

CITY OF FORT MEADE  
GENERAL EMPLOYEES' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE  
DETERMINED AS OF THE  
OCTOBER 1, 2019 VALUATION DATE



August 24, 2020

VIA E-MAIL

Laura Underhill  
Senior Financial Analyst

Re: City of Fort Meade General Employees' Retirement Plan  
Section 112.664, Florida Statutes Compliance

Dear Laura:

Please find enclosed the annual disclosures that satisfy the October 1, 2019 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:   
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Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #20-7778

Enclosures

cc via email: Breanna Smith, 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, 2019 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, 2019

	ACTUAL	HYPOTHETICAL
	7.00% RP-2000 Generational	5.00% RP-2000 Generational
<u>Total Pension Liability</u>		
Service Cost	82,796	132,087
Interest	392,798	347,212
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(49,621)	19,170
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(336,094)	(336,094)
Other	-	-
Net Change in Total Pension Liability	89,879	162,375
Total Pension Liability - Beginning	5,696,653	6,980,208
Total Pension Liability - Ending (a)	<u>\$ 5,786,532</u>	<u>\$ 7,142,583</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	212,649	212,649
Net Investment Income	255,992	255,992
Benefit Payments, Including Refunds of Employee Contributions	(336,094)	(336,094)
Administrative Expenses	(19,784)	(19,784)
Net Change in Plan Fiduciary Net Position	112,763	112,763
Plan Fiduciary Net Position - Beginning	5,038,827	5,038,827
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,151,590</u>	<u>\$ 5,151,590</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 634,942</u>	<u>\$ 1,990,993</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: 7.00% and RP-2000 Generational Mortality

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
2019	5,017,706	-	394,075	-	337,447	4,961,078
2020	4,961,078	-	396,468	-	333,399	4,898,009
2021	4,898,009	-	391,787	-	329,148	4,835,370
2022	4,835,370	-	386,645	-	324,943	4,773,668
2023	4,773,668	-	399,877	-	320,161	4,693,952
2024	4,693,952	-	409,110	-	314,258	4,599,100
2025	4,599,100	-	414,024	-	307,446	4,492,522
2026	4,492,522	-	423,737	-	299,646	4,368,431
2027	4,368,431	-	431,394	-	290,691	4,227,728
2028	4,227,728	-	430,122	-	280,887	4,078,493
2029	4,078,493	-	434,833	-	270,275	3,913,935
2030	3,913,935	-	432,904	-	258,824	3,739,855
2031	3,739,855	-	424,432	-	246,935	3,562,358
2032	3,562,358	-	410,870	-	234,985	3,386,473
2033	3,386,473	-	407,105	-	222,804	3,202,172
2034	3,202,172	-	398,561	-	210,202	3,013,813
2035	3,013,813	-	398,886	-	197,006	2,811,933
2036	2,811,933	-	384,475	-	183,379	2,610,837
2037	2,610,837	-	379,699	-	169,469	2,400,607
2038	2,400,607	-	369,259	-	155,118	2,186,466
2039	2,186,466	-	351,201	-	140,761	1,976,026
2040	1,976,026	-	332,909	-	126,670	1,769,787
2041	1,769,787	-	314,734	-	112,869	1,567,922
2042	1,567,922	-	300,467	-	99,238	1,366,693
2043	1,366,693	-	282,135	-	85,794	1,170,352
2044	1,170,352	-	263,472	-	72,703	979,583
2045	979,583	-	244,936	-	59,998	794,645
2046	794,645	-	230,427	-	47,560	611,778
2047	611,778	-	212,549	-	35,385	434,614
2048	434,614	-	195,356	-	23,586	262,844
2049	262,844	-	179,416	-	12,120	95,548
2050	95,548	-	164,055	-	-	-

Number of Years Expected Benefit Payments Sustained: 31.58

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% and RP-2000 Generational Mortality

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
2019	5,017,706	-	394,075	-	241,033	4,864,664
2020	4,864,664	-	396,468	-	233,322	4,701,518
2021	4,701,518	-	391,787	-	225,281	4,535,012
2022	4,535,012	-	386,645	-	217,084	4,365,451
2023	4,365,451	-	399,877	-	208,276	4,173,850
2024	4,173,850	-	409,110	-	198,465	3,963,205
2025	3,963,205	-	414,024	-	187,810	3,736,991
2026	3,736,991	-	423,737	-	176,256	3,489,510
2027	3,489,510	-	431,394	-	163,691	3,221,807
2028	3,221,807	-	430,122	-	150,337	2,942,022
2029	2,942,022	-	434,833	-	136,230	2,643,419
2030	2,643,419	-	432,904	-	121,348	2,331,863
2031	2,331,863	-	424,432	-	105,982	2,013,413
2032	2,013,413	-	410,870	-	90,399	1,692,942
2033	1,692,942	-	407,105	-	74,469	1,360,306
2034	1,360,306	-	398,561	-	58,051	1,019,796
2035	1,019,796	-	398,886	-	41,018	661,928
2036	661,928	-	384,475	-	23,485	300,938
2037	300,938	-	379,699	-	-	-

Number of Years Expected Benefit Payments Sustained: 18.79

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, 2020**

Valuation Date: 10/1/2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
Minimum Required Contribution (Fixed \$)	\$178,708	\$299,575
Minimum Required Contribution (% of Payroll)	14.4%	24.1%

**ASSETS**

Actuarial Value <sup>1</sup>	4,981,801	4,981,801
Market Value <sup>1</sup>	5,017,706	5,017,706

**LIABILITIES**

Present Value of Benefits

Active Members

Retirement Benefits	1,827,899	2,664,102
Disability Benefits	125,517	174,353
Death Benefits	61,771	72,720
Vested Benefits	53,701	104,766

Service Retirees	3,439,185	3,999,350
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DROP Retirees <sup>1</sup>	0	0
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Beneficiaries	0	0
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Disability Retirees	231,882	272,040
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Terminated Vested	592,219	818,259
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Total:	6,332,174	8,105,590
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Present Value of Future Salaries	9,263,030	10,407,394
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Total Normal Cost	71,880	115,886
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Present Value of Future

Normal Costs (Entry Age Normal)	581,910	1,029,592
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Total Actuarial Accrued Liability <sup>1</sup>	5,750,264	7,075,998
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Unfunded Actuarial Accrued Liability (UAAL)	798,620	2,124,354
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2020

Valuation Date: 10/1/2019

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<b><u>PENSION COST</u></b>		
Normal Cost <sup>2</sup>	76,628	122,347
Administrative Expenses <sup>2</sup>	29,936	29,647
Payment Required To Amortize UAAL <sup>2</sup>	<u>72,144</u>	<u>147,581</u>
Minimum Required Contribution	\$178,708	\$299,575

<sup>1</sup> The asset values and liabilities include accumulated DROP Balances as of 9/30/2019.

<sup>2</sup> Contributions developed as of 10/1/2019 displayed above have been adjusted to account for assumed salary increase and interest components.