

CITY OF FORT MEADE
GENERAL EMPLOYEES' RETIREMENT PLAN

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



May 28, 2024

VIA E-MAIL

Ms. 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, 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	191,657	280,526
Interest	413,688	361,586
Changes of Benefit Terms	-	-
Differences Between Expected and Actual		
Experience	186,259	278,728
Changes of Assumptions	189,503	301,182
Benefit Payments, Including Refunds of Employee		
Contributions	(364,661)	(364,661)
Net Change in Total Pension Liability	616,446	857,361
Total Pension Liability - Beginning	6,119,382	7,514,134
Total Pension Liability - Ending (a)	<u>\$ 6,735,828</u>	<u>\$ 8,371,495</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	321,389	321,389
Net Investment Income	422,888	422,888
Benefit Payments, Including Refunds of Employee		
Contributions	(364,661)	(364,661)
Administrative Expenses	(37,370)	(37,370)
Net Change in Plan Fiduciary Net Position	342,246	342,246
Plan Fiduciary Net Position - Beginning	5,068,596	5,068,596
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,410,842</u>	<u>\$ 5,410,842</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,324,986</u>	<u>\$ 2,960,653</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	5,258,060	-	405,581	-	328,593	5,181,072
2024	5,181,072	-	407,989	-	323,510	5,096,593
2025	5,096,593	-	435,382	-	317,129	4,978,340
2026	4,978,340	-	449,535	-	308,982	4,837,787
2027	4,837,787	-	472,166	-	299,111	4,664,732
2028	4,664,732	-	477,466	-	287,690	4,474,956
2029	4,474,956	-	478,042	-	275,336	4,272,250
2030	4,272,250	-	472,435	-	262,342	4,062,157
2031	4,062,157	-	460,004	-	249,090	3,851,243
2032	3,851,243	-	452,911	-	235,611	3,633,943
2033	3,633,943	-	442,639	-	221,821	3,413,125
2034	3,413,125	-	439,809	-	207,559	3,180,875
2035	3,180,875	-	435,977	-	192,588	2,937,486
2036	2,937,486	-	432,671	-	176,875	2,681,690
2037	2,681,690	-	423,659	-	160,541	2,418,572
2038	2,418,572	-	419,683	-	143,567	2,142,456
2039	2,142,456	-	406,550	-	126,047	1,861,953
2040	1,861,953	-	390,595	-	108,333	1,579,691
2041	1,579,691	-	370,517	-	90,638	1,299,812
2042	1,299,812	-	356,916	-	72,888	1,015,784
2043	1,015,784	-	341,010	-	54,943	729,717
2044	729,717	-	324,422	-	36,888	442,183
2045	442,183	-	304,602	-	18,842	156,423
2046	156,423	-	287,368	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.54

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	5,258,060	-	405,581	-	227,487	5,079,966
2024	5,079,966	-	407,989	-	219,419	4,891,396
2025	4,891,396	-	435,382	-	210,317	4,666,331
2026	4,666,331	-	449,535	-	199,870	4,416,666
2027	4,416,666	-	472,166	-	188,126	4,132,626
2028	4,132,626	-	477,466	-	175,225	3,830,385
2029	3,830,385	-	478,042	-	161,611	3,513,954
2030	3,513,954	-	472,435	-	147,498	3,189,017
2031	3,189,017	-	460,004	-	133,156	2,862,169
2032	2,862,169	-	452,911	-	118,607	2,527,865
2033	2,527,865	-	442,639	-	103,795	2,189,021
2034	2,189,021	-	439,809	-	88,610	1,837,822
2035	1,837,822	-	435,977	-	72,893	1,474,738
2036	1,474,738	-	432,671	-	56,628	1,098,695
2037	1,098,695	-	423,659	-	39,909	714,945
2038	714,945	-	419,683	-	22,730	317,992
2039	317,992	-	406,550	-	-	-

Number of Years Expected Benefit Payments Sustained: 16.78

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 \$)	\$341,876	\$530,944
Minimum Required Contribution (% of Payroll)	14.6%	22.7%

ASSETS

Actuarial Value ¹	5,661,435	5,661,435
Market Value ¹	5,258,060	5,258,060

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	3,213,864	5,077,981
Disability Benefits	257,924	387,912
Death Benefits	88,275	111,640
Vested Benefits	263,697	457,887
Service Retirees	3,201,518	3,689,112
Beneficiaries	57,254	66,848
Disability Retirees	340,139	396,571
Terminated Vested	893,133	1,151,519
Total:	8,315,804	11,339,470
Present Value of Future Salaries	19,923,971	23,244,974
Present Value of Future Total Normal Cost	175,203	279,538
Present Value of Future Normal Costs (Entry Age Normal)	1,463,091	2,842,000
Total Actuarial Accrued Liability (EAN) ¹	6,852,713	8,497,470
Unfunded Actuarial Accrued Liability (UAAL)	1,191,278	2,836,035

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 ²	180,897	285,828
Administrative Expenses ²	38,150	37,780
Payment Required To Amortize UAAL ²	122,829	207,336
Minimum Required Contribution	\$341,876	\$530,944

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2023.

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