

CITY OF FORT MEADE
POLICE OFFICERS' RETIREMENT PLAN

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



April 23, 2024

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, 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: 

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, 2023

	ACTUAL	HYPOTHETICAL
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	60,752	51,667
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	12,114	13,938
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(60,788)	(60,788)
Net Change in Total Pension Liability	12,078	4,817
Total Pension Liability - Beginning	930,431	1,118,129
Total Pension Liability - Ending (a)	<u>\$ 942,509</u>	<u>\$ 1,122,946</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	17,876	17,876
Net Investment Income	92,648	92,648
Benefit Payments, Including Refunds of Employee Contributions	(60,788)	(60,788)
Administrative Expenses	(16,142)	(16,142)
Net Change in Plan Fiduciary Net Position	33,594	33,594
Plan Fiduciary Net Position - Beginning	1,104,913	1,104,913
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,138,507</u>	<u>\$ 1,138,507</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (195,998)</u>	<u>\$ (15,561)</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
2023	1,132,929	-	68,212	-	74,171	1,138,888
2024	1,138,888	-	72,345	-	74,433	1,140,976
2025	1,140,976	-	95,989	-	73,776	1,118,763
2026	1,118,763	-	94,576	-	72,325	1,096,512
2027	1,096,512	-	92,453	-	70,894	1,074,953
2028	1,074,953	-	90,213	-	69,515	1,054,255
2029	1,054,255	-	88,266	-	68,183	1,034,172
2030	1,034,172	-	86,243	-	66,896	1,014,825
2031	1,014,825	-	84,156	-	65,660	996,329
2032	996,329	-	82,011	-	64,484	978,802
2033	978,802	-	79,101	-	63,399	963,100
2034	963,100	-	76,085	-	62,441	949,456
2035	949,456	-	70,487	-	61,709	940,678
2036	940,678	-	67,499	-	61,218	934,397
2037	934,397	-	64,424	-	60,897	930,870
2038	930,870	-	61,273	-	60,766	930,363
2039	930,363	-	58,072	-	60,840	933,131
2040	933,131	-	54,851	-	61,135	939,415
2041	939,415	-	51,643	-	61,668	949,440
2042	949,440	-	48,474	-	62,451	963,417
2043	963,417	-	45,359	-	63,500	981,558
2044	981,558	-	42,306	-	64,827	1,004,079
2045	1,004,079	-	39,321	-	66,448	1,031,206
2046	1,031,206	-	36,406	-	68,378	1,063,178
2047	1,063,178	-	33,568	-	70,632	1,100,242
2048	1,100,242	-	30,814	-	73,226	1,142,654
2049	1,142,654	-	28,154	-	76,179	1,190,679
2050	1,190,679	-	25,593	-	79,507	1,244,593
2051	1,244,593	-	23,134	-	83,229	1,304,688
2052	1,304,688	-	20,774	-	87,365	1,371,279
2053	1,371,279	-	18,514	-	91,936	1,444,701
2054	1,444,701	-	16,359	-	96,965	1,525,307
2055	1,525,307	-	14,320	-	102,475	1,613,462
2056	1,613,462	-	12,412	-	108,490	1,709,540
2057	1,709,540	-	10,645	-	115,035	1,813,930
2058	1,813,930	-	9,027	-	122,136	1,927,039
2059	1,927,039	-	7,557	-	129,820	2,049,302
2060	2,049,302	-	6,238	-	138,117	2,181,181
2061	2,181,181	-	5,065	-	147,059	2,323,175
2062	2,323,175	-	4,037	-	156,678	2,475,816
2063	2,475,816	-	3,154	-	167,011	2,639,673
2064	2,639,673	-	2,410	-	178,097	2,815,360
2065	2,815,360	-	1,799	-	189,976	3,003,537
2066	3,003,537	-	1,309	-	202,695	3,204,923
2067	3,204,923	-	928	-	216,301	3,420,296
2068	3,420,296	-	640	-	230,848	3,650,504
2069	3,650,504	-	428	-	246,395	3,896,471
2070	3,896,471	-	278	-	263,002	4,159,195
2071	4,159,195	-	175	-	280,740	4,439,760

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
2072	4,439,760	-	107	-	299,680	4,739,333
2073	4,739,333	-	63	-	319,903	5,059,173
2074	5,059,173	-	36	-	341,493	5,400,630
2075	5,400,630	-	20	-	364,542	5,765,152
2076	5,765,152	-	11	-	389,147	6,154,288
2077	6,154,288	-	6	-	415,414	6,569,696
2078	6,569,696	-	3	-	443,454	7,013,147
2079	7,013,147	-	2	-	473,387	7,486,532
2080	7,486,532	-	1	-	505,341	7,991,872
2081	7,991,872	-	-	-	539,451	8,531,323

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
2023	1,132,929	-	68,212	-	52,194	1,116,911
2024	1,116,911	-	72,345	-	51,335	1,095,901
2025	1,095,901	-	95,989	-	49,776	1,049,688
2026	1,049,688	-	94,576	-	47,614	1,002,726
2027	1,002,726	-	92,453	-	45,434	955,707
2028	955,707	-	90,213	-	43,254	908,748
2029	908,748	-	88,266	-	41,069	861,551
2030	861,551	-	86,243	-	38,875	814,183
2031	814,183	-	84,156	-	36,675	766,702
2032	766,702	-	82,011	-	34,471	719,162
2033	719,162	-	79,101	-	32,282	672,343
2034	672,343	-	76,085	-	30,129	626,387
2035	626,387	-	70,487	-	28,079	583,979
2036	583,979	-	67,499	-	26,136	542,616
2037	542,616	-	64,424	-	24,244	502,436
2038	502,436	-	61,273	-	22,410	463,573
2039	463,573	-	58,072	-	20,641	426,142
2040	426,142	-	54,851	-	18,939	390,230
2041	390,230	-	51,643	-	17,309	355,896
2042	355,896	-	48,474	-	15,754	323,176
2043	323,176	-	45,359	-	14,274	292,091
2044	292,091	-	42,306	-	12,870	262,655
2045	262,655	-	39,321	-	11,542	234,876
2046	234,876	-	36,406	-	10,292	208,762
2047	208,762	-	33,568	-	9,119	184,313
2048	184,313	-	30,814	-	8,023	161,522
2049	161,522	-	28,154	-	7,004	140,372
2050	140,372	-	25,593	-	6,060	120,839
2051	120,839	-	23,134	-	5,190	102,895
2052	102,895	-	20,774	-	4,394	86,515
2053	86,515	-	18,514	-	3,670	71,671
2054	71,671	-	16,359	-	3,016	58,328
2055	58,328	-	14,320	-	2,430	46,438
2056	46,438	-	12,412	-	1,911	35,937
2057	35,937	-	10,645	-	1,454	26,746
2058	26,746	-	9,027	-	1,056	18,775
2059	18,775	-	7,557	-	712	11,930
2060	11,930	-	6,238	-	419	6,111
2061	6,111	-	5,065	-	170	1,216
2062	1,216	-	4,037	-	-	-

Number of Years Expected Benefit Payments Sustained: 39.30

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, 2024

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$17,540	\$17,370

ASSETS

Actuarial Value	1,218,500	1,218,500
Market Value	1,132,929	1,132,929

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	0	0
Disability Benefits	0	0
Death Benefits	0	0
Vested Benefits	0	0
Refund of Contributions	0	0
Service Retirees	548,664	635,607
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	406,390	501,942
Total:	955,054	1,137,549
Present Value of Future Salaries	0	0
Present Value of Future Total Normal Cost	0	0
Present Value of Future Normal Costs (Entry Age Normal)	0	0
Total Actuarial Accrued Liability (EAN)	955,054	1,137,549
Unfunded Actuarial Accrued Liability (UAAL)	(263,446)	(80,951)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost ¹	0	0
Administrative Expenses ¹	17,540	17,370
Payment Required To Amortize UAAL ¹	(27,277)	(12,885)
Minimum Required Contribution	17,540	17,370

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

² Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.