

CITY OF FORT MEADE
POLICE OFFICERS' 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 Police Officers' 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.

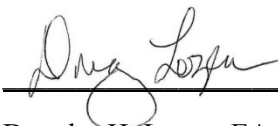
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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	-	-
Interest	83,753	71,338
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(223,822)	(238,804)
Changes of Assumptions	21,991	30,115
Benefit Payments, Including Refunds of Employee Contributions	(74,004)	(74,004)
Net Change in Total Pension Liability	(192,082)	(211,355)
Total Pension Liability - Beginning	1,233,468	1,463,757
Total Pension Liability - Ending (a)	<u>\$ 1,041,386</u>	<u>\$ 1,252,402</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	11,426	11,426
Net Investment Income	224,517	224,517
Benefit Payments, Including Refunds of Employee Contributions	(74,004)	(74,004)
Administrative Expenses	(16,792)	(16,792)
Net Change in Plan Fiduciary Net Position	145,147	145,147
Plan Fiduciary Net Position - Beginning	1,195,031	1,195,031
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,340,178</u>	<u>\$ 1,340,178</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (298,792)</u>	<u>\$ (87,776)</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	1,334,600	-	60,367	-	88,048	1,362,281
2022	1,362,281	-	59,397	-	89,949	1,392,833
2023	1,392,833	-	66,166	-	91,783	1,418,450
2024	1,418,450	-	70,216	-	93,376	1,441,610
2025	1,441,610	-	93,578	-	94,150	1,442,182
2026	1,442,182	-	92,234	-	94,234	1,444,182
2027	1,444,182	-	90,002	-	94,445	1,448,625
2028	1,448,625	-	87,752	-	94,821	1,455,694
2029	1,455,694	-	85,930	-	95,359	1,465,123
2030	1,465,123	-	84,037	-	96,060	1,477,146
2031	1,477,146	-	82,078	-	96,937	1,492,005
2032	1,492,005	-	80,055	-	98,008	1,509,958
2033	1,509,958	-	77,268	-	99,314	1,532,004
2034	1,532,004	-	74,371	-	100,900	1,558,533
2035	1,558,533	-	68,916	-	102,875	1,592,492
2036	1,592,492	-	66,033	-	105,265	1,631,724
2037	1,631,724	-	63,059	-	108,013	1,676,678
2038	1,676,678	-	60,007	-	111,151	1,727,822
2039	1,727,822	-	56,903	-	114,708	1,785,627
2040	1,785,627	-	53,778	-	118,715	1,850,564
2041	1,850,564	-	50,662	-	123,203	1,923,105
2042	1,923,105	-	47,581	-	128,204	2,003,728
2043	2,003,728	-	44,551	-	133,748	2,092,925
2044	2,092,925	-	41,578	-	139,869	2,191,216
2045	2,191,216	-	38,668	-	146,602	2,299,150
2046	2,299,150	-	35,823	-	153,984	2,417,311
2047	2,417,311	-	33,048	-	162,053	2,546,316
2048	2,546,316	-	30,354	-	170,852	2,686,814
2049	2,686,814	-	27,747	-	180,423	2,839,490
2050	2,839,490	-	25,235	-	190,814	3,005,069
2051	3,005,069	-	22,819	-	202,072	3,184,322
2052	3,184,322	-	20,498	-	214,250	3,378,074
2053	3,378,074	-	18,273	-	227,403	3,587,204
2054	3,587,204	-	16,150	-	241,591	3,812,645
2055	3,812,645	-	14,140	-	256,876	4,055,381
2056	4,055,381	-	12,258	-	273,325	4,316,448
2057	4,316,448	-	10,515	-	291,005	4,596,938
2058	4,596,938	-	8,917	-	309,992	4,898,013
2059	4,898,013	-	7,466	-	330,364	5,220,911
2060	5,220,911	-	6,163	-	352,203	5,566,951
2061	5,566,951	-	5,004	-	375,600	5,937,547
2062	5,937,547	-	3,989	-	400,650	6,334,208
2063	6,334,208	-	3,116	-	427,454	6,758,546
2064	6,758,546	-	2,382	-	456,121	7,212,285
2065	7,212,285	-	1,778	-	486,769	7,697,276
2066	7,697,276	-	1,294	-	519,522	8,215,504
2067	8,215,504	-	917	-	554,516	8,769,103
2068	8,769,103	-	632	-	591,893	9,360,364
2069	9,360,364	-	423	-	631,810	9,991,751

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	9,991,751	-	275	-	674,434	10,665,910
2071	10,665,910	-	173	-	719,943	11,385,680
2072	11,385,680	-	105	-	768,530	12,154,105
2073	12,154,105	-	62	-	820,400	12,974,443
2074	12,974,443	-	35	-	875,774	13,850,182
2075	13,850,182	-	20	-	934,887	14,785,049
2076	14,785,049	-	11	-	997,990	15,783,028
2077	15,783,028	-	6	-	1,065,354	16,848,376
2078	16,848,376	-	3	-	1,137,265	17,985,638
2079	17,985,638	-	2	-	1,214,030	19,199,666
2080	19,199,666	-	1	-	1,295,977	20,495,642
2081	20,495,642	-	-	-	1,383,456	21,879,098

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	1,334,600	-	60,367	-	61,960	1,336,193
2022	1,336,193	-	59,397	-	62,058	1,338,854
2023	1,338,854	-	66,166	-	62,024	1,334,712
2024	1,334,712	-	70,216	-	61,731	1,326,227
2025	1,326,227	-	93,578	-	60,773	1,293,422
2026	1,293,422	-	92,234	-	59,247	1,260,435
2027	1,260,435	-	90,002	-	57,733	1,228,166
2028	1,228,166	-	87,752	-	56,254	1,196,668
2029	1,196,668	-	85,930	-	54,801	1,165,539
2030	1,165,539	-	84,037	-	53,367	1,134,869
2031	1,134,869	-	82,078	-	51,957	1,104,748
2032	1,104,748	-	80,055	-	50,574	1,075,267
2033	1,075,267	-	77,268	-	49,240	1,047,239
2034	1,047,239	-	74,371	-	47,978	1,020,846
2035	1,020,846	-	68,916	-	46,853	998,783
2036	998,783	-	66,033	-	45,874	978,624
2037	978,624	-	63,059	-	44,987	960,552
2038	960,552	-	60,007	-	44,201	944,746
2039	944,746	-	56,903	-	43,524	931,367
2040	931,367	-	53,778	-	42,963	920,552
2041	920,552	-	50,662	-	42,523	912,413
2042	912,413	-	47,581	-	42,210	907,042
2043	907,042	-	44,551	-	42,026	904,517
2044	904,517	-	41,578	-	41,977	904,916
2045	904,916	-	38,668	-	42,065	908,313
2046	908,313	-	35,823	-	42,294	914,784
2047	914,784	-	33,048	-	42,667	924,403
2048	924,403	-	30,354	-	43,188	937,237
2049	937,237	-	27,747	-	43,860	953,350
2050	953,350	-	25,235	-	44,685	972,800
2051	972,800	-	22,819	-	45,666	995,647
2052	995,647	-	20,498	-	46,806	1,021,955
2053	1,021,955	-	18,273	-	48,109	1,051,791
2054	1,051,791	-	16,150	-	49,577	1,085,218
2055	1,085,218	-	14,140	-	51,212	1,122,290
2056	1,122,290	-	12,258	-	53,018	1,163,050
2057	1,163,050	-	10,515	-	54,995	1,207,530
2058	1,207,530	-	8,917	-	57,146	1,255,759
2059	1,255,759	-	7,466	-	59,471	1,307,764
2060	1,307,764	-	6,163	-	61,972	1,363,573
2061	1,363,573	-	5,004	-	64,651	1,423,220
2062	1,423,220	-	3,989	-	67,508	1,486,739
2063	1,486,739	-	3,116	-	70,546	1,554,169
2064	1,554,169	-	2,382	-	73,766	1,625,553
2065	1,625,553	-	1,778	-	77,172	1,700,947
2066	1,700,947	-	1,294	-	80,764	1,780,417
2067	1,780,417	-	917	-	84,548	1,864,048
2068	1,864,048	-	632	-	88,527	1,951,943
2069	1,951,943	-	423	-	92,707	2,044,227

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
2070	2,044,227	-	275	-	97,094	2,141,046
2071	2,141,046	-	173	-	101,696	2,242,569
2072	2,242,569	-	105	-	106,520	2,348,984
2073	2,348,984	-	62	-	111,575	2,460,497
2074	2,460,497	-	35	-	116,873	2,577,335
2075	2,577,335	-	20	-	122,423	2,699,738
2076	2,699,738	-	11	-	128,237	2,827,964
2077	2,827,964	-	6	-	134,328	2,962,286
2078	2,962,286	-	3	-	140,709	3,102,992
2079	3,102,992	-	2	-	147,392	3,250,382
2080	3,250,382	-	1	-	154,393	3,404,774
2081	3,404,774	-	-	-	161,727	3,566,501

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 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 \$)	\$16,810	\$16,647

ASSETS

Actuarial Value	1,234,934	1,234,934
Market Value	1,334,600	1,334,600

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	578,254	675,045
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	352,210	451,790
Total:	930,464	1,126,835
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 (EAN)	930,464	1,126,835
Unfunded Actuarial Accrued Liability (UAAL)	(304,470)	(108,099)

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 ¹	0	0
Administrative Expenses ¹	16,810	16,647
Payment Required To Amortize UAAL ¹	(29,597)	(13,743)
Minimum Required Contribution	\$16,810 ²	\$16,647 ²

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

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