

CITY OF FORT MEADE
FIREFIGHTERS' 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 Firefighters' 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	7,192	12,091
Interest	28,463	25,577
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	16,335	18,347
Changes of Assumptions	(18,627)	(26,288)
Benefit Payments, Including Refunds of Employee Contributions	(28,770)	(28,770)
Net Change in Total Pension Liability	4,593	957
Total Pension Liability - Beginning	413,806	513,831
Total Pension Liability - Ending (a)	<u>\$ 418,399</u>	<u>\$ 514,788</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	20,334	20,334
Net Investment Income	24,428	24,428
Benefit Payments, Including Refunds of Employee Contributions	(28,770)	(28,770)
Administrative Expenses	(16,659)	(16,659)
Net Change in Plan Fiduciary Net Position	(667)	(667)
Plan Fiduciary Net Position - Beginning	400,725	400,725
Plan Fiduciary Net Position - Ending (b)	<u>\$ 400,058</u>	<u>\$ 400,058</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 18,341</u>	<u>\$ 114,730</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	396,092	-	25,108	-	26,848	397,832
2021	397,832	-	27,249	-	26,895	397,478
2022	397,478	-	27,130	-	26,874	397,222
2023	397,222	-	32,446	-	26,670	391,446
2024	391,446	-	32,399	-	26,267	385,314
2025	385,314	-	33,327	-	25,806	377,793
2026	377,793	-	32,192	-	25,319	370,920
2027	370,920	-	30,976	-	24,880	364,824
2028	364,824	-	29,812	-	24,494	359,506
2029	359,506	-	28,984	-	24,151	354,673
2030	354,673	-	29,801	-	23,784	348,656
2031	348,656	-	28,985	-	23,391	343,062
2032	343,062	-	30,400	-	22,950	335,612
2033	335,612	-	28,615	-	22,491	329,488
2034	329,488	-	27,341	-	22,107	324,254
2035	324,254	-	27,938	-	21,720	318,036
2036	318,036	-	26,843	-	21,323	312,516
2037	312,516	-	26,296	-	20,956	307,176
2038	307,176	-	25,486	-	20,610	302,300
2039	302,300	-	24,540	-	20,302	298,062
2040	298,062	-	23,440	-	20,044	294,666
2041	294,666	-	22,500	-	19,839	292,005
2042	292,005	-	21,517	-	19,687	290,175
2043	290,175	-	20,711	-	19,587	289,051
2044	289,051	-	20,054	-	19,532	288,529
2045	288,529	-	20,073	-	19,494	287,950
2046	287,950	-	19,519	-	19,473	287,904
2047	287,904	-	18,588	-	19,503	288,819
2048	288,819	-	17,691	-	19,598	290,726
2049	290,726	-	16,984	-	19,756	293,498
2050	293,498	-	16,057	-	19,983	297,424
2051	297,424	-	15,131	-	20,290	302,583
2052	302,583	-	14,195	-	20,684	309,072
2053	309,072	-	13,280	-	21,170	316,962
2054	316,962	-	12,374	-	21,754	326,342
2055	326,342	-	11,484	-	22,442	337,300
2056	337,300	-	10,605	-	23,240	349,935
2057	349,935	-	9,782	-	24,153	364,306
2058	364,306	-	8,997	-	25,187	380,496
2059	380,496	-	8,241	-	26,346	398,601
2060	398,601	-	7,545	-	27,638	418,694
2061	418,694	-	6,893	-	29,067	440,868
2062	440,868	-	6,287	-	30,641	465,222
2063	465,222	-	5,724	-	32,365	491,863
2064	491,863	-	5,206	-	34,248	520,905
2065	520,905	-	4,729	-	36,298	552,474
2066	552,474	-	4,295	-	38,523	586,702
2067	586,702	-	3,900	-	40,933	623,735
2068	623,735	-	3,539	-	43,538	663,734
2069	663,734	-	3,208	-	46,349	706,875
2070	706,875	-	2,907	-	49,380	753,348
2071	753,348	-	2,631	-	52,642	803,359
2072	803,359	-	2,379	-	56,152	857,132

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
2073	857,132	-	2,149	-	59,924	914,907
2074	914,907	-	1,938	-	63,976	976,945
2075	976,945	-	1,745	-	68,325	1,043,525
2076	1,043,525	-	1,567	-	72,992	1,114,950
2077	1,114,950	-	1,402	-	77,997	1,191,545
2078	1,191,545	-	1,249	-	83,364	1,273,660
2079	1,273,660	-	1,107	-	89,117	1,361,670
2080	1,361,670	-	975	-	95,283	1,455,978
2081	1,455,978	-	854	-	101,889	1,557,013
2082	1,557,013	-	744	-	108,965	1,665,234
2083	1,665,234	-	644	-	116,544	1,781,134
2084	1,781,134	-	554	-	124,660	1,905,240
2085	1,905,240	-	473	-	133,350	2,038,117
2086	2,038,117	-	402	-	142,654	2,180,369
2087	2,180,369	-	337	-	152,614	2,332,646
2088	2,332,646	-	280	-	163,275	2,495,641
2089	2,495,641	-	230	-	174,687	2,670,098
2090	2,670,098	-	186	-	186,900	2,856,812
2091	2,856,812	-	148	-	199,972	3,056,636
2092	3,056,636	-	117	-	213,960	3,270,479
2093	3,270,479	-	90	-	228,930	3,499,319
2094	3,499,319	-	69	-	244,950	3,744,200
2095	3,744,200	-	52	-	262,092	4,006,240
2096	4,006,240	-	39	-	280,435	4,286,636
2097	4,286,636	-	29	-	300,064	4,586,671
2098	4,586,671	-	21	-	321,066	4,907,716
2099	4,907,716	-	15	-	343,540	5,251,241
2100	5,251,241	-	11	-	367,586	5,618,816
2101	5,618,816	-	8	-	393,317	6,012,125
2102	6,012,125	-	6	-	420,849	6,432,968
2103	6,432,968	-	4	-	450,308	6,883,272
2104	6,883,272	-	3	-	481,829	7,365,098
2105	7,365,098	-	2	-	515,557	7,880,653
2106	7,880,653	-	1	-	551,646	8,432,298
2107	8,432,298	-	1	-	590,261	9,022,558
2108	9,022,558	-	1	-	631,579	9,654,136
2109	9,654,136	-	-	-	675,790	10,329,926

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	396,092	-	25,108	-	19,177	390,161
2021	390,161	-	27,249	-	18,827	381,739
2022	381,739	-	27,130	-	18,409	373,018
2023	373,018	-	32,446	-	17,840	358,412
2024	358,412	-	32,399	-	17,111	343,124
2025	343,124	-	33,327	-	16,323	326,120
2026	326,120	-	32,192	-	15,501	309,429
2027	309,429	-	30,976	-	14,697	293,150
2028	293,150	-	29,812	-	13,912	277,250
2029	277,250	-	28,984	-	13,138	261,404
2030	261,404	-	29,801	-	12,325	243,928
2031	243,928	-	28,985	-	11,472	226,415
2032	226,415	-	30,400	-	10,561	206,576
2033	206,576	-	28,615	-	9,613	187,574
2034	187,574	-	27,341	-	8,695	168,928
2035	168,928	-	27,938	-	7,748	148,738
2036	148,738	-	26,843	-	6,766	128,661
2037	128,661	-	26,296	-	5,776	108,141
2038	108,141	-	25,486	-	4,770	87,425
2039	87,425	-	24,540	-	3,758	66,643
2040	66,643	-	23,440	-	2,746	45,949
2041	45,949	-	22,500	-	1,735	25,184
2042	25,184	-	21,517	-	721	4,388
2043	4,388	-	20,711	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.21

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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$21,561	\$32,079
Minimum Required Contribution (% of Payroll)	22.9%	34.1%

ASSETS

Actuarial Value	398,850	398,850
Market Value	396,092	396,092

LIABILITIES

Present Value of Benefits

Active Members

Retirement Benefits	203,284	317,735
Disability Benefits	10,447	15,972
Death Benefits	1,843	2,327
Vested Benefits	4,561	8,851
Refund of Contributions	0	0
Service Retirees	145,526	165,736
Beneficiaries	47,781	53,252
Disability Retirees	0	0
Terminated Vested	68,155	92,954
Total:	<u>481,597</u>	<u>656,827</u>

Present Value of Future Salaries	928,304	1,097,403
----------------------------------	---------	-----------

Present Value of Future

Member Contributions	0	0
----------------------	---	---

Total Normal Cost	4,947	9,606
-------------------	-------	-------

Present Value of Future

Normal Costs (Entry Age Normal)	82,290	162,327
---------------------------------	--------	---------

Total Actuarial Accrued Liability (FIL)	431,154	541,040
---	---------	---------

Unfunded Actuarial Accrued Liability (UAAL)	32,304	142,190
---	--------	---------

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2021

Valuation Date: 10/1/2020

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
<u>PENSION COST</u>		
Normal Cost ¹	5,120	9,942
Administrative Expenses ¹	13,550	13,550
Payment Required To Amortize UAAL ¹	<u>2,891</u>	<u>8,587</u>
Minimum Required Contribution	\$21,561	\$32,079

¹ Contributions developed as of 10/1/2020 displayed above have been adjusted to account for an assumed interest component.