

CITY OF FORT MEADE  
GENERAL EMPLOYEES' 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 General Employees' 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.

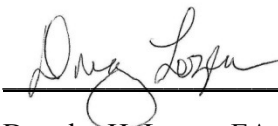
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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	142,780	213,083
Interest	402,752	351,119
Changes of Benefit Terms	13,566	13,671
Differences Between Expected and Actual Experience	(68,007)	(46,905)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(364,124)	(364,124)
Net Change in Total Pension Liability	126,967	166,844
Total Pension Liability - Beginning	5,992,415	7,347,290
Total Pension Liability - Ending (a)	<u>\$ 6,119,382</u>	<u>\$ 7,514,134</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	177,572	177,572
Net Investment Income	(795,089)	(795,089)
Benefit Payments, Including Refunds of Employee Contributions	(364,124)	(364,124)
Administrative Expenses	(36,528)	(36,528)
Net Change in Plan Fiduciary Net Position	(1,018,169)	(1,018,169)
Plan Fiduciary Net Position - Beginning	6,086,765	6,086,765
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,068,596</u>	<u>\$ 5,068,596</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,050,786</u>	<u>\$ 2,445,538</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	4,935,208	-	371,137	-	320,601	4,884,672
2023	4,884,672	-	406,054	-	316,011	4,794,629
2024	4,794,629	-	403,237	-	310,028	4,701,420
2025	4,701,420	-	412,802	-	303,414	4,592,032
2026	4,592,032	-	429,337	-	295,472	4,458,167
2027	4,458,167	-	437,085	-	286,175	4,307,257
2028	4,307,257	-	439,059	-	275,922	4,144,120
2029	4,144,120	-	460,287	-	264,193	3,948,026
2030	3,948,026	-	455,229	-	251,128	3,743,925
2031	3,743,925	-	442,771	-	237,771	3,538,925
2032	3,538,925	-	435,915	-	224,165	3,327,175
2033	3,327,175	-	426,126	-	210,203	3,111,252
2034	3,111,252	-	424,321	-	195,689	2,882,620
2035	2,882,620	-	433,479	-	179,947	2,629,088
2036	2,629,088	-	425,282	-	163,110	2,366,916
2037	2,366,916	-	415,834	-	145,732	2,096,814
2038	2,096,814	-	413,189	-	127,590	1,811,215
2039	1,811,215	-	395,267	-	108,917	1,524,865
2040	1,524,865	-	375,646	-	90,250	1,239,469
2041	1,239,469	-	355,856	-	71,654	955,267
2042	955,267	-	344,795	-	52,844	663,316
2043	663,316	-	325,695	-	33,782	371,403
2044	371,403	-	305,979	-	14,743	80,167
2045	80,167	-	286,163	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.28

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.80% 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	4,935,208	-	371,137	-	225,608	4,789,679
2023	4,789,679	-	406,054	-	217,866	4,601,491
2024	4,601,491	-	403,237	-	208,994	4,407,248
2025	4,407,248	-	412,802	-	199,540	4,193,986
2026	4,193,986	-	429,337	-	189,018	3,953,667
2027	3,953,667	-	437,085	-	177,418	3,694,000
2028	3,694,000	-	439,059	-	165,037	3,419,978
2029	3,419,978	-	460,287	-	151,517	3,111,208
2030	3,111,208	-	455,229	-	136,971	2,792,950
2031	2,792,950	-	442,771	-	122,149	2,472,328
2032	2,472,328	-	435,915	-	107,083	2,143,496
2033	2,143,496	-	426,126	-	91,696	1,809,066
2034	1,809,066	-	424,321	-	75,853	1,460,598
2035	1,460,598	-	433,479	-	59,083	1,086,202
2036	1,086,202	-	425,282	-	41,494	702,414
2037	702,414	-	415,834	-	23,489	310,069
2038	310,069	-	413,189	-	-	-

Number of Years Expected Benefit Payments Sustained: 16.75

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.80% 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 \$)	\$301,995	\$482,108
Minimum Required Contribution (% of Payroll)	12.8%	20.5%

**ASSETS**

Actuarial Value <sup>1</sup>	5,542,288	5,542,288
Market Value <sup>1</sup>	4,935,208	4,935,208

**LIABILITIES**

Present Value of Benefits

Actives

Retirement Benefits	2,844,220	4,240,161
Disability Benefits	205,625	292,921
Death Benefits	68,734	80,742
Vested Benefits	101,047	198,911

Service Retirees

DROP Retirees <sup>1</sup>	0	0
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Beneficiaries

Disability Retirees	232,626	272,402
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Terminated Vested

Total:	7,680,307	10,092,896
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Present Value of Future Salaries	16,766,894	18,744,815
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Total Normal Cost	186,077	280,527
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Present Value of Future

Normal Costs (Entry Age Normal)	1,386,444	2,312,674
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Total Actuarial Accrued Liability (EAN) <sup>1</sup>	6,293,863	7,780,222
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Unfunded Actuarial Accrued Liability (UAAL)	771,377	2,237,934
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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>2</sup>	198,128	295,805
Administrative Expenses <sup>2</sup>	31,652	31,346
Payment Required To Amortize UAAL <sup>2</sup>	72,215	154,957
Minimum Required Contribution	\$301,995	\$482,108

<sup>1</sup> The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2022.

<sup>2</sup> Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.