

CITY OF FORT MEADE
GENERAL EMPLOYEES' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2020 VALUATION DATE



May 20, 2021

VIA E-MAIL

Laura Underhill
Senior Financial Analyst

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

Dear Laura:

Please find enclosed the annual disclosures that satisfy the October 1, 2020 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.

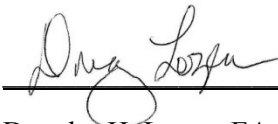
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the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

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, 2020 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, 2020

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
<u>Total Pension Liability</u>		
Service Cost	70,977	111,392
Interest	396,911	353,331
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(38,807)	(69,914)
Changes of Assumptions	(94,057)	(138,888)
Benefit Payments, Including Refunds of Employee Contributions	(374,697)	(374,697)
Net Change in Total Pension Liability	(39,673)	(118,776)
Total Pension Liability - Beginning	5,786,532	7,142,583
Total Pension Liability - Ending (a)	<u>\$ 5,746,859</u>	<u>\$ 7,023,807</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	212,954	212,954
Net Investment Income	320,436	320,436
Benefit Payments, Including Refunds of Employee Contributions	(374,697)	(374,697)
Administrative Expenses	(18,768)	(18,768)
Net Change in Plan Fiduciary Net Position	139,925	139,925
Plan Fiduciary Net Position - Beginning	5,151,590	5,151,590
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,291,515</u>	<u>\$ 5,291,515</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 455,344</u>	<u>\$ 1,732,292</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00%

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
2020	5,123,385	-	395,383	-	344,799	5,072,801
2021	5,072,801	-	390,925	-	341,414	5,023,290
2022	5,023,290	-	385,963	-	338,122	4,975,449
2023	4,975,449	-	417,306	-	333,676	4,891,819
2024	4,891,819	-	413,396	-	327,958	4,806,381
2025	4,806,381	-	415,092	-	321,918	4,713,207
2026	4,713,207	-	426,707	-	314,990	4,601,490
2027	4,601,490	-	432,194	-	306,978	4,476,274
2028	4,476,274	-	428,819	-	298,331	4,345,786
2029	4,345,786	-	445,819	-	288,601	4,188,568
2030	4,188,568	-	438,733	-	277,844	4,027,679
2031	4,027,679	-	425,653	-	267,040	3,869,066
2032	3,869,066	-	417,319	-	256,228	3,707,975
2033	3,707,975	-	406,375	-	245,335	3,546,935
2034	3,546,935	-	393,943	-	234,497	3,387,489
2035	3,387,489	-	396,520	-	223,246	3,214,215
2036	3,214,215	-	388,094	-	211,412	3,037,533
2037	3,037,533	-	376,706	-	199,443	2,860,270
2038	2,860,270	-	367,630	-	187,352	2,679,992
2039	2,679,992	-	348,745	-	175,393	2,506,640
2040	2,506,640	-	329,626	-	163,928	2,340,942
2041	2,340,942	-	310,367	-	153,003	2,183,578
2042	2,183,578	-	296,820	-	142,462	2,029,220
2043	2,029,220	-	277,887	-	132,319	1,883,652
2044	1,883,652	-	258,909	-	122,794	1,747,537
2045	1,747,537	-	240,380	-	113,914	1,621,071
2046	1,621,071	-	226,180	-	105,559	1,500,450
2047	1,500,450	-	208,842	-	97,722	1,389,330
2048	1,389,330	-	192,257	-	90,524	1,287,597
2049	1,287,597	-	177,080	-	83,934	1,194,451
2050	1,194,451	-	162,254	-	77,933	1,110,130
2051	1,110,130	-	148,740	-	72,503	1,033,893
2052	1,033,893	-	136,922	-	67,580	964,551
2053	964,551	-	124,775	-	63,151	902,927
2054	902,927	-	113,897	-	59,218	848,248
2055	848,248	-	103,428	-	55,757	800,577
2056	800,577	-	94,212	-	52,743	759,108
2057	759,108	-	85,273	-	50,153	723,988
2058	723,988	-	77,305	-	47,973	694,656
2059	694,656	-	69,722	-	46,186	671,120
2060	671,120	-	62,652	-	44,786	653,254
2061	653,254	-	56,609	-	43,746	640,391
2062	640,391	-	50,644	-	43,055	632,802
2063	632,802	-	45,146	-	42,716	630,372
2064	630,372	-	40,089	-	42,723	633,006
2065	633,006	-	35,416	-	43,071	640,661
2066	640,661	-	31,207	-	43,754	653,208
2067	653,208	-	27,377	-	44,766	670,597
2068	670,597	-	23,937	-	46,104	692,764
2069	692,764	-	20,860	-	47,763	719,667
2070	719,667	-	18,123	-	49,742	751,286
2071	751,286	-	15,704	-	52,040	787,622
2072	787,622	-	13,581	-	54,658	828,699

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00%

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
2073	828,699	-	11,728	-	57,598	874,569
2074	874,569	-	10,122	-	60,866	925,313
2075	925,313	-	8,736	-	64,466	981,043
2076	981,043	-	7,547	-	68,409	1,041,905
2077	1,041,905	-	6,529	-	72,705	1,108,081
2078	1,108,081	-	5,653	-	77,368	1,179,796
2079	1,179,796	-	4,898	-	82,414	1,257,312
2080	1,257,312	-	4,244	-	87,863	1,340,931
2081	1,340,931	-	3,676	-	93,737	1,430,992
2082	1,430,992	-	3,183	-	100,058	1,527,867
2083	1,527,867	-	2,752	-	106,854	1,631,969
2084	1,631,969	-	2,373	-	114,155	1,743,751
2085	1,743,751	-	2,040	-	121,991	1,863,702
2086	1,863,702	-	1,748	-	130,398	1,992,352
2087	1,992,352	-	1,491	-	139,412	2,130,273
2088	2,130,273	-	1,265	-	149,075	2,278,083
2089	2,278,083	-	1,068	-	159,428	2,436,443
2090	2,436,443	-	895	-	170,520	2,606,068
2091	2,606,068	-	746	-	182,399	2,787,721
2092	2,787,721	-	617	-	195,119	2,982,223
2093	2,982,223	-	506	-	208,738	3,190,455
2094	3,190,455	-	411	-	223,317	3,413,361
2095	3,413,361	-	330	-	238,924	3,651,955
2096	3,651,955	-	262	-	255,628	3,907,321
2097	3,907,321	-	206	-	273,505	4,180,620
2098	4,180,620	-	159	-	292,638	4,473,099
2099	4,473,099	-	121	-	313,113	4,786,091
2100	4,786,091	-	91	-	335,023	5,121,023
2101	5,121,023	-	67	-	358,469	5,479,425
2102	5,479,425	-	48	-	383,558	5,862,935
2103	5,862,935	-	34	-	410,404	6,273,305
2104	6,273,305	-	23	-	439,131	6,712,413
2105	6,712,413	-	16	-	469,868	7,182,265
2106	7,182,265	-	10	-	502,758	7,685,013
2107	7,685,013	-	6	-	537,951	8,222,958
2108	8,222,958	-	4	-	575,607	8,798,561
2109	8,798,561	-	2	-	615,899	9,414,458
2110	9,414,458	-	1	-	659,012	10,073,469
2111	10,073,469	-	1	-	705,143	10,778,611
2112	10,778,611	-	-	-	754,503	11,533,114

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 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%

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
2020	5,123,385	-	395,383	-	246,285	4,974,287
2021	4,974,287	-	390,925	-	238,941	4,822,303
2022	4,822,303	-	385,963	-	231,466	4,667,806
2023	4,667,806	-	417,306	-	222,958	4,473,458
2024	4,473,458	-	413,396	-	213,338	4,273,400
2025	4,273,400	-	415,092	-	203,293	4,061,601
2026	4,061,601	-	426,707	-	192,412	3,827,306
2027	3,827,306	-	432,194	-	180,560	3,575,672
2028	3,575,672	-	428,819	-	168,063	3,314,916
2029	3,314,916	-	445,819	-	154,600	3,023,697
2030	3,023,697	-	438,733	-	140,217	2,725,181
2031	2,725,181	-	425,653	-	125,618	2,425,146
2032	2,425,146	-	417,319	-	110,824	2,118,651
2033	2,118,651	-	406,375	-	95,773	1,808,049
2034	1,808,049	-	393,943	-	80,554	1,494,660
2035	1,494,660	-	396,520	-	64,820	1,162,960
2036	1,162,960	-	388,094	-	48,446	823,312
2037	823,312	-	376,706	-	31,748	478,354
2038	478,354	-	367,630	-	14,727	125,451
2039	125,451	-	348,745	-	-	-

Number of Years Expected Benefit Payments Sustained: 19.36

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, 2021

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$192,341	\$323,896
Minimum Required Contribution (% of Payroll)	10.7%	18.0%

ASSETS

Actuarial Value ¹	5,154,180	5,154,180
Market Value ¹	5,123,385	5,123,385

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	1,919,100	2,897,587
Disability Benefits	149,097	213,142
Death Benefits	54,909	64,940
Vested Benefits	58,918	116,895
Service Retirees	3,587,830	4,152,881
DROP Retirees ¹	0	0
Beneficiaries	0	0
Disability Retirees	234,569	275,754
Terminated Vested	611,220	856,713
Total:	6,615,643	8,577,912
Present Value of Future Salaries	13,402,121	15,051,807
Total Normal Cost	102,123	155,491
Present Value of Future Normal Costs (Entry Age Normal)	926,183	1,575,882
Total Actuarial Accrued Liability (FIL)	5,831,831	7,237,600
Unfunded Actuarial Accrued Liability (UAAL)	677,651	2,083,420

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2020

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
<u>PENSION COST</u>		
Normal Cost ²	108,868	164,160
Administrative Expenses ²	19,849	19,657
Payment Required To Amortize UAAL ²	63,624	140,079
Minimum Required Contribution	\$192,341	\$323,896

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2020.

² Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase and interest components.