-	20,654	-	9,281	136,454
2043	136,454	-	19,809	-	8,542	125,187
2044	125,187	-	18,987	-	7,809	114,009
2045	114,009	-	18,032	-	7,087	103,064
2046	103,064	-	17,638	-	6,362	91,788
2047	91,788	-	16,753	-	5,630	80,665
2048	80,665	-	15,924	-	4,907	69,648
2049	69,648	-	15,536	-	4,177	58,289
2050	58,289	-	14,752	-	3,437	46,974
2051	46,974	-	13,894	-	2,702	35,782
2052	35,782	-	13,038	-	1,975	24,719
2053	24,719	-	12,172	-	1,258	13,805
2054	13,805	-	11,333	-	549	3,021
2055	3,021	-	10,635	-	-	-

Number of Years Expected Benefit Payments Sustained: 33.28

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
2022	365,371	-	29,774	-	16,648	352,245
2023	352,245	-	29,238	-	16,037	339,044
2024	339,044	-	29,148	-	15,412	325,308
2025	325,308	-	30,042	-	14,739	310,005
2026	310,005	-	35,082	-	13,892	288,815
2027	288,815	-	33,772	-	12,917	267,960
2028	267,960	-	32,492	-	11,956	247,424
2029	247,424	-	31,083	-	11,014	227,355
2030	227,355	-	29,693	-	10,094	207,756
2031	207,756	-	28,407	-	9,194	188,543
2032	188,543	-	29,419	-	8,257	167,381
2033	167,381	-	28,150	-	7,282	146,513
2034	146,513	-	26,885	-	6,321	125,949
2035	125,949	-	27,532	-	5,329	103,746
2036	103,746	-	25,699	-	4,318	82,365
2037	82,365	-	25,094	-	3,316	60,587
2038	60,587	-	24,229	-	2,302	38,660
2039	38,660	-	23,286	-	1,283	16,657
2040	16,657	-	22,384	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.74

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, 2023

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$25,684	\$36,583
Minimum Required Contribution (% of Payroll)	31.9%	45.5%

**ASSETS**

Actuarial Value	409,604	409,604
Market Value	365,371	365,371

**LIABILITIES**

Present Value of Benefits		
Active Members		
Retirement Benefits	158,666	277,025
Disability Benefits	9,751	16,368
Death Benefits	1,507	2,095
Vested Benefits	4,323	8,777
Refund of Contributions	0	0
Service Retirees	146,171	167,980
Beneficiaries	51,341	56,787
Disability Retirees	0	0
Terminated Vested	117,259	153,131
Total:	489,018	682,163
Present Value of Future Salaries	1,058,605	1,281,735
Present Value of Future Member Contributions	0	0
Total Normal Cost	3,063	9,043
Present Value of Future Normal Costs (Entry Age Normal)	97,757	201,691
Total Actuarial Accrued Liability (EAN)	391,261	480,472
Unfunded Actuarial Accrued Liability (UAAL)	39,044	128,255

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2023

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<b><u>PENSION COST</u></b>		
Normal Cost <sup>1</sup>	3,166	9,258
Administrative Expenses <sup>1</sup>	19,061	18,877
Payment Required To Amortize UAAL <sup>1</sup>	3,457	8,448
Minimum Required Contribution	\$25,684	\$36,583

<sup>1</sup> Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.