

CITY OF FORT MEADE
POLICE OFFICERS' 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 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.

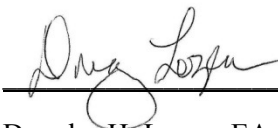
With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the 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, 2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	-	-
Interest	68,242	58,045
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(118,409)	(131,530)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(60,788)	(60,788)
Net Change in Total Pension Liability	(110,955)	(134,273)
Total Pension Liability - Beginning	1,041,386	1,252,402
Total Pension Liability - Ending (a)	<u>\$ 930,431</u>	<u>\$ 1,118,129</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	16,810	16,810
Net Investment Income	(173,496)	(173,496)
Benefit Payments, Including Refunds of Employee Contributions	(60,788)	(60,788)
Administrative Expenses	(17,791)	(17,791)
Net Change in Plan Fiduciary Net Position	(235,265)	(235,265)
Plan Fiduciary Net Position - Beginning	1,340,178	1,340,178
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,104,913</u>	<u>\$ 1,104,913</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (174,482)</u>	<u>\$ 13,216</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	1,099,335	-	60,325	-	72,169	1,111,179
2023	1,111,179	-	67,146	-	72,738	1,116,771
2024	1,116,771	-	71,223	-	72,978	1,118,526
2025	1,118,526	-	94,711	-	72,304	1,096,119
2026	1,096,119	-	93,330	-	70,838	1,073,627
2027	1,073,627	-	91,148	-	69,394	1,051,873
2028	1,051,873	-	88,902	-	68,001	1,030,972
2029	1,030,972	-	87,022	-	66,654	1,010,604
2030	1,010,604	-	85,069	-	65,345	990,880
2031	990,880	-	83,050	-	64,081	971,911
2032	971,911	-	80,972	-	62,871	953,810
2033	953,810	-	78,128	-	61,745	937,427
2034	937,427	-	75,177	-	60,739	922,989
2035	922,989	-	69,655	-	59,951	913,285
2036	913,285	-	66,724	-	59,395	905,956
2037	905,956	-	63,702	-	59,002	901,256
2038	901,256	-	60,605	-	58,789	899,440
2039	899,440	-	57,455	-	58,773	900,758
2040	900,758	-	54,285	-	58,969	905,442
2041	905,442	-	51,126	-	59,392	913,708
2042	913,708	-	48,003	-	60,055	925,760
2043	925,760	-	44,933	-	60,972	941,799
2044	941,799	-	41,923	-	62,157	962,033
2045	962,033	-	38,977	-	63,622	986,678
2046	986,678	-	36,099	-	65,382	1,015,961
2047	1,015,961	-	33,295	-	67,454	1,050,120
2048	1,050,120	-	30,572	-	69,851	1,089,399
2049	1,089,399	-	27,940	-	72,591	1,134,050
2050	1,134,050	-	25,405	-	75,691	1,184,336
2051	1,184,336	-	22,968	-	79,168	1,240,536
2052	1,240,536	-	20,629	-	83,040	1,302,947
2053	1,302,947	-	18,388	-	87,328	1,371,887
2054	1,371,887	-	16,250	-	92,054	1,447,691
2055	1,447,691	-	14,226	-	97,239	1,530,704
2056	1,530,704	-	12,331	-	102,906	1,621,279
2057	1,621,279	-	10,577	-	109,079	1,719,781
2058	1,719,781	-	8,969	-	115,783	1,826,595
2059	1,826,595	-	7,509	-	123,042	1,942,128
2060	1,942,128	-	6,198	-	130,884	2,066,814
2061	2,066,814	-	5,033	-	139,340	2,201,121
2062	2,201,121	-	4,012	-	148,440	2,345,549
2063	2,345,549	-	3,134	-	158,219	2,500,634
2064	2,500,634	-	2,395	-	168,712	2,666,951
2065	2,666,951	-	1,788	-	179,959	2,845,122
2066	2,845,122	-	1,301	-	192,002	3,035,823
2067	3,035,823	-	922	-	204,887	3,239,788
2068	3,239,788	-	636	-	218,664	3,457,816
2069	3,457,816	-	426	-	233,388	3,690,778
2070	3,690,778	-	276	-	249,118	3,939,620

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
2071	3,939,620	-	174	-	265,918	4,205,364
2072	4,205,364	-	106	-	283,858	4,489,116
2073	4,489,116	-	62	-	303,013	4,792,067
2074	4,792,067	-	36	-	323,463	5,115,494
2075	5,115,494	-	20	-	345,295	5,460,769
2076	5,460,769	-	11	-	368,602	5,829,360
2077	5,829,360	-	6	-	393,482	6,222,836
2078	6,222,836	-	3	-	420,041	6,642,874
2079	6,642,874	-	2	-	448,394	7,091,266
2080	7,091,266	-	1	-	478,660	7,569,925
2081	7,569,925	-	-	-	510,970	8,080,895

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
2022	1,099,335	-	60,325	-	50,786	1,089,796
2023	1,089,796	-	67,146	-	50,171	1,072,821
2024	1,072,821	-	71,223	-	49,267	1,050,865
2025	1,050,865	-	94,711	-	47,667	1,003,821
2026	1,003,821	-	93,330	-	45,465	955,956
2027	955,956	-	91,148	-	43,243	908,051
2028	908,051	-	88,902	-	41,021	860,170
2029	860,170	-	87,022	-	38,791	811,939
2030	811,939	-	85,069	-	36,547	763,417
2031	763,417	-	83,050	-	34,290	714,657
2032	714,657	-	80,972	-	32,023	665,708
2033	665,708	-	78,128	-	29,766	617,346
2034	617,346	-	75,177	-	27,538	569,707
2035	569,707	-	69,655	-	25,407	525,459
2036	525,459	-	66,724	-	23,375	482,110
2037	482,110	-	63,702	-	21,387	439,795
2038	439,795	-	60,605	-	19,451	398,641
2039	398,641	-	57,455	-	17,571	358,757
2040	358,757	-	54,285	-	15,752	320,224
2041	320,224	-	51,126	-	13,996	283,094
2042	283,094	-	48,003	-	12,307	247,398
2043	247,398	-	44,933	-	10,684	213,149
2044	213,149	-	41,923	-	9,129	180,355
2045	180,355	-	38,977	-	7,641	149,019
2046	149,019	-	36,099	-	6,221	119,141
2047	119,141	-	33,295	-	4,868	90,714
2048	90,714	-	30,572	-	3,583	63,725
2049	63,725	-	27,940	-	2,363	38,148
2050	38,148	-	25,405	-	1,209	13,952
2051	13,952	-	22,968	-	-	-

Number of Years Expected Benefit Payments Sustained: 29.61

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, 2023

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$17,876	\$17,703

ASSETS

Actuarial Value	1,231,302	1,231,302
Market Value	1,099,335	1,099,335

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	563,559	655,368
Beneficiaries	0	0
Disability Retirees	0	0
Terminated Vested	378,220	476,067
Total:	941,779	1,131,435
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)	941,779	1,131,435
Unfunded Actuarial Accrued Liability (UAAL)	(289,523)	(99,867)

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%
<u>PENSION COST</u>		
Normal Cost ¹	0	0
Administrative Expenses ¹	17,876	17,703
Payment Required To Amortize UAAL ¹	(28,951)	(13,747)
Minimum Required Contribution	\$17,876 ²	\$17,703 ²

¹ Contributions developed as of 10/1/2022 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.