

CITY OF FORT MEADE
POLICE OFFICERS' 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 Police Officers' 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	-	-
Interest	86,536	74,907
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	22,473	25,500
Changes of Assumptions	(62,010)	(85,034)
Benefit Payments, Including Refunds of Employee Contributions	(99,519)	(99,519)
Net Change in Total Pension Liability	(52,520)	(84,146)
Total Pension Liability - Beginning	1,285,988	1,547,903
Total Pension Liability - Ending (a)	<u>\$ 1,233,468</u>	<u>\$ 1,463,757</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	32,551	32,551
Net Investment Income	72,108	72,108
Benefit Payments, Including Refunds of Employee Contributions	(99,519)	(99,519)
Administrative Expenses	(15,728)	(15,728)
Net Change in Plan Fiduciary Net Position	(10,588)	(10,588)
Plan Fiduciary Net Position - Beginning	1,205,619	1,205,619
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,195,031</u>	<u>\$ 1,195,031</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 38,437</u>	<u>\$ 268,726</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	1,189,453	-	74,699	-	80,647	1,195,401
2021	1,195,401	-	73,534	-	81,104	1,202,971
2022	1,202,971	-	72,242	-	81,680	1,212,409
2023	1,212,409	-	78,642	-	82,116	1,215,883
2024	1,215,883	-	82,309	-	82,231	1,215,805
2025	1,215,805	-	105,162	-	81,426	1,192,069
2026	1,192,069	-	103,421	-	79,825	1,168,473
2027	1,168,473	-	100,673	-	78,270	1,146,070
2028	1,146,070	-	97,913	-	76,798	1,124,955
2029	1,124,955	-	95,600	-	75,401	1,104,756
2030	1,104,756	-	93,179	-	74,072	1,085,649
2031	1,085,649	-	90,652	-	72,823	1,067,820
2032	1,067,820	-	88,024	-	71,667	1,051,463
2033	1,051,463	-	84,599	-	70,641	1,037,505
2034	1,037,505	-	81,037	-	69,789	1,026,257
2035	1,026,257	-	74,911	-	69,216	1,020,562
2036	1,020,562	-	71,338	-	68,943	1,018,167
2037	1,018,167	-	67,685	-	68,903	1,019,385
2038	1,019,385	-	63,981	-	69,118	1,024,522
2039	1,024,522	-	60,265	-	69,607	1,033,864
2040	1,033,864	-	56,575	-	70,390	1,047,679
2041	1,047,679	-	52,947	-	71,484	1,066,216
2042	1,066,216	-	49,408	-	72,906	1,089,714
2043	1,089,714	-	45,974	-	74,671	1,118,411
2044	1,118,411	-	42,655	-	76,796	1,152,552
2045	1,152,552	-	39,453	-	79,298	1,192,397
2046	1,192,397	-	36,370	-	82,195	1,238,222
2047	1,238,222	-	33,407	-	85,506	1,290,321
2048	1,290,321	-	30,568	-	89,253	1,349,006
2049	1,349,006	-	27,856	-	93,455	1,414,605
2050	1,414,605	-	25,270	-	98,138	1,487,473
2051	1,487,473	-	22,806	-	103,325	1,567,992
2052	1,567,992	-	20,456	-	109,043	1,656,579
2053	1,656,579	-	18,216	-	115,323	1,753,686
2054	1,753,686	-	16,088	-	122,195	1,859,793
2055	1,859,793	-	14,078	-	129,693	1,975,408
2056	1,975,408	-	12,200	-	137,852	2,101,060
2057	2,101,060	-	10,463	-	146,708	2,237,305
2058	2,237,305	-	8,872	-	156,301	2,384,734
2059	2,384,734	-	7,428	-	166,671	2,543,977
2060	2,543,977	-	6,131	-	177,864	2,715,710
2061	2,715,710	-	4,978	-	189,925	2,900,657
2062	2,900,657	-	3,968	-	202,907	3,099,596
2063	3,099,596	-	3,100	-	216,863	3,313,359
2064	3,313,359	-	2,369	-	231,852	3,542,842
2065	3,542,842	-	1,769	-	247,937	3,789,010
2066	3,789,010	-	1,287	-	265,186	4,052,909
2067	4,052,909	-	912	-	283,672	4,335,669
2068	4,335,669	-	629	-	303,475	4,638,515
2069	4,638,515	-	421	-	324,681	4,962,775
2070	4,962,775	-	273	-	347,385	5,309,887
2071	5,309,887	-	172	-	371,686	5,681,401

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
2072	5,681,401	-	105	-	397,694	6,078,990
2073	6,078,990	-	62	-	425,527	6,504,455
2074	6,504,455	-	35	-	455,311	6,959,731
2075	6,959,731	-	20	-	487,180	7,446,891
2076	7,446,891	-	11	-	521,282	7,968,162
2077	7,968,162	-	6	-	557,771	8,525,927
2078	8,525,927	-	3	-	596,815	9,122,739
2079	9,122,739	-	2	-	638,592	9,761,329
2080	9,761,329	-	1	-	683,293	10,444,621
2081	10,444,621	-	-	-	731,123	11,175,744

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	1,189,453	-	74,699	-	57,605	1,172,359
2021	1,172,359	-	73,534	-	56,780	1,155,605
2022	1,155,605	-	72,242	-	55,974	1,139,337
2023	1,139,337	-	78,642	-	55,001	1,115,696
2024	1,115,696	-	82,309	-	53,727	1,087,114
2025	1,087,114	-	105,162	-	51,727	1,033,679
2026	1,033,679	-	103,421	-	49,098	979,356
2027	979,356	-	100,673	-	46,451	925,134
2028	925,134	-	97,913	-	43,809	871,030
2029	871,030	-	95,600	-	41,162	816,592
2030	816,592	-	93,179	-	38,500	761,913
2031	761,913	-	90,652	-	35,829	707,090
2032	707,090	-	88,024	-	33,154	652,220
2033	652,220	-	84,599	-	30,496	598,117
2034	598,117	-	81,037	-	27,880	544,960
2035	544,960	-	74,911	-	25,375	495,424
2036	495,424	-	71,338	-	22,988	447,074
2037	447,074	-	67,685	-	20,662	400,051
2038	400,051	-	63,981	-	18,403	354,473
2039	354,473	-	60,265	-	16,217	310,425
2040	310,425	-	56,575	-	14,107	267,957
2041	267,957	-	52,947	-	12,074	227,084
2042	227,084	-	49,408	-	10,119	187,795
2043	187,795	-	45,974	-	8,240	150,061
2044	150,061	-	42,655	-	6,437	113,843
2045	113,843	-	39,453	-	4,706	79,096
2046	79,096	-	36,370	-	3,046	45,772
2047	45,772	-	33,407	-	1,453	13,818
2048	13,818	-	30,568	-	-	-

Number of Years Expected Benefit Payments Sustained: 28.45

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 \$)	\$11,426	\$11,316

ASSETS

Actuarial Value	1,197,250	1,197,250
Market Value	1,189,453	1,189,453

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	0	0
Disability Benefits	0	0
Death Benefits	0	0
Vested Benefits	0	0
Refund of Contributions	0	0
Service Retirees	581,847	680,154
Beneficiaries	124,454	141,970
Disability Retirees	0	0
Terminated Vested	317,936	414,201
Total:	1,024,237	1,236,325
Present Value of Future Salaries	0	0
Present Value of Future Member Contributions	0	0
Total Normal Cost	0	0
Present Value of Future Normal Costs (Entry Age Normal)	0	0
Total Actuarial Accrued Liability	1,024,237	1,236,325
Unfunded Actuarial Accrued Liability (UAAL)	(173,013)	39,075

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 ¹	0	0
Administrative Expenses ¹	11,426	11,316
Payment Required To Amortize UAAL ¹	(15,867)	(219)
Minimum Required Contribution	11,426	11,316

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

² Per Florida Statutes, the Minimum Required Contribution may be no less than the Normal Cost.