

CITY OF FORT MEADE
GENERAL EMPLOYEES' 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 General Employees' 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	109,584	167,196
Interest	397,080	350,356
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(61,417)	(22,866)
Changes of Assumptions	168,066	196,554
Benefit Payments, Including Refunds of Employee Contributions	<u>(367,757)</u>	<u>(367,757)</u>
Net Change in Total Pension Liability	245,556	323,483
Total Pension Liability - Beginning	<u>5,746,859</u>	<u>7,023,807</u>
Total Pension Liability - Ending (a)	<u>\$ 5,992,415</u>	<u>\$ 7,347,290</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	183,188	183,188
Net Investment Income	1,002,745	1,002,745
Benefit Payments, Including Refunds of Employee Contributions	(367,757)	(367,757)
Administrative Expenses	<u>(22,926)</u>	<u>(22,926)</u>
Net Change in Plan Fiduciary Net Position	795,250	795,250
Plan Fiduciary Net Position - Beginning	<u>5,291,515</u>	<u>5,291,515</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,086,765</u>	<u>\$ 6,086,765</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (94,350)</u>	<u>\$ 1,260,525</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
2021	5,927,788	-	374,067	-	387,501	5,941,222
2022	5,941,222	-	373,223	-	388,436	5,956,435
2023	5,956,435	-	405,535	-	388,373	5,939,273
2024	5,939,273	-	402,361	-	387,321	5,924,233
2025	5,924,233	-	405,010	-	386,217	5,905,440
2026	5,905,440	-	419,663	-	384,454	5,870,231
2027	5,870,231	-	426,392	-	381,850	5,825,689
2028	5,825,689	-	424,264	-	378,915	5,780,340
2029	5,780,340	-	445,245	-	375,146	5,710,241
2030	5,710,241	-	439,967	-	370,592	5,640,866
2031	5,640,866	-	428,112	-	366,310	5,579,064
2032	5,579,064	-	421,620	-	362,357	5,519,801
2033	5,519,801	-	411,900	-	358,685	5,466,586
2034	5,466,586	-	401,180	-	355,455	5,420,861
2035	5,420,861	-	407,272	-	352,163	5,365,752
2036	5,365,752	-	399,483	-	348,706	5,314,975
2037	5,314,975	-	389,334	-	345,621	5,271,262
2038	5,271,262	-	383,234	-	342,876	5,230,904
2039	5,230,904	-	364,708	-	340,777	5,206,973
2040	5,206,973	-	345,599	-	339,807	5,201,181
2041	5,201,181	-	326,212	-	340,070	5,215,039
2042	5,215,039	-	313,671	-	341,429	5,242,797
2043	5,242,797	-	294,600	-	343,946	5,292,143
2044	5,292,143	-	275,164	-	347,933	5,364,912
2045	5,364,912	-	256,219	-	353,484	5,462,177
2046	5,462,177	-	241,506	-	360,546	5,581,217
2047	5,581,217	-	223,552	-	369,187	5,726,852
2048	5,726,852	-	206,300	-	379,600	5,900,152
2049	5,900,152	-	189,862	-	391,852	6,102,142
2050	6,102,142	-	174,463	-	406,006	6,333,685
2051	6,333,685	-	160,539	-	422,106	6,595,252
2052	6,595,252	-	147,197	-	440,212	6,888,267
2053	6,888,267	-	134,471	-	460,420	7,214,216
2054	7,214,216	-	123,218	-	482,801	7,573,799
2055	7,573,799	-	112,240	-	507,443	7,969,002
2056	7,969,002	-	102,544	-	534,447	8,400,905
2057	8,400,905	-	93,058	-	563,920	8,871,767
2058	8,871,767	-	84,728	-	595,985	9,383,024
2059	9,383,024	-	76,714	-	630,765	9,937,075
2060	9,937,075	-	69,079	-	668,421	10,536,417
2061	10,536,417	-	62,073	-	709,113	11,183,457
2062	11,183,457	-	55,680	-	753,004	11,880,781
2063	11,880,781	-	49,663	-	800,277	12,631,395
2064	12,631,395	-	44,082	-	851,131	13,438,444
2065	13,438,444	-	38,966	-	905,780	14,305,258
2066	14,305,258	-	34,307	-	964,447	15,235,398
2067	15,235,398	-	30,096	-	1,027,374	16,232,676
2068	16,232,676	-	26,296	-	1,094,818	17,301,198
2069	17,301,198	-	22,887	-	1,167,058	18,445,369

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	18,445,369	-	19,846	-	1,244,393	19,669,916
2071	19,669,916	-	17,150	-	1,327,141	20,979,907
2072	20,979,907	-	14,778	-	1,415,645	22,380,774
2073	22,380,774	-	12,705	-	1,510,273	23,878,342
2074	23,878,342	-	10,907	-	1,611,420	25,478,855
2075	25,478,855	-	9,356	-	1,719,507	27,189,006
2076	27,189,006	-	8,030	-	1,834,987	29,015,963
2077	29,015,963	-	6,899	-	1,958,345	30,967,409
2078	30,967,409	-	5,932	-	2,090,100	33,051,577
2079	33,051,577	-	5,104	-	2,230,809	35,277,282
2080	35,277,282	-	4,392	-	2,381,068	37,653,958
2081	37,653,958	-	3,779	-	2,541,515	40,191,694
2082	40,191,694	-	3,251	-	2,712,830	42,901,273
2083	42,901,273	-	2,793	-	2,895,742	45,794,222
2084	45,794,222	-	2,395	-	3,091,029	48,882,856
2085	48,882,856	-	2,050	-	3,299,524	52,180,330
2086	52,180,330	-	1,751	-	3,522,113	55,700,692
2087	55,700,692	-	1,491	-	3,759,746	59,458,947
2088	59,458,947	-	1,264	-	4,013,436	63,471,119
2089	63,471,119	-	1,066	-	4,284,265	67,754,318
2090	67,754,318	-	894	-	4,573,386	72,326,810
2091	72,326,810	-	744	-	4,882,035	77,208,101
2092	77,208,101	-	613	-	5,211,526	82,419,014
2093	82,419,014	-	500	-	5,563,267	87,981,781
2094	87,981,781	-	402	-	5,938,757	93,920,136
2095	93,920,136	-	319	-	6,339,598	100,259,415
2096	100,259,415	-	249	-	6,767,502	107,026,668
2097	107,026,668	-	191	-	7,224,294	114,250,771
2098	114,250,771	-	144	-	7,711,922	121,962,549
2099	121,962,549	-	106	-	8,232,468	130,194,911
2100	130,194,911	-	77	-	8,788,154	138,982,988
2101	138,982,988	-	54	-	9,381,350	148,364,284
2102	148,364,284	-	37	-	10,014,588	158,378,835
2103	158,378,835	-	25	-	10,690,571	169,069,381
2104	169,069,381	-	17	-	11,412,183	180,481,547
2105	180,481,547	-	11	-	12,182,504	192,664,040
2106	192,664,040	-	7	-	13,004,822	205,668,855
2107	205,668,855	-	4	-	13,882,648	219,551,499
2108	219,551,499	-	2	-	14,819,726	234,371,223
2109	234,371,223	-	1	-	15,820,058	250,191,280
2110	250,191,280	-	1	-	16,887,911	267,079,190
2111	267,079,190	-	-	-	18,027,845	285,107,035

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	5,927,788	-	374,067	-	272,686	5,826,407
2022	5,826,407	-	373,223	-	267,890	5,721,074
2023	5,721,074	-	405,535	-	262,120	5,577,659
2024	5,577,659	-	402,361	-	255,383	5,430,681
2025	5,430,681	-	405,010	-	248,338	5,274,009
2026	5,274,009	-	419,663	-	240,548	5,094,894
2027	5,094,894	-	426,392	-	231,881	4,900,383
2028	4,900,383	-	424,264	-	222,692	4,698,811
2029	4,698,811	-	445,245	-	212,619	4,466,185
2030	4,466,185	-	439,967	-	201,695	4,227,913
2031	4,227,913	-	428,112	-	190,658	3,990,459
2032	3,990,459	-	421,620	-	179,533	3,748,372
2033	3,748,372	-	411,900	-	168,265	3,504,737
2034	3,504,737	-	401,180	-	156,947	3,260,504
2035	3,260,504	-	407,272	-	145,201	2,998,433
2036	2,998,433	-	399,483	-	132,938	2,731,888
2037	2,731,888	-	389,334	-	120,518	2,463,072
2038	2,463,072	-	383,234	-	107,894	2,187,732
2039	2,187,732	-	364,708	-	95,255	1,918,279
2040	1,918,279	-	345,599	-	82,910	1,655,590
2041	1,655,590	-	326,212	-	70,893	1,400,271
2042	1,400,271	-	313,671	-	59,063	1,145,663
2043	1,145,663	-	294,600	-	47,422	898,485
2044	898,485	-	275,164	-	36,143	659,464
2045	659,464	-	256,219	-	25,239	428,484
2046	428,484	-	241,506	-	14,617	201,595
2047	201,595	-	223,552	-	-	-

Number of Years Expected Benefit Payments Sustained: 26.90

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 \$)	\$203,914	\$359,125
Minimum Required Contribution (% of Payroll)	10.8%	19.0%

ASSETS

Actuarial Value ¹	5,472,794	5,472,794
Market Value ¹	5,927,788	5,927,788

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	2,313,165	3,502,323
Disability Benefits	173,052	246,992
Death Benefits	63,279	74,472
Vested Benefits	61,018	117,992
Refund of Contributions	0	0
Service Retirees	3,499,651	4,055,767
DROP Retirees ¹	0	0
Beneficiaries	0	0
Disability Retirees	235,912	277,201
Terminated Vested	748,723	985,288
Total:	7,094,800	9,260,035
Present Value of Future Salaries	14,903,128	16,725,658
Total Normal Cost	102,752	178,600
Present Value of Future Normal Costs (Entry Age Normal)	1,166,091	1,957,522
Total Actuarial Accrued Liability (EAN) ¹	5,928,709	7,302,513
Unfunded Actuarial Accrued Liability (UAAL)	789,566	2,163,370

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 ²	109,406	188,327
Administrative Expenses ²	22,197	21,982
Payment Required To Amortize UAAL ²	72,311	148,816
Minimum Required Contribution	\$203,914	\$359,125

¹ The asset values and liabilities include accumulated DROP Balances as of 9/30/2021.

² Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.